

# Table of Contents

<b>Introduction and Purpose</b>	<b>3</b>
Purpose of the Agreement	3
Scope and Objectives	3
<b>Definitions and Interpretation</b>	<b>3</b>
Definitions	3
Interpretation	4
<b>Drag-Along Rights and Obligations</b>	<b>5</b>
Triggering Drag-Along Rights	5
Notice and Information	5
Obligations of ACME-1	5
Limitations on Drag-Along Rights	5
Documentation and Closing	5
Liability and Indemnification	6
<b>Procedure for Sale and Notice Requirements</b>	<b>6</b>
Notice of Proposed Sale	6
Timing of Notice	6
Content of Notice	6
Required Documentation	7
ACME-1 Obligations	7
<b>Representations and Warranties</b>	<b>7</b>
Representations by Each Shareholder	7
<b>Indemnities and Liability</b>	<b>9</b>
Indemnification	9
Liability	9
Indemnification Obligations Related to Sale	9
<b>Governing Law and Dispute Resolution</b>	<b>10</b>
Dispute Resolution	10
<b>Miscellaneous Provisions</b>	<b>10</b>
Amendments	10
Assignment	10
Entire Agreement	10
Governing Law	11
Dispute Resolution	11



Severability .....	11
Notices .....	11



# Introduction and Purpose

This Drag-Along 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 United States, with its principal place of business at 23 Main St, Anytown, CA 90210 ("Company") and ACME-1, a business entity organized under the laws of United States, with its principal place of business at 3751 Illinois Avenue, Wilsonville, Oregon - 97070, USA ("Investor").

## Purpose of the Agreement

The primary purpose of this Agreement is to set forth the terms and conditions under which the Investor, as a minority shareholder of the Company, agrees to sell its shares alongside the Company's majority shareholders in the event of a proposed sale of the Company. This Agreement is intended to facilitate a complete exit strategy for the Company, making it more attractive to potential buyers.

## Scope and Objectives

This Agreement ensures that if the majority shareholders approve a sale of the Company, the Investor is obligated to participate in such sale on the same terms and conditions. This "drag-along" right enables the majority shareholders to compel the Investor to sell its shares, thus preventing minority shareholders from hindering a potentially beneficial transaction. The terms outlined in this agreement aim to protect the rights and obligations of all parties involved, ensuring a fair and transparent process for the sale of shares.

# Definitions and Interpretation

## Definitions

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

- **Drag-Along Shares** means those Shares held by Shareholders other than the Selling Shareholders that are subject to the Drag-Along Right as defined in this Agreement.



- **Drag-Along Notice** refers to the written notice delivered by the Selling Shareholders to the other Shareholders, compelling them to sell their Drag-Along Shares in accordance with the terms of this Agreement.
- **Sale Transaction** means (i) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of Docupal Demo, LLC; (ii) any merger, consolidation, business combination or other reorganization of Docupal Demo, LLC; or (iii) any sale, transfer or other disposition (in one transaction or a series of related transactions) of more than fifty percent (50%) of the outstanding Shares of Docupal Demo, LLC to a person or group of associated persons.
- **Selling Shareholders** means the holders of a majority of the outstanding Shares who initiate a Sale Transaction and thereby trigger the Drag-Along Right as defined in this Agreement.

## Interpretation

In this Agreement, unless the context otherwise requires:

- Words importing the singular include the plural and vice versa.
- References to persons include corporations and other legal entities.
- The headings are for convenience only and do not affect the interpretation of this Agreement.
- All monetary amounts are referenced in USD, the base currency of Docupal Demo, LLC.
- "Include," "includes," and "including" are not limiting and mean "include without limitation," "includes without limitation," and "including without limitation."
- Reference to any legislation or law includes any modification or re-enactment thereof.

# Drag-Along Rights and Obligations

## Triggering Drag-Along Rights

Docupal Demo, LLC's drag-along rights become active when a specific percentage of shareholders decide to sell the company. This threshold will be defined in the Shareholder Agreement. Once this threshold is met, ACME-1 and other minority



shareholders are obligated to sell their shares alongside the majority.

## Notice and Information

Docupal Demo, LLC must provide written notice to ACME-1. This notice will detail all key terms of the proposed sale. These terms include, but aren't limited to, the price per share, the form of consideration, and the identity of the prospective buyer. ACME-1 will be given a reasonable period to review and consider the proposed sale.

## Obligations of ACME-1

Upon receiving the drag-along notice, ACME-1 is obligated to consent to and participate in the sale. This includes executing all necessary documents. ACME-1 must also provide standard representations and warranties. These should be consistent with those provided by other selling shareholders. ACME-1 is required to take all actions reasonably requested by Docupal Demo, LLC to facilitate the sale.

## Limitations on Drag-Along Rights

These drag-along rights are subject to certain limitations. The sale must be for fair market value. Sales to specific competitors of ACME-1 might be restricted. Docupal Demo, LLC must ensure all shareholders receive the same price per share. The terms of the sale must be commercially reasonable.

## Documentation and Closing

ACME-1 is required to deliver all relevant share certificates or other evidence of ownership. They must also execute a transfer instrument. This will effectively transfer ownership of their shares to the buyer. The closing of ACME-1's sale will occur simultaneously with the closing of the sale by the other shareholders.

## Liability and Indemnification

ACME-1's liability in connection with the sale will be limited. It will be proportionate to their ownership percentage. ACME-1 will indemnify the other selling shareholders. This will cover any losses arising from their breach of representations or warranties. Docupal Demo, LLC will ensure that the purchase agreement contains standard indemnification provisions.



# Procedure for Sale and Notice Requirements

## Notice of Proposed Sale

Docupal Demo, LLC will provide formal written notice to ACME-1 of any proposed sale that triggers the drag-along rights. This notice will be delivered either by certified mail, a recognized courier service, or by email with confirmation of receipt.

## Timing of Notice

The notice must be given to ACME-1 within a reasonable timeframe before the anticipated closing date of the sale. This timeframe will allow ACME-1 sufficient opportunity to evaluate the terms of the proposed sale and take any necessary actions.

## Content of Notice

The notice will include all material terms and conditions of the proposed sale, including but not limited to:

- The proposed sale price.
- The form of consideration (e.g., cash, stock, or other assets).
- The identity of the prospective buyer.
- The anticipated closing date of the sale.
- Any other material terms and conditions of the proposed sale.

## Required Documentation

To validate the sale process, the notice will be accompanied by copies of the following documents:

- The definitive sale agreement.
- Relevant board resolutions approving the sale.
- Any fairness opinions obtained in connection with the sale.





## ACME-1 Obligations

Upon receipt of the notice, ACME-1 is obligated to sell its shares on the same terms and conditions as the majority shareholders. ACME-1 must execute all necessary documents and take all actions reasonably requested by Docupal Demo, LLC to effectuate the sale.

# Representations and Warranties

## Representations by Each Shareholder

Each shareholder, both majority and minority, represents and warrants to each other and to the Buyer as of the date of this Agreement and as of the Closing Date:

- **Ownership:** They are the lawful owner of their shares. They possess full right, title, and interest in and to the Shares.
- **Authority:** They have the full legal right, power, and authority to enter into this Agreement. They can carry out its provisions. The execution, delivery, and performance of this Agreement have been duly authorized.
- **Compliance:** Their execution, delivery, and performance of this Agreement does not violate any law, regulation, order, or agreement to which they are a party or by which they are bound.
- **No Encumbrances:** Their Shares are free and clear of all liens, claims, charges, encumbrances, options, rights of first refusal, or other restrictions of any kind.
- **Accuracy of Information:** All information provided by them in connection with the Sale is true, complete, and accurate in all material respects.
- **Litigation:** There are no pending or threatened actions, suits, or proceedings that could reasonably be expected to prevent or impair their ability to perform their obligations under this Agreement.
- **Valid Issuance:** The shares were duly authorized and validly issued, and are fully paid and non-assessable.
- **Investment Purpose:** The shareholder acquired the shares for investment purposes and not with a view to or for sale in connection with any distribution thereof.
- **Sophistication:** The Shareholder has sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of acquiring the Shares.



- **Access to Information:** The Shareholder has had an opportunity to ask questions and receive answers from the Company regarding the Shares and the Company's business, and all such questions have been answered to the full satisfaction of the Shareholder.
- **Brokers:** No broker, finder, or investment banker is entitled to any brokerage, finder's, or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Shareholder.
- **Consents and Approvals:** All consents, approvals, orders, or authorizations of, or registrations, declarations, or filings with, any governmental authority necessary for the Shareholder to execute, deliver, and perform this Agreement have been obtained and are in full force and effect.
- **No Conflicts:** The execution, delivery, and performance of this Agreement will not (a) violate any provision of law, statute, rule, or regulation to which the Shareholder is subject, (b) violate any order, judgment, or decree of any court or other governmental authority to which the Shareholder is subject, or (c) conflict with or result in a breach of any term or provision of, or constitute a default under, any agreement or instrument to which the Shareholder is a party or by which the Shareholder is bound.
- **Tax Matters:** The Shareholder has duly and timely filed all tax returns required to be filed by it and has paid all taxes, assessments, and other governmental charges levied upon it or its properties that are due and payable.

These representations and warranties are intended to protect all parties involved in the sale transaction by ensuring the accuracy of the information provided and the legal authority of each shareholder to participate in the sale.

## Indemnities and Liability

### Indemnification

Each party agrees to indemnify, defend, and hold harmless the other party, including its affiliates, directors, officers, employees, and agents, from and against any and all losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or relating to:

- Any breach by such party of any representation, warranty, or covenant made by such party in this Agreement.





- Any misrepresentation or omission in any information provided by such party in connection with the transactions contemplated by this Agreement.

This indemnification shall apply regardless of whether the indemnified party is also negligent, but shall not apply to the extent that the losses, damages, liabilities, costs, or expenses are caused by the gross negligence or willful misconduct of the indemnified party.

## Liability

The party responsible for any breach of this Agreement will be liable for any resulting damages. Docupal Demo, LLC, located at 23 Main St, Anytown, CA 90210, United States, will be responsible for its actions and liabilities. ACME-1, located at 3751 Illinois Avenue, Wilsonville, Oregon - 97070, USA, will be responsible for its actions and liabilities.

## Indemnification Obligations Related to Sale

In connection with the sale of shares under this Agreement, each Selling Shareholder will severally, but not jointly, indemnify the Lead Selling Shareholder and the Buyer against any losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) arising from or relating to any breach of any representation or warranty made by such Selling Shareholder in connection with the sale. The indemnification will be limited to the proceeds received by such Selling Shareholder in the sale, and no Selling Shareholder will be liable for any amount in excess of such proceeds. Each Selling Shareholder will only be responsible for their own individual breaches, misrepresentations, or omissions. This indemnification will survive the closing of the sale transaction. Each party shall cover costs associated with breaches of representations, warranties, or covenants.

## Governing Law and Dispute Resolution

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



## Dispute Resolution

Any dispute arising out of or relating to this agreement will be resolved through binding arbitration. The arbitration shall take place in accordance with the rules of the American Arbitration Association. The decision of the arbitrator shall be final and binding on all parties involved. Each party will bear its own costs in connection with any arbitration, except that the arbitrator will have the authority to allocate costs and attorneys' fees as they deem appropriate.

## Miscellaneous Provisions

### Amendments

This agreement may be amended or modified only by a written instrument signed by all of the parties.

### Assignment

No party may assign its rights or obligations under this agreement without the prior written consent of all other parties. Any attempted assignment without such consent will be void.

### Entire Agreement

This agreement constitutes the entire agreement between the parties. It supersedes all prior agreements and understandings, whether oral or written, relating to the subject matter of this agreement.

### Governing Law

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

Any dispute arising out of or relating to this agreement shall be resolved through binding arbitration in accordance with the rules of the American Arbitration Association. The arbitration shall take place in California.



## Severability

If any provision of this agreement is held to be invalid 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 or unenforceable provision with a valid provision that achieves the original intent of the parties.

## Notices

All notices and other communications under this agreement must be in writing. Notices will be considered duly given when (a) delivered personally, (b) sent by certified mail, return receipt requested, or (c) sent by reputable overnight courier, to the addresses set forth in the introductory paragraph of this agreement (or to such other address as a party may designate by notice to the other parties).

