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Introduction and Parties

Introduction

This Loan Agreement (the "Agreement") is made and entered into as of August 9, 2025, by and between DocuPal Demo, LLC, a limited liability company organized under the laws of the United States, and Acme, Inc., a corporation organized under the laws of the United States. This Agreement sets forth the terms and conditions under which the Lender will loan funds to the Borrower. The Borrower seeks financing to purchase manufacturing equipment. The Lender agrees to provide such financing, subject to the terms and conditions outlined below.

Parties

Lender

DocuPal Demo, LLC, a limited liability company with its principal place of business at 23 Main St, Anytown, CA 90210, United States ("Lender").

Borrower

Acme, Inc. (referred to as "ACME-1"), a corporation with its principal place of business at 3751 Illinois Avenue, Wilsonville, Oregon - 97070, USA ("Borrower").

Loan Amount and Disbursement

Principal Amount

The Lender will provide a loan to the Borrower in the principal amount of \$500,000.00 (five hundred thousand US dollars) (the "Principal Amount"). This loan will be governed by the terms and conditions outlined in this Loan Agreement.



Disbursement

The Principal Amount will be disbursed to the Borrower in a single installment on the Effective Date of this Loan Agreement. This disbursement is conditional upon the Lender's satisfactory review and acceptance of the Borrower's equipment purchase agreement. The Lender must find the purchase agreement acceptable before releasing the funds.

Interest Rate and Calculation

The loan provided by DocuPal Demo, LLC to Acme, Inc will accrue interest at a fixed annual rate. This fixed interest rate will remain constant throughout the term of the loan, providing predictability in repayment obligations.

Interest Rate Details

The fixed annual interest rate applicable to this loan is 7.0%. This rate is applied to the principal loan amount of \$500,000.

Interest Calculation Method

Interest will be calculated using the simple interest method. The formula for simple interest is:

$$\text{Interest} = \text{Principal} \times \text{Rate} \times \text{Time}$$

Where:

- Principal is the original loan amount (\$500,000).
- Rate is the annual interest rate (7.0% or 0.07).
- Time is the period for which the interest is calculated (expressed in years).

Interest Payment Frequency

Interest payments are due monthly. The monthly interest payment will be calculated as follows:

$$\text{Monthly Interest} = (\$500,000 \times 0.07) / 12$$



This results in a fixed monthly interest payment amount throughout the loan term.

Illustrative Interest Accrual

The following chart illustrates the cumulative interest accrual over the first year of the loan, assuming consistent monthly payments are made:

Repayment Terms and Schedule

ACME-1 will repay the loan amount of \$500,000 to DocuPal Demo, LLC according to the following terms.

Repayment Amount and Frequency

The loan will be repaid in monthly installments of \$10,000. Payments are due on the first day of each month, commencing on September 1, 2025.

Payment Methods

ACME-1 must make all payments via wire transfer or certified check. DocuPal Demo, LLC will provide the necessary wire transfer details to ACME-1.

Late Payment

A late payment fee of 5% of the overdue amount will be applied to any payment not received within five (5) business days of the due date.

Early Repayment

ACME-1 may make early repayments on the loan without incurring any penalties. Early repayments will be applied to the principal balance, reducing the total interest payable under this agreement.



Repayment Schedule Illustration

Collateral and Security Interest

To secure the repayment of the Loan, ACME-1 grants Docupal Demo, LLC a security interest in the following collateral:

- All new manufacturing equipment purchased with the proceeds of this Loan.

Grant of Security Interest

ACME-1 hereby grants to Docupal Demo, LLC a continuing security interest in the Collateral. This security interest secures all of ACME-1's obligations under this Loan Agreement.

Collateral Valuation

The fair market value of the collateral will determine its worth. An independent appraiser, selected by Docupal Demo, LLC, will perform the valuation. This appraisal will occur (a) before the initial disbursement of loan funds and (b) at any time Docupal Demo, LLC reasonably deems necessary during the term of the Loan.

Collateral Enforcement

Upon the occurrence of an Event of Default, Docupal Demo, LLC shall have the right to enforce its security interest in the Collateral. Enforcement may include taking possession of the Collateral. It also includes selling the Collateral in a commercially reasonable manner. Docupal Demo, LLC can apply the proceeds of any sale to the outstanding balance of the Loan, including interest, fees, and expenses. ACME-1 will cooperate fully with Docupal Demo, LLC to assemble the Collateral. ACME-1 will make it available to Docupal Demo, LLC at a place Docupal Demo, LLC designates that is reasonably convenient to both parties.



Representations and Warranties

General

Each party represents and warrants that it has the full right, power, and authority to enter into this Loan Agreement and to perform its obligations hereunder.

Borrower Representations and Warranties

ACME-1 represents and warrants to Docupal Demo, LLC, as of the date hereof and as of the date of each borrowing hereunder, as follows:

- **Financial Condition:** ACME-1's financial statements fairly present its financial condition as of the dates thereof.
- **Use of Funds:** The proceeds of the loan will be used solely for purchasing manufacturing equipment as outlined in this Agreement.
- **Authority:** ACME-1 has the full power and authority to execute, deliver, and perform its obligations under this Agreement.
- **Compliance:** ACME-1 is in compliance with all laws, regulations, and orders applicable to it.
- **No Conflict:** The execution, delivery, and performance of this Agreement do not conflict with any existing agreement or obligation of ACME-1.

Covenants

ACME-1 agrees to certain promises (covenants) during the term of this Loan Agreement. These covenants outline what ACME-1 must do (affirmative covenants) and what it is prohibited from doing (negative covenants).

Affirmative Covenants

ACME-1 must keep the collateral insured against loss or damage. ACME-1 will also provide Docupal Demo, LLC with quarterly financial reports. These reports will help Docupal Demo, LLC monitor ACME-1's financial condition.



Negative Covenants

ACME-1 shall not sell, transfer, or otherwise dispose of the collateral without Docupal Demo, LLC's prior written consent. ACME-1 also agrees not to create any liens or encumbrances on the collateral without Docupal Demo, LLC's approval. These restrictions protect Docupal Demo, LLC's security interest in the collateral.

Events of Default and Remedies

Events of Default

The following events shall constitute an event of default under this Loan Agreement:

1. **Payment Default:** Failure by ACME-1 to make any payment of principal or interest when due under this Loan Agreement.
2. **Covenant Breach:** Failure by ACME-1 to perform or observe any covenant, condition, or agreement contained in this Loan Agreement.

Lender's Remedies

Upon the occurrence of an event of default, Docupal Demo, LLC shall have the following rights and remedies, which may be exercised individually or concurrently:

1. **Acceleration:** Declare the entire unpaid principal balance of the Loan, together with all accrued interest, immediately due and payable.
2. **Collateral Seizure:** Take possession of and sell the Collateral in accordance with applicable law.
3. **Legal Action:** Pursue any and all legal and equitable remedies available under applicable law to recover the outstanding debt.

Cure Period

ACME-1 shall have a period of thirty (30) days after written notice from Docupal Demo, LLC to cure any payment default. If the payment default is not cured within this 30-day period, Docupal Demo, LLC may immediately exercise its remedies. There is no cure period for Covenant Breach.



Governing Law and Jurisdiction

This Loan Agreement is governed by the laws of the State of Delaware. This applies to the interpretation, construction, and enforcement of this agreement.

Dispute Resolution

Before starting any litigation, the parties must first try to resolve any dispute through mediation. The mediation will take place in Delaware. If mediation does not resolve the dispute, then the parties can start legal proceedings.

Jurisdiction and Venue

The courts of the State of Delaware will have exclusive jurisdiction over any legal action arising from this Loan Agreement. The parties agree that the venue for any such action will be in the courts of the State of Delaware.

Miscellaneous Provisions

Amendments

This Loan Agreement may be amended only by a written instrument signed by both DocuPal Demo, LLC, as Lender, and Acme, Inc., as Borrower. Any amendment must clearly and specifically identify the provisions being amended and the nature of the amendment.

Notices

All notices related to this Loan Agreement must be in writing and delivered either by certified mail, return receipt requested, or by email with confirmed receipt. Notices are to be sent to the addresses listed in this Loan Agreement or to such other address as either party may designate in writing.



Assignment

DocuPal Demo, LLC, as Lender, may assign its rights and obligations under this Loan Agreement. Acme, Inc., as Borrower, may not assign its rights or obligations under this Loan Agreement without the prior written consent of DocuPal Demo, LLC. Any unauthorized assignment by the Borrower will be deemed null and void.

Entire Agreement

This Loan Agreement constitutes the entire agreement between DocuPal Demo, LLC, as Lender, and Acme, Inc., as Borrower, relating to the loan described herein. It supersedes all prior or contemporaneous communications and proposals, whether oral or written, between the parties with respect to the subject matter hereof.

Severability

If any provision of this Loan Agreement is held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired. The parties will negotiate in good faith to replace any invalid, illegal, or unenforceable provision with a valid, legal, and enforceable provision that achieves the original intent and economic effect of the parties.

Signatures and Execution

This Loan Agreement becomes effective upon the signatures of authorized representatives from both DocuPal Demo, LLC and ACME-1. By signing below, both parties agree to all terms and conditions outlined in this agreement.

Execution Formalities

To acknowledge their agreement to the terms and conditions outlined within this Loan Agreement, the parties have executed this document as of the date last written below. Notarization is required to affirm the validity of these signatures.

DocuPal Demo, LLC

By: _____



Name:

Title:

Date: _____

ACME-1

By: _____

Name:

Title:

Date: _____

Notary Acknowledgment

State of: _____

County of: _____

On this ____ day of _____, 2025, before me, a notary public in and for said county and state, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he/she executed the same for the purposes therein contained.

Witness my hand and official seal.

Notary Public

My commission expires: _____

