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Introduction and Purpose

This Receivables Purchase Agreement (the "Agreement") sets forth the terms and conditions under which DocuPal Demo, LLC, a United States company with its principal address at 23 Main St, Anytown, CA 90210 ("DocuPal"), will purchase certain accounts receivable from Acme, Inc, a United States business with its principal address at 3751 Illinois Avenue, Wilsonville, Oregon - 97070 ("ACME-1"). DocuPal's base currency is USD.

Scope of Agreement

This Agreement governs the sale of accounts receivable by ACME-1 to DocuPal. These receivables arise from ACME-1's sale of goods or services to its customers. Through this Agreement, ACME-1 intends to sell, and DocuPal intends to purchase, these receivables. This agreement details the process, purchase price calculation, ownership transfer, and associated responsibilities of both parties.

Definitions and Interpretation

Definitions

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

- **Eligible Receivables:** Those accounts receivable of ACME-1 that meet the criteria outlined in Exhibit A and are acceptable for purchase by Docupal Demo, LLC.
- **Purchase Price:** The amount paid by Docupal Demo, LLC to ACME-1 for the Eligible Receivables, calculated as the face value of the Eligible Receivables less the Discount Rate and Servicing Fee.
- **Discount Rate:** The percentage rate applied to the face value of the Eligible Receivables to determine a portion of the Purchase Price, as specified in Exhibit B.
- **Servicing Fee:** The fee charged by ACME-1 to Docupal Demo, LLC for servicing the Eligible Receivables, as detailed in Exhibit B.



Interpretation

This Agreement shall be interpreted in accordance with the following principles:

- **Commercially Reasonable:** Any ambiguity in this Agreement shall be interpreted in a manner that is commercially reasonable, taking into account the nature of the transaction and the practices in the receivables purchasing industry.
- **Intent of the Parties:** The terms of this Agreement shall be interpreted to reflect the mutual intent of Docupal Demo, LLC and ACME-1. The parties enter into this agreement intending to create a legally binding agreement for the purchase of receivables.
- **Governing Law:** The laws of the State of California shall govern the interpretation and enforcement of this Agreement.
- **Exhibits and Schedules:** All exhibits and schedules attached to this Agreement are incorporated by reference and shall be considered an integral part of this Agreement.
- **Currency:** All references to currency in this Agreement are to United States Dollars (USD) unless otherwise specified.

Purchase and Sale of Receivables

DocuPal Demo, LLC ("Purchaser") agrees to purchase from Acme, Inc ("Seller"), and Acme, Inc agrees to sell to DocuPal Demo, LLC, certain accounts receivable ("Receivables") as identified in accordance with this Agreement.

Identification and Delivery of Receivables

Acme, Inc will identify Receivables for sale through invoices and related documentation. These documents will be delivered electronically to DocuPal Demo, LLC via a secure online portal. The specific requirements for invoice submission and documentation will be detailed in **Exhibit A** (example).

Conditions Precedent to Sale

The obligation of DocuPal Demo, LLC to purchase Receivables is subject to the satisfaction of the following conditions precedent:



1. **Due Diligence:** DocuPal Demo, LLC shall have completed its due diligence review of Acme, Inc's Receivables to its satisfaction.
2. **No Material Adverse Change:** There shall have been no material adverse change in the financial condition of Acme, Inc since the date of the most recent financial statements provided to DocuPal Demo, LLC.
3. **Execution of Documents:** All documents required by DocuPal Demo, LLC in connection with the purchase of Receivables shall have been duly executed and delivered by all parties.

Purchase Price and Payment

The purchase price ("Purchase Price") for the Receivables will be calculated as [Specify Calculation Method, e.g., a percentage of the face value of the Receivables, less any applicable discounts or fees]. The specific calculation will be detailed in each Purchase Notice. DocuPal Demo, LLC will pay the Purchase Price to Acme, Inc upon [Specify Payment Terms, e.g., within two (2) business days of the date of the Purchase Notice].

Transfer of Ownership

Upon payment of the Purchase Price by DocuPal Demo, LLC, all right, title, and interest in and to the Receivables shall transfer to DocuPal Demo, LLC. Acme, Inc will execute any documents reasonably requested by DocuPal Demo, LLC to evidence this transfer.

Representations and Warranties

Acme, Inc represents and warrants that:

1. The Receivables are bona fide obligations of the account debtors.
2. Acme, Inc has good and marketable title to the Receivables, free and clear of any liens or encumbrances.
3. The account debtors have the legal capacity to enter into and perform their obligations under the Receivables.
4. All information provided to DocuPal Demo, LLC regarding the Receivables is true, accurate, and complete.



Purchase Price and Payment Terms

Purchase Price Calculation

The purchase price for the receivables will be the face value of the receivables less a discount. The discount will be calculated using the Discount Rate as defined in this Agreement.

Payment Schedule

DocuPal Demo, LLC will remit payment to ACME-1 within two (2) business days following the acceptance of the receivables. Payment will be made via wire transfer to the account designated by ACME-1.

Reserve Account

DocuPal Demo, LLC may establish a reserve account to cover potential dilution or credit losses related to the purchased receivables. The amount of any reserve will be determined at DocuPal Demo, LLC's discretion, based on factors such as the credit quality of the underlying obligors and historical dilution rates.

Adjustments to Purchase Price

The purchase price may be subject to adjustments after the initial payment in certain circumstances. These circumstances include, but are not limited to:

- **Dilution:** If the actual amount collected on a purchased receivable is less than the face value due to discounts, returns, or other factors, the purchase price will be reduced accordingly.
- **Credit Losses:** If a purchased receivable becomes uncollectible due to the obligor's insolvency or other credit-related reasons, the purchase price will be reduced by the amount of the uncollectible receivable, less any amounts recovered.
- **Breach of Warranty:** If ACME-1 breaches any of the warranties provided in this Agreement, DocuPal Demo, LLC may be entitled to a reduction in the purchase price to compensate for any resulting losses.



Representations and Warranties

Representations and Warranties by ACME-1

ACME-1 represents and warrants to DocuPal Demo, LLC as of the date of each Purchase Date and the Closing Date 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.
- **Validity of Receivables.** Each Receivable is a valid and legally enforceable obligation of the Account Debtor. There are no liens, encumbrances, or security interests of any kind on or affecting any Receivable.
- **Accuracy of Information.** All information provided by ACME-1 to DocuPal Demo, LLC regarding the Receivables is true, complete, and accurate in all material respects. This includes but isn't limited to, the amounts owed, the Account Debtors, and the terms of sale.
- **Compliance with Laws.** The Receivables arose from transactions that complied with all applicable laws, rules, and regulations.
- **No Disputes.** As of the Purchase Date, there are no existing disputes or claims pending or threatened with respect to any of the Receivables.
- **No Setoffs or Counterclaims.** There are no setoffs, counterclaims, or defenses against the payment of any Receivable. ACME-1 has no knowledge of any facts that would indicate that any Account Debtor may have grounds for any setoff, counterclaim, or defense.

Representations and Warranties by DocuPal Demo, LLC

DocuPal Demo, LLC represents and warrants to ACME-1 as of the date of this Agreement and the Closing Date as follows:

- **Organization and Authority.** DocuPal Demo, LLC is a limited liability company duly organized, validly existing, and in good standing under the laws of the United States. DocuPal Demo, LLC has all requisite power and authority to



enter into this Agreement and to perform its obligations hereunder.

- **Due Authorization.** The execution, delivery, and performance of this Agreement have been duly authorized by all necessary action on the part of DocuPal Demo, LLC.
- **Enforceability.** This Agreement constitutes the legal, valid, and binding obligation of DocuPal Demo, LLC, enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, or similar laws affecting the rights of creditors generally.

Covenants and Obligations

Acme, Inc. and Docupal Demo, LLC both have specific responsibilities under this Receivables Purchase Agreement. These obligations ensure the smooth operation and integrity of the receivables purchase process.

Acme, Inc.'s Covenants

Acme, Inc. agrees to several ongoing covenants. Acme, Inc. will provide Docupal Demo, LLC with a daily report. This report will detail all newly created receivables. The report will also include information on collections received against existing purchased receivables. Acme, Inc. must maintain accurate books and records related to the receivables. Acme, Inc. must also make these records available to Docupal Demo, LLC for inspection upon reasonable request.

Acme, Inc. warrants that it has the full right and authority to sell the receivables to Docupal Demo, LLC. Acme, Inc. is restricted from selling the same receivables to any other party. Acme, Inc. will also notify Docupal Demo, LLC promptly of any disputes or offsets claimed by the account debtors. Acme, Inc. will cooperate fully with Docupal Demo, LLC in the collection of the receivables.

Docupal Demo, LLC's Covenants

Docupal Demo, LLC agrees to manage the purchased receivables professionally. Docupal Demo, LLC will provide Acme, Inc. with regular updates on the status of collections. Docupal Demo, LLC will adhere to all applicable laws and regulations in



the collection of the receivables. Docupal Demo, LLC must act in a commercially reasonable manner in all dealings with the account debtors. Docupal Demo, LLC will also maintain the confidentiality of Acme, Inc.'s business information.

Indemnification

Indemnification Obligations

ACME-1 shall indemnify, defend, and hold harmless Docupal Demo, LLC, its officers, directors, employees, agents, and affiliates (collectively, the "Indemnified Parties") from and against any and all losses, liabilities, damages, claims, costs, and expenses (including reasonable attorneys' fees) (collectively, "Losses") arising out of or relating to:

- Any breach of any representation or warranty made by ACME-1 in this Agreement.
- Any breach of any covenant or agreement made by ACME-1 in this Agreement.
- Any claims asserted by a third party relating to the receivables, including but not limited to claims regarding ownership, validity, or collectability of receivables.

Indemnification Procedure

If any Indemnified Party becomes aware of any matter that could give rise to a claim for indemnification under this Agreement, the Indemnified Party shall give ACME-1 prompt written notice of such matter, specifying in reasonable detail the nature of the Loss and the amount thereof (or, if the amount is not then determinable, a good faith estimate thereof).

ACME-1 shall have the right to control the defense and settlement of any such claim, provided that ACME-1 shall not settle any claim without the Indemnified Party's prior written consent, which consent shall not be unreasonably withheld, if such settlement would require the Indemnified Party to admit liability or pay money. The Indemnified Party shall reasonably cooperate with ACME-1 in the defense of any such claim.



Limitation of Liability

The total liability of ACME-1 under this indemnification section shall not exceed the total Purchase Price paid by Docupal Demo, LLC to ACME-1 under this Agreement.

Default and Remedies

Events of Default

ACME-1 will be considered in default under this Receivables Purchase Agreement if any of the following events occur:

1. **Failure to Deliver Receivables:** ACME-1 fails to deliver the purchased receivables to DocuPal Demo, LLC as agreed upon in the Purchase Schedule.
2. **Breach of Warranties:** Any warranty made by ACME-1 in this Agreement proves to be untrue or misleading in any material respect.
3. **Insolvency:** ACME-1 becomes insolvent, files for bankruptcy, or has a receiver appointed for its assets.
4. **Payment Default:** ACME-1 fails to remit payments collected on the receivables to DocuPal Demo, LLC, as per the agreed-upon schedule.
5. **Misrepresentation:** Any material misrepresentation or omission by ACME-1 in connection with this Agreement or any related document.

Remedies

Upon the occurrence of any event of default, DocuPal Demo, LLC will have the following remedies, in addition to any other remedies available under applicable law or equity:

1. **Termination:** DocuPal Demo, LLC may terminate this Agreement immediately by providing written notice to ACME-1.
2. **Legal Action:** DocuPal Demo, LLC may pursue any available legal action against ACME-1 to recover all amounts due under this Agreement, including but not limited to, the purchase price of the receivables, accrued interest, and reasonable attorneys' fees.
3. **Damages:** DocuPal Demo, LLC may seek damages from ACME-1 for any losses or expenses incurred as a result of the default, including but not limited to, direct, indirect, incidental, and consequential damages.

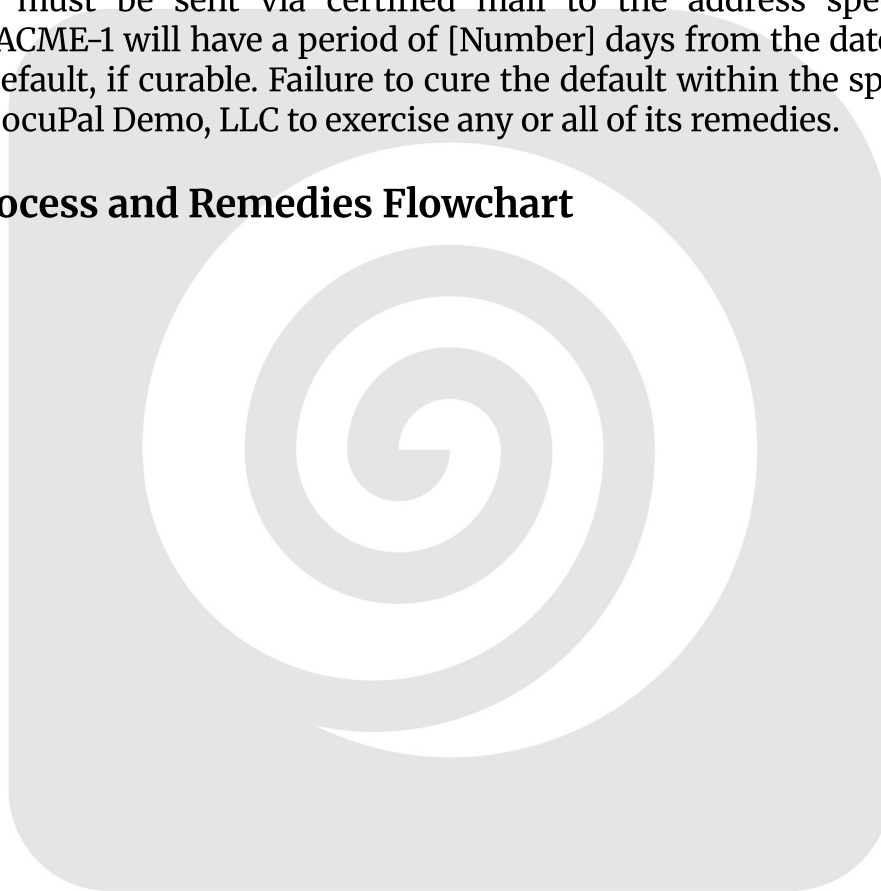


4. **Set-Off:** DocuPal Demo, LLC may set off any amounts owed by DocuPal Demo, LLC to ACME-1 against any amounts owed by ACME-1 to DocuPal Demo, LLC under this Agreement or any other agreement between the parties.
5. **Repurchase Obligation:** DocuPal Demo, LLC may require ACME-1 to repurchase any or all of the receivables that are subject to the default, at the original purchase price.

Notice of Default

DocuPal Demo, LLC will provide written notice of any event of default to ACME-1. Such notice must be sent via certified mail to the address specified in this Agreement. ACME-1 will have a period of [Number] days from the date of the notice to cure the default, if curable. Failure to cure the default within the specified period will entitle DocuPal Demo, LLC to exercise any or all of its remedies.

Default Process and Remedies Flowchart



Closing and Conditions Precedent

Closing Date

The closing of the initial purchase of Receivables under this Agreement (the "Closing") will occur on the date this Agreement is executed by both Docupal Demo, LLC ("Docupal") and Acme, Inc ("ACME-1").

Conditions Precedent to Closing

Docupal's obligation to purchase Receivables from ACME-1 at the Closing is subject to the satisfaction of the following conditions precedent on or before the Closing Date:

1. **Agreement Execution:** This Agreement shall have been duly executed by both Docupal and ACME-1.
2. **Initial Receivables Data:** ACME-1 shall have delivered to Docupal the initial Receivables Data in the form and substance required by this Agreement.
3. **Funding of Purchase Price:** Docupal shall have the funds available to pay the initial Purchase Price as calculated according to the terms outlined in this Agreement.
4. **Corporate Resolutions:** ACME-1 shall have provided Docupal with certified copies of resolutions duly adopted by its board of directors authorizing the execution, delivery, and performance of this Agreement and all related documents.
5. **Legal Opinion:** Docupal shall have received a legal opinion from ACME-1's counsel, in form and substance satisfactory to Docupal, regarding the due execution, validity, and enforceability of this Agreement.
6. **UCC Filings:** All necessary UCC filings shall have been prepared and be ready for filing to perfect Docupal's security interest in the Purchased Receivables.



Agreement Effectiveness

This Agreement shall become effective upon its execution by both Docupal and ACME-1. The parties agree to cooperate in good faith to fulfill all conditions precedent as promptly as practicable. If any condition precedent is not satisfied or waived by Docupal on or before the Closing Date, Docupal may, at its option, terminate this Agreement without liability to ACME-1.

Representatives and Notices

Representatives

The following individuals are designated as the official representatives for each party under this Receivables Purchase Agreement:

- For DocuPal Demo, LLC: John Smith, CEO
- For Acme, Inc: Jane Doe, CFO

Each party may change its designated representative by providing written notice to the other party in accordance with the notice provisions below. Each representative is authorized to act on behalf of their respective party in all matters related to this Agreement.

Notices

Any notice or communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally, sent by certified mail, or sent by email with confirmation of receipt to the address of the relevant party set forth below:

If to DocuPal Demo, LLC:

23 Main St Anytown, CA 90210 United States

If to Acme, Inc:

3751 Illinois Avenue Wilsonville, Oregon - 97070 USA



Notice Timing

Notices must be given at least two business days prior to any action being taken.

Either party may change its address for notification purposes by giving notice to the other party in accordance with this section.

Governing Law and Jurisdiction

This Receivables Purchase Agreement will be governed by the laws of the State of Delaware. This applies without regard to its conflict of laws principles.

Dispute Resolution

Any dispute arising from or relating to this Agreement will be resolved through binding arbitration. The arbitration will take place in Wilmington, Delaware. The arbitration will be administered by a recognized arbitration organization under its applicable rules. The decision of the arbitrator will 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.

Assignment

Neither party may assign its rights or delegate its duties under this Agreement without the prior written consent of the other party. Any attempted assignment or delegation in violation of this section will be void.



Entire Agreement

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

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.

Schedules and Exhibits

This Receivables Purchase Agreement includes the following schedules and exhibits, which are incorporated by reference and form an integral part of this agreement. These documents provide essential details, examples, and templates to support the terms and conditions outlined in the main body of this agreement.

Exhibit A: List of Initial Receivables

Exhibit A contains a detailed list of the receivables that ACME-1 is selling to Docupal Demo, LLC at the commencement of this agreement. This list includes the names of the account debtors, invoice numbers, invoice dates, and the outstanding amounts due for each receivable. This exhibit serves as a baseline reference for the receivables subject to the initial purchase under this agreement.

Exhibit B: Form of Collection Report

Exhibit B presents the standard format for the Collection Report that ACME-1 will provide to Docupal Demo, LLC on a regular basis. This report details all collections received by ACME-1 on purchased receivables, including the dates of collection, amounts collected, and the specific receivables to which the collections apply. The template ensures consistent and transparent reporting, facilitating accurate reconciliation and management of the purchased receivables portfolio. This exhibit includes a sample invoice demonstrating the required information and format.

