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Introduction and Purpose

This Heads of Agreement (the "Agreement") outlines the preliminary understanding between DocuPal Demo, LLC, a United States company with its principal address at 23 Main St, Anytown, CA 90210 ("DocuPal Demo"), and Acme, Inc, a United States business with its principal address at 3751 Illinois Avenue, Wilsonville, Oregon - 97070 ("ACME-1").

Purpose

The purpose of this Agreement is to establish a framework for further negotiation and to express the mutual intent of DocuPal Demo and ACME-1 to potentially enter into a partnership. This partnership will focus on DocuPal Demo providing its document management software and related services to ACME-1.

Scope

The scope of this Agreement encompasses the provision of DocuPal Demo's document management software and services to ACME-1, specifically limited to ACME-1's operations within North America. DocuPal Demo will act as the provider, offering the software and associated support, while ACME-1 will utilize the software to address their document management requirements.

Definitions and Interpretation

Definitions

For the purposes of this Heads of Agreement, the following terms shall have the meanings ascribed to them below:

- **"Document Management Solutions"** means the software and services provided by DocuPal Demo, LLC related to the management, storage, retrieval, and security of electronic documents.
- **"Implementation Period"** means the period commencing on the Effective Date and continuing for a period of [Number] months, during which DocuPal Demo, LLC will implement the Document Management Solutions for ACME-1.



- **"Service Level Agreement (SLA)"** means the agreement outlining the levels of service DocuPal Demo, LLC will provide, including uptime, response times, and support availability, as further detailed in **Schedule A**.

Interpretation

This Heads of Agreement shall be interpreted in accordance with the following provisions:

- Headings are for convenience only and do not affect interpretation.
- Words importing the singular include the plural and vice versa.
- References to persons include bodies corporate.
- Any ambiguity will be resolved through good faith negotiation, considering common industry practice, software licensing standards, data security protocols, and regulatory compliance requirements.

Terms of Agreement

This section outlines the key terms of the proposed agreement between DocuPal Demo, LLC and Acme, Inc.

Binding and Non-Binding Terms

Specifically, the Exclusivity, Confidentiality, and Governing Law clauses of this Heads of Agreement are legally binding. The sections regarding Pricing and Scope of Services are non-binding and subject to further negotiation and refinement in the definitive agreement.

Duration and Renewal

The initial term of this agreement will be three (3) years, commencing on the effective date outlined in the definitive agreement. Following the initial term, there is an option for a two (2) year renewal, subject to mutual written agreement by both parties no later than ninety (90) days before the end of the initial term.



Exclusivity

DocuPal Demo, LLC grants Acme, Inc. exclusive rights to market and utilize DocuPal Demo's document management solutions within the manufacturing sector in North America. This exclusivity will be in effect for the duration of the agreement, including any renewal terms. It is understood that this exclusivity applies solely to the manufacturing sector within North America. Any expansion of this exclusivity to other sectors or geographic regions will require a written amendment to this agreement, mutually agreed upon and signed by both DocuPal Demo, LLC and Acme, Inc.

Parties' Obligations and Responsibilities

DocuPal Demo, LLC

DocuPal Demo, LLC will provide the document management software to ACME-1 as described in Appendix A. This includes ensuring the software is functional and meets the specifications outlined in this agreement. DocuPal Demo, LLC will also provide training to ACME-1's staff on how to use the software. Ongoing support for the software will be available to ACME-1 throughout the term of this agreement. DocuPal Demo, LLC is responsible for all software maintenance and updates.

ACME-1

ACME-1 is responsible for implementing the document management software within its organization. ACME-1 will pay the agreed-upon fees to DocuPal Demo, LLC according to the payment schedule in Appendix B. ACME-1 shall provide timely feedback to DocuPal Demo, LLC regarding the software's performance and any issues encountered. ACME-1 is responsible for data input into the system and for ensuring its users are adequately trained to use the software effectively.

Milestones and Deliverables

Key milestones include software implementation, user training completion, and system go-live. Specific dates and deliverables for each milestone are detailed in Appendix C.



Confidentiality and Non-Disclosure

DocuPal Demo, LLC and ACME-1 acknowledge that during the term of this Heads of Agreement, both parties may have access to confidential information. This includes, but is not limited to, client data, pricing information, trade secrets, and proprietary technology.

Scope of Confidentiality

Both parties agree to protect this confidential information. It can only be used for internal business operations related to the potential partnership. Disclosure is limited to employees and contractors who have a need to know.

Duration and Exceptions

The obligations of confidentiality will continue for a period of five (5) years following the termination of this Heads of Agreement. This obligation does not apply to information that is already publicly available or independently developed by either party.

Dispute Resolution

DocuPal Demo, LLC and ACME-1 will work to resolve any disputes arising from this Heads of Agreement through good faith negotiation. Both parties agree to first escalate the issue to their respective senior management for resolution.

Mediation and Arbitration

If negotiation fails, the parties will attempt to resolve the dispute through mediation. If mediation is unsuccessful, the dispute will be settled by binding arbitration in accordance with the laws of Delaware, USA. The decision of the arbitrator will be final and binding on both parties.



Termination and Exit

This Heads of Agreement may be terminated under the following circumstances: material breach of its terms by either party, insolvency of either party, or failure to meet the agreed-upon milestones as defined within this document.

Termination Process

In the event of a material breach, the non-breaching party must provide written notice to the breaching party, allowing ninety (90) days to cure the breach. If the breach remains uncured after the notice period, the non-breaching party may terminate this Heads of Agreement immediately. For termination due to reasons other than material breach, a thirty (30) day written notice period is required.

Consequences of Termination

Upon termination, both parties must return all confidential information to the disclosing party. DocuPal Demo, LLC will cease providing services to ACME-1. ACME-1 will be responsible for payment of all outstanding fees for services rendered up to the date of termination.

Miscellaneous Provisions

Amendments

This Heads of Agreement may be amended only by a written instrument signed by both DocuPal Demo, LLC and ACME-1. No other form of modification, whether oral, written, or implied, will be valid.

Notices

All notices relating to this Heads of Agreement must be in writing. Notices are effective when sent by email or certified mail to the addresses listed in this document for each party.



Entire Agreement

This Heads of Agreement constitutes the entire agreement. It supersedes all prior negotiations, representations, and understandings between the parties concerning the subject matter.

Assignment

DocuPal Demo, LLC may assign its rights or obligations. Any assignment requires the prior written consent of ACME-1. ACME-1 may not assign its rights or obligations under this Heads of Agreement without the prior written consent of DocuPal Demo, LLC.

Successors

This Heads of Agreement binds and benefits the parties and their respective successors and permitted assigns.

Counterparts

This Heads of Agreement may be executed in counterparts. Each counterpart has the effect of one agreement.

Signatures and Execution

This Heads of Agreement becomes effective upon signature by both parties.

Signatures

DocuPal Demo, LLC

By: _____

Name: John Doe

Title: CEO

Date: 2025-08-09



Acme, Inc

By: _____

Name: Jane Smith

Title: CEO

Date: 2025-08-09

Each party acknowledges agreement to the terms outlined in this Heads of Agreement by signing below through its duly authorized representative. No witness or notarization is required for execution.

