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Introduction and Definitions

Introduction

This Licensing Agreement (the "Agreement") is made and entered into as of August 9, 2025, by and between DocuPal Demo, LLC, a company organized and existing under the laws of the United States, with its principal place of business at 23 Main St, Anytown, CA 90210 ("Licensor"), and Acme, Inc ("ACME-1"), a business entity organized under the laws of the United States, with its principal place of business at 3751 Illinois Avenue, Wilsonville, Oregon - 97070, USA ("Licensee").

Definitions

For the purposes of this Agreement, the following terms shall have the meanings set forth below:

- **Licensed IP:** Refers to DocuPal Demo, LLC's proprietary document management software, including all related documentation, updates, and upgrades, for which a license is granted to Acme, Inc under this Agreement.
- **Effective Date:** Means August 9, 2025, the date on which this Agreement becomes effective.
- **Net Sales:** Means the gross amount invoiced by Licensee for the use of the Licensed IP, less any customary discounts, returns, and allowances.
- **Confidential Information:** Means any and all information disclosed by either party to the other, either directly or indirectly, in writing, orally, or by inspection of tangible objects, which is designated as confidential or which, under the circumstances, should reasonably be understood to be confidential.

Grant of License

DocuPal Demo, LLC grants to ACME-1 a non-exclusive license to use the Software. This license is subject to the terms and conditions of this Agreement.



Scope of License

ACME-1 can use, reproduce, and modify the Software. This is only for ACME-1's internal business operations. The Software will be used for internal document management purposes only.

License Restrictions

ACME-1's license to use the Software is limited to the United States. ACME-1 cannot use the Software outside of the United States. The license is non-exclusive. DocuPal Demo, LLC can license the Software to others. ACME-1 cannot sublicense the Software. ACME-1 cannot distribute the Software to third parties.

ACME-1 is responsible for ensuring its use of the Software complies with all applicable laws and regulations. ACME-1 will not use the Software in any way that violates these laws and regulations.

DocuPal Demo, LLC retains all rights to the Software not expressly granted to ACME-1 in this Agreement. This includes all copyrights, patents, trade secrets, and other intellectual property rights.

Royalty and Payment Terms

DocuPal Demo, LLC will receive royalty payments from ACME-1 based on Net Sales of the licensed software. The royalty rate is set at five percent (5%) of Net Sales.

Payment Schedule

ACME-1 will make royalty payments to DocuPal Demo, LLC on a quarterly basis. Each payment is due within thirty (30) days following the end of each calendar quarter (March 31, June 30, September 30, December 31).

Advance Payment

ACME-1 will provide an advance payment of ten thousand US dollars (\$10,000.00 USD) to DocuPal Demo, LLC. This advance will be credited against future royalty payments owed by ACME-1.



Royalty Payment Illustration

Below is a hypothetical illustration of royalty payment timelines over the contract duration.

Audit Rights

DocuPal Demo, LLC has the right to conduct an annual audit of ACME-1's sales records related to the licensed software. The audit will be performed by an independent auditor. Both parties must mutually agree on the selection of this auditor. ACME-1 will provide full cooperation and access to all relevant financial information. DocuPal Demo, LLC will bear the costs of the audit unless the audit reveals an underpayment of royalties exceeding five percent (5%), in which case ACME-1 will cover the audit costs and remit the underpaid royalties plus interest at a rate of one percent (1%) per month.

Confidentiality and Non-Disclosure

Both DocuPal Demo, LLC and ACME-1 acknowledge that during the term of this Agreement, each may have access to confidential information of the other party. This information can include, but is not limited to, source code, customer lists, pricing information, and product development plans. Both parties agree to treat such information as strictly confidential.

Obligations

Each party must take reasonable steps to protect the other party's confidential information. These steps will be no less rigorous than the measures it takes to protect its own confidential information. Each party will protect against unauthorized access, disclosure, or use of confidential information.

Exceptions

The obligations of confidentiality do not apply to information that:

- Is or becomes publicly available through no fault of the receiving party.
- Was already known to the receiving party prior to its disclosure by the other party.



- Is independently developed by the receiving party without use of the other party's confidential information.
- Is rightfully received by the receiving party from a third party without restriction on disclosure.
- Is required to be disclosed by law or legal process, provided that the receiving party gives the disclosing party prompt notice, where possible, to enable the disclosing party to seek a protective order or other appropriate remedy.

Representations and Warranties

DocuPal Demo, LLC Representations and Warranties

DocuPal Demo, LLC warrants that the Software will perform substantially according to its documentation for a period of ninety (90) days from the Effective Date. DocuPal Demo, LLC represents and warrants that it has the full right, power, and authority to enter into this Agreement and to grant to ACME-1 the licenses granted herein. DocuPal Demo, LLC represents and warrants that it is the owner of or otherwise has the right to license the Software and related documentation to ACME-1. DocuPal Demo, LLC represents and warrants that the Software does not infringe upon any patent, copyright, trademark, trade secret, or other proprietary right of any third party. DocuPal Demo, LLC will indemnify, defend, and hold harmless ACME-1 from and against any and all losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or relating to any breach of the foregoing warranty.

ACME-1 Representations and Warranties

ACME-1 represents and warrants that it has the full right, power, and authority to enter into this Agreement and to perform its obligations hereunder. ACME-1 warrants that it will comply with all applicable laws and regulations in its use of the Software. ACME-1 will indemnify, defend, and hold harmless DocuPal Demo, LLC from and against any and all losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or relating to any breach of the foregoing warranty.



Indemnification

Intellectual Property Indemnification

DocuPal Demo, LLC will defend ACME-1 against any third-party claim alleging that the use of the software, as licensed under this Agreement, infringes any patent, copyright, or other intellectual property right. DocuPal Demo, LLC will pay any damages, settlements, and reasonable attorney's fees finally awarded against ACME-1, or agreed to by DocuPal Demo, LLC as settlement.

ACME-1 Responsibilities

ACME-1 must promptly notify DocuPal Demo, LLC in writing of any such claim. ACME-1 must also provide DocuPal Demo, LLC with full authority and assistance for the defense of the claim. ACME-1's failure to provide prompt notification or cooperation relieves DocuPal Demo, LLC of its indemnification obligations.

Limitation of Liability

DocuPal Demo, LLC's total liability under this indemnification section is limited to the amount of royalties paid by ACME-1 to DocuPal Demo, LLC under this Agreement. DocuPal Demo, LLC will not be liable for any infringement claim based on:

- Modification of the software by ACME-1.
- Use of the software in combination with any other product or service not provided by DocuPal Demo, LLC.
- ACME-1's use of the software in a manner not authorized by this Agreement.

Term and Termination

Term

This Agreement will begin on August 9, 2025. It will continue for an initial term of three years.



Renewal

This Agreement will automatically renew for additional one-year terms. This automatic renewal will occur unless either party provides written notice of termination at least 90 days before the end of the current term.

Termination

Termination for Material Breach

Either party can terminate this Agreement if the other party materially breaches it. The terminating party must give written notice of the breach. The other party then has 30 days to cure the breach after receiving that notice. If the breach is not cured within those 30 days, the Agreement will terminate.

Termination for Insolvency

Either party may terminate this Agreement immediately by providing written notice to the other party if any of the following events occur:

- The other party becomes insolvent.
- The other party files a petition for bankruptcy.
- A receiver is appointed for the other party.
- The other party makes an assignment for the benefit of creditors.

Post-Termination Obligations

Upon termination of this Agreement for any reason, ACME-1 must:

- Immediately cease all use of the Licensed IP.
- Return to DocuPal Demo, LLC, all copies of the Licensed IP. Alternatively, with written permission from DocuPal Demo, LLC, ACME-1 may destroy all copies of the Licensed IP and certify such destruction in writing to DocuPal Demo, LLC.



Sublicensing and Assignment

Sublicensing

ACME-1 is not authorized to grant any sublicenses under this Agreement. The rights granted herein are specific to ACME-1's internal use and cannot be extended to third parties through sublicensing arrangements.

Assignment

Neither party may assign or transfer this Agreement, or any of its rights or obligations hereunder, without the prior written consent of the other party. Such consent shall not be unreasonably withheld. As a condition of any permitted assignment, the assignee must agree in writing to assume all of the assigning party's obligations under this Agreement. The assigning party will provide Docupal Demo, LLC with written notice of the proposed assignment, including the identity of the intended assignee, at least thirty (30) days prior to the effective date of the assignment. This notice must include documentation confirming the assignee's agreement to be bound by the terms of this Agreement.

Licensee Obligations

ACME-1 agrees to several obligations to maintain the integrity of this license. These responsibilities include usage restrictions, quality standards, and reporting duties.

Restrictions on Use

ACME-1 will not reverse engineer or decompile the software. Distribution of the software to any third party is prohibited. ACME-1's use of the software is limited to its internal business operations within the United States.

Quality Standards

ACME-1 must maintain industry-standard quality in its use of the software. This includes ensuring proper data handling and security measures are followed. ACME-1 is responsible for compliance with all applicable laws and regulations related to its use of the software.



Performance Reporting

ACME-1 will provide DocuPal Demo, LLC with quarterly sales reports. These reports should detail the software's utilization. The reports are due within 30 days after the end of each calendar quarter. The reports must be accurate and truthful representations of ACME-1's activity.

Licensor Obligations

DocuPal Demo, LLC will fulfill the following obligations during the term of this Licensing Agreement.

Intellectual Property Maintenance

DocuPal Demo, LLC is responsible for maintaining the validity and registration of all intellectual property rights related to the document management software. This includes, but is not limited to, all patents, copyrights, and trademarks associated with the Software. DocuPal Demo, LLC will bear all costs associated with these maintenance activities.

Technical Support

DocuPal Demo, LLC will provide ACME-1 with technical support relating to the Software. Support will be available via email and phone during DocuPal Demo, LLC's normal business hours. DocuPal Demo, LLC will use commercially reasonable efforts to respond promptly to ACME-1's support requests.

Documentation

DocuPal Demo, LLC will provide ACME-1 with user manuals and technical specifications for the Software. These documents will enable ACME-1 to effectively use and understand the functionality of the Software. DocuPal Demo, LLC will provide updates to the documentation as needed to reflect changes to the Software.



Governing Law and Dispute Resolution

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflict of laws principles.

Dispute Resolution

Any dispute, controversy, or claim arising out of or relating to this Agreement, or the breach, termination, or invalidity thereof, shall be settled by binding arbitration in Wilmington, Delaware. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association. The decision of the arbitrator shall be final and binding on both parties. It may be entered as a judgment in any court of competent jurisdiction.

Breach Notification

In the event of any breach of this Agreement, the non-breaching party shall provide written notice to the breaching party. The breaching party shall have thirty (30) days from the date of such notice to cure the breach. If the breach is not cured within the thirty (30) day period, the non-breaching party shall be entitled to pursue all available remedies, including, without limitation, termination of this Agreement and legal action.

Miscellaneous Provisions

Notices

All notices regarding this Agreement must be in writing. We will consider a notice duly given when sent by certified mail, return receipt requested, to the addresses listed in this Agreement. Either party may change their notification address by providing written notice to the other.

Entire Agreement

This Agreement constitutes the entire agreement between DocuPal Demo, LLC, and ACME-1. It supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written, regarding its subject matter.



Amendments

No modification or amendment to this Agreement will be effective unless it is in writing. It must be signed by authorized representatives of both DocuPal Demo, LLC, and ACME-1.

Force Majeure

Neither party shall be liable for any failure to perform its obligations under this Agreement if such failure results from acts of God, war, riots, fire, flood, hurricane, or other causes beyond its reasonable control. The affected party must promptly notify the other party of such an event and make reasonable efforts to resume performance.

Severability

If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions will remain in full force and effect. The parties will negotiate in good faith to replace the invalid or unenforceable provision with a valid provision that achieves substantially the same economic effect.

Signatures and Execution

This Licensing Agreement shall become effective as of January 1, 2024 ("Effective Date").

Agreement

DocuPal Demo, LLC and Acme, Inc. indicate their agreement to all terms and conditions contained herein through their signatures below.

DocuPal Demo, LLC

By: _____

Name: John Smith

Title: _____



Date: _____

Acme, Inc.

By: _____

Name: Jane Doe

Title: _____

Date: _____

Execution

Both parties agree that this Licensing Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of this Licensing Agreement by facsimile or electronic mail shall be equally as effective as delivery of an original executed counterpart.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date. Please provide your signature, printed name, and title in the designated spaces above, and indicate the date of execution. This action confirms your agreement to the terms and conditions outlined within this Licensing Agreement.

