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Introduction and Parties

Introduction

This Merchandising Agreement (the "Agreement") is made and entered into as of August 9, 2025. This agreement clarifies the terms and conditions under which ACME-1 can produce, promote, and sell merchandise using DocuPal Demo, LLC's intellectual property. The agreement defines the rights granted, exclusivity, royalties, intellectual property ownership, marketing responsibilities, quality standards, confidentiality, liability, and dispute resolution.

Parties

DocuPal Demo, LLC

DocuPal Demo, LLC, a company organized under the laws of the United States, with its principal place of business at 23 Main St, Anytown, CA 90210 ("DocuPal").

Acme, Inc

Acme, Inc, also known as ACME-1, a business organized under the laws of the United States, with its principal place of business at 3751 Illinois Avenue, Wilsonville, Oregon - 97070, USA ("Licensee").

Grant of License and Rights

Docupal Demo, LLC grants to ACME-1 a non-exclusive license to use the Docupal Demo, LLC's intellectual property. ACME-1 may only use this IP to manufacture, market, and sell merchandise.

Scope of License

This license allows ACME-1 to create and distribute merchandise featuring Docupal Demo, LLC's intellectual property. ACME-1's rights are limited to the following product lines: T-shirts, posters, and mugs. ACME-1 can only exercise these rights



within the United States. Docupal Demo, LLC retains all rights not expressly granted to ACME-1. ACME-1 agrees to adhere to all applicable laws and regulations in exercising its rights under this license. This grant does not permit ACME-1 to sublicense the rights to any third party without prior written consent from Docupal Demo, LLC. The license becomes effective as of the effective date of this Agreement and continues as defined within the term and termination clauses outlined elsewhere in this document. ACME-1 acknowledges Docupal Demo, LLC's ownership of the intellectual property and agrees not to challenge or infringe upon those rights.

Term and Termination

This agreement will start on August 9, 2025. It will continue for two years, unless ended earlier as described here.

Renewal

This agreement will not automatically renew. Any renewal must be agreed upon in writing by both DocuPal Demo, LLC and ACME-1 before the end of the initial term.

Termination

Either party can end this agreement with 30 days' written notice if the other party materially breaches the agreement. A material breach includes, but isn't limited to, failure to meet quality standards or infringement of intellectual property rights.

DocuPal Demo, LLC can end this agreement immediately if ACME-1 becomes insolvent or bankrupt.

DocuPal Demo, LLC can also terminate the agreement if ACME-1 fails to meet the minimum sales targets as defined in Exhibit A. DocuPal Demo, LLC will provide ACME-1 with written notice of the failure to meet targets and ACME-1 will have a 30-day cure period to meet those targets. If ACME-1 fails to meet the targets within the cure period, DocuPal Demo, LLC may terminate the agreement with 30 days written notice.



Financial Terms: Pricing and Royalties

Royalty Payments

ACME-1 will pay DocuPal Demo, LLC a royalty of 5% of net sales for all merchandise sold under this agreement. Net sales are defined as gross sales less any deductions for returns, discounts, and allowances.

Minimum Guarantee

ACME-1 guarantees a minimum royalty payment of \$10,000 to DocuPal Demo, LLC. This minimum guarantee is due regardless of actual sales figures. It is non-refundable but will be credited against earned royalties.

Payment Terms

Royalty payments will be calculated on a quarterly basis. Each payment will cover sales made during the preceding quarter (e.g., January-March, April-June, July-September, and October-December). ACME-1 will remit royalty payments to DocuPal Demo, LLC within 30 days following the end of each quarter. Payments must be in United States dollars (USD). DocuPal Demo, LLC will provide an invoice for each quarter.

Royalty Rate Benchmarks

The royalty rate agreed upon reflects the nature of the licensed property and the merchandise being produced. The below chart represents the typical royalty percentages for different merchandise types:

Intellectual Property Rights

DocuPal Demo, LLC retains full ownership of all trademarks, copyrights, and other intellectual property rights associated with its brand and related materials. ACME-1 is granted a limited, non-transferable license to use these intellectual property rights solely for the purpose of manufacturing, marketing, and selling the approved merchandise as outlined in this agreement.



Scope of Use

ACME-1's use of DocuPal Demo, LLC's intellectual property is strictly limited to the approved merchandise and associated marketing materials. Any use outside of this scope requires prior written consent from DocuPal Demo, LLC. ACME-1 shall not alter or modify any of DocuPal Demo, LLC's intellectual property without explicit permission.

Infringement

DocuPal Demo, LLC will have the primary responsibility for addressing any infringement of its intellectual property rights. ACME-1 agrees to provide reasonable assistance to DocuPal Demo, LLC in the event of any such infringement, including providing information and documentation as requested.

Ownership

Upon termination of this agreement, all rights granted to ACME-1 to use DocuPal Demo, LLC's intellectual property will immediately revert to DocuPal Demo, LLC. ACME-1 will cease all use of DocuPal Demo, LLC's intellectual property and will return or destroy all materials containing such intellectual property, as directed by DocuPal Demo, LLC.

Marketing and Promotional Responsibilities

ACME-1 will be responsible for all marketing and promotional activities related to the Merchandise. These activities may include, but are not limited to, advertising, social media campaigns, public relations, and in-store promotions.

Approval of Marketing Content

DocuPal Demo, LLC retains the right to approve all marketing and promotional materials before their release. ACME-1 will submit all proposed materials to DocuPal Demo, LLC for review and approval. DocuPal Demo, LLC will provide feedback within a reasonable timeframe.



Marketing Budget

ACME-1 commits to a minimum marketing and promotional budget of \$5,000 per quarter. This budget is dedicated to promoting the Merchandise and increasing brand awareness. ACME-1 will provide DocuPal Demo, LLC with a quarterly report detailing the marketing activities undertaken and the corresponding expenditures.

Product Distribution and Sales Channels

ACME-1 is authorized to distribute and sell the merchandise within the United States. ACME-1 will manage all aspects of distribution and logistics.

Authorized Sales Channels

ACME-1 may sell the merchandise through online retail channels and authorized retail stores.

Channel Exclusivity

This agreement grants ACME-1 non-exclusive rights within the specified sales channels. Docupal Demo, LLC retains the right to authorize other distributors or utilize other sales channels.

Distribution Responsibilities

ACME-1 is solely responsible for all distribution activities, including warehousing, shipping, and handling of the merchandise. ACME-1 will bear all costs associated with distribution and logistics.

Quality Control and Standards

ACME-1 must ensure all merchandise meets or exceeds prevailing industry standards. Docupal Demo, LLC retains final approval on all merchandise quality.



Compliance Monitoring

Docupal Demo, LLC will conduct regular audits and inspections of ACME-1's manufacturing processes and merchandise. These assessments will verify adherence to the agreed-upon quality benchmarks. ACME-1 shall provide full cooperation during these audits.

Breach of Standards

Failure to maintain the required quality standards will constitute a material breach of this agreement. Consequences may include termination of this agreement. Financial penalties may also apply to ACME-1 at the discretion of Docupal Demo, LLC.

Confidentiality and Non-Disclosure

Both Docupal Demo, LLC and ACME-1 agree to keep confidential all non-public information related to this agreement. This includes, but is not limited to, financial data, marketing strategies, and product designs. Each party will protect the other's confidential information with the same degree of care they use to protect their own confidential information, but no less than reasonable care.

Permitted Disclosures

Disclosure of confidential information is permitted to legal counsel. Disclosure is also permitted if required by law. The party required to disclose must provide prompt notice to the other party, if legally permissible, to allow them to seek a protective order or other appropriate remedy.

Duration of Confidentiality

The obligations of confidentiality under this agreement will continue for a period of five years after the termination of this agreement.



Warranties and Indemnification

Warranties

DocuPal Demo, LLC warrants that it possesses all necessary rights to the intellectual property being licensed under this Agreement. DocuPal Demo, LLC further warrants that the manufacture, marketing, and sale of merchandise by ACME-1, as permitted herein, will not infringe upon the intellectual property rights or any other rights of any third party.

Indemnification

ACME-1 shall indemnify, defend, and hold harmless DocuPal Demo, LLC, its officers, directors, employees, and agents from and against any and all claims, demands, losses, damages, liabilities, costs, and expenses (including reasonable attorney's fees) arising out of or relating to: (i) any breach by ACME-1 of any representation, warranty, or covenant made by it in this Agreement; (ii) the manufacture, marketing, sale, or distribution of the merchandise by ACME-1; or (iii) any claim that the merchandise infringes upon the intellectual property rights or any other rights of any third party, to the extent such infringement is a result of modifications made by ACME-1 to the intellectual property. This indemnification obligation shall survive the termination of this Agreement.

Dispute Resolution and Governing Law

Dispute Resolution Process

We want to resolve any disagreements quickly and efficiently. First, both parties will try to negotiate in good faith to resolve the issue. If negotiation fails, we will attempt mediation. A mutually agreed-upon mediator will help us find a solution.

Mediation

Mediation is required before starting any arbitration or litigation. Both parties will share the costs of the mediator equally.



Arbitration

If mediation doesn't work, we can proceed to binding arbitration. The arbitration will occur under the rules of the American Arbitration Association. The arbitrator's decision will be final and binding.

Governing Law

The laws of the State of Delaware will govern this Agreement. This includes its interpretation and enforcement, without regard to conflict of law principles.

Miscellaneous Provisions

Assignment

ACME-1 may not assign its rights or obligations under this Agreement to any third party without the prior written consent of DocuPal Demo, LLC. Any unauthorized assignment will be considered null and void.

Force Majeure

Neither party shall be liable for any failure to perform its obligations under this Agreement if such failure is caused by events beyond its reasonable control. Such events may include, but are not limited to, acts of God, war, strikes, or governmental regulations.

Notices

All notices relating to this Agreement must be in writing and delivered by certified mail or email to the addresses specified in this Agreement. Notices will be deemed effective upon receipt.

Signatures and Execution

This Merchandising Agreement becomes effective as of the date of the last signature below.



Parties

This agreement is made by and between DocuPal Demo, LLC, located at 23 Main St, Anytown, CA 90210, and Acme, Inc, located at 3751 Illinois Avenue, Wilsonville, Oregon - 97070, USA.

Execution

To acknowledge their agreement to the terms outlined within this Merchandising Agreement, both DocuPal Demo, LLC, and Acme, Inc. have authorized their respective representatives to sign and execute this document.

DocuPal Demo, LLC

By: _____

Name: John Doe

Title: CEO

Date: _____

Acme, Inc

By: _____

Name: Jane Smith

Title: CEO

Date: _____

