

Limitation of Liability for Third-Party Claims

Clause Sample:

Except as otherwise provided herein, neither party shall be liable to the other for any indirect, incidental, special, consequential, or exemplary damages arising out of third-party claims, including but not limited to loss of profits, revenues, or business opportunities, even if such damages are foreseeable or the party has been advised of the possibility of such damages. Each party's liability for any and all third-party claims arising out of or in connection with this Agreement shall be limited in aggregate to the total amount paid by the Client to the Service Provider under this Agreement during the twelve (12) months immediately preceding the event giving rise to such claim.

This limitation shall not apply to liability arising from gross negligence, willful misconduct, or any liability that cannot be excluded under applicable law. Each party agrees to promptly notify the other in writing of any third-party claim and to cooperate in the defense or settlement of any such claim.

Important Notes

- This clause limits the financial exposure of the parties for claims made by third parties.
- It is essential to clearly define which third-party claims the limitation applies to.
- Statutory exceptions may override these limitations in some jurisdictions.
- Consult legal counsel to ensure enforceability and suitability for your specific agreement.
- Both parties should be aware of carve-outs, such as cases of gross negligence or willful misconduct.