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# Introduction and Parties

## Introduction

This Design-Build Agreement (the "Agreement") is made and entered into as of August 9, 2025.

## Parties

### Owner

Acme, Inc, hereinafter referred to as "Owner" or "ACME-1," is a business entity organized under the laws of United States, with its principal office located at 3751 Illinois Avenue, Wilsonville, Oregon, 97070, USA.

### Design-Builder

Docupal Demo, LLC, hereinafter referred to as "Design-Builder," is a limited liability company organized under the laws of United States, with its principal office located at 23 Main St, Anytown, CA 90210.

## Project Overview

Owner wishes to engage Design-Builder to provide design and construction services for a new office building (the "Project") to be located at 123 Main Street, Anytown, USA. The Design-Builder shall provide architectural design, structural engineering, MEP engineering, and construction of the building. This Agreement sets forth the terms and conditions under which Design-Builder will perform these services.

## Scope of Work

DocuPal Demo, LLC (Design-Builder) will provide comprehensive design and construction services for the new office building project located at 3751 Illinois Avenue, Wilsonville, Oregon 97070, USA. ACME-1 (Owner) commissions these services according to the terms of this Design-Build Agreement.



## Design Services

The Design-Builder will perform all design services necessary for the complete and functional office building. These services include:

- Architectural design, encompassing the building's layout, aesthetics, and functionality.
- Structural engineering to ensure the building's stability and safety.
- Mechanical, electrical, and plumbing (MEP) engineering for all building systems.
- Obtaining all necessary permits and approvals for the project.

## Construction Services

The Design-Builder will execute all construction work required to deliver the completed office building. This includes:

- Site preparation, including clearing, grading, and excavation.
- Foundation work to provide a solid base for the structure.
- Structural framework construction to create the building's skeleton.
- Exterior cladding installation to enclose the building.
- Interior finishes, including walls, flooring, ceilings, and fixtures.
- MEP systems installation, connecting all mechanical, electrical, and plumbing components.
- Landscaping to enhance the building's surroundings.

## Project Milestones and Deliverables

The project's progress will be tracked against specific milestones and deliverables, as detailed in **Exhibit A - Project Schedule**. Key milestones include:

- Design Completion: The finalized design plans and specifications.
- Permit Approval: Receipt of all required building permits.
- Foundation Completion: The foundation is fully constructed and inspected.
- Structural Completion: The building's structural framework is finished.
- Substantial Completion: The building is sufficiently complete for occupancy.
- Final Completion: All work is completed, and the building is ready for use.



## Responsibilities

### Owner (ACME-1) Responsibilities:

- Provide clear and comprehensive project requirements to the Design-Builder.
- Make timely decisions to avoid delays in the project schedule.
- Fulfill all payment obligations as outlined in the agreement.

### Design-Builder (DocuPal Demo, LLC) Responsibilities:

- Manage the design process, ensuring compliance with all applicable codes and regulations.
- Obtain all necessary permits and approvals for the project.
- Oversee the construction process, maintaining quality and safety standards.
- Adhere to the project schedule and budget.
- Provide regular progress reports to the Owner.
- Project management from inception to final completion.

## Contract Price and Payment Terms

### Contract Price

The total contract price for the complete performance of the Work as defined in this Design-Build Agreement is \$10,000,000 (Ten Million US Dollars). This price includes all Design-Builder's costs, fees, and expenses, unless explicitly stated otherwise in this Agreement.

### Payment Schedule

The Owner will make progress payments to the Design-Builder monthly, based on the percentage of completion of the Work. Exhibit B details the specific Payment Schedule, outlining the milestones and corresponding payment amounts.

### Payment Procedures

The Design-Builder must submit invoices to the Owner by the 25th of each month. Each invoice should clearly detail the Work completed during the billing period, referencing the relevant line items from the Payment Schedule (Exhibit B). The Owner will review and approve or reject each invoice within 10 business days of



receipt. If the Owner disputes any portion of an invoice, it will promptly notify the Design-Builder in writing, explaining the basis for the dispute. The undisputed portion of the invoice will be paid according to the payment terms. Both parties will work in good faith to resolve any disputed amounts promptly.

## Retainage

The Owner will withhold 5% as retainage from each progress payment. The total retainage will be released to the Design-Builder upon Substantial Completion of the Work, as defined in this Agreement, and after the Owner's final acceptance of the project.

## Invoice Requirements

Each invoice submitted by the Design-Builder must include the following information:

- Design-Builder's name and address
- Invoice date and number
- Owner's name and address
- Project name and location
- A detailed description of the Work completed during the billing period, including reference to relevant Payment Schedule line items (Exhibit B)
- The percentage of completion for each line item
- The total amount due for the billing period
- The amount of retainage being withheld
- Any supporting documentation reasonably required by the Owner

Failure to provide complete and accurate invoices may result in delays in payment.

## Payment Method

All payments will be made by wire transfer to the Design-Builder's account, as specified in writing by the Design-Builder.

## Late Payments

If the Owner fails to make payments within the agreed-upon timeframe, the Design-Builder will be entitled to interest on the overdue amount at a rate of 1% per month, or the maximum rate permitted by law, whichever is lower.





# Change Orders and Modifications

This section outlines the procedure for handling changes to the agreed-upon scope of work, cost, or schedule. Any modifications to this Design-Build Agreement must be formalized through written Change Orders.

## Initiating Change Orders

All requests for changes must originate as a written Change Order Request. This request must clearly detail the nature of the proposed change, the reason for the change, and any potential impact on the project's cost or schedule.

## Change Order Review and Approval

Upon receipt of a Change Order Request, both the Owner's Project Manager and the Design-Builder's Project Manager will review the request. Approval requires agreement from both parties. The Change Order will detail any adjustments to the contract price and project schedule. It will become an official amendment to this Agreement upon full execution by both parties.

## Addressing Cost and Schedule Impacts

The Change Order will transparently outline the financial implications of the proposed change. This includes a detailed breakdown of any additional costs for labor, materials, or other resources. Furthermore, the Change Order will specify any revisions to the project schedule, including adjustments to milestone dates or the overall completion date.

## Change Order Pricing

The price for changes will be determined using one or more of the following methods:

- **Lump Sum:** A fixed price for the entire change.
- **Cost Plus Fee:** Direct costs plus an agreed-upon percentage for overhead and profit.
- **Unit Pricing:** Agreed-upon rates for specific items or tasks.





## Dispute Resolution

If the Owner and the Design-Builder cannot agree on the terms of a Change Order, they will first attempt to resolve the dispute through good-faith negotiation. If negotiation fails to produce a resolution, the parties agree to pursue mediation as the next step. If mediation is unsuccessful, the parties may then pursue other dispute resolution methods as outlined in this Agreement.

## Modifications

Any alterations, amendments, supplements, or waivers of the provisions of this Agreement shall not be effective unless made in writing and duly executed by both parties.

# Project Schedule and Completion

The project will begin on January 1, 2024, and achieve final completion by December 31, 2024. DocuPal Demo, LLC will perform the work according to the project schedule attached as Exhibit A.

## Critical Milestones

The project's progress will be measured against the following critical milestones:

- Design Completion
- Permit Approval
- Foundation Completion
- Structural Completion
- Substantial Completion

## Substantial and Final Completion

Substantial Completion occurs when the building is sufficiently complete for ACME-1 to occupy it for its intended purpose. Final Completion requires all work to be fully completed according to the contract documents.



## Project Timeline

The following chart illustrates the project's key milestones and timeline:

## Delays and Extensions

Section 8 of this agreement governs handling of project delays. DocuPal Demo, LLC is entitled to an extension of time for excusable delays, including events of Force Majeure. DocuPal Demo, LLC will notify ACME-1 promptly upon the occurrence of any event that could cause a delay. The parties will work together to mitigate the impact of any delays.

## Warranties and Guarantees

Docupal Demo, LLC (Design-Builder) warrants that all workmanship will be free from defects and conform to industry standards. This workmanship warranty extends for a period of one year from the date of substantial completion of the project.

### Material Guarantees

The Design-Builder guarantees that all materials incorporated into the project will be new, unless otherwise specified, and of good quality. The Design-Builder will assign to Acme, Inc (Owner) all manufacturers' warranties for specific products, including but not limited to roofing materials and HVAC systems. These manufacturers' warranties will be in addition to, and not in lieu of, the Design-Builder's warranty on materials.

### Warranty Period and Remedies

The warranty period for both workmanship and materials is one year, commencing on the date of substantial completion. Substantial completion is defined as the point when the project is sufficiently complete. It should be suitable for its intended use.

In the event of a breach of these warranties, the Design-Builder will, at its own expense, repair or replace any defective work or materials. The Owner must provide written notice of any defects within the warranty period. The Design-Builder will then have a reasonable opportunity to inspect the alleged defects and undertake the necessary repairs or replacements.



This warranty excludes defects or damage caused by:

- Normal wear and tear.
- Improper maintenance or use.
- Acts of God, such as floods or earthquakes.
- Work performed by parties other than the Design-Builder or its subcontractors.
- Owner modifications to the completed project.

## Liabilities, Indemnification, and Insurance

### Liabilities

Each party shall be responsible for its own acts and omissions, including negligence, breach of contract, or any other legal wrongdoings. Neither party shall be liable for consequential, indirect, or special damages arising out of or relating to this Agreement, except in cases of gross negligence or willful misconduct. The Design-Builder's liability shall be limited to the total compensation received under this Agreement.

### Indemnification

The Design-Builder shall indemnify, defend, and hold harmless the Owner, its officers, directors, employees, and agents from and against any and all claims, losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or resulting from the Design-Builder's negligent acts, errors, or omissions in the performance of its services under this Agreement. This indemnification obligation shall not apply to the extent that such claims, losses, damages, liabilities, costs, or expenses are caused by the negligence or willful misconduct of the Owner.

The Owner shall indemnify, defend, and hold harmless the Design-Builder, its officers, directors, employees, and agents from and against any and all claims, losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or resulting from hazardous materials or pre-existing conditions on the project site, provided that the Design-Builder has taken reasonable precautions to mitigate such risks.



## Insurance Requirements

The Design-Builder shall procure and maintain, at its own expense, the following insurance coverage with reputable insurance companies authorized to do business in the state where the project is located:

- **Commercial General Liability Insurance:** With a combined single limit of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate for bodily injury, property damage, and personal and advertising injury. This policy shall name the Owner as an additional insured.
- **Workers' Compensation Insurance:** As required by applicable law, covering all employees engaged in the performance of the work under this Agreement.
- **Employer's Liability Insurance:** With limits of not less than \$500,000 per accident, \$500,000 per disease, and \$1,000,000 policy limit for disease.
- **Professional Liability Insurance (Errors and Omissions Insurance):** Covering errors and omissions in the design and engineering services provided by the Design-Builder, with a limit of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate.
- **Automobile Liability Insurance:** Covering all owned, non-owned, and hired vehicles used in connection with the project, with a combined single limit of not less than \$1,000,000 per accident.

The Owner shall procure and maintain, at its own expense, property insurance covering the building and any improvements to be constructed.

## Certificates of Insurance

Prior to commencement of any work under this Agreement, the Design-Builder shall furnish the Owner with certificates of insurance evidencing the required coverage. These certificates shall:

- Be on standard Acord forms or their equivalent.
- Provide that the insurance policies shall not be canceled or materially altered without at least thirty (30) days' prior written notice to the Owner.
- Name the Owner as an additional insured under the Commercial General Liability policy.

The Design-Builder's insurance shall be primary and non-contributory with respect to any insurance maintained by the Owner. The Design-Builder shall require its subcontractors to maintain insurance coverage consistent with the requirements of this Agreement.



# Dispute Resolution

## Negotiation

The parties will first attempt to resolve any dispute arising out of or relating to this Agreement through good faith negotiation. This involves direct discussions between representatives of ACME-1 and Docupal Demo, LLC who possess the authority to settle the dispute.

## Mediation

If negotiation fails to resolve the dispute within thirty (30) days, the parties shall submit the dispute to mediation. The mediation will be conducted in accordance with the rules of the American Arbitration Association. A mutually agreed-upon mediator will conduct the mediation. The parties will share the costs of the mediator equally. Mediation is a required step before either party pursues arbitration or litigation.

## Arbitration

If mediation does not resolve the dispute within sixty (60) days of the initial mediation session, either party may initiate binding arbitration. Arbitration shall be conducted in Delaware in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association.

The arbitration panel will consist of one arbitrator, unless the parties agree otherwise. The arbitrator shall be an individual experienced in the construction industry and knowledgeable in construction law. The arbitrator's decision will be final and binding on both parties, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

## Legal Fees

Each party shall bear its own legal fees and costs incurred in connection with any dispute resolution process, including negotiation, mediation, and arbitration, unless the arbitrator or court determines otherwise.





## Governing Law

The laws of the State of Delaware govern the construction, interpretation, and enforcement of this Agreement, without regard to its conflict of laws principles.

# Termination and Suspension

## Termination for Cause

Either party may terminate this Agreement if the other party materially breaches its obligations. The party seeking termination must provide 30 days written notice. This notice will detail the breach. The breaching party has 30 days to cure the breach after receiving notice. If the breach is not cured within this period, the Agreement may be terminated. Grounds for termination include, but are not limited to: abandonment of the project by the Design-Builder or failure by the Owner to make payments as scheduled.

## Termination for Convenience

The Owner may terminate this Agreement for its convenience. The Owner must provide written notice to the Design-Builder.

## Design-Builder's Right to Suspend Work

If the Owner fails to make payments when due, the Design-Builder may suspend performance of the Work. The Design-Builder will provide written notice to the Owner of its intent to suspend work. The Design-Builder is entitled to an extension of time for any delays caused by such suspension. The Design-Builder is also entitled to compensation for costs resulting from the suspension.

## Payment Upon Termination

Upon termination, the Owner shall pay the Design-Builder for all Work performed up to the date of termination. The Owner will also reimburse the Design-Builder for reasonable termination expenses. These expenses include costs directly attributable to the termination. The Design-Builder will provide the Owner with documentation supporting these expenses.





## Effect of Termination

Certain obligations survive termination of this Agreement. These include warranties, guarantees, and confidentiality obligations. Termination does not relieve either party of obligations that accrued before the date of termination.

## Force Majeure

Neither ACME-1 nor Docupal Demo, LLC will be responsible for delays or failures in performance resulting from force majeure events. These are events beyond the reasonable control of the party affected.

### Qualifying Events

Force majeure events include:

- Acts of God
- War
- Terrorism
- Labor strikes
- Government regulations

### Notice Requirement

If a force majeure event occurs, the affected party must provide written notice to the other party within 10 days of the event. This notice should describe the event and its expected impact on performance.

### Remedies and Extensions

The primary remedy for a force majeure event is an extension of time for performance. The length of the extension will be reasonable and proportionate to the delay caused by the event.

### Effect on Liabilities

Force majeure events excuse performance during the period of the event. However, they do not eliminate liability for obligations that arose before the event.



# Confidentiality and Intellectual Property

## Confidential Information

All information related to the Project is considered confidential. This includes, but isn't limited to, designs, drawings, specifications, data, and other materials shared between ACME-1 and Docupal Demo, LLC. Both parties agree to protect this information. Confidential information will not be disclosed to third parties without prior written consent. This obligation survives the completion or termination of this Agreement.

## Intellectual Property

ACME-1 will own all intellectual property rights related to the Project. This includes copyrights, trademarks, and other proprietary rights in the design and construction documents. Docupal Demo, LLC assigns all rights, title, and interest in the design deliverables to ACME-1.

## Use of Design Documents

Docupal Demo, LLC may use the design documents solely for this Project. Docupal Demo, LLC cannot use these documents for other projects without ACME-1's express written permission. ACME-1 has the right to use the design documents for any purpose related to the Project or the completed building. ACME-1 can modify the design documents as necessary.

## Protection of Intellectual Property

Docupal Demo, LLC will take reasonable steps to protect ACME-1's intellectual property rights. This includes implementing security measures to prevent unauthorized access to the design documents. Docupal Demo, LLC will promptly notify ACME-1 of any suspected infringement of its intellectual property rights.



# Notices

## Notice Delivery

All notices regarding this Design-Build Agreement must be in writing. Notices can be delivered by certified mail, email with confirmation receipt, or personal delivery.

## Addresses for Notice

Notices to the Owner, ACME-1, must be sent to:

123 Main Street, Anytown, USA

Notices to the Design-Builder, Docupal Demo, LLC, must be sent to:

456 Oak Avenue, Anytown, USA

## Effective Date of Notice

A notice is deemed received when confirmation of receipt is obtained. This applies to both email and certified mail. For personal delivery, the date of delivery as evidenced by a signed receipt will be considered the date of notice.

# Miscellaneous Provisions

## Governing Law

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

## Entire Agreement

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



## Severability

If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the remaining provisions of this Agreement will remain in full force and effect. The parties will negotiate in good faith to replace the invalid, illegal, or unenforceable provision with a valid, legal, and enforceable provision that achieves the original intent of the parties as closely as possible.

## Assignment

Neither party may assign or delegate its rights or obligations 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.

## Waiver

No waiver of any provision of this Agreement will be effective unless it is in writing and signed by the party against whom the waiver is sought to be enforced. No failure or delay by either party in exercising any right or remedy under this Agreement will operate as a waiver of that right or remedy. A waiver of any right or remedy on one occasion will not be construed as a waiver of that right or remedy on any other occasion.

## Amendments

No amendment to this Agreement will be effective unless it is in writing and signed by both parties.

# Signatures and Execution

This Design-Build Agreement is effective as of December 1, 2023.

## Agreement

ACME-1 (Owner) and Docupal Demo, LLC (Design-Builder) agree to all the terms and conditions. By signing below, both parties show their acceptance of this agreement.



## Signatures

### Acme, Inc (ACME-1)

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

Name: John Doe

Title: CEO

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

### Docupal Demo, LLC

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

Name: Jane Smith

Title: CEO

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

## Notarization

Please have a notary public witness and attest to the signatures of both the Owner and the Design-Builder. Provide the notary's details and official seal on this page, following each signature.

## Appendices and Exhibits

This Design-Build Agreement includes the following appendices and exhibits, which are incorporated by reference and form an integral part of this Agreement.

### Exhibits

- **Exhibit A – Project Schedule:** This exhibit details the timeline for all phases of the project, from commencement to final completion. It includes key milestones, deadlines for design submissions, construction start and finish dates, and inspection schedules. The Project Schedule outlines the critical path and dependencies to ensure timely project delivery.



- **Exhibit B – Payment Schedule:** This exhibit outlines the payment terms and schedule for the Design-Builder's compensation. It specifies the amounts due upon achievement of specific milestones, such as design completion, procurement, construction phases, and final acceptance. The Payment Schedule also includes provisions for retainage and final payment upon project completion.
- **Exhibit C – Technical Specifications:** This exhibit provides detailed technical specifications for all materials, equipment, and workmanship required for the project. It includes information on building codes, industry standards, performance criteria, and quality control procedures. The Technical Specifications ensure that the project meets the Owner's requirements and applicable regulations.

