ClauseWise Analysis Report

# Document Information

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| Filename: | test\_legal\_document.pdf |
| Analysis Date: | 2025-09-12 21:25:47 |
| Total Clauses: | 5 |

# Risk Summary

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| --- | --- |
| Overall Risk Score: | 52.4% |
| Completeness Score: | 83.3% |
| High Risk Clauses: | 1 |
| Medium Risk Clauses: | 2 |
| Low Risk Clauses: | 2 |

# Recommendations

* Consider adding liability caps to limit financial exposure
* Include dispute resolution mechanism (arbitration/mediation)
* Add force majeure clause for unforeseeable circumstances
* Review termination notice period requirements
* Consider shortening confidentiality period
* Clarify definition of material breach

# Clause Analysis

## Clause 1: Liability

**Risk Level:** High

**Summary:** The contractor is fully responsible for damages if they act negligently or on purpose.

**Original Text:** The contractor shall have unlimited liability for any damages caused by gross negligence or willful misconduct under this agreement.

## Clause 2: Termination

**Risk Level:** Medium

**Summary:** The contract can be ended immediately if someone breaks an important rule after giving written notice.

**Original Text:** Either party may terminate this agreement immediately upon material breach with written notice.

## Clause 3: Payment

**Risk Level:** Low

**Summary:** Bills must be paid within 30 days. There is a 1.5% monthly fee for late payments.

**Original Text:** Payment shall be due within 30 days of invoice receipt. Late payments incur 1.5% monthly interest.

## Clause 4: Confidentiality

**Risk Level:** Medium

**Summary:** Everyone must keep secret information private for 5 years.

**Original Text:** All parties agree to maintain strict confidentiality of proprietary information for 5 years.

## Clause 5: Governing Law

**Risk Level:** Low

**Summary:** California laws apply to this contract.

**Original Text:** This agreement shall be governed by the laws of California.