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Introduction and Purpose

This Cross-Purchase Agreement (the "Agreement") is made as of August 9, 2025, by and among Acme, Inc, a business located at 3751 Illinois Avenue, Wilsonville, Oregon - 97070, USA ("ACME-1"), and potentially other parties to be identified, concerning the ownership and operation of ACME-1. Docupal Demo, LLC, located at 23 Main St, Anytown, CA 90210, USA, has prepared this document.

Purpose of this Agreement

This Agreement establishes a clear and legally sound framework for the transfer of ownership interests in ACME-1 upon the occurrence of certain triggering events. These events may include, but are not limited to, the death, disability, retirement, or departure of a co-owner.

Scope of the Agreement

The primary goal of this Cross-Purchase Agreement is to ensure the continuity and stability of ACME-1. It provides a mechanism for the remaining owners to purchase the ownership interest of a departing owner. This arrangement helps to avoid potential disputes, maintain control over the business, and provide liquidity to the departing owner or their estate. The specifics of triggering events, valuation methods, funding mechanisms, and governing legal jurisdictions will be detailed in subsequent sections of this document as determined by ACME-1.

Definitions and Interpretations

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

- **Agreement:** This Cross-Purchase Agreement, including all schedules and exhibits attached hereto.
- **Buyout Event:** IDK. This term will be defined later according to the specific events that trigger a purchase of a party's interest in ACME-1.
- **Business:** ACME-1, Inc., a business organized under the laws of United States.



- **Docupal Demo, LLC:** Docupal Demo, LLC, a company organized under the laws of United States, with its principal address at 23 Main St, Anytown, CA 90210.
- **Fair Market Value:** IDK. This will be defined later as the value of a Party's Interest as determined by [agreed-upon valuation method].
- **Parties:** Individually, each shareholder who is a party to this Agreement, and collectively, all such shareholders.
- **Party's Interest:** IDK. This refers to the shares or other equity interest in ACME-1 owned by a Party.
- **Purchase Price:** IDK. The price at which a Party's Interest is to be purchased, as determined in accordance with [relevant section].

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 currency are to United States Dollars (USD).

Buy-Sell Triggering Events

This section describes the events that will trigger the buy-sell provisions of this Cross-Purchase Agreement. Upon the occurrence of any of the events listed below, the remaining shareholders of ACME-1 will have the option or obligation to purchase the shares of the departing shareholder, as detailed in subsequent sections.

Triggering Events

The following events will trigger the buy-sell provisions of this agreement:

- **Death:** The death of any shareholder. Upon the death of a shareholder, their estate will be required to offer their shares to the remaining shareholders.



- **Disability:** The permanent disability of a shareholder. Disability will be defined as the inability to perform their duties for ACME-1 for a period exceeding 180 consecutive days, as determined by a qualified medical professional.
- **Bankruptcy:** The bankruptcy or insolvency of a shareholder. If a shareholder declares bankruptcy, their shares will be subject to purchase by the remaining shareholders.
- **Voluntary Sale:** A shareholder's decision to voluntarily sell or transfer their shares to an outside party. Before any sale or transfer can occur, the shareholder must first offer their shares to the remaining shareholders at the same price and terms offered to the outside party.
- **Retirement:** A shareholder's voluntary retirement from ACME-1. The specifics regarding the age and notice period for retirement will be determined and documented separately.
- **Termination of Employment:** The termination of a shareholder's employment with ACME-1, whether voluntary or involuntary.
- **Divorce:** In the event of a divorce, if a shareholder's shares are awarded to their former spouse, this will trigger the buy-sell agreement, allowing the other shareholders to purchase those shares.
- **Disagreement:** Irreconcilable differences among shareholders that significantly impede the operation of ACME-1.

Valuation of Ownership Interest

The process for determining the value of an owner's interest in Docupal Demo, LLC is critical for the execution of this Cross-Purchase Agreement. Because specific methods for valuation, triggering events, funding and legal jurisdiction are not available, the following considerations serve as a starting point. A final agreement requires defined terms reflecting the specific intentions of all parties.

Agreed Value

The initial value of each member's ownership interest will be the value stated in **Exhibit A**, attached to this agreement.

Valuation Adjustments

The value of each ownership interest will be reviewed and, if necessary, adjusted at least annually. All members must agree to any adjustment in writing. The adjusted value will then be recorded in a revised **Exhibit A**. If the members fail to agree on an



adjustment within a reasonable time frame, the valuation will be determined by appraisal as described below.

Valuation Methods

If the members cannot agree on the value of the ownership interest, an appraisal will be used. The appraisal process will work as follows:

1. Within 30 days of the date the members fail to agree on value, Docupal Demo, LLC and ACME-1 will each select a qualified appraiser experienced in valuing businesses similar to Docupal Demo, LLC.
2. The two appraisers will then jointly select a third qualified appraiser.
3. Each appraiser will independently determine the fair market value of the ownership interest.
4. The average of the three appraisals will determine the value of the ownership interest.

The appraisal will consider factors such as:

- Assets of Docupal Demo, LLC.
- Liabilities of Docupal Demo, LLC.
- Earning capacity of Docupal Demo, LLC.
- Market conditions.
- Other relevant factors.

The cost of the appraisal will be shared equally by Docupal Demo, LLC and ACME-1.

Timeline for Valuation

Task	Duration
Select Initial Appraisers	30 days
Select Third Appraiser	15 days
Independent Appraisals	60 days
Final Value Determination	Immediate

Valuation Method Comparison

Different valuation methods offer unique approaches to determining the fair market value of a business or asset. Here's a comparative overview of common valuation methods:

Method	Description	Pros	Cons
Agreed Value	A value mutually agreed upon by the parties involved, typically updated periodically.	Simple, cost-effective, provides certainty and control to the parties involved.	May not accurately reflect the true market value, can become outdated quickly if not regularly updated, relies on the parties' ability to negotiate and agree.
Appraisal	An independent assessment of value by a qualified professional, considering various factors such as assets, liabilities, earnings, and market conditions.	Objective, considers a wide range of factors, provides an unbiased opinion of value, suitable for complex or unique assets.	Can be expensive, time-consuming, relies on the appraiser's expertise and judgment, may produce varying results depending on the appraiser and methodology used.
Formula-Based	A predetermined formula based on financial metrics (e.g., revenue, earnings, book value) to calculate the value.	Simple to apply, cost-effective, provides a consistent and predictable valuation, suitable for businesses with stable and predictable financial performance.	May not accurately reflect the true market value, can be too simplistic, may not account for intangible factors or market conditions, requires careful selection of the appropriate formula and metrics.

Funding Mechanisms

The Cross-Purchase Agreement requires a solid funding strategy to ensure that the remaining shareholders can acquire the departing shareholder's shares. Several funding options are available, each with its own advantages and disadvantages. These options include life insurance policies, installment payments, and lump-sum payments. The specific funding mechanism will be determined by ACME-1's financial situation, risk tolerance, and the shareholders' preferences.

Life Insurance

Life insurance is a common and often efficient way to fund a cross-purchase agreement. Each shareholder purchases a life insurance policy on the other shareholders. The policy amount should equal the value of the insured shareholder's shares. Upon a shareholder's death, the insurance proceeds are used to buy the deceased shareholder's shares from their estate. This method provides immediate liquidity and ensures funds are available when needed most. The premiums are not tax-deductible, but the death benefit is generally income tax-free.

Installment Payments

Installment payments involve the remaining shareholders paying for the departing shareholder's shares over a set period. The terms, including the payment schedule, interest rate (if any), and security for the payments, will be detailed in the agreement. This approach may be suitable if the company has sufficient cash flow but lacks the immediate funds for a lump-sum payment. However, it relies on the company's continued financial stability and may expose the departing shareholder to risk if payments are not made.

Lump-Sum Payment

A lump-sum payment entails the remaining shareholders acquiring the necessary funds to buy out the departing shareholder's shares in one single payment. This could involve using company cash reserves, obtaining a loan, or a combination of both. While this method provides a clean break for all parties involved, it can strain the company's finances or require the shareholders to secure external financing.



Comparative Analysis of Funding Options

Funding Option	Cost	Risk
Life Insurance	Premiums paid over the life of the policy	Risk of policy lapse; premiums may increase
Installment Payments	Interest payments (if applicable)	Risk of default by remaining shareholders; dependence on cash flow
Lump-Sum Payment	Potential interest on loans	Strain on company finances; need for external financing

Purchase and Sale Procedures

This section details the procedures for purchasing and selling ownership interests under this Cross-Purchase Agreement. These procedures will be initiated upon the occurrence of a triggering event as defined elsewhere in this agreement.

Offer to Purchase

Following a triggering event, each remaining Owner will be offered the opportunity to purchase a portion of the Selling Owner's Interest. The offer will be in writing and must specify the number of shares or percentage of ownership interest being offered, along with the purchase price, determined according to the valuation method outlined in this agreement. Each Owner will have a specified period, typically 30 days, to accept or decline the offer in writing.

Acceptance and Allocation

If all Owners accept the offer, the Selling Owner's Interest will be divided among them proportionally to their existing ownership. If not all Owners accept, the remaining interest will be offered to the accepting Owners, again proportionally to their existing ownership. If any interest remains unpurchased after these allocations, ACME-1 may be obligated or have the option to purchase the remaining interest, according to the terms defined separately.



Payment and Closing

Upon acceptance of the offer, a closing date will be established, typically within 60 days of the acceptance date. At closing, the purchasing Owners will remit payment to the Selling Owner in US dollars (USD) via wire transfer or certified check. Simultaneously, the Selling Owner will transfer ownership of the purchased interest to the purchasing Owners by endorsing the share certificates or executing other appropriate transfer documents. Docupal Demo, LLC will update its ownership records to reflect the new ownership structure. All parties will execute any documents necessary to legally complete the transfer of ownership.

Representations and Warranties

Each party represents and warrants to the other party as follows:

Organization and Authority

Each party is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization. Each party 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 each party. This Agreement constitutes a valid and binding obligation of each party, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditors' rights generally and to equitable principles.

Ownership of Shares

Each shareholder represents and warrants that they are the lawful owner of the shares subject to this Agreement, and has the right to sell and transfer such shares, free and clear of all liens, encumbrances, and claims.

Capacity

Each party represents and warrants that they have the legal capacity to enter into this Agreement. No party is subject to any agreement or restriction that would prevent it from entering into or performing its obligations under this Agreement.



The execution, delivery and performance of this agreement does not violate any applicable law, regulation, order or agreement to which such party is subject.

Covenants and Obligations

Each party to this Cross-Purchase Agreement, including ACME-1 and Docupal Demo, LLC, undertakes certain covenants and obligations to ensure the effective operation and enforcement of this agreement. These covenants are legally binding and essential for protecting the interests of all parties involved.

Ongoing Covenants

Each shareholder agrees to the following ongoing covenants:

- **Maintenance of Insurance:** Each shareholder will maintain life insurance policies as required to fund their obligations under this agreement, ensuring that sufficient funds are available upon the occurrence of a triggering event. The specifics of the insurance policies, including coverage amounts and beneficiary designations, will be detailed separately.
- **Confidentiality:** All information relating to the business and financial affairs of Docupal Demo, LLC and its shareholders will be kept strictly confidential. No shareholder shall disclose any confidential information to any third party without the prior written consent of all other shareholders, except as required by law.
- **Cooperation:** Each shareholder agrees to cooperate fully with one another and with Docupal Demo, LLC in all matters relating to this agreement. This includes providing access to information, executing documents, and taking any other actions reasonably necessary to give effect to the terms of this agreement.

Specific Obligations

The specific obligations of each shareholder will depend on the triggering event and the terms of the purchase. Generally, these obligations will include:



- **Sale of Shares:** Upon the occurrence of a triggering event, the selling shareholder (or their estate) will be obligated to sell their shares to the remaining shareholders in accordance with the terms of this agreement.
- **Purchase of Shares:** The remaining shareholders will be obligated to purchase the shares of the selling shareholder in proportion to their respective holdings, as detailed separately.
- **Payment of Purchase Price:** The purchasing shareholders will be obligated to pay the purchase price for the shares in the manner and at the times specified in this agreement. The method of payment is IDK.

Dispute Resolution

The parties aim to resolve any disputes arising from or relating to this Agreement amicably and in good faith.

Mediation

If a dispute arises, the parties will first attempt to settle it through non-binding mediation. ACME-1 and Docupal Demo, LLC will jointly select a mutually acceptable mediator. The mediation will take place in Anytown, California, unless another location is agreed upon. The costs of the mediation will be shared equally by both parties. If mediation does not resolve the dispute within sixty (60) days of the initial mediation session, either party may pursue other remedies.

Arbitration

If mediation fails, any unresolved dispute will be settled by binding arbitration administered by the American Arbitration Association (AAA) in accordance with its Commercial Arbitration Rules. A single arbitrator will conduct the arbitration. The arbitration will take place in Anytown, California, unless both ACME-1 and Docupal Demo, LLC agree to a different location. 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.



Court Proceedings

As an alternative to mediation and arbitration, either party may bring an action in any court of competent jurisdiction to resolve disputes arising from or related to this Agreement. The parties agree that the state and federal courts located in California shall have exclusive jurisdiction over any such action, and both ACME-1 and Docupal Demo, LLC consent to the personal jurisdiction of such courts.

Tax Considerations

The tax implications of a cross-purchase agreement can be complex. Each party should seek independent professional advice. This summary provides a general overview only.

Tax Implications for Sellers

When a shareholder sells their shares under a cross-purchase agreement, the difference between the sale price and the shareholder's basis in the shares will generally result in a capital gain or loss. The character of the gain or loss (i.e., long-term or short-term) depends on how long the shareholder held the shares. Long-term capital gains are generally taxed at lower rates than ordinary income.

Tax Implications for Buyers

The purchasing shareholders will receive a cost basis in the shares acquired. This increased basis will reduce the capital gain if the purchasing shareholder later sells the acquired shares. The payments made by the purchasing shareholders are not tax deductible. The source of funds used to purchase the shares can have tax implications. For example, if a shareholder uses funds withdrawn from a qualified retirement plan, the withdrawal will likely be subject to income tax and, if the shareholder is under age 59 1/2, potentially an early withdrawal penalty.

Other Considerations

The specific tax consequences can vary based on individual circumstances, such as the shareholder's overall tax situation, the value of the company, and the structure of the transaction. State and local taxes may also apply. It is important to consult with a qualified tax advisor to understand the potential tax consequences.



Termination and Amendment

This agreement remains effective until terminated as described below. It may be terminated upon the occurrence of certain events.

Termination Events

This agreement will terminate upon the first of these events to occur:

- The unanimous written consent of all parties.
- The dissolution, bankruptcy, or permanent cessation of business of ACME-1.
- The death, disability, or withdrawal of a shareholder, if the remaining shareholders elect to purchase the departing shareholder's shares, following the procedures outlined in this agreement.
- A public offering of ACME-1's stock.

Amendment Process

This agreement may be amended or modified only by a written instrument. This instrument must be signed by all of the parties involved. No modification or amendment will be effective unless it is in writing and duly executed by all parties. Each amendment must explicitly reference this agreement.

Miscellaneous Provisions

Governing Law

This agreement is governed by the laws of the State of Oregon, USA, without regard to its conflict of laws principles. All parties consent to jurisdiction and venue in the state and federal courts located in Oregon for any disputes arising under this agreement.

Notices

All notices related to this agreement must be in writing. Notices are considered duly given when delivered personally, sent by certified mail (return receipt requested), or sent by a nationally recognized overnight courier to the addresses listed in this



agreement, or to such other address as a party may designate in writing. Notices to Acme, Inc. should be sent to 3751 Illinois Avenue, Wilsonville, Oregon - 97070, USA. Notices to Docupal Demo, LLC should be sent to 23 Main St, Anytown, CA 90210.

Entire Agreement

This agreement constitutes the entire agreement between the parties. It supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter of this agreement. No modification or amendment to this agreement is valid unless it is in writing and signed by all parties.

Counterparts

This agreement may be executed in counterparts, each of which is deemed an original. Together, the counterparts constitute one and the same instrument. Electronic or scanned signatures are considered original signatures for all purposes.

Severability

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

Exhibits and Schedules

This Cross-Purchase Agreement includes the following exhibits and schedules, which are an integral part of the agreement.

Exhibit A: Buyout Event Checklist

Exhibit A provides a detailed checklist of all necessary steps and notifications required to initiate and complete a buyout event under this Agreement. This includes, but is not limited to, providing notice of the triggering event, determining the valuation date, securing funding, and transferring ownership of the shares. The checklist ensures all parties adhere to the agreed-upon procedures and timelines, facilitating a smooth and legally compliant transfer of ownership.



Exhibit B: Valuation Formula

Exhibit B outlines the specific formula to be used for determining the fair market value of the ACME-1's shares in Docupal Demo, LLC. This formula incorporates relevant financial metrics, such as revenue, earnings, and asset values, and may also include a discount or premium based on market conditions or other relevant factors. The valuation formula will be reviewed and updated periodically to reflect changes in the ACME-1's financial performance and market conditions.

Exhibit C: Insurance Policies Summary

Exhibit C contains a comprehensive summary of all life insurance policies held by the parties to fund the purchase of shares under this Agreement. This includes the policy numbers, coverage amounts, beneficiaries, and current cash surrender values. The summary will be updated regularly to reflect any changes in the insurance policies, ensuring that adequate funding is available to execute the buyout provisions of this Agreement.

Schedule 1: Ownership Percentages

Shareholder	Ownership Percentage
ACME-1	IDK
Total	100%

This schedule details the current ownership percentages of Docupal Demo, LLC, held by each shareholder as of the effective date of this agreement.

