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# Introduction and Definitions

This Credit Agreement (the "Agreement") is made as of August 9, 2025, by and between DocuPal Demo, LLC, a limited liability company organized and existing under the laws of the United States, with its principal place of business at 23 Main St, Anytown, CA 90210 ("Lender"), and Acme, Inc, a corporation organized and existing under the laws of the United States, with its principal place of business at 3751 Illinois Avenue, Wilsonville, Oregon - 97070 ("Borrower").

## Purpose

This Agreement sets forth the terms and conditions under which Lender will provide Borrower with a loan in the principal amount of \$5,000,000.00.

## Definitions

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

- **Agreement:** Means this Credit Agreement, including all schedules and exhibits attached hereto.
- **Borrower:** Means Acme, Inc.
- **Lender:** Means DocuPal Demo, LLC.
- **Loan:** Means the \$5,000,000.00 loan made by Lender to Borrower pursuant to this Agreement.
- **Default:** Means any event specified in this Agreement that constitutes a breach of Borrower's obligations.
- **Collateral:** Refers to the assets pledged by Borrower as security for the Loan.
- **Interest Rate:** Means the annual interest rate applicable to the Loan as specified in this Agreement.
- **Maturity Date:** Means the date on which the outstanding principal balance of the Loan, together with all accrued and unpaid interest, is due and payable.

## Loan Amount and Disbursement

The Lender will make available to the Borrower a loan in the principal amount of \$5,000,000.00 (the "Loan").



## Single Disbursement

The Loan will be disbursed in a single installment. The full amount of the Loan will be advanced to the Borrower on the Closing Date.

## Disbursement Conditions

There are no specific conditions precedent to the disbursement of the Loan. The Lender will disburse the Loan to the Borrower upon the execution of this Agreement. The Borrower acknowledges and agrees that the Loan proceeds may be used for general corporate purposes. The disbursement will be made to the account designated by the Borrower in writing to the Lender. The Lender is not responsible for verifying the use of the funds after disbursement.

## Interest and Fees

### Interest Rate

The outstanding principal amount of the Loan shall bear interest at a fixed rate of five percent (5.0%) per annum.

### Interest Calculation

Interest shall be calculated on the basis of a 360-day year and shall be compounded monthly.

### Late Payment Fee

If any payment is not received by DocuPal Demo, LLC within fifteen (15) days of the due date, ACME-1 will pay a late payment fee. The late fee will be equal to five percent (5.0%) of the overdue amount. This fee is in addition to any accrued interest on the outstanding balance.

## Repayment Terms

ACME-1 will repay the principal amount of \$5,000,000.00 to Docupal Demo, LLC according to the following terms.



## Repayment Schedule

ACME-1 shall make monthly installment payments of \$50,000.00. The first payment is due one month from the Effective Date of this Credit Agreement. Each subsequent payment will be due on the same day of each month thereafter until the loan is paid in full.

## Method of Payment

All payments must be made in United States Dollars (USD) via wire transfer to the account designated by Docupal Demo, LLC. Docupal Demo, LLC will provide ACME-1 with the necessary account details for wire transfers.

## Prepayment

ACME-1 may prepay the outstanding principal balance, in whole or in part, at any time. There will be no penalty for early repayment. Any partial prepayment will be applied to the principal balance and will not postpone the due date of any subsequent monthly installments unless otherwise agreed to in writing by Docupal Demo, LLC.

## Late Payments

If ACME-1 fails to make any payment within five (5) business days of the due date, a late fee of 5% of the overdue amount will be charged. Continued failure to make timely payments may result in acceleration of the loan and may constitute an event of default as defined in this Credit Agreement. Interest will continue to accrue on any past due amounts at the agreed-upon interest rate until the outstanding balance, including late fees, is paid in full.

## Hypothetical Repayment Timeline

# Security and Collateral

As security for the Loan and the Borrower's obligations under this Agreement, the Borrower hereby grants to the Lender a security interest in the Collateral.



## Collateral Description

The Collateral shall consist of all accounts receivable of the Borrower, wherever located, whether now owned or hereafter acquired. This includes all rights to payment for goods sold or leased or for services rendered.

## Collateral Valuation

The value of the accounts receivable will be determined based on their book value as reflected in the Borrower's financial records. The Lender will monitor the value of the Collateral through quarterly financial reports provided by the Borrower.

## Perfection of Security Interest

The security interest granted herein shall be perfected by the filing of a UCC-1 financing statement with the appropriate filing office in the jurisdiction of the Borrower's principal place of business. The Borrower authorizes the Lender to file such financing statements and any continuation statements as are necessary to maintain the perfection of the security interest.

## Covenants

ACME-1 agrees to adhere to the following covenants during the term of this Credit Agreement. These covenants are designed to ensure ACME-1's continued financial health and ability to repay the loan. Compliance with these covenants will be monitored through quarterly financial reports and audits conducted by Docupal Demo, LLC.

### Affirmative Covenants

ACME-1 will perform the following actions:

- **Financial Reporting:** ACME-1 shall provide Docupal Demo, LLC with quarterly financial reports within 30 days after the end of each fiscal quarter. These reports will include, but are not limited to, balance sheets, income statements, and cash flow statements.
- **Debt Service Coverage Ratio:** ACME-1 must maintain a debt service coverage ratio (DSCR) of at least 1.2:1. This ratio will be calculated as earnings before interest, taxes, depreciation, and amortization (EBITDA) divided by the total





- debt service (principal and interest payments) for the relevant period.
- **Audits:** ACME-1 shall allow Docupal Demo, LLC, or its designated representatives, to conduct audits of ACME-1's financial records and operations, with reasonable notice and during normal business hours.
  - **Compliance with Laws:** ACME-1 shall comply with all applicable laws, rules, and regulations.
  - **Use of Funds:** ACME-1 will use the loan proceeds only for the purposes outlined in this agreement.

## Negative Covenants

ACME-1 will refrain from the following actions:

- **Additional Debt:** ACME-1 shall not incur any additional debt without the prior written consent of Docupal Demo, LLC, unless such debt is directly related to the purchase of equipment essential for operations and does not, in aggregate, exceed \$250,000.00.
- **Liens:** ACME-1 shall not create, incur, or permit any lien on any of its assets, except for permitted liens existing as of the effective date of this agreement or liens granted to Docupal Demo, LLC as security for the loan.
- **Sale of Assets:** ACME-1 shall not sell, lease, transfer, or otherwise dispose of any of its material assets without the prior written consent of Docupal Demo, LLC.
- **Mergers and Acquisitions:** ACME-1 shall not merge or consolidate with any other entity, or acquire all or substantially all of the assets of another entity, without the prior written consent of Docupal Demo, LLC.
- **Distributions:** ACME-1 shall not declare or pay any dividends, or make any other distributions to its equity holders, if such action would cause a default under this agreement or impair ACME-1's ability to meet its obligations.
- **Change in Control:** ACME-1 shall not undergo a change in control without the prior written consent of Docupal Demo, LLC. A change in control is defined as any transaction or series of transactions that results in a person or group of persons acquiring more than 50% of the voting power of ACME-1.

## Representations and Warranties

ACME-1 makes the following representations and warranties to Docupal Demo, LLC as of the effective date of this Credit Agreement. These representations and warranties are material to Docupal Demo, LLC's decision to extend credit.



## Organization and Authority

ACME-1 is a business duly organized, validly existing, and in good standing under the laws of the United States. ACME-1 has all requisite power and authority to own its properties and to carry on its business as now being conducted. ACME-1 has the full power and authority to enter into this Credit Agreement and to perform its obligations hereunder.

## No Conflicts

The execution, delivery, and performance of this Credit Agreement do not conflict with ACME-1's organizational documents or any agreement binding on ACME-1. Also, it does not violate any applicable law, rule, or regulation.

## Financial Condition

ACME-1's financial statements fairly present its financial condition as of those dates and have been prepared in accordance with generally accepted accounting principles (GAAP). There has been no material adverse change in ACME-1's financial condition since the date of the most recent financial statements provided to Docupal Demo, LLC.

## Title and Liens

ACME-1 has good and marketable title to its assets, free and clear of all liens, claims, and encumbrances, except those that have been disclosed to Docupal Demo, LLC in writing. There are no undisclosed liens on ACME-1's assets. ACME-1 has the right to grant a security interest in the collateral described in this Credit Agreement.

## Legal Compliance

ACME-1 is in compliance with all applicable laws, rules, and regulations. ACME-1 has obtained all licenses, permits, and approvals necessary to conduct its business.

## Lender's Representations

Docupal Demo, LLC represents and warrants that it has the full power and authority to enter into this Credit Agreement and to lend funds to ACME-1.





These representations and warranties shall survive the execution and delivery of this Credit Agreement and the making of any loans hereunder.

# Events of Default and Remedies

## Events of Default

Each of the following events shall constitute an "Event of Default" under this Agreement:

1. **Non-Payment:** ACME-1 fails to pay any principal or interest when due under this Agreement.
2. **Breach of Covenants:** ACME-1 fails to perform or observe any covenant, condition, or agreement contained in this Agreement.
3. **Bankruptcy:** ACME-1 (a) commences a voluntary case under any applicable bankruptcy, insolvency, or similar law; (b) consents to the entry of an order for relief against it in an involuntary case under any such law; (c) consents to the appointment of a custodian of it or for all or substantially all of its property; or (d) makes a general assignment for the benefit of its creditors.

## Remedies

Upon the occurrence of any Event of Default, Docupal Demo, LLC shall have the following rights and remedies, in addition to all other rights and remedies available at law or in equity:

### Acceleration

Docupal Demo, LLC may declare the entire unpaid principal amount of the Loan, all interest accrued thereon, and all other amounts payable under this Agreement to be immediately due and payable.

### Foreclosure

Docupal Demo, LLC may foreclose on any collateral securing the Loan in accordance with applicable law.



## Other Rights and Remedies

Docupal Demo, LLC may pursue any other rights or remedies available to it under this Agreement, at law, or in equity, including, without limitation:

1. **Suit for Payment:** Docupal Demo, LLC may institute suit to recover judgment for all amounts due under this Agreement.
2. **Enforcement of Security Interests:** Docupal Demo, LLC may exercise all rights and remedies available to a secured party under the Uniform Commercial Code.
3. **Setoff:** Docupal Demo, LLC may set off any amounts owed by it to ACME-1 against any amounts owed by ACME-1 to it under this Agreement.

## Cumulative Remedies

All rights and remedies of Docupal Demo, LLC under this Agreement shall be cumulative and may be exercised concurrently or separately. The exercise of any one right or remedy shall not be deemed an election of such right or remedy and shall not preclude the exercise of any other right or remedy.

## Waiver

No failure on the part of Docupal Demo, LLC to exercise, and no delay in exercising, any right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy.

## Conditions Precedent

This Credit Agreement will become effective once both DocuPal Demo, LLC (the Lender) and Acme, Inc (the Borrower) have signed it. The Lender's obligation to provide credit is subject to the following conditions precedent. All actions must be completed to the Lender's satisfaction, unless waived in writing by the Lender.

## Initial Credit Extension

Before the initial extension of credit, the Lender must receive the following:

1. **Executed Credit Agreement:** A fully executed copy of this Credit Agreement.



2. **Certificate of Good Standing:** A certificate of good standing for Acme, Inc, from its state of incorporation. This certificate must be dated no earlier than thirty (30) days prior to the Effective Date.
3. **UCC-1 Financing Statement:** A UCC-1 financing statement, suitable for filing, covering the Collateral. This statement must be properly filed in all jurisdictions necessary to perfect the Lender's security interest in the Collateral.
4. **Other Documents:** Any other documents reasonably requested by the Lender. These documents may be necessary to confirm the Borrower's legal existence, authorization to enter into this Agreement, and ability to perform its obligations.

## Legal Opinion

The Lender may require an opinion from legal counsel for the Borrower. This opinion, if requested, must address matters such as:

- The Borrower's due organization and valid existence.
- The Borrower's power and authority to execute, deliver, and perform this Agreement.
- The enforceability of this Agreement against the Borrower.
- The perfection of the Lender's security interest in the Collateral.

## Satisfaction of Conditions

The Lender will determine if the conditions precedent have been met. The Lender's determination will be final and binding on the Borrower, absent manifest error. The Lender is not obligated to extend credit until all conditions precedent are satisfied or waived in writing.

## Representatives and Notices

### DocuPal Demo, LLC

All notices and other communications under this Agreement to DocuPal Demo, LLC shall be in writing and shall be delivered by email or certified mail to:

John Doe 123 Main Street Anytown, CA 90210 Email: [Insert Email Address]



## Acme, Inc.

All notices and other communications under this Agreement to Acme, Inc. shall be in writing and shall be delivered by email or certified mail to:

Jane Smith 456 Oak Avenue Wilsonville, Oregon - 97070 USA Email: [Insert Email Address]

## General

Either party may change its address for notification purposes by giving the other party written notice of the new address in accordance with this section. Notices delivered as specified above will be considered effective upon receipt.

## Governing Law and Jurisdiction

This credit agreement is governed by the laws of the State of Delaware. This applies without regard to its conflict of laws principles.

## Dispute Resolution

Any legal action or proceeding arising out of or relating to this credit agreement will be brought in the courts of Delaware. Both Docupal Demo, LLC and ACME-1 consent to the exclusive jurisdiction of these courts. They also waive any objection to venue in these courts.

## Miscellaneous Provisions

### Amendments

This Credit Agreement may be amended only by a written instrument signed by both DocuPal Demo, LLC and ACME-1. No oral agreement will be considered an amendment to this agreement. Any modification must be in writing to be effective.



## Assignment

DocuPal Demo, LLC may assign its rights or obligations under this Credit Agreement with notification to ACME-1. ACME-1 may not assign its rights or obligations under this Credit Agreement. Any attempted assignment by ACME-1 shall be void.

## Counterparts

This Credit 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. The parties may exchange signature pages electronically, and such electronic signatures shall be treated as original signatures for all purposes.

## Governing Law

This Credit 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.

## Dispute Resolution

Any dispute arising out of or relating to this Credit Agreement shall be resolved through binding arbitration in accordance with the rules of the American Arbitration Association. The arbitration shall take place in Anytown, California. The decision of the arbitrator shall be final and binding on both parties.

## Severability

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

## Entire Agreement

This Credit Agreement 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. There are no other promises, conditions, or understandings, either oral or written, relating to the subject matter of this agreement.

## Signatures

This Credit Agreement is effective as of August 9, 2025.

### DocuPal Demo, LLC

Signed: \_\_\_\_\_

Name:

Title:

Date:

### Acme, Inc

Signed: \_\_\_\_\_

Name:

Title:

Date:

## Notary Acknowledgment

DocuPal Demo, LLC

State of:

County of:

On this \_\_\_\_ day of \_\_\_\_\_, 2025, before me, the undersigned, a Notary Public in and for said state, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of DocuPal Demo, LLC, and





acknowledged that he/she executed the same for and on behalf of said limited liability company.

Notary Public: \_\_\_\_\_

**Acme, Inc**

State of: Oregon

County of: Washington

On this 9th day of August, 2025, before me, the undersigned, a Notary Public in and for said state, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of Acme, Inc, and acknowledged that he/she executed the same for and on behalf of said corporation.

Notary Public: \_\_\_\_\_

