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# Definitions and Interpretation

## Definitions

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

- **Acquired Assets** means all assets, properties, and rights of DocuPal Demo, LLC, whether tangible or intangible, real or personal, that are being transferred to the Buyer under this Agreement. This includes, but is not limited to, all equipment, inventory, accounts receivable, intellectual property, contracts, permits, and goodwill associated with the business.
- **Agreement** means this Acquisition Agreement, including all schedules, exhibits, and amendments to it.
- **Business Day** means any day other than a Saturday, Sunday, or legal holiday in California.
- **Closing Date** means the date on which the transactions contemplated by this Agreement are completed.
- **Intellectual Property** means all patents, trademarks, copyrights, trade secrets, and other intellectual property rights owned or licensed by DocuPal Demo, LLC.
- **Material Adverse Effect** means any event, circumstance, or condition that has a material adverse effect on the business, assets, financial condition, or results of operations of DocuPal Demo, LLC.

## Interpretation

- **Ambiguities:** Any ambiguities in this Agreement shall be interpreted against the drafting party.
- **Governing Law:** This Agreement shall be governed by and construed by the laws of the State of California, without regard to its conflict of laws principles.
- **Common Usage:** Terms not defined herein shall be interpreted according to their common commercial meaning.



- **Currency:** All references to currency in this Agreement are to United States Dollars (USD).

## Purchase and Sale of Assets or Shares

DocuPal Demo, LLC ("Seller"), agrees to sell, and the Buyer agrees to purchase, all of the Seller's right, title, and interest in and to the Acquired Assets and the Shares, free and clear of all liens, encumbrances, and restrictions of any kind, except as otherwise expressly set forth in this Agreement.

### Acquired Assets

The assets to be acquired by the Buyer (the "Acquired Assets") consist of all assets related to the DocuPal Demo software platform. This includes, but is not limited to:

- Source code for the DocuPal Demo software platform.
- Customer lists, including contact information and contract details.
- All contracts related to the DocuPal Demo software platform.

### Excluded Assets

Notwithstanding the foregoing, the Acquired Assets shall not include any cash reserves held by DocuPal Demo, LLC as of the Closing Date (the "Excluded Assets").

### Shares

The shares to be acquired by the Buyer (the "Shares") consist of 100% of the issued and outstanding shares of DocuPal Demo, LLC. Upon closing, the Buyer will own all equity in the Seller.

### Transfer of Assets and Shares

The transfer of the Acquired Assets will be executed through assignment. The Seller will execute all necessary documents to ensure the Buyer obtains full ownership and control of the Acquired Assets. The transfer of the Shares will be executed via standard share transfer agreements. The Seller will deliver the share certificates, duly endorsed for transfer, to the Buyer upon closing.



# Purchase Price and Payment Terms

The total purchase price for the acquisition of DocuPal Demo, LLC will be \$5,000,000 (the "Purchase Price"). The Purchase Price will be paid as follows:

## Initial Payment

Upon the execution of this Agreement, the Buyer will pay to the Seller a sum of \$1,000,000. This initial payment is non-refundable, subject to the termination provisions outlined in this Agreement.

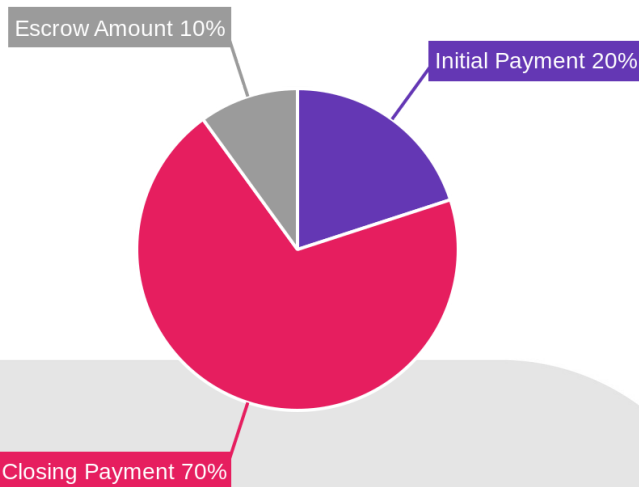
## Closing Payment

At the closing of the transaction, the Buyer will pay the remaining balance of the Purchase Price, which is \$4,000,000. This payment will be made via wire transfer to an account designated by the Seller.

## Escrow Arrangement

To secure potential breaches of the representations and warranties made by the Seller, \$500,000 of the Closing Payment will be placed in escrow (the "Escrow Amount"). The Escrow Amount will be held for a period of twelve (12) months following the Closing Date. The Escrow Agent and the terms of the escrow will be governed by a separate Escrow Agreement, to be executed at or before closing.





## Representations and Warranties of Seller

DocuPal Demo, LLC ("Seller") represents and warrants to Buyer as of the date of this Agreement and as of the Closing Date as follows:

### Organization and Authority

Seller is a limited liability company duly organized, validly existing, and in good standing under the laws of the United States. Seller 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 Seller.

### Title to Assets and Shares

Seller owns good and marketable title to all of the assets and shares being sold. These assets and shares are free and clear of all liens, encumbrances, security interests, claims, and other restrictions of any kind. Seller has the unrestricted right to sell, transfer, and deliver these assets and shares to Buyer.





## Legal Compliance

Seller has conducted its business in compliance with all applicable laws, rules, and regulations. This includes, but is not limited to, environmental laws, labor laws, and tax laws. Seller has obtained and maintained all permits, licenses, and authorizations necessary to operate its business.

## Financial Statements

The financial statements of Seller fairly present the financial condition and results of operations of Seller as of the dates and for the periods indicated. These financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) consistently applied.

## Absence of Undisclosed Liabilities

Seller has no undisclosed liabilities, contingent or otherwise, that are not reflected or reserved against in the financial statements.

## Litigation

Except as disclosed below, there is no pending or threatened litigation, arbitration, or other legal proceeding involving Seller or its assets.

Seller is currently involved in litigation regarding patent infringement.

## Taxes

Seller has filed all tax returns required to be filed and has paid all taxes due and owing. There are no pending or threatened tax audits or assessments.

## Contracts

All material contracts to which Seller is a party are valid and binding and are in full force and effect. Seller is not in default under any such contract.





## Intellectual Property

Seller owns or has the right to use all intellectual property necessary to conduct its business. Seller's intellectual property rights are valid and enforceable. Seller's operation does not infringe on the intellectual property rights of any third party.

## Condition of Assets

The tangible assets are in good operating condition and repair, ordinary wear and tear excepted.

## No Material Adverse Change

Since the date of the most recent financial statements, there has been no material adverse change in the business, financial condition, or results of operations of Seller.

## Brokers

Seller has not employed any broker or finder in connection with the transactions contemplated by this Agreement.

## Full Disclosure

No representation or warranty made by Seller in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading.

# Representations and Warranties of Buyer

Buyer represents and warrants to Seller as follows, acknowledging that Seller is relying on these representations and warranties in entering into this Agreement.



## Organization and Authority

Buyer is duly organized, validly existing, and in good standing under the laws of its jurisdiction of formation. Buyer 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 Buyer. This Agreement constitutes the legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditors' rights generally and to general principles of equity.

## Financial Capacity

Buyer has sufficient funds available to satisfy the Purchase Price as outlined in this Agreement and to complete the transactions contemplated herein. Buyer has delivered to Seller true and complete copies of [Proof of Funds] and a commitment letter from [Bank Name], evidencing Buyer's ability to fund the Purchase Price and related expenses. Buyer's ability to obtain the necessary funds is not subject to any conditions that would reasonably be expected to prevent or materially delay the Closing.

## Investment Purpose

Buyer is acquiring the [Assets/Shares] for its own account, for investment purposes only, and not with a view to any distribution thereof. Buyer understands that the [Assets/Shares] have not been registered under the Securities Act of 1933, as amended, or any state securities laws, and cannot be sold or transferred unless subsequently registered under such laws or an exemption from such registration is available. Buyer has such knowledge and experience in financial and business matters that Buyer is capable of evaluating the merits and risks of its investment in the [Assets/Shares].

## Litigation

There is no pending or, to Buyer's knowledge, threatened litigation, claim, proceeding, or investigation that could reasonably be expected to have a material adverse effect on Buyer's ability to consummate the transactions contemplated by this Agreement or to perform its obligations hereunder.



## Accuracy of Information

All information provided by Buyer to Seller in connection with the transactions contemplated by this Agreement is true, complete, and accurate in all material respects as of the date hereof. Buyer will notify Seller of any material changes to such information prior to the Closing Date.

## Covenants

### Pre-Closing Covenants

DocuPal Demo, LLC agrees to conduct its business in the ordinary course until the closing date. DocuPal Demo, LLC must refrain from making any material changes to its business operations before closing. The company will not dispose of any assets before the transaction is complete.

Specifically, between the date of this Agreement and the Closing Date, DocuPal Demo, LLC shall:

- Operate the business in the ordinary course.
- Maintain all assets in good working order.
- Comply with all applicable laws and regulations.
- Not enter into any new material contracts or agreements.
- Not dispose of any material assets.
- Preserve relationships with customers, suppliers, and employees.
- Promptly advise Buyer of any material adverse change in its business, operations, or financial condition.

DocuPal Demo, LLC will cooperate with the Buyer to ensure a smooth transition of the business.

### Post-Closing Covenants

### Transition Assistance

For three months following the Closing Date, DocuPal Demo, LLC will provide reasonable assistance to the Buyer. This assistance will aid in the transition of the business operations. Such assistance may include:



- Answering questions about the business.
- Introducing the Buyer to key customers and suppliers.
- Providing training on the company's systems and processes.

## Data Privacy

The Buyer will maintain data privacy standards following the Closing Date. These standards will be no less rigorous than those maintained by DocuPal Demo, LLC before the closing. The Buyer shall comply with all applicable data privacy laws and regulations.

## Further Assurances

Each party agrees to execute and deliver all documents and take all actions necessary to effectuate the transactions contemplated by this Agreement.

## Conditions Precedent to Closing

The obligations of each party to complete the Closing are subject to the satisfaction, at or before the Closing, of the following conditions, unless waived in writing by the party for whose benefit the condition exists.

## Regulatory and Shareholder Approvals

Receipt of regulatory approval from the Federal Trade Commission (FTC) is required. The transaction must also be approved by DocuPal Demo, LLC's shareholders. Evidence of these approvals must be provided to the Buyer before Closing.

## Third-Party Consents

Consents from key customers, as identified in **Schedule X**, must be obtained. Similarly, consents from key suppliers, as listed in **Schedule Y**, are also required. The Buyer must receive confirmation of these consents before the Closing Date.



## No Material Adverse Change

There shall have been no Material Adverse Change (MAC) in the business, operations, financial condition, or prospects of DocuPal Demo, LLC, between the date of this Agreement and the Closing Date. The Buyer will assess this condition based on financial statements and other relevant information provided by DocuPal Demo, LLC.

## Accuracy of Representations and Warranties

The representations and warranties made by DocuPal Demo, LLC in this Agreement must be true and correct in all material respects as of the Closing Date, with the same effect as though made at that time (except for representations and warranties that address matters only as of a specific date, which shall remain true and correct as of that specific date).

## Performance of Obligations

DocuPal Demo, LLC shall have performed and complied with all of its obligations under this Agreement required to be performed or complied with by it at or before the Closing.

## Delivery of Closing Documents

DocuPal Demo, LLC must deliver all required closing documents as specified in **Section Z** of this Agreement. These documents include, but are not limited to, executed transfer documents, resignations of directors, and other instruments necessary to effect the transfer of ownership.

## No Legal Impediments

There must be no legal impediments, such as injunctions or restraining orders issued by a court of competent jurisdiction, that prevent the consummation of the transactions contemplated by this Agreement.



# Closing and Deliveries

## Closing Date and Location

The closing of the transactions contemplated by this Agreement (the "Closing") will take place on July 1, 2024, at the offices of Wilson & Hart, LLP, or at such other time and place as the parties may mutually agree upon in writing.

## Deliveries by Seller

At the Closing, the Seller will deliver or cause to be delivered to the Buyer the following:

- A bill of sale, duly executed, transferring title to the Assets to the Buyer, free and clear of all liens, claims, and encumbrances.
- The share certificates, duly endorsed or accompanied by stock powers, representing all of the Shares, free and clear of all liens, claims, and encumbrances.
- Such other documents, instruments, and writings as may be reasonably requested by the Buyer to effectuate the transactions contemplated by this Agreement.

## Deliveries by Buyer

At the Closing, the Buyer will deliver or cause to be delivered to the Seller the following:

- The Purchase Price, as described in Article [insert article number], by wire transfer of immediately available funds to an account designated by the Seller.
- Such other documents, instruments, and writings as may be reasonably requested by the Seller to effectuate the transactions contemplated by this Agreement.

## Closing Procedures

The Closing will consist of the simultaneous exchange of the documents and payments described above. Each party will be responsible for its own expenses incurred in connection with the Closing, including legal fees and other costs.





# Indemnification

## Indemnification by Seller

DocuPal Demo, LLC, the Seller, will indemnify, defend, and hold harmless the Buyer from and against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees, incurred by Buyer. This indemnification applies to losses resulting from:

- Any breach of any representation or warranty made by Seller in this Agreement.
- Any liabilities of DocuPal Demo, LLC arising before the closing date.

## Indemnification by Buyer

The Buyer will indemnify, defend, and hold harmless DocuPal Demo, LLC, the Seller, from and against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees, incurred by Seller. This indemnification applies to losses resulting from:

- Any liabilities arising from the operation of the business after the closing date.

## Limitations on Indemnification

The indemnification obligations outlined above are subject to the following limitations:

- **Cap on Indemnification:** The total amount of indemnification payable by the Seller shall not exceed the purchase price.
- **Survival Period:** The representations and warranties of the Seller shall survive for a period of two years from the closing date, except for representations and warranties relating to tax matters, which shall survive for five years from the closing date. No claims for indemnification may be brought after the applicable survival period.





## Indemnification Procedures

To make a claim for indemnification under this Agreement, the indemnified party must provide written notice to the indemnifying party. This notice must include a detailed description of the claim, the amount of the loss, and the basis for indemnification.

The indemnifying party will have a period of 30 days to investigate the claim and notify the indemnified party whether it admits or denies liability. If the indemnifying party admits liability, it must promptly pay the amount of the loss to the indemnified party.

If the indemnifying party denies liability or fails to respond within the 30-day period, the indemnified party may pursue any available legal remedies to enforce its rights under this Agreement. The indemnified party has the right to control the defense of any claim, action, or proceeding relating to the indemnified loss. However, the indemnifying party will have the right to participate in the defense at its own expense. The indemnified party shall not settle any claim without the prior written consent of the indemnifying party, which consent shall not be unreasonably withheld.

## Confidentiality

### Definition of Confidential Information

"Confidential Information" means any and all information relating to DocuPal Demo, LLC (the "Company") that is not generally known to the public. This includes, but is not limited to, financial information, customer data, and trade secrets. It also encompasses information about this acquisition agreement and the transactions it contemplates.

### Obligations of the Buyer

The buyer agrees to keep all Confidential Information strictly confidential. The buyer will protect this information with the same degree of care that it uses to protect its own confidential information, but no less than a reasonable degree of care. The buyer can only use the Confidential Information for the sole purpose of evaluating and completing this acquisition.



## Permitted Disclosures

The buyer may disclose Confidential Information to its employees, advisors, and financing sources who need to know the information for the purpose of evaluating and completing the acquisition. The buyer must ensure that these parties are bound by confidentiality obligations at least as restrictive as those in this agreement. Disclosure may also be made if legally required, provided the seller is given prompt notice, where legally permissible, to seek a protective order or similar remedy.

## Term

The confidentiality obligations outlined in this section will continue for a period of five (5) years from the closing date of this acquisition.

# Termination

## Termination Events

This Agreement may be terminated prior to the Closing:

- By either party, if there is a material breach of any representation, warranty, covenant, or agreement by the other party, such that the Closing conditions would not be satisfied, and the breach is not cured within sixty (60) days after written notice.
- By the Buyer, if it fails to obtain financing necessary to complete the Acquisition, despite commercially reasonable efforts to do so.
- By either party, if a Governmental Entity has issued an order, decree, or ruling prohibiting the Acquisition, and such order, decree, or ruling has become final and non-appealable.

## Effect of Termination

In the event of termination of this Agreement under the above conditions:

- DocuPal Demo, LLC will pay the Buyer a termination fee of \$250,000.
- The parties agree that specific performance is an appropriate remedy to prevent further breaches of this Agreement and the non-breaching party can seek specific performance.



## Notice of Termination

The party desiring to terminate this Agreement pursuant to this section shall give written notice of such termination to the other party. The notice shall specify the provision of this Agreement pursuant to which such termination is made and the basis therefor.

## Dispute Resolution

### Mediation

The parties will first try to settle any dispute, claim, or controversy arising out of or relating to this Agreement through mediation. The mediation will be conducted in good faith. Either party can initiate mediation by providing written notice to the other party. Within fifteen (15) days of such notice, the parties will mutually select a mediator. If they cannot agree, they will seek assistance from the American Arbitration Association to appoint a mediator. The mediation will take place in Anytown, California, unless the parties agree otherwise. Each party will bear its own costs related to the mediation, and they will split the mediator's fees and expenses equally.

### Arbitration

If mediation does not resolve the dispute within sixty (60) days of the initial mediation notice, either party may then demand arbitration. The arbitration will be binding and administered by the American Arbitration Association (AAA) under its Commercial Arbitration Rules. A single arbitrator will conduct the arbitration. The arbitrator must be knowledgeable in corporate acquisitions. The arbitration proceedings will occur in Anytown, California, unless the parties agree to a different location. The arbitrator's decision will be final and legally binding. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction.

### Governing Law and Jurisdiction

The laws of the State of Delaware govern the interpretation, validity, and enforcement of this Agreement. This applies without regard to its conflict of laws principles. The parties agree that any legal suit, action, or proceeding arising out of or relating to this Agreement will be instituted in the state or federal courts located



in Delaware. Each party submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding and waives any objection which it may have to the laying of venue of any such suit, action, or proceeding in any of such courts.

## Governing Law and Jurisdiction

### Governing Law

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

### Jurisdiction

#### Consent to Jurisdiction

Each party irrevocably submits to the exclusive jurisdiction of the Court of Chancery of the State of Delaware for the resolution of any disputes arising out of or relating to this Agreement or the transactions contemplated by this Agreement.

#### Waiver of Jury Trial

Each party waives any right to a jury trial in connection with any such dispute.

## Notices

### Methods of Delivery

All notices relating to this Acquisition Agreement must be in writing to be valid. Notices can be delivered by email or certified mail.

### Authorized Recipients

The authorized recipients for notices are the legal counsel and the CEO of each company.



## Notice Details

Notices to DocuPal Demo, LLC must be sent to both its CEO and legal counsel at the following addresses:

- **To CEO:** Docupal Demo, LLC 23 Main St, Anytown, CA 90210
- **To Legal Counsel:** [Insert Buyer Legal Counsel Name and Address]

Notices sent by certified mail are considered delivered five business days after mailing. Notices sent by email are considered delivered upon confirmation of receipt. Each party should acknowledge receipt of a notice promptly.

## Schedules and Exhibits

This Acquisition Agreement includes the following schedules and exhibits, which are incorporated by reference.

### Schedules

The following schedules are attached to this Agreement:

- **Schedule 1.1:** Defines certain terms used in this Agreement.
- **Schedule 3.2:** Contains exceptions to the representations and warranties of the Seller.
- **Schedule 4.1:** Details the capitalization of the Seller.
- **Schedule 5.3:** Lists required consents and approvals.
- **Schedule 6.7:** Specifies the Seller's material contracts.

### Exhibits

The following exhibits are attached to this Agreement:

- **Exhibit A:** Form of Escrow Agreement.
- **Exhibit B:** Form of Release Agreement.
- **Exhibit C:** Financial Statements of DocuPal Demo, LLC for the period ending 2024-12-31. These statements provide an overview of the company's financial performance and position.
- **Exhibit D:** A comprehensive list of DocuPal Demo, LLC's customers as of 2025-08-09, outlining the company's customer base and relationships.



- **Exhibit E:** An Intellectual Property Schedule, detailing all patents, trademarks, copyrights, and other intellectual property assets owned or licensed by DocuPal Demo, LLC. This exhibit clarifies the scope of intellectual property being transferred in the acquisition.
- **Exhibit F:** Form of Transition Services Agreement.
- **Exhibit G:** Form of Non-Compete Agreement.
- **Exhibit H:** Closing Deliverables Checklist.
- **Exhibit I:** Calculation of Purchase Price Adjustment.
- **Exhibit J:** List of Assumed Contracts.
- **Exhibit K:** Sample Employee Offer Letter.
- **Exhibit L:** Insurance Policies.
- **Exhibit M:** Real Property Leases.
- **Exhibit N:** Litigation Schedule.
- **Exhibit O:** Environmental Reports.
- **Exhibit P:** Tax Returns.
- **Exhibit Q:** Employee Benefit Plans.
- **Exhibit R:** Consents and Approvals.
- **Exhibit S:** Material Agreements.
- **Exhibit T:** Permits and Licenses.
- **Exhibit U:** Equipment List.
- **Exhibit V:** Inventory List.
- **Exhibit W:** Accounts Receivable Aging Schedule.
- **Exhibit X:** Accounts Payable Aging Schedule.

