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Introduction to Aleatory Contracts

An aleatory contract is an agreement where the obligations of one or both parties are triggered by an uncertain future event. This element of chance distinguishes it from standard contracts. The fulfillment of the contract depends on a contingency that is not guaranteed to occur.

Defining Aleatory Contracts

The defining characteristic of an aleatory contract is that its performance relies on chance. One party may receive benefits only if a specific event happens, while the other party benefits if that event does not occur. This uncertainty is central to the agreement.

Industries Using Aleatory Contracts

Several industries commonly use aleatory contracts. Insurance is a prime example, where the insurer's obligation to pay depends on the occurrence of an insured event. Gambling and certain financial derivatives also fall under this category. In these sectors, risk transfer and speculation are fundamental.

Aleatory vs. Standard Contracts

Unlike standard contracts, where performance is relatively certain, aleatory contracts involve a significant degree of risk. The value exchanged between parties may be unequal, depending on the outcome of the uncertain event. This makes aleatory contracts a distinct and specialized area of contract law.

Parties and Definitions

Parties Involved

This Aleatory Contract is made and entered into as of August 9, 2025, by and between 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") and Acme, Inc, also known as 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 ("Acme"). This type of contract commonly involves parties such as insurers and policyholders, or bettors and bookmakers. It can also include parties entering derivative agreements.

Key Definitions

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

- **Contingent Event:** A future event, the occurrence or non-occurrence of which triggers obligations under this contract.
- **Trigger:** A specific condition or event that must occur to initiate a payout or other performance obligation.
- **Payout:** The amount or type of compensation to be provided if a trigger event occurs.
- **Coverage:** The scope of protection afforded by this contract, detailing which events are included.
- **Exclusions:** Specific events or circumstances that are not covered under this contract.

To ensure clarity and avoid potential disputes, these definitions shall be interpreted using precise language. The contract includes detailed scenarios and examples to illustrate their application.

Subject Matter and Risk Allocation

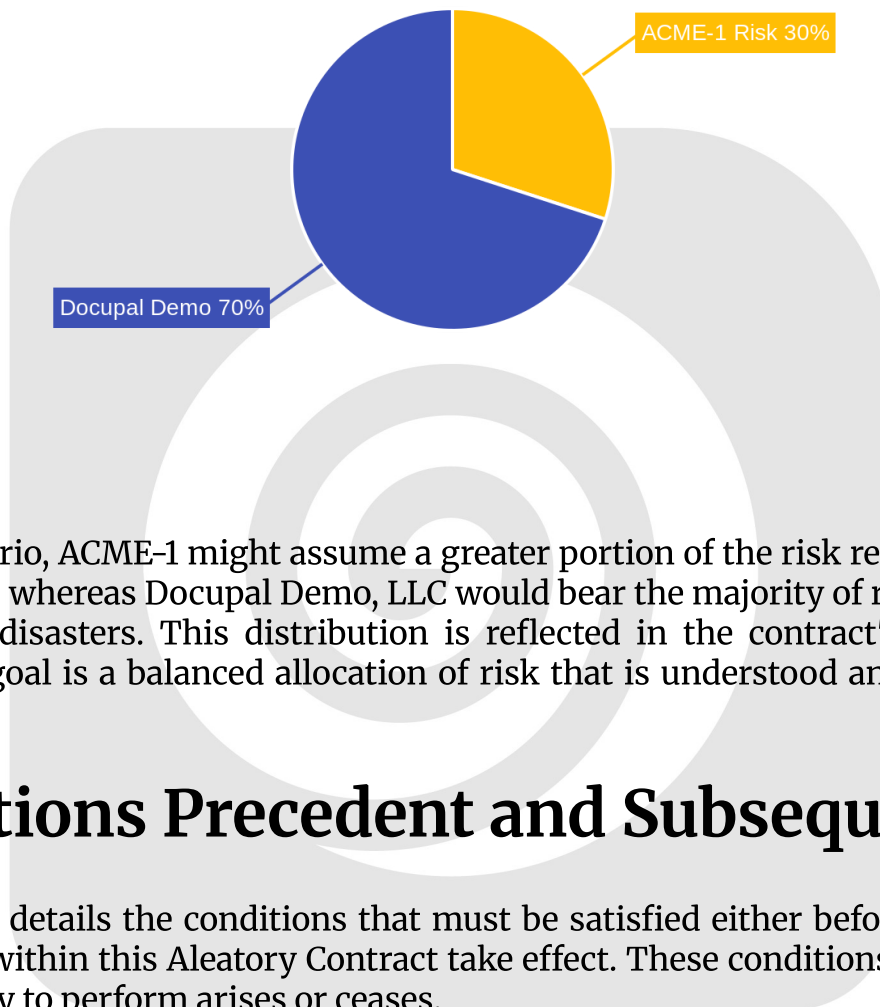
This Aleatory Contract concerns obligations contingent upon uncertain future events. Docupal Demo, LLC and ACME-1 enter this agreement acknowledging that performance depends on chance. The subject matter typically involves a payment or some form of coverage activated by a specific, uncertain event.

Risk Distribution

Risk allocation is central to this contract. The distribution hinges on both the likelihood and potential impact of the contingent event. ACME-1 may bear the risk of specific insurable events, market fluctuations, or natural disasters, while Docupal



Demo, LLC assumes the risk of providing the agreed-upon coverage or payment should these events occur. The contract details these risks and the responsibilities each party undertakes.



In one scenario, ACME-1 might assume a greater portion of the risk related to minor fluctuations, whereas Docupal Demo, LLC would bear the majority of risk associated with major disasters. This distribution is reflected in the contract's pricing and terms. The goal is a balanced allocation of risk that is understood and accepted by both parties.

Conditions Precedent and Subsequent

This section details the conditions that must be satisfied either before or after the obligations within this Aleatory Contract take effect. These conditions dictate when a party's duty to perform arises or ceases.

Conditions Precedent

A condition precedent is an event that must occur before a contractual duty exists. Under this Aleatory Contract, the following events act as conditions precedent:

- **Occurrence of the Uncertain Event:** The primary condition precedent is the occurrence of the specific uncertain event upon which the contract is based. For example, in an insurance contract, this could be a covered loss.
- **Policy Activation:** In cases such as insurance, the policy must be active and in good standing. This may require timely payment of premiums.
- **Defined Trigger:** For derivative contracts, a specific market event or benchmark must be reached as pre-defined in the contract.

Until these conditions are met, no party is obligated to perform.

Conditions Subsequent

A condition subsequent is an event that, if it occurs, will terminate an existing contractual duty. The conditions subsequent that may terminate obligations under this Aleatory Contract include:

- **Expiration of the Term:** The contract will terminate automatically upon the agreed-upon expiration date.
- **Fulfillment of Obligations:** Once all obligations have been fulfilled by all parties, the contract will terminate.
- **Breach of Contract:** A material breach of contract by one party may give the other party the right to terminate the agreement. This must be done following the dispute resolution method outlined within this document.

Payment and Performance Terms

This section details the payment and performance obligations of both Docupal Demo, LLC and ACME-1 under this Aleatory Contract. Payments are contingent upon the occurrence, and sometimes the magnitude, of specific uncertain events as defined within this agreement.

Payment Obligations

ACME-1's payment obligations to Docupal Demo, LLC are directly linked to the occurrence of the uncertain event. The specific payment amount, schedule, and triggering events are outlined in **Exhibit A: Payment Schedule**. Generally, payments may be structured as follows:

- **Initial Payment:** A fixed amount due upon execution of this contract.



- **Contingent Payments:** Amounts due only if the specified uncertain event occurs.
- **Variable Payments:** The amount varies based on the severity or impact of the uncertain event, measured using defined metrics.

Docupal Demo, LLC shall invoice ACME-1 within [Number] days of the triggering event. ACME-1 shall remit payment within [Number] days of the invoice date. All payments shall be made in United States Dollars (USD), the base currency of Docupal Demo, LLC.

Performance Measurement

Performance under this contract is measured by specific metrics tied to the contingent event. These metrics are detailed in **Exhibit B: Performance Metrics**. Measurement may include, but is not limited to:

- Quantitative data related to the event's impact.
- Independent verification of the event's occurrence and magnitude.
- Compliance with pre-defined performance thresholds.

Docupal Demo, LLC will provide ACME-1 with regular performance reports, as outlined in **Exhibit C: Reporting Schedule**.

Remedies for Non-Performance

In the event of non-performance by either party, the following remedies may apply:

- **Specific Performance:** Requiring the breaching party to fulfill their contractual obligations.
- **Monetary Damages:** Compensation to the non-breaching party for losses incurred as a result of the breach.
- **Other Remedies:** Any other remedies as agreed upon by both parties and specified in **Exhibit D: Remedies**.

Legal and Regulatory Compliance

This Aleatory Contract between Docupal Demo, LLC, located at 23 Main St, Anytown, CA 90210, USA, and Acme, Inc, located at 3751 Illinois Avenue, Wilsonville, Oregon - 97070, USA, is subject to specific legal and regulatory requirements. Both



parties must comply with all applicable laws and regulations at the federal, state, and local levels.

Applicable Laws and Compliance

This contract is governed by the laws of the State of California and the United States. ACME-1 and Docupal Demo, LLC, must adhere to all relevant statutes, including those related to contract law, insurance regulations (if applicable), and any industry-specific rules. Both parties are responsible for ensuring their operations and activities under this contract are compliant with these legal frameworks. Failure to comply may result in penalties, legal action, or contract termination.

Dispute Resolution

Any disputes arising from this Aleatory Contract will be resolved through mediation, arbitration, or litigation. The specific method will be determined by mutual agreement or as outlined in the dispute resolution clause within the contract. Both parties commit to engaging in good-faith efforts to resolve disagreements efficiently and amicably.

Jurisdiction

The jurisdiction for any legal proceedings related to this contract will be in the state and federal courts located within California. Both ACME-1 and Docupal Demo, LLC, agree to submit to the personal jurisdiction of these courts for any disputes arising under this agreement.

Termination and Remedies

This section outlines the conditions for terminating this Aleatory Contract and the remedies available to each party.

Termination Conditions

This contract may be terminated under the following conditions:

- **Breach of Contract:** If either party fails to fulfill their obligations as defined in this contract, the non-breaching party may terminate the agreement.



- **Fulfillment of Obligations:** Once all obligations outlined in this contract have been met, the contract will naturally terminate.
- **Specified Terms:** Termination may also occur as specified within other sections of this contract. This could include termination upon the occurrence of a specific event or after a defined period.

Enforcement and Remedies

In the event of a breach of this contract, the following remedies may be available:

- **Specific Performance:** A court order may compel the breaching party to perform their obligations under the contract.
- **Monetary Damages:** The non-breaching party may be entitled to compensation for losses incurred as a result of the breach. The amount will be determined based on the specifics of the breach and the terms outlined within this agreement.
- **Other Remedies:** Additional remedies may be available as agreed upon by both parties within this contract.

Protection Against Undue Losses

To protect both parties from undue losses, this contract incorporates the following measures:

- **Limitations on Liability:** The extent of liability for each party is limited as specified in this contract.
- **Exclusions:** Certain events or circumstances may be excluded from coverage under this contract, thereby limiting potential losses.
- **Risk-Sharing Mechanisms:** The contract may include mechanisms for sharing risks between the parties, such as insurance or indemnification clauses.

Miscellaneous Provisions

Force Majeure

Neither Docupal Demo, LLC nor ACME-1 will be liable for any failure to perform its obligations under this Aleatory Contract 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 such an event and make reasonable efforts to mitigate its effects.

Severability

If any provision of this Aleatory Contract is held to be invalid or unenforceable, the remaining provisions will continue 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 original intent of the parties.

Governing Law

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

Entire Agreement

This Aleatory Contract constitutes the entire agreement between Docupal Demo, LLC and ACME-1 with respect to the subject matter hereof and supersedes all prior or contemporaneous communications and proposals, whether oral or written, between the parties with respect to such subject matter.

Amendments

This Aleatory Contract may be amended only by a written instrument signed by both Docupal Demo, LLC and ACME-1. No modification or waiver of any provision will be effective unless it is in writing and signed by the party against whom the modification or waiver is to be asserted.

Notices

All notices and other communications under this Aleatory Contract must be in writing and will be deemed to have been duly given when (a) delivered personally, (b) sent by certified or registered mail, return receipt requested, or (c) sent by reputable overnight courier service, to the addresses set forth below:

If to Docupal Demo, LLC:

23 Main St Anytown, CA 90210 United States



If to ACME-1:

3751 Illinois Avenue Wilsonville, Oregon - 97070 USA

or to such other address as either party may designate in writing from time to time.

Confidentiality

Both Docupal Demo, LLC and ACME-1 agree to hold confidential all sensitive information related to this Aleatory Contract and its terms. This includes, but is not limited to, financial information, business strategies, and proprietary data. Neither party will disclose such information to any third party without the prior written consent of the other party, except as required by law. This confidentiality obligation will survive the termination of this Aleatory Contract.

Signatures and Execution

This Aleatory Contract shall become effective on 2025-08-09.

Signatures

Docupal Demo, LLC and ACME-1 indicate their agreement to the terms and conditions of this Aleatory Contract by their signatures below.

Party	Signature	Name	Title	Date
Docupal Demo, LLC		[Name]	[Title]	2025-08-09
ACME-1		[Name]	[Title]	2025-08-09

Execution

To execute this Aleatory Contract, each party must sign and date in the spaces provided above. By signing, each party affirms that they have the authority to enter into this agreement on behalf of their respective organization. The contract is effective as of the date first written above.

