

# GENERAL TERM AGREEMENT

Effective Date: January 1, 2024

THIS SERVICE AGREEMENT ("Agreement") is made and entered into by and between:

Service Provider:

Provider Name: ATROPIC Solutions, Inc.  
Address: 123 Innovation , Tech City, TC 45678  
Contact: John Doe, CEO  
Email: john.doe@Atropicsolutions.com

AND

Client Company:

Client Name: West Valley Corp Ltd.  
Address: 987 Enterprise Lane, Business Park, BP 12345  
Contact: Jane Smith, Head of Operations  
Email: jane.smith@westvalley.com

This Service Agreement ("Agreement") is entered into as of January 1, 2024 (the "Effective Date"), by and between WEST VALLEY Corp, a corporation duly organized and existing under the laws of [State], with its principal place of business at [Address] ("Client"), and ATROPIC Solutions, a corporation duly organized and existing under the laws of [State], with its principal place of business at [Address] ("Service Provider").

## 1. DEFINITIONS AND INTERPRETATIONS

1.1 "Services" refers to the tasks and activities to be performed by the Service Provider as outlined in the Scope of Services.

1.2 "Deliverables" refers to the specific outputs and products to be delivered to the Client as detailed in the Scope of Services.

1.3 "Confidential Information" shall mean all information, whether written, oral, or electronic, disclosed by one party to the other, designated as confidential, or which should reasonably be understood to be confidential.

1.4 "Term" refers to the period during which this Agreement will be in effect, as stated in Section 9 herein.

1.5 "Party" or "Parties" shall be interpreted as referring to the Client and/or the Service Provider.

## **2. SCOPE OF SERVICES**

2.1 ATROPIC Solutions agrees to provide the following services to WEST VALLEY Corp, as per the timelines and standards established herein:

(a) Web development, including the design, coding, and deployment of an e-commerce platform, to be completed by April 30, 2024.

(b) Monthly maintenance services, including updates, security patches, and bug fixing, to be provided from May 1, 2024, until December 31, 2024.

2.2 Responsibilities of WEST VALLEY Corp include:

(a) Providing ATROPIC Solutions with all necessary data and access to current digital systems;

(b) Ensuring timely feedback and approval of deliverables as per the agreed timelines.

2.3 Failure to meet these responsibilities by WEST VALLEY Corp may result in delays for which ATROPIC Solutions shall not be held liable.

## **3. PAYMENT TERMS AND INVOICING**

3.1 Service Fees: WEST VALLEY Corp agrees to pay ATROPIC Solutions the total amount of \$100,000 for services rendered under this Agreement.

3.2 Payments will be made as follows:

(a) An initial payment of \$25,000 upon signing this Agreement.

(b) Monthly payments of \$10,000 starting February 1, 2024, and continuing on the 1st of

every month through December 1, 2024.

3.3 Invoicing: ATROPIC Solutions will issue invoices to WEST VALLEY Corp on the 15th of each month for the services provided in the prior month.

3.4 Late Fees: Any amounts not paid within thirty (30) days of the invoice date will be subject to a late fee of 1.5% per month.

3.5 Payment Adjustments: Any adjustments to the payment rate due to scope changes must be agreed upon in writing by both parties and will be reflected in amended invoices.

## 4. CONFIDENTIALITY

The purpose of this Confidentiality Clause is to establish the terms under which confidential information shared between the parties will be protected. This clause ensures that sensitive, proprietary, or non-public information remains secure and is not disclosed to unauthorized individuals or entities.

### Definitions:

1. **Confidential Information:** For the purposes of this clause, "Confidential Information" includes but is not limited to business plans, trade secrets, financial data, customer lists, product designs, marketing strategies, technological developments, intellectual property, software, research, employee information, and other proprietary information.
2. **Exclusions from Confidential Information:** Information shall not be considered confidential if:
  - It is or becomes public knowledge through no breach of this Agreement.
  - It was already known to the receiving party before disclosure by the disclosing party.
  - It is independently developed by the receiving party without reference to or use of the disclosing party's Confidential Information.
  - It is lawfully obtained by the receiving party from a third party without a duty of confidentiality.

### Obligations of the Parties:

1. **Non-Disclosure:** Each party agrees not to disclose any Confidential Information received from the other party to any third party except as expressly permitted by this Agreement or as required by law.

2. **Use Limitation:** Confidential Information shall be used only for purposes directly related to fulfilling the terms of this contract and shall not be used for any other purpose without the prior written consent of the disclosing party.
3. **Security Measures:** The receiving party agrees to use reasonable security measures to protect the confidentiality of the information, including secure storage, restricted access, and encryption where applicable.
4. **Permitted Disclosures:** Confidential Information may be disclosed to employees, agents, or advisors of the receiving party only if:
  - Such persons have a legitimate need to know the information.
  - Such persons are bound by confidentiality obligations at least as restrictive as those in this clause.

**Duration:**

The confidentiality obligations shall continue for a period of [X] years after the termination or expiration of this Agreement or indefinitely, as stipulated in the contract, if the nature of the Confidential Information requires long-term protection.

**Mandatory Disclosure:**

If the receiving party is legally required to disclose any Confidential Information, it shall:

1. Provide prompt written notice to the disclosing party, if allowed by law.
2. Cooperate with the disclosing party's efforts to seek a protective order or other legal remedy to prevent or limit disclosure.
3. Only disclose the part of the Confidential Information that is legally required.

**Remedies for Breach:**

The parties agree that any breach of this Confidentiality Clause would result in irreparable harm to the disclosing party and that monetary damages alone may be insufficient. Therefore, the disclosing party may seek injunctive relief in addition to any other remedies available under law or equity.

4.1 Both parties acknowledge that during the performance of this Agreement, they may have access to Confidential Information. The purpose of this Confidentiality Clause is to establish the terms under which confidential information shared between the parties will be protected. This clause ensures that sensitive, proprietary, or non-public information remains secure and is not disclosed to unauthorized individuals or entities.

4.2 Each party agrees to:

- (a) Maintain the confidentiality of the other party's Confidential Information;

(b) Only use such Confidential Information for the purposes of performing this Agreement;  
and

(c) Not disclose such Confidential Information to any third party without the prior written consent of the disclosing party.

4.3 These confidentiality obligations shall survive the termination or expiration of this Agreement for a period of three (3) years.

## **5. Intellectual Property**

5.1 Ownership and Rights. All intellectual property ("IP") created by ATROPIC Solutions pursuant to this Agreement, including but not limited to software, documentation, designs, and inventions, shall be the exclusive property of WEST VALLEY Corp. ATROPIC Solutions hereby assigns all right, title, and interest in and to such IP to WEST VALLEY Corp. ATROPIC Solutions agrees to execute any documents necessary to perfect such assignment.

5.2 Usage Rights. ATROPIC Solutions shall have a non-exclusive, non-transferable license to use the IP created during the term of this Agreement solely for the purpose of performing the Services under this Agreement and for no other purpose.

### **2.1 Intellectual Property (IP)**

IP includes all patents, trademarks, copyrights, trade secrets, and other proprietary rights created, conceived, developed, or reduced to practice in the course of the parties' relationship. This includes but is not limited to:

Inventions, improvements, and designs

Software code, algorithms, and databases

Written materials, documentation, and media content

Brand elements, including names, logos, and slogans

### **2.2 Background IP**

"Background IP" refers to any IP owned, created, or controlled by either party prior to the effective date of this Agreement, as well as IP independently developed by a party without the use of or reference to the other party's Confidential Information or resources.

### **2.3 Foreground IP**

"Foreground IP" refers to any IP that is created or developed by either party or jointly by both parties specifically for or during the course of this Agreement.

### 3. Ownership of IP

#### 3.1 Background IP Ownership

Each party retains all rights, title, and interest in its Background IP. No rights to Background IP are transferred or granted under this Agreement except as explicitly stated.

#### 3.2 Foreground IP Ownership

Ownership of Foreground IP shall be determined as follows:

**Sole Ownership:** If either party independently creates Foreground IP without contributions from the other, the creating party retains sole ownership.

**Joint Ownership:** If Foreground IP is jointly created by both parties, each party shall have an equal, undivided interest unless otherwise agreed in writing.

#### 3.3 Assignment of Rights

If this Agreement stipulates that one party shall own Foreground IP created by the other party, the creating party agrees to assign all rights, title, and interest in such IP to the other party. All necessary documents to perfect this assignment shall be executed by the creating party upon request.

#### 3.4. License Grants

##### 3.4.1 License to Background IP

Each party grants the other a non-exclusive, royalty-free, non-transferable license to use its Background IP solely for the purpose of fulfilling obligations under this Agreement. This license does not include any rights for resale, sublicensing, or commercial exploitation outside the terms of this Agreement.

##### 3.4.2 License to Foreground IP

If the Foreground IP is jointly owned, each party grants the other a non-exclusive, royalty-free license to use the Foreground IP. For commercial use, both parties must agree in writing to the terms of use, royalties, and revenue sharing.

### 3.5. Protection of IP

#### 3.5.1 IP Registration and Maintenance

The party owning IP is responsible for any registration, prosecution, or maintenance of that IP, including filing patents or registering copyrights or trademarks as applicable. The parties shall cooperate in good faith to protect jointly owned IP.

#### 3.5.2 Infringement Notification

Each party agrees to promptly notify the other in writing of any suspected infringement of the IP owned or used by the other party. The owner of the IP may, at its discretion, initiate and control enforcement actions, and the other party agrees to provide reasonable assistance, at the owner's expense.

### 3.6. Liability and Indemnification

**3.6.1 Limitation of Liability.** In no event shall either party be liable for any indirect, incidental, special, or consequential damages, including but not limited to loss of profits or revenue, even if advised of the possibility of such damages.

**3.6.2 Indemnification.** Each party ("Indemnitor") agrees to indemnify, defend, and hold harmless the other party ("Indemnitee"), its officers, directors, employees, and agents from and against any and all claims, liabilities, damages, losses, costs, and expenses (including reasonable attorneys' fees) arising out of or related to: (a) any breach by the Indemnitor of any representation, warranty, or covenant contained in this Agreement; (b) the Indemnitor's gross negligence or willful misconduct; or (c) any infringement or violation of any third party IP rights.

## **6. Dispute Resolution**

### 6.1 Good Faith Negotiations

In the event of any dispute, controversy, or claim arising out of or relating to this Agreement, including any questions regarding its existence, validity, interpretation, breach, or termination ("Dispute"), the parties agree to first attempt to resolve the Dispute through good faith negotiations. Either party may initiate the negotiation process by providing written notice of the Dispute to the other party. The parties shall meet within [15] days of such notice and use reasonable efforts to resolve the Dispute amicably.

### 6.2 Mediation

If the Dispute cannot be resolved through good faith negotiations within [30] days after the notice, the parties agree to submit the Dispute to mediation. Mediation will take place in [City, State] or another mutually agreed location. The parties shall jointly select a neutral mediator with expertise in [insert relevant field, e.g., intellectual property, contract law]. The costs of mediation shall be shared equally by the parties. If mediation does not resolve the Dispute within [30] days of commencement, either party may proceed to arbitration as outlined below.

### 6.3 Arbitration

If the Dispute remains unresolved after mediation, it shall be finally resolved through binding arbitration in accordance with the following provisions:

**Arbitration Rules:** The arbitration shall be conducted under the rules of the [American Arbitration Association (AAA) / Judicial Arbitration and Mediation Services (JAMS) / other applicable institution], unless otherwise agreed upon by the parties.

**Location and Language:** The arbitration shall take place in [City, State], and the proceedings shall be conducted in English.

**Selection of Arbitrator(s):** The arbitration shall be conducted by a single arbitrator, mutually agreed upon by the parties, or, if the parties cannot agree, by an arbitrator appointed under the applicable arbitration rules. The arbitrator shall be an attorney or retired judge with experience in [intellectual property / contract disputes / other relevant field].

**Arbitration Costs:** Each party shall bear its own legal fees and costs, but the costs of arbitration (e.g., arbitrator's fees, administrative fees) shall be shared equally, unless otherwise determined by the arbitrator.

**Confidentiality:** The arbitration and all related proceedings, documentation, and awards shall be kept confidential, except as required by law or to enforce the arbitration award.

### 6.4 Final and Binding Decision

The decision and award of the arbitrator shall be final, conclusive, and binding upon the parties. The parties agree that the arbitration award may be entered as a judgment in any court having jurisdiction over the parties.

### 6.5 Equitable Relief

Notwithstanding the foregoing, either party may seek injunctive or equitable relief in any court of competent jurisdiction to protect its intellectual property rights, trade secrets, or confidential information pending resolution of the Dispute through mediation or arbitration.



6.6 Governing Law and Jurisdiction

This Agreement and any Dispute arising under or relating to this Agreement shall be governed by the laws of the State of [State], without regard to its conflict of laws principles. For purposes of enforcing any arbitration award or seeking preliminary relief as allowed in Section 11.5, each party consents to the exclusive jurisdiction of the state and federal courts located in [City, State].

7. Termination

7.1 Termination for Convenience. Either party may terminate this Agreement for any reason upon 30 days written notice to the other party.

7.2 Termination for Cause. Either party may terminate this Agreement immediately upon written notice if the other party: (a) breaches any material term or condition of this Agreement and fails to cure such breach within 15 days after receipt of written notice of the breach; or (b) becomes insolvent, files for bankruptcy, or ceases to do business.

7.3 Consequences of Termination. Upon termination of this Agreement, ATROPIC Solutions shall immediately cease all work and deliver to WEST VALLEY Corp all work in progress, completed work, and any materials or information provided by WEST VALLEY Corp. WEST VALLEY Corp shall pay ATROPIC Solutions for all Services rendered and expenses incurred up to the effective date of termination.

8. Key Dates and Milestones

Clause	Description	Effective Date	Expiry Date	Payment Terms	Penalties
Confidentiality	Both parties agree not to disclose confidential information without written consent.	2024-01-01	2025-01-01	N/A	Up to \$50,000
Termination	Either party may terminate the	2024-01-01	2025-01-01	N/A	\$10,000 if notice not provided

	agreement with 30 days' written notice.				
Payment Schedule	Payments to be made quarterly within 15 days of invoice receipt.	2024-01-01	2025-01-01	Net 15 days	1.5% interest on late payments
Intellectual Property	All IP developed under this contract remains the property of the creator.	2024-01-01	2025-01-01	N/A	\$100,000 for unauthorized use
Limitation of Liability	The liability of each party shall not exceed the total contract value.	2024-01-01	2025-01-01	N/A	Limited to contract value
Warranties	The supplier warrants all goods are free from defects for one year from delivery.	2024-01-01	2025-01-01	N/A	Replacement or repair of goods
Dispute Resolution	Any disputes shall be resolved through arbitration as per applicable laws.	2024-01-01	2025-01-01	N/A	Costs split between both parties
Force Majeure	Neither party is liable for delays due to events beyond their control (e.g., natural disasters).	2024-01-01	2025-01-01	N/A	None

## 9. Eligibility for Rebates/Volume Discounts

### 9.1 General Eligibility Requirements

The parties agree that eligibility for rebates or volume discounts will be based on the aggregate volume of [products, licenses, services, etc.] purchased or utilized by West Valley Corp within a specified period. To qualify for these benefits, West Valley Corp must meet the following criteria:

Compliance: Maintain full compliance with the terms and conditions of this Agreement, including but not limited to payment obligations and usage restrictions.

Minimum Purchase Thresholds: Achieve the minimum purchase thresholds, as detailed in Exhibit A, within the applicable billing cycle or annual term to qualify for volume-based pricing or rebate eligibility.

## 9.2 Volume Discount Tiers and Rates

Volume discounts are structured on a tiered basis, with higher discounts available for increased purchasing volumes. The discount tiers, qualifying purchase volumes, and corresponding discount rates are set forth in Exhibit A. West Valley Corp shall be eligible for a discount rate applicable to the highest tier for which it qualifies within the applicable time period.

## 9.3 Rebate Structure

If eligible, West Valley Corp may receive a rebate in the form of a credit or refund, as specified in Exhibit B. Rebates are based on total purchases during each quarter or annual period and are calculated as a percentage of the qualifying spend as per the terms in Exhibit B. Any rebate amount earned by West Valley Corp will be applied as a credit toward future purchases or, upon request, refunded at the end of each qualifying period.

## 9.4 Calculation and Payment of Rebates/Discounts

Calculation: Rebates and volume discounts will be calculated based on the net purchase amount, excluding any taxes, shipping costs, and non-qualifying fees. The total purchase amount will be assessed at the end of each qualifying period (e.g., monthly, quarterly, annually).

Issuance of Rebates/Discounts: Eligible discounts will be applied automatically to the next billing cycle. Rebates will be issued within [30] days following the end of the qualifying period, either as a credit or refund, as specified in Exhibit B.

Adjustment for Returns: If any items are returned, rebates and discounts will be adjusted to reflect the net volume after returns. In the event of excess rebates/discounts issued due to returns, West Valley Corp agrees to reimburse Atropic the excess amount or have the equivalent deducted from future rebates/discounts.

## 9.5 Loss of Eligibility

West Valley Corp may forfeit eligibility for rebates and volume discounts if it fails to comply with the terms of this Agreement, including timely payments and adherence to purchase thresholds. If eligibility is lost, West Valley Corp will be required to meet eligibility requirements anew to re-qualify for future rebates or discounts.

## 9.6 Audit Rights

Atropic reserves the right to audit West Valley Corp's records and accounts related to purchases under this Agreement to verify eligibility for rebates and volume discounts. Such audits shall be conducted with [30] days' written notice, during regular business hours, and no more than once per year, unless discrepancies are found. In cases where ineligible discounts or rebates are identified, West Valley Corp agrees to repay the amount within [30] days of notice.

## 9.7 Modifications to Rebate/Discount Program

Atropic reserves the right to modify the rebate and volume discount program, including the qualifying criteria and rates, upon [60] days' written notice. Modifications will not affect discounts or rebates earned on purchases made before the effective date of the change.

## 10. Export Control

Compliance with Export Laws:

Both Atropic Solutions and West Valley Corp agree to comply with all applicable export control laws and regulations of the United States, the European Union, and any other applicable jurisdictions governing the export of goods, software, and technology. Neither party shall export, re-export, or otherwise transfer any items or technology in violation of any applicable export control laws.

Licensing Requirements:

If any products or services provided under this Agreement are subject to export licensing requirements, the Parties agree to obtain any necessary export licenses or approvals prior to the export or re-export of such products or services. [Missing: Specific government agency/authority responsible for issuing licenses.]

End-User and End-Use:

The Parties will ensure that no product, service, or technology provided under this Agreement will be sold, transferred, or made available to any person or entity that is prohibited by any applicable export control law. [Missing: Specific list of prohibited entities or countries.]

Notification of Violations:

If any Party becomes aware of any export control violation in connection with the products or services provided under this Agreement, they will notify the other Party immediately. [Missing: Specific timeframe for notification.]

## **11. COLA/Inflation Adjustment**

The contract pricing will be reviewed and adjusted annually based on the national Consumer Price Index (CPI). A price increase or decrease will be applied proportionally to reflect changes in the CPI over the previous year, with adjustments capped at 5% per year to prevent significant fluctuations.

Both parties agree to a yearly review meeting to discuss any economic changes that may impact contract pricing. This adjustment ensures fair alignment with inflation trends while capping excessive price changes.

### **11.1. Purpose:**

The purpose of this clause is to ensure that the agreed-upon compensation and fees under this Agreement maintain their real value and purchasing power in the face of inflation or increases in the cost of living. This adjustment shall apply annually (or at other agreed intervals) to specified payments to fairly reflect economic conditions.

### **11.2. Adjustment Method:**

- a. The Consumer Price Index (CPI) published by the U.S. Bureau of Labor Statistics (or another agreed-upon index) shall be used as the basis for calculating the cost-of-living adjustment.
- b. The COLA shall be determined by calculating the percentage increase, if any, in the CPI over the preceding 12 months from the most recently available CPI data as of the adjustment date.

### **11.3. Adjustment Date:**

- a. The adjustment shall occur on the anniversary date of this Agreement each year (or other specified date), hereinafter referred to as the "Adjustment Date."
- b. The new adjusted payment amount shall be effective as of the Adjustment Date and shall remain in effect until the next Adjustment Date, unless otherwise amended or adjusted in accordance with this Agreement.

### **11.4. Calculation of Adjustment:**

- a. The payment amount shall be increased by the same percentage as the percentage increase in the CPI over the previous year.
- b. For example, if the previous year's CPI indicated a 3% increase, then the payment amount shall be increased by 3%.

#### 11.5. Limitations on Adjustment:

- a. Minimum Adjustment: In the event the CPI indicates no change or a decrease, the payment amount shall remain the same and shall not be reduced.
- b. Maximum Cap: The adjustment percentage shall not exceed [insert maximum percentage cap, e.g., 5%] in any given year, even if the CPI indicates a greater increase.

#### 11.6. Notification:

- a. The [Party Responsible for Payment, e.g., "Purchaser"] shall notify the [Receiving Party, e.g., "Service Provider"] in writing of any adjustment to the payment amount at least 30 days prior to the Adjustment Date.
- b. The notification shall include the adjusted payment amount, the applicable CPI data, and the calculation used to determine the adjustment.

## 12. Committal/Non-Committal Contracts

This Agreement is non-committal, meaning that neither party is obligated to purchase or sell any specific quantity of goods or services. The agreement serves as a framework for future negotiations but does not impose any binding commitment to enter into specific transactions. Either party may choose to enter into individual purchase orders under the terms set forth in this Agreement, but there is no minimum purchase requirement. The agreement may be terminated by either party with 30 days' notice.

This non-committal clause provides flexibility by ensuring that there are no specific purchase obligations while still maintaining a formal framework for negotiations.

## 13. Force Majeure

Neither party shall be held responsible for failure to perform any obligation under the contract due to unforeseen circumstances or events beyond their control, such as natural disasters, war, or government intervention.

### 13.1. Definition:

For the purpose of this Agreement, "Force Majeure" shall mean any event or circumstance that is beyond the reasonable control of the affected party, which could not have been reasonably foreseen or avoided, and that renders the affected party unable to perform its obligations under this Agreement. Such events may include, but are not limited to:

13.2. Acts of God (e.g., natural disasters such as earthquakes, floods, hurricanes, fires)

War, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riots, or other civil disturbances

Government orders, laws, regulations, or restrictions (e.g., sanctions, embargoes)

Epidemics, pandemics, or other public health emergencies (including but not limited to government-mandated quarantines)

Strikes, labor disputes, or work stoppages

### 13.3. Effect of Force Majeure:

a. Suspension of Obligations: Upon the occurrence of a Force Majeure event, the affected party shall be excused from performing its obligations under this Agreement to the extent and for the duration that such performance is prevented or delayed by the Force Majeure event.

b. Notification: The affected party shall notify the other party in writing within [insert time frame, e.g., "five (5) business days"] after the onset of the Force Majeure event. The notification must specify the nature of the event, its expected duration (if known), and the obligations impacted.

c. Resumption of Obligations: The affected party shall use all reasonable efforts to resume full performance of its obligations under this Agreement as soon as practicable once the Force Majeure event has ceased.

### 13.4. Termination Due to Extended Force Majeure:

If the Force Majeure event continues for a period exceeding [insert time frame, e.g., "thirty (30) days"] and significantly affects the performance of the Agreement, either party may elect to terminate this Agreement upon written notice to the other party. In the event of termination, neither party shall be liable to the other for any damages, penalties, or other compensation due to the Force Majeure event; however, both parties shall be responsible for all obligations that accrued prior to termination.

### 13.5. Limitations and Exclusions:

- a. The party claiming Force Majeure shall not be excused from performance if it could have prevented or overcome the effects of the Force Majeure event through reasonable measures.
- b. Financial hardship or changes in market conditions shall not be considered Force Majeure events under this Agreement.

#### 13.6. Mitigation:

Each party agrees to use reasonable efforts to mitigate the impact of a Force Majeure event on its ability to perform under this Agreement.

### 14. Governing Law

This contract shall be governed by and construed in accordance with the laws of the state or country where the supplier is based.

### 15. Non-Compete

The supplier agrees not to engage in any business that directly competes with the buyer's business within a specified time period and geographical location after the contract ends.

#### Scope of Restriction:

- a. During the term of this Agreement, and for a period of [insert duration, e.g., "one (1) year"] following the termination or expiration of this Agreement (the "Restricted Period"), West Valley Corp shall not, directly or indirectly, engage in, own, operate, control, or participate in any business, enterprise, or entity that competes with the business activities of Atropic Solutions in [specify geographic area, e.g., "within a 50-mile radius of Atropic Solutions' headquarters" or "within the United States"].
- b. The restricted business activities include, but are not limited to, [list specific business activities that are considered competitive, such as "offering similar products, services, or solutions that are competitive with Atropic Solutions' offerings in [industry sector]."]

#### Non-Solicitation of Clients and Employees:

- a. Clients: During the Restricted Period, West Valley Corp agrees not to solicit, induce, or attempt to solicit or induce any client or customer of Atropic Solutions to terminate or diminish its business relationship with Atropic Solutions, nor shall West Valley Corp encourage any client or customer to establish a business relationship with any competitor of Atropic Solutions.
- b. Employees and Contractors: West Valley Corp further agrees that, during the Restricted Period, it will not, directly or indirectly, solicit, recruit, hire, or otherwise encourage any employee, contractor, or agent of Atropic Solutions to terminate their relationship with Atropic



Solutions, or to engage in employment or other business activities with any entity that competes with Atropic Solutions.

#### Confidentiality of Proprietary Information:

West Valley Corp acknowledges that any proprietary, confidential, or trade secret information obtained during the course of this Agreement is the exclusive property of Atropic Solutions and agrees not to disclose, use, or otherwise exploit such information for any competitive purpose, whether during or after the term of this Agreement.

#### Reasonableness of Restrictions:

Both parties acknowledge that the restrictions contained in this clause are reasonable in terms of scope, duration, and geography and are necessary to protect the legitimate business interests of Atropic Solutions, including its confidential information, client relationships, and goodwill.

#### Exceptions:

This Non-Compete clause shall not apply if:

The activity conducted by West Valley Corp does not interfere with or detract from the business of Atropic Solutions.

The activity is conducted outside of the Restricted Period or specified geographic area.

Written permission is obtained from Atropic Solutions allowing West Valley Corp to engage in specified business activities otherwise prohibited under this clause.

#### Severability:

If any portion of this Non-Compete clause is deemed invalid or unenforceable by a court of competent jurisdiction, such provision shall be modified to the minimum extent necessary to render it enforceable, and the remainder of this clause shall continue in full force and effect.

#### Remedies:

West Valley Corp acknowledges that any breach or threatened breach of this Non-Compete clause could result in irreparable harm to Atropic Solutions for which monetary damages may be inadequate. Accordingly, Atropic Solutions shall be entitled to seek injunctive relief, including

temporary and permanent restraining orders, in addition to any other legal or equitable remedies available to it.

## **16. Audit Rights**

The buyer has the right to audit the supplier's financial records and operations to ensure compliance with the terms and conditions of the contract.

### **Right to Audit:**

West Valley Corp reserves the right to audit the records, systems, and practices of Atropic Solutions relevant to the performance under this Agreement. The audit may be conducted to verify Atropic Solutions' compliance with contract terms, quality standards, financial obligations, data protection protocols, and any applicable regulatory requirements.

### **Scope of Audit:**

- a. The audit shall be limited to those records, processes, and practices directly related to the services provided by Atropic Solutions under this Agreement.
- b. Areas subject to audit may include but are not limited to: billing records, financial transactions, performance data, security practices, quality control documentation, data processing and storage practices, and any third-party compliance.

### **Audit Frequency:**

Audits may be conducted no more than once per calendar year unless otherwise required due to a material breach, regulatory investigation, or reasonable suspicion of non-compliance. Additional audits in response to such events may occur upon prior written notice.

### **Notice of Audit:**

West Valley Corp will provide at least thirty (30) days' written notice to Atropic Solutions prior to conducting any audit. The notice will specify the purpose, scope, and intended duration of the audit, as well as the identity of any external auditors, if applicable.

### **Cooperation and Access:**

- a. Atropic Solutions agrees to provide reasonable access to relevant personnel, documents, records, and systems necessary for the audit.

- b. Atropic Solutions will make commercially reasonable efforts to facilitate the audit process, including providing a suitable workspace for West Valley Corp's auditors, if conducted on-site.
- c. Atropic Solutions will also make available any relevant subcontractor records or data necessary to fulfill the audit's purpose, if applicable.

#### Confidentiality of Audit Findings:

West Valley Corp agrees that all audit findings will be treated as confidential and will be shared only with relevant personnel of West Valley Corp or as required by law. All audit results and reports shall be used solely to assess Atropic Solutions' performance and compliance and to ensure fulfillment of the Agreement terms.

#### Costs of the Audit:

- a. Routine audits will be conducted at the expense of West Valley Corp.
- b. However, if any audit reveals a material breach of this Agreement, or if compliance levels are found to be below the standards agreed upon, Atropic Solutions shall reimburse West Valley Corp for reasonable audit costs, provided that written documentation of the breach or non-compliance is furnished.

#### Corrective Action:

- a. Atropic Solutions shall promptly implement corrective actions to address any deficiencies, non-compliance, or material breaches identified in the audit.
- b. A written action plan detailing the corrective measures and expected timeline for implementation shall be provided to West Valley Corp within thirty (30) days of receiving the audit findings.

#### Retention of Records:

Atropic Solutions agrees to maintain accurate records and supporting documentation relevant to this Agreement for a minimum of five (5) years from the completion of the services, or as required by applicable laws and regulations, whichever is longer.

#### Termination and Survival of Rights:

- a. The rights provided under this clause shall survive for two (2) years following termination or expiration of this Agreement, allowing West Valley Corp to conduct a final audit of Atropic Solutions' performance, obligations, and deliverables under the Agreement.
- b. Any corrective actions identified in a final audit must be implemented by Atropic Solutions within the agreed-upon timeframe or as specified in a written agreement with West Valley Corp.

#### Dispute Resolution for Audit Findings:

Any disputes related to audit findings or interpretations thereof shall be resolved in accordance with the dispute resolution procedures established within this Agreement. Both parties shall endeavor to resolve any such disputes in good faith before seeking formal arbitration or legal remedies.

### **17. Performance Bonds**

The supplier agrees to provide a performance bond as security to ensure the fulfillment of all contractual obligations and the payment of any claims resulting from non-performance.

#### Requirement for Performance Bond:

- a. To ensure the fulfillment of its obligations under this Agreement, West Valley Corp agrees to provide a performance bond in favor of Atropic Solutions prior to commencing any work under this contract.
- b. The bond shall serve as a guarantee for the satisfactory completion of all deliverables and adherence to the timelines and standards set forth in this Agreement.

#### Bond Amount and Issuer:

- a. The performance bond shall be in an amount equal to [specify percentage, e.g., "100% of the contract value" or specify amount].
- b. The bond must be issued by a reputable bonding or surety company approved by Atropic Solutions and licensed to issue bonds in [specify jurisdiction, e.g., "the state of California"].
- c. West Valley Corp shall be responsible for all costs associated with procuring and maintaining the performance bond.

#### Conditions of the Performance Bond:

- a. The bond shall be conditioned on West Valley Corp's complete and timely performance of all obligations, as specified in this Agreement.

b. The bond shall remain valid and enforceable until [specify period, e.g., "the expiration of the warranty period" or "the completion and acceptance of all work by Atropic Solutions"].

#### Claims Against the Bond:

a. Atropic Solutions may make a claim against the bond if West Valley Corp fails to perform in accordance with this Agreement or otherwise defaults on its obligations.

b. Prior to making a claim, Atropic Solutions shall provide written notice to West Valley Corp, specifying the nature of the alleged default or failure and allowing West Valley Corp a reasonable period (no less than [e.g., "ten (10) business days"]) to cure the default, unless immediate action is required to prevent harm or loss.

#### Replacement of Bond:

a. Should the performance bond be canceled, revoked, or otherwise become unenforceable for any reason, West Valley Corp shall promptly notify Atropic Solutions and provide a replacement bond from an approved issuer within [specify timeframe, e.g., "fifteen (15) business days"] to ensure continued coverage.

#### Bond Expiration and Release:

a. The performance bond shall remain in effect until Atropic Solutions has determined that West Valley Corp has satisfactorily completed all obligations under this Agreement, including any warranty obligations, if applicable.

b. Upon satisfactory completion and final acceptance of all work by Atropic Solutions, and after expiration of any specified warranty period, Atropic Solutions shall provide written notice to the bonding company releasing the performance bond.

#### Indemnity and No Waiver:

a. This Performance Bonds clause is supplemental to all other rights and remedies of Atropic Solutions under this Agreement.

b. Atropic Solutions' right to claim under the bond shall not preclude its right to seek additional legal remedies, including but not limited to damages, specific performance, and/or injunctive relief in the event of West Valley Corp's non-compliance.

#### Governing Law and Dispute Resolution:

Any disputes arising out of or relating to the performance bond shall be governed by the laws of [specify jurisdiction, e.g., "the state of California"], and any actions to enforce the bond shall be brought exclusively in the courts of said jurisdiction.

Severability:

If any portion of this clause is deemed invalid or unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

## **18. Amendment**

Any amendments or modifications to this contract must be in writing and signed by authorized representatives of both parties.

Right to Amend:

This Agreement may be amended, modified, or supplemented only as provided in this clause. No changes, amendments, or modifications shall be effective unless made in accordance with the provisions outlined below.

Mutual Agreement Requirement:

- a. Any amendment to this Agreement must be agreed upon in writing by both Atropic Solutions and West Valley Corp.
- b. Both parties acknowledge and agree that any changes to the terms, obligations, or rights under this Agreement shall only be valid and enforceable if executed by authorized representatives of both parties.

Form and Execution of Amendments:

- a. Amendments to this Agreement shall be documented in writing, clearly stating the sections being modified and detailing the agreed-upon changes.
- b. Amendments may take the form of an addendum or revised Agreement, provided both forms are clearly identified as amendments and signed by both parties.
- c. Electronic signatures, if consistent with applicable law and agreed upon by both parties, may be used to formalize the amendment.

Effective Date of Amendment:

- a. An amendment shall become effective on the date specified in the written amendment document or, if no date is specified, upon execution by both parties.
- b. Any terms, rights, or obligations modified by the amendment will apply only from the effective date forward, unless explicitly stated otherwise within the amendment document.

#### Scope of Amendments:

- a. Amendments may apply to any part of this Agreement, including but not limited to terms related to deliverables, timelines, compensation, intellectual property, confidentiality, or termination provisions.
- b. However, amendments shall not retroactively alter completed work, actions taken, or obligations fulfilled under the terms of this Agreement prior to the effective date of the amendment.

#### No Implied Waiver:

Any amendment or modification of this Agreement shall not be construed as a waiver of any rights or remedies available to either party, unless such waiver is explicitly stated within the amendment. All terms and conditions of this Agreement that are not specifically amended shall remain in full force and effect.

#### Legal Review and Compliance:

Each party acknowledges that they have the right to consult legal counsel regarding the proposed amendment. All amendments shall comply with applicable laws and regulations governing this Agreement and the operations of Atropic Solutions and West Valley Corp.

#### Entire Agreement and Supersession:

Unless explicitly stated otherwise, this Agreement, as amended, constitutes the entire agreement between Atropic Solutions and West Valley Corp with respect to the subject matter hereof. It supersedes any prior oral or written agreements, representations, or understandings between the parties related to the matters addressed in the amendment.

#### Recordkeeping and Notifications:

- a. Both parties shall retain copies of any amendments made to this Agreement for recordkeeping purposes.

b. Each party is responsible for notifying any relevant internal or third-party stakeholders of the changes resulting from an amendment.

#### Severability of Amendment Provisions:

If any provision within an amendment is deemed invalid, illegal, or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement and the amendment shall continue in full force and effect, provided that the essential terms of this Agreement remain intact.

#### Dispute Resolution for Amendments:

Any disputes arising out of or relating to amendments to this Agreement shall follow the dispute resolution procedures established in this Agreement. In cases where amendments materially impact the Agreement, both parties may seek mediation or arbitration as agreed upon in writing.

## **19. Forex**

The exchange rate applied to payments under this contract shall be locked at the rate in effect at the time of signing for the first 12 months. An annual review will allow both parties to adjust the rate based on the prevailing market conditions, using the average rate from a trusted financial institution as a reference.

If the exchange rate fluctuates by more than 5% during the review period, an adjustment will be applied to reflect this change. This exchange rate lock minimizes currency risk for both parties and ensures predictable pricing adjustments on an annual basis.

## **20. Limitation of Liability**

#### Limitation of Liability:

Neither Atropic Solutions nor West Valley Corp shall be liable to the other for any indirect, incidental, special, consequential, or punitive damages, including but not limited to loss of profits, loss of business, or loss of data, arising from or related to this Agreement, even if the possibility of such damages was advised to the Party.

#### Cap on Liability:

In no event shall the total liability of either Party, whether in contract, tort, or otherwise, exceed the total amount paid by West Valley Corp to Atropic Solutions under this Agreement during the 12 months preceding the claim.

#### Exclusions:



The limitations of liability set forth in this Agreement shall not apply in cases of gross negligence, willful misconduct, or fraud by either Party.

#### Third-Party Claims:

Neither Party shall be liable for any damages arising from claims brought by third parties against the other Party, except as expressly set forth in this Agreement.

## 21. Miscellaneous

21.1 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings between the parties, whether written or oral.

21.2 Amendments. This Agreement may only be amended by written agreement signed by both parties.

21.3 Severability. If any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

21.4 Notices. Any notice required or permitted under this Agreement shall be in writing and shall be deemed to have been given when delivered in person, sent by overnight courier, or mailed by certified mail, return receipt requested, to the addresses set forth above.

21.5 Waiver. The waiver by either party of any breach of this Agreement shall not waive any subsequent breach.

21.6 Assignment. Neither party may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other party, except that either party may assign this Agreement in connection with a merger, acquisition, or sale of all or substantially all of its assets.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

WEST VALLEY Corp

ATROPIC Solutions

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Name: [Authorized Signatory]

Title: [Title]

Date:

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Name: [Authorized Signatory]

Title: [Title]

Date:

\*Exhibit A: Description of Services\*

- Detailed description of the services to be provided by ATROPIC Solutions.

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