**Between:**  
Fourth Coffee ("Customer")  
And:  
Contoso Solutions Inc. ("Vendor")

**Effective Date:** March 5, 2024  
**Contract Number:** FC2024-002

**1. Scope of Services**

Contoso Solutions Inc. agrees to provide the following services to Fourth Coffee:

* Implementation of AI-Powered Customer Engagement Platform using Copilot Studio & Azure AI.
* Integration with Fourth Coffee's existing e-commerce and CRM systems.
* Ongoing support and maintenance for 12 months.

**2. Payment Terms**

**Total Contract Value:** $180,000  
**Payment Schedule:**

* 40% upfront upon signing ($72,000)
* 30% upon completion of AI system deployment ($54,000)
* 30% upon final project approval ($54,000)

Payments are due **net 30 days** from the invoice date.

**3. Service Level Agreement (SLA)**

**Uptime Guarantee:** 99.5% availability for AI services.  
**Support Response Times:**

* **Critical Issues:** Response within 2 hours.
* **Major Issues:** Response within 6 hours.
* **Minor Issues:** Response within 24 hours.

**Escalation Procedure:** Issues unresolved within 48 hours will be escalated to Contoso’s Senior Support Team.

**4. Data Privacy & Compliance**

* Fourth Coffee retains full ownership of all customer interaction data processed through the AI system.
* Vendor agrees to comply with GDPR and CCPA regulations regarding data protection.
* Data will be stored securely in **Microsoft Azure Datacenters (North America Region).**

**5. Contract Term & Renewal**

* **Initial Term:** 12 months (**March 15, 2024 – March 14, 2025**).
* **Renewal:** Auto-renewal for an additional 12 months unless terminated with 30 days’ written notice before expiration.

**6. Termination Clause**

Either party may terminate this agreement if:

* The other party breaches contract terms and fails to resolve within 30 days of notice.
* Fourth Coffee decides to discontinue AI services, with a **60-day termination notice.**

**7. Governing Law**

This contract shall be governed by and construed in accordance with the **laws of Washington State, USA.**

**Signatures:**

**Fourth Coffee**  
Name: Sarah Lee  
Title: Director of Customer Experience  
Date: March 5, 2024

**Contoso Solutions Inc.**  
Name: John Smith  
Title: Director of AI Solutions  
Date: March 5, 2024