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# Introduction

This Invoice Financing Agreement (the "Agreement") 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 an address at 23 Main St, Anytown, CA 90210 ("Lender"), and Acme, Inc, a business organized under the laws of the United States, with an address at 3751 Illinois Avenue, Wilsonville, Oregon - 97070 ("Borrower").

Invoice financing is a method used by businesses to improve cash flow by selling their invoices to a third party at a discount. Under this Agreement, the Lender will provide financing to the Borrower by purchasing its invoices. This allows the Borrower to receive immediate funds based on the value of its outstanding invoices, rather than waiting for customer payment.

## Purpose

The purpose of this Agreement is to set forth the terms and conditions under which the Lender will purchase invoices from the Borrower. It outlines the advance rate, fees, repayment terms, default conditions, security, confidentiality obligations, and dispute resolution mechanisms that govern the financing arrangement between the parties.

# Definitions and Interpretation

## Definitions

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

- **Advance Rate:** The percentage of the face value of an Approved Invoice that DocuPal Demo, LLC will advance to ACME-1, as specified in **Schedule A**.
- **Default:** Any event or circumstance as defined in **Section [Insert Section Number]** of this Agreement.



- **Eligible Receivables:** Those invoices that meet the criteria outlined in **Section [Insert Section Number]** of this Agreement and are approved by DocuPal Demo, LLC for financing.
- **Invoice:** A bill or other request for payment issued by ACME-1 to its customer for goods sold or services rendered. It must be approved by DocuPal Demo, LLC.

## Interpretation

In this Agreement, unless the context otherwise requires:

- Words importing the singular include the plural and vice versa.
- References to persons include bodies corporate, unincorporated associations, and partnerships.
- The headings are for convenience only and do not affect the interpretation of this Agreement.
- All references to sections and schedules are to sections and schedules of this Agreement.
- Defined terms are consistently used throughout this Agreement to ensure clarity and avoid ambiguity.
- Any reference to "including" or "includes" means "including without limitation" or "includes without limitation," respectively.
- The Schedules form part of this Agreement and shall have the same force and effect as if they were set out in the body of this Agreement. In the event of any inconsistency between the main body of this Agreement and the Schedules, the main body of this Agreement shall prevail.
- This Agreement shall be governed by and construed in accordance with the laws of the State of California, United States.

## Financing Facility Details

DocuPal Demo, LLC will provide Acme, Inc with an invoice financing facility. The maximum amount available to ACME-1 under this facility is \$500,000.



## Advance Rate

The advance rate applied to approved invoices will be 85% of the invoice's face value. DocuPal Demo, LLC will determine, in its sole discretion, which invoices are eligible for financing.

## Fees and Interest

Acme, Inc will pay a financing fee of 1.5% per month. This fee will be calculated on the outstanding balance. In addition, ACME-1 will pay a one-time administrative fee of \$500. This fee covers the costs associated with establishing the financing facility.

## Disbursement

Upon approval of an invoice, DocuPal Demo, LLC will disburse funds to Acme, Inc via ACH transfer. Funds will be available within 48 hours of invoice approval. The disbursed amount will reflect the advance rate, less any applicable fees.

## Example

For example, if an invoice with a face value of \$10,000 is approved, ACME-1 will receive \$8,500 (85% of \$10,000) within 48 hours, less applicable fees.

# Borrower's Representations and Warranties

ACME-1 represents and warrants to DocuPal Demo, LLC as follows:

## 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 enter into this Agreement and to perform its obligations hereunder. The execution, delivery, and performance of this Agreement have been duly authorized by all necessary action on the part of ACME-1.



## Validity of Invoices

Each invoice submitted to DocuPal Demo, LLC under this Agreement is a valid and legally binding obligation of ACME-1's customer. All invoices represent bona fide sales of goods or services actually provided to customers. No invoice is subject to any setoff, discount, claim, or defense. ACME-1 has no knowledge of any facts that would impair the validity or collectability of any invoice.

## Absence of Encumbrances

ACME-1 has good and marketable title to each invoice free and clear of all liens, security interests, and encumbrances. ACME-1 has not assigned, sold, or otherwise transferred any invoice to any other person or entity. ACME-1 will not take any action that would impair DocuPal Demo, LLC's interest in any invoice.

## Lender's Obligations

Docupal Demo, LLC agrees to provide financing to ACME-1 according to the terms and conditions defined in this agreement. Financing will be provided by purchasing ACME-1's invoices, subject to approval by Docupal Demo, LLC.

## Confidentiality

Docupal Demo, LLC will maintain the confidentiality of all non-public information received from ACME-1. This includes, but is not limited to, customer lists, pricing strategies, and financial data. This obligation survives the termination of this agreement.

## Timely Payment

Upon approval of an invoice, Docupal Demo, LLC will remit the agreed-upon advance amount to ACME-1 in a timely manner as per the schedule outlined in Exhibit A.



## Notification

Docupal Demo, LLC will promptly notify ACME-1 of any changes to the advance rate, fees, or other terms of this agreement. Docupal Demo, LLC will also provide ACME-1 with regular statements detailing the status of all financed invoices.

# Invoice Submission and Verification Process

ACME-1 will submit invoices to Docupal Demo, LLC electronically. Each submission must include all supporting documentation related to the invoice.

## Invoice Verification

Docupal Demo, LLC will verify the authenticity of each invoice. This verification will include contacting ACME-1's customers directly. Docupal Demo, LLC will confirm the details of the invoice with the customer.

## Processing Timeline

Docupal Demo, LLC will process each invoice within 48 hours of submission. This processing includes the verification steps. After verification, Docupal Demo, LLC will notify ACME-1 of approval or rejection.

# Repayment Terms

Acme, Inc. must repay the advanced amounts for each invoice within 60 days of the invoice date.

## Early Repayment

Acme, Inc. may repay the outstanding balance early without incurring any penalties. DocuPal Demo, LLC encourages prompt repayment.





## Application of Payments

All repayments will be applied in the following order: first, to any outstanding fees and accrued interest; and then, to the principal amount of the advance. This ensures that all associated costs are covered before reducing the principal balance.

# Default and Remedies

## Events of Default

The following events shall constitute a default under this Invoice Financing Agreement:

- Failure by ACME-1 to pay any amount due under this Agreement when due.
- Any breach by ACME-1 of any warranty, representation, or covenant made in this Agreement.
- The insolvency, bankruptcy, or commencement of similar proceedings by or against ACME-1.

## Lender's Remedies

Upon the occurrence of any event of default, Docupal Demo, LLC shall have the following rights and remedies, which may be exercised at any time, individually or in any combination:

- **Acceleration:** Declare all outstanding amounts immediately due and payable.
- **Termination:** Terminate this Agreement immediately.
- **Legal Action:** Pursue any available legal action to enforce its rights and recover all amounts due.
- **Collateral Seizure:** Seize and liquidate any collateral provided by ACME-1 to secure its obligations under this Agreement.
- **Demand Payment:** Demand immediate payment of all outstanding invoices and related fees.

Docupal Demo, LLC's exercise of any remedy shall not be deemed an election of remedies or preclude the exercise of any other right or remedy available under this Agreement or applicable law. All rights and remedies are cumulative.





# Fees and Charges

ACME-1 will be subject to certain fees and charges under this Invoice Financing Agreement. These fees compensate DocuPal Demo, LLC for providing financing and administering the agreement.

## Financing Fees

A financing fee will be charged monthly. This fee will be calculated based on the outstanding balance of the purchased invoices. The financing fee will be deducted directly from invoice payments received from ACME-1's customers.

## Administrative Fee

An administrative fee is due upon the signing of this agreement. This fee covers the costs associated with setting up and managing the financing arrangement.

## Late Payment Fees and Recoverable Costs

If ACME-1 fails to make any payment when due, a late payment fee will be applied. ACME-1 is also responsible for any costs incurred by DocuPal Demo, LLC in recovering payments or enforcing the terms of this agreement, including legal fees and collection expenses.

# Security and Collateral

As security for all obligations under this Agreement, ACME-1 hereby grants to Docupal Demo, LLC a continuing security interest in all of its assets. This includes all present and future accounts receivable. This security interest constitutes a first priority lien on the collateral.

## Collateral

The collateral includes, but is not limited to, all accounts, chattel paper, deposit accounts, general intangibles, instruments, and inventory. It also encompasses any supporting obligations and proceeds thereof. This is a comprehensive grant of security.



## Enforcement

Docupal Demo, LLC has the right to enforce its security interest under this Agreement. In the event of a default, Docupal Demo, LLC may take control of the collateral. Docupal Demo, LLC can also pursue any legal remedies available under applicable law. This includes the right to sell or otherwise dispose of the collateral in a commercially reasonable manner. The proceeds from any sale will be applied to the outstanding obligations.

## Confidentiality

Both Docupal Demo, LLC and ACME-1 agree to keep confidential all financial, operational, and customer information received from the other party. This includes any data, reports, or documents shared during the term of this Invoice Financing Agreement.

### Exceptions

The confidentiality obligations outlined here do not apply to information that:

- Is already publicly available.
- Is required to be disclosed by law or legal process.

## Governing Law and Dispute Resolution

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

### Dispute Resolution

The parties agree to first attempt to resolve any disputes arising out of or relating to this Agreement through good faith mediation. If mediation does not resolve the dispute within [Number] days, then the dispute shall be settled by binding arbitration in accordance with the rules of the American Arbitration Association. The arbitration shall take place in [City, State]. The decision of the arbitrator shall be final and binding on both parties. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.



# Miscellaneous Provisions

## Amendments

This Agreement may be amended only by a written instrument signed by both Docupal Demo, LLC and ACME-1. Any modification or supplement to this Agreement is not effective unless it is in writing and signed by authorized representatives of both parties.

## Notices

All notices relating to this Agreement must be in writing. Notices are considered duly given if sent by email or certified mail to the addresses listed in this Agreement or any other address a party provides in writing.

## Assignment

Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party. Any unauthorized assignment will be considered null and void.

## Entire Agreement

This Agreement constitutes the entire agreement between Docupal Demo, LLC and ACME-1. It supersedes all prior agreements, understandings, and communications, whether oral or written, relating to the subject matter of this Agreement.

## Severability

If any provision of this Agreement 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 provision that achieves the original intent.

# Signatures

This Invoice Financing Agreement is effective as of the last date signed below.



**Acme, Inc ("ACME-1")**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: CEO or CFO

Date: \_\_\_\_\_

**Docupal Demo, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Managing Director

Date: \_\_\_\_\_

Each party has executed this Agreement through its duly authorized representative. This confirms their understanding and agreement to the terms and conditions outlined within this document.

