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Introduction to Executory Contracts

An executory contract is an agreement where both DocuPal Demo, LLC and ACME-1 have ongoing responsibilities. These duties must be completed after the contract is signed. This means neither party has fully performed their contractual obligations initially.

Understanding Executory Contracts

An executory contract isn't fully executed immediately. Instead, performance unfolds over time. Key features include:

- **Ongoing Obligations:** Both DocuPal Demo, LLC and ACME-1 must continue to perform actions.
- **Future Performance:** The core of the contract involves actions that will occur later.

This document clarifies the specific duties DocuPal Demo, LLC and ACME-1 must fulfill. It also outlines the timeline for completing these actions under this executory contract.

Parties to the Contract

Parties Involved

This Executory Contract is made and entered into as of August 9, 2025, by and between the following parties:

DocuPal Demo, LLC

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 ("DocuPal"). DocuPal will provide and maintain the software services as detailed in this contract.

Acme, Inc

Acme, Inc ("ACME-1"), a business entity organized and existing under the laws of the United States, with its principal place of business at 3751 Illinois Avenue, Wilsonville, Oregon – 97070, USA. Acme Inc will pay for and utilize the software services provided by DocuPal as defined in this contract.

Pending Obligations and Performance Requirements

DocuPal Demo, LLC and ACME-1 both have specific duties to fulfill under this agreement. These obligations ensure the software services are delivered and maintained effectively, and that payments are made on time.

DocuPal Demo, LLC's Obligations

DocuPal Demo, LLC is responsible for maintaining the functionality of the software services as outlined in this contract. This includes ensuring the software remains operational, addressing any technical issues, and providing necessary updates or patches. Software performance will be measured by uptime and error rates. DocuPal Demo, LLC must ensure a minimum uptime of 99.9% and keep error rates below an agreed-upon threshold, as specified in *Exhibit A: Service Level Agreement*. These services are ongoing and continuous throughout the term of this agreement.

ACME-1's Obligations

ACME-1 is obligated to make timely payments to DocuPal Demo, LLC for the provided software services. Payments are due monthly, as per the schedule detailed in *Exhibit B: Payment Terms*. ACME-1's payment history will be verified through bank records and financial statements. Failure to remit payments on the specified due dates may constitute a breach of contract.

Performance Measurement

Performance will be measured as follows:

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- **Software Performance:** DocuPal Demo, LLC will provide monthly reports detailing uptime and error rates. These reports will be submitted to ACME-1 within five business days following the end of each month.
- **Payment Verification:** ACME-1 will ensure that payments are made according to the schedule. DocuPal Demo, LLC will verify receipt of payments through its banking records. Any discrepancies must be reported within 7 days of the payment due date.
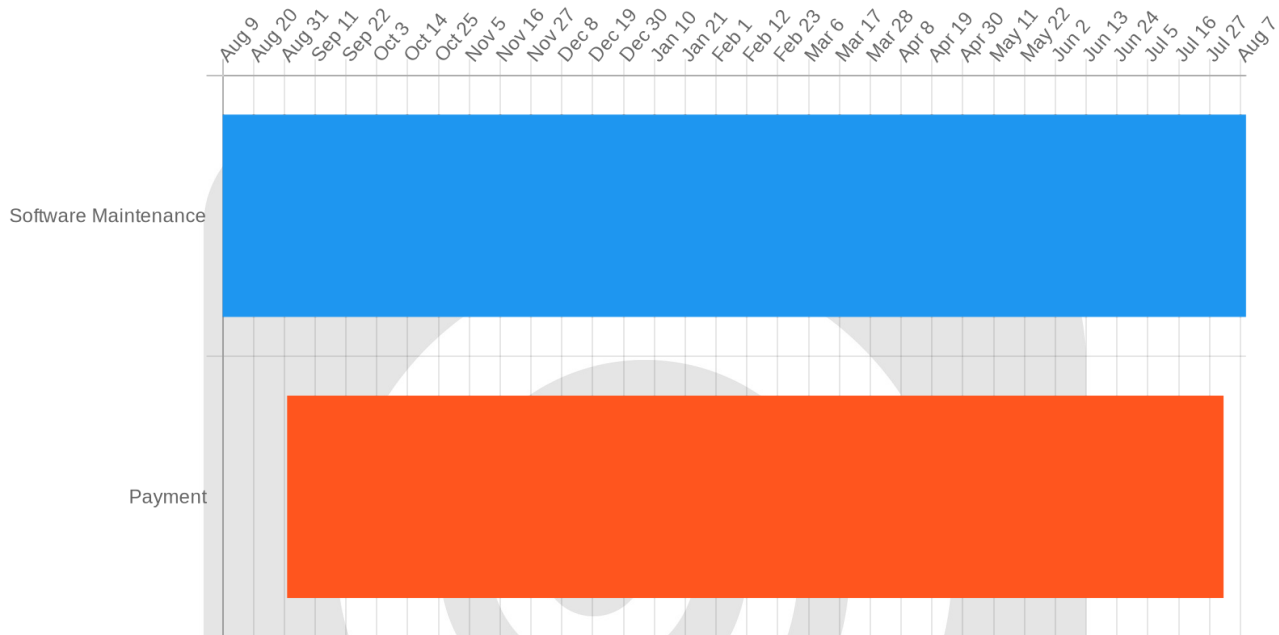
Breach and Remedies

This section outlines the conditions constituting a breach of this executory contract and the remedies available to the non-breaching party.

Breach of Contract

A breach of contract occurs if either DocuPal Demo, LLC or ACME-1 fails to fulfill their obligations as defined in this agreement. Examples of breach include, but are not limited to:

- DocuPal Demo, LLC failing to provide functional software as per the agreed specifications and service levels.
- ACME-1 failing to make payments according to the agreed schedule.

Remedies

Upon the occurrence of a breach, the non-breaching party is entitled to pursue the following remedies:

- **Injunctive Relief:** The non-breaching party may seek a court order to prevent the breaching party from continuing the breach.
- **Monetary Damages:** The non-breaching party may seek compensation for financial losses incurred as a direct result of the breach. These damages may include, but are not limited to, lost profits, direct costs, and expenses.
- **Specific Performance:** In the event DocuPal Demo, LLC fails to provide adequate software maintenance, ACME-1 may seek specific performance, compelling DocuPal Demo, LLC to fulfill its maintenance obligations.

The remedies outlined above are not exclusive, and the non-breaching party may pursue any other remedies available under applicable law. Any legal action related to a breach of this contract will be governed by the laws of the State of California. The parties agree to attempt to resolve any disputes through good faith negotiations before resorting to litigation.

Termination Conditions

This agreement may be terminated under the following conditions.

Termination for Material Breach

Either party may terminate this agreement if the other party commits a material breach of its obligations. The breaching party must fail to cure the breach within thirty (30) days after receiving written notice of the breach. The notice must specify the nature of the breach and the actions required to cure it.

Effects of Termination

Upon termination of this agreement:

- DocuPal Demo, LLC will cease providing the software services.
- ACME-1 will cease all payments to DocuPal Demo, LLC, except for amounts due for services rendered up to the termination date.

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- Either party may pursue legal action to recover damages resulting from the breach that led to termination.

Assignment and Delegation

Neither party may assign any of its rights under this Agreement without the prior written consent of the other party. This restriction applies to all rights, including but not limited to the right to receive payments or to enforce any provision of this Agreement.

Delegation of Duties

Similarly, neither party may delegate any of its duties or obligations under this Agreement to any third party without the prior written consent of the other party. This includes, but is not limited to, the delegation of software service provision by Docupal Demo, LLC or payment obligations by ACME-1. Any attempt to assign rights or delegate duties without such consent shall be void and without effect. This ensures each party retains control over their contractual relationships and obligations.

Amendment and Modification Procedures

This contract may be amended or modified at any time during its term. Any changes to the terms and conditions outlined in this agreement require a formal written amendment.

Written Amendments

All amendments must be documented in writing. The written amendment should clearly state the specific changes being made to the original contract.

Consent

Both Docupal Demo, LLC and ACME-1 must provide written consent to any proposed amendment for it to become effective. This consent must be signified by the signatures of authorized representatives from both parties. The amended document then becomes part of this executory contract.

Governing Law and Jurisdiction

This contract is governed by the laws of the State of Delaware, without regard to its conflict of laws principles. Any dispute arising from or related to this contract will be resolved through binding arbitration. The arbitration will take place in Wilmington, Delaware. The decision of the arbitrator will be final and binding on both DocuPal Demo, LLC and ACME-1. Both parties agree to submit to the jurisdiction of the courts of Delaware for the purpose of enforcing any arbitration award. This clause ensures clarity and predictability in the resolution of any potential disagreements.

Miscellaneous Provisions

Force Majeure

Neither DocuPal Demo, LLC nor ACME-1 will be liable for any failure to perform its obligations under this agreement if such failure results from causes beyond its reasonable control. This includes, but is not limited to, acts of God, war, terrorism, civil unrest, labor disputes, and governmental regulations. The affected party must promptly notify the other party of the force majeure event and make reasonable efforts to mitigate its effects.

Confidentiality

Both DocuPal Demo, LLC and ACME-1 agree to hold each other's confidential information in strict confidence. This includes, but is not limited to, business plans, customer lists, and financial information. This obligation survives the termination of this agreement.

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Entire Agreement

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

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 and enforceable provision that achieves the same economic effect.

Notices

All notices relating to this agreement must be in writing and delivered by certified mail, email, or personal delivery to the addresses specified in the introductory section of this agreement.

Governing Law

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