

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
Eastern Division

In Re:	)	BK No.: 26-06328
Freight Sherpas, Inc.	)	
	)	
	)	Chapter: 11
	)	Honorable Jacqueline P Cox
	)	
Debtor(s)	)	

INTERIM ORDER (I) APPROVING DEBTOR-IN-POSSESSION FINANCING, (II) APPROVING FACTORING AGREEMENT (III) SCHEDULING A FINAL HEARING; AND (IV) SHORTENING NOTICE

THIS MATTER, having come regularly before the undersigned upon the motion of Freight Sherpas, Inc. (the "Debtor") for an interim and final order approving post-petition financing of the Debtor by Apex Capital Corp. and/or its affiliates or subsidiaries ("Secured Party") and the granting of security interests under Section 364 of the Bankruptcy Code (the "Motion"), and it appearing that the immediate entry of this Order is essential to the continued orderly operation of the Debtor's business and is in the best interest of the Debtor and the Debtor's estate, it is hereby ordered.

1. The Debtor's Motion is GRANTED. The Debtor is authorized to enter into the factoring agreement attached to this order, subject to the provisions of this order.

2. All capitalized terms used in this Order, not otherwise defined herein and unless otherwise indicated, shall have the meaning given to them in the Pre-Petition Agreement or the Bankruptcy Code.

3. The Debtor is authorized, effective immediately, sell its' Accounts, as that term is defined in the Uniform Commercial Code, to the Secured Party on a secured basis subject to the terms of the Pre-Petition Agreement, and to execute all documents and take all actions to be executed and taken in connection with and in furtherance of all undertakings and obligations thereunder.

4. The Debtor is authorized to ratify, and is deemed to have so ratified, the Pre-Petition Agreement.

5. In addition to the fees, costs, charges and expenses authorized under the Pre-Petition Agreement, The Obligations shall constitute a super priority administrative expense claim under Section 364(c)(1) of the Bankruptcy Code, which shall be deemed allowed, without any further filing by Secured Party, and which shall have priority over any and all administrative expenses of the kind specified in Sections 503(b) and 507(b) of the Bankruptcy Code, subordinate only to any priority administrative expense in favor of the Debtor's counsel not to exceed \$25,000.00, and United States Trustee fees, or other than expenses incurred in connection with any challenge to the validity, extent, priority, and perfection and enforceability of the liens and claims of third parties and creditors, but not including Secured Party. Secured Party may establish a reserve with respect to this carve out from amounts otherwise payable to the Debtor by Secured Party.

6. For administrative convenience, Secured Party may record the pre-petition transactions and the post-petition transactions arising under the Pre-Petition Agreement in one account, and apply payments on a "first in, first out" basis.

7. The liens granted to Secured Party herein are deemed validly granted, duly attached, and

properly perfected, without the need of any additional actions being taken by or on behalf of Secured Party, including but not limited to, the filing or recording of Uniform Commercial Code financing statements; provided, however, that in the event Secured Party does make such a filing or recordation, the Debtor shall execute all documents required by Secured Party to do so.

8. Nothing in the Pre-Petition Agreement, or in any of the documents executed in connection therewith or this Order, shall give this Court the authority to require Secured Party to make purchases of the Debtor's Accounts, such being in the sole discretion of Secured Party.

9. Secured Party is hereby afforded the protection of Section 364(e) of the Bankruptcy Code with regard to the reversal or modification on appeal of this Order, or to the modification, vacating, or other amendment of this Order by this Court.

10. The entry of this Order and execution, delivery, and performance under the Pre-Petition Agreement, or under any other documents executed in connection therewith, do not constitute a compromise, waiver, or other relinquishment of any right of Secured Party at law, in equity or otherwise, including, but not limited to, any right of Secured Party to request and to obtain relief under the Bankruptcy Code.

11. The automatic stay provisions of 11 U.S.C. Section 362 are lifted and terminated to enable Secured Party to implement the provisions of this Order and otherwise thereby to permit Secured Party to demand and receive collections on account of the Collateral, and to apply those collections to the Obligations. Notwithstanding the foregoing, the Secured Party is not hereby granted relief from the automatic stay to enforce any remedies against the Debtor that may be afforded under the Pre-Petition Agreement. In the event a Default occurs under the terms of the Pre-Petition Agreement, Secured Party shall have a right to notice an expedited hearing before this Court seeking such relief as may be deemed appropriate upon ten (10) days' notice to counsel for the Debtor; (ii) the Subchapter V Trustee; (iii) the Office of the U.S. Trustee; and (iv) the United States Attorney's Office. Debtor shall have the right to cure any default during the 10-day notice period set forth in this section.

12. An event of default under this Order ("Default") shall include the following:

- a. the Debtor's failure to perform or comply with any of the terms, conditions, or covenants of this Order;
- b. Except for the Existing Defaults, the Debtor's failure to perform or comply with any of the terms, conditions, or covenants of the Agreement;
- c. The termination of this Order by its own terms, operation of law or court order;
- d. The dismissal of this Bankruptcy Case;
- e. A change in the Formula;
- f. The conversion of the Bankruptcy Case to a case under another chapter of the Bankruptcy Code;

13. Upon the occurrence of a Default, Secured Party shall provide the Debtor written notice of such Default to the Debtor and counsel for the Debtor. If the Default is a type that is not curable, or is curable by the Debtor and the Debtor fails to cure the Default within ten (10) business days from the time of service of such notice of the Default, all of the following shall be deemed to have occurred unless otherwise waived by Secured Party in writing:

- a. Secured Party's consent regarding the Debtor's use of the Cash Collateral pursuant to this Order is terminated without further notice;
- b. the Debtor shall not use any Cash Collateral for any purpose;
- c. the Debtor shall not seek authority to use any Cash Collateral;
- d. the Debtor shall hold and segregate all Cash Collateral in trust for Secured Party and

e. Secured Party shall be entitled to an expedited hearing on a motion for immediate relief from the automatic stay under Section 362 within not less than ten (10) days from the date of the Default, subject to the Court's calendar (the "Stay Relief Motion"). The only issue for consideration by the Court with respect to the Stay Relief Motion is whether a Default has occurred.

14. This Order is without prejudice to Secured Party's rights to pursue any and all rights and remedies under the Bankruptcy Code, the Agreement, and any other applicable agreement or law, including without limitation to seek relief from the automatic stay and/or to seek adequate protection with respect to matters not covered by this Order, to seek an injunction, and/or to object to applications for allowance and/or payment of compensation of professionals employed by the Debtor or its estate. Secured Party's acceptance and/or application of any payments by the Debtor, and the Debtor's payments to Secured Party pursuant to this Order, shall not be deemed or construed as evidence or an admission of value of the Collateral (in connection with Section 362 or 506 or otherwise), and shall not constitute a waiver of its rights to claim the difference, if any, between any payments received by Secured Party and the actual contractual amounts due under the Agreements.

15. A final hearing on this motion is scheduled for June 23, 2026 at 1:30 pm before the Honorable Jacqueline P. Cox in Courtroom 680 located at 219 S. Dearborn St, Chicago, IL 60604 or via Zoom for Government. Only parties and their counsel may appear for the confirmation hearing electronically using Zoom for Government. All others must appear in person.

To appear by Zoom using the internet, go to this link: <https://www.zoomgov.com/>. Then enter the meeting ID and passcode.

To appear by Zoom using a telephone, call Zoom for Government at 1-669-254-5252 or 1-646-828-7666. Then enter the meeting ID and passcode.

Meeting ID and passcode. The meeting ID for this hearing is 161 273 2896, and the passcode is 778135. The meeting ID and passcode can also be found on the judge's page on the court's web site.

16. Notice is shortened to the notice given.

Enter:



Honorable Jacqueline Cox

United States Bankruptcy Judge

Dated: June 02, 2026

Prepared by:

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EXHIBIT A

FACTORING TERMS AND CONDITIONS

SECTION 1. Definitions

Capitalized terms appearing in these terms and conditions shall have the following meanings:

- 1.1 “Accounts” -- All presently existing and hereafter created accounts, contract rights and general intangibles relating thereto, notes, drafts and other forms of obligations owed to or owned by Client arising or resulting from the sale of goods or the rendering of services, all proceeds thereof, all guaranties and security therefore, and all goods and rights represented thereby or arising therefrom, including, but not limited to, the right of stoppage in transit, replevin, repossession and reclamation.
- 1.2 “Agreement” -- The Factoring Agreement entered into by Apex and Client, as modified from time to time, and as supplemented by the terms and conditions of this document.
- 1.3 “Apex” -- Apex Capital Corp, a Texas corporation.
- 1.4 “Approved Account” -- An Account with respect to which Apex has issued a credit approval of the customer which, prior to purchase of the Account, has not subsequently been withdrawn.
- 1.5 “Client” -- The person or entity named as Client in a Factoring Agreement incorporating the terms and conditions of this document by reference.
- 1.6 “Client Address” -- The address of Client set forth in the opening paragraph of a Factoring Agreement incorporating the terms and conditions of this document by reference, and, in the case of electronic transmissions, Client’s email address appearing in Apex’s records as updated from time to time.
- 1.7 “Client Trade Names” -- The trade names of Client set forth in the opening paragraph of a Factoring Agreement incorporating the terms and conditions of this document by reference and trade names or styles which become Client Trade Names by virtue of Section 4.7 hereof.
- 1.8 “Collection Date” -- The date on which Apex receives payment of an Account.
- 1.9 “Credit Risk” -- The risk that a customer will be financially unable to pay an Account at maturity, provided that the merchandise has been received or services rendered and accepted by the customer without Dispute.
- 1.10 “Dispute” -- A dispute or claim, bona fide or otherwise, as to price, terms, quantity, quality, delivery of goods, delivery of services or any cause or defense to payment whatsoever other than financial inability to pay.
- 1.11 “Event of Default” -- The occurrence of any one or more of the acts or events described in Section 7.
- 1.12 “Net Amount” -- The gross face amount of an Account less the discount offered by Client to Client's customers and approved or accepted by Apex.
- 1.13 “Non-Approved Account” -- An Account with respect to which Apex has not issued a credit approval for the customer or has, prior to purchase of the Account, withdrawn any such credit approval.
- 1.14 “Obligations” -- All liabilities, obligations, covenants, duties and amounts owing by Client to Apex, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, including, without limitation, amounts owed under any other agreements between Apex and Client, and indebtedness arising under any guaranty made by Client to Apex or issued by Apex on Client's behalf, together with interest, collection and late charges, and attorney's fees.

- 1.15 “Prime Rate” – The rate of interest publicly announced from time to time by the Wall Street Journal as the prime rate charged by seventy percent (70%) of banks or its equivalent.
- 1.16 “Repurchase Price” – With respect to any Account purchased hereunder, the purchase price; minus any amounts received by Apex from Client’s customer in respect of such purchased Account; plus the Factoring Fee, the processing fee and all purchase-related charges provided for hereunder.

SECTION 2. Sale and Approval of Accounts

- 2.1 From time to time Client may sell, assign and transfer to Apex, and Apex may purchase from Client, Client's now outstanding and hereafter created or acquired Accounts, with full power to collect and otherwise deal therewith as the sole and exclusive owner thereof. Client’s submission of an Account to Apex, if accepted for purchase, shall constitute Client’s assignment of the Account to Apex subject to the terms of this Agreement. As set forth in Section 6.1(c) below, Apex shall have the right to notify Client’s customers of any such assignment by delivery of a notification letter or otherwise and to endorse Client’s name on the notification letter.
- 2.2 (a) Client will submit for Apex's credit approval Client's customers, Client's credit requirements, a description of Client's normal selling terms and such other information as Apex may request concerning Client's customers. Apex may, in Apex's sole judgment, establish approval limits for sales to Client's customers on Client's normal selling terms and all sales to such customers within the established approval limits will be Approved Accounts, provided that delivery or performance is completed while the approval limits remain in effect. All of Apex's credit approvals will be in writing, which for purposes of this Agreement shall include communications by electronic transmission or otherwise.
- (b) Apex reserves the right to amend or withdraw an approval limit at any time without notice to Client, which amendment or withdrawal will be promptly confirmed in writing by electronic transmission or otherwise.
- (c) Apex shall have no liability to Client or to any customer for Apex's refusal to approve a customer’s credit on an Account, the amount of approved credit, or Apex's withdrawal of a credit approval. Apex will not have any obligation whatsoever to purchase any Account. Client will not have any obligation whatsoever to offer any Account for sale to Apex; however, to avoid customer confusion, once an Account owing to Client by a particular customer has been assigned to Apex, Client must continue to offer for sale to Apex, and Apex shall be entitled to its Factoring Fee on, all Accounts owing to Client by such customer until notification of assignment has been withdrawn by Apex prior to purchase.
- 2.3 Apex shall have the right to require Client to immediately repurchase any purchased Account (a) not paid in full by the Repurchase Date, (b) subject to a Dispute, or (c) not paid in full at the time of any Event of Default, by payment of the Repurchase Price. If and to the extent Apex obtains and maintains credit insurance coverage on purchased Accounts, through EULER American Credit Indemnity Company or any other similar business credit insurance provider, Apex’s right to require Client to immediately repurchase any covered Accounts shall apply only in the event of a Dispute or breach by Client of Section 4.1 with respect to such covered Approved Account. Such restriction on Apex’s right to require Client to immediately repurchase shall cease immediately if and to the extent a claim for coverage thereon is denied by Apex’s credit insurance provider for whatever reason or, at Apex’s option, in the event Accounts purchased from Client are excluded from any claim for coverage.

SECTION 3. Payment and Fees

- 3.1 For each Account purchased by Apex, Apex will pay Client the purchase price which is calculated by deducting from the Net Amount of the Account the Factoring Fee and all charges provided for hereunder. The purchase price, less the deferred payment amount described in Section 3.3 below, will be paid to Client on the date of purchase.

- 3.2 Apex agrees to buy acceptable Accounts from Client for the Factoring Fee. At the time Apex purchases an Account, Client will also pay Apex an invoice processing fee for each invoice or credit memo purchased by Apex.
- 3.3 Apex may withhold from the purchase price of any Account a deferred payment amount equal to the Reserve Percentage of the Net Amount of the Account. Credits to Client's account recorded by Apex to reflect held deferred payment amounts are mere bookkeeping entries and do not represent segregated funds held by Apex in trust for the benefit of Client. Said deferred payment amounts may be offset and applied by Apex against any Repurchase Price owed by Client to Apex, or any other obligations of Client to Apex. Following termination of this Agreement and Client satisfying all of such obligations to Apex, Apex will remit to Client any amounts so withheld.
- 3.4 Except as provided in Section 5.6 below, following full payment of an individual Account or termination of this Agreement and satisfaction of all obligations as provided in the last sentence of Section 3.3, Apex will pay to Client the deferred payment amount in respect of the subject Account, less the Factoring Fee and any other charge provided for herein.
- 3.5 Apex may, at Apex's option, charge Client's account for all amounts owing by Client to Apex under this Agreement and for all other Obligations, including, without limitation, Apex's standard fees and charges, and charges for additional special handling services as may be requested by or required for Client from time to time. Unless Apex has assumed Credit Risk on a purchased Account, credit insurance deductible, co-insurance amounts and other collection charges imposed by the credit insurance provider applicable to the Account shall be treated as collection expenses owing by Client to Apex.

SECTION 4. Representations, Warranties and Covenants

- 4.1 Client represents and warrants as to each Account sold and assigned hereunder, that, at the time of its creation and at the time it is assigned to Apex hereunder: the Account is a valid, bona fide account, representing an undisputed indebtedness incurred by the named account debtor for goods actually sold and delivered or for services completely rendered; there are no setoffs, offsets or counterclaims, genuine or otherwise, against the Account; the Account does not represent a sale of goods or services provided to a parent, subsidiary or affiliate or a consignment, sale or return or a bill and hold transaction; no agreement written, oral, or otherwise, exists permitting any deduction or discount (other than the discount stated on the invoice); Client is the lawful owner of the Account and has the right to sell and assign the same to Apex; the Account is free of all security interests, liens and encumbrances other than those in Apex's favor; and the Account is due and payable in accordance with its terms. Without limiting the foregoing, Client has not granted a security interest to a bank or any other creditor, which security includes the Accounts and/or all of the "present and after acquired property" of the Client.
- 4.2 Client shall not grant or permit or suffer to exist any lien upon or security interest in Client's current assets in favor of any party other than Apex without Apex's written consent.
- 4.3 Client represents and warrants that as of the date of execution and delivery of this Agreement: it is properly licensed and insured; if it is a chartered entity, it is in existence and good standing under the laws of the state of its organization, qualified in all States where such qualification is required; the execution, delivery and performance of this Agreement has been duly authorized and is not in contravention of any applicable law, Client's organizational documents, if applicable, or any agreement or order by which Client is bound; it is solvent, able to pay its debts as they mature, has capital sufficient to carry on its business and all businesses in which it is about to engage; it will not be rendered insolvent by its execution and delivery of this Agreement or by the transactions contemplated hereby; and it has executed and delivered this Agreement in good faith and in exchange for fair equivalent consideration.
- 4.4 Client shall not change Client's company name, or Client Trade Names or the location of Client's office or open any new offices without giving Apex at least thirty (30) days prior written notice. Client shall carry on business only at the Client Address or at other addresses of which Apex has been properly notified.

- 4.5 All books and records pertaining to the Accounts or to any current assets owned by Client shall be maintained solely and exclusively at the Client Address and no such books and records shall be moved or transferred without giving Apex thirty (30) days prior written notice.
- 4.6 Client shall not sell, lease, transfer or otherwise dispose of all or substantially all of Client's property or assets, or consolidate with or merge into or with any corporation or other entity without Apex's prior written consent.
- 4.7 The Client Trade Names are the only trade names or styles under which Client shall transact business; Accounts sold to Apex hereunder and represented by invoices bearing any trade name or style utilized by Client are wholly owned by Client; the undertakings, representations and warranties made in connection therewith shall be identical to and of the same force and effect as those made with respect to invoices bearing Client's company or business name; Client's use of any trade names or styles is in compliance with all laws regarding the use of such trade names or styles. Client shall give Apex thirty (30) day's prior written notice of the change of any trade name or style or Client's use of any new trade name or style and thereafter such changed or new trade name or style shall be considered one of the Client Trade Names.
- 4.8 No discounts, credits or allowances will be issued, granted or allowed by Client to customers and no returns will be accepted without Apex's prior written consent; provided, however, that until Apex notifies Client to the contrary, Client may presume Apex's consent. Discounts, credits or allowances once issued may be claimed only by the customer.
- 4.9 Client represents and warrants that it is a commercial business enterprise, the transactions contemplated herein will be for valid and lawful business purposes only, and any amounts received by Client from the sale of Accounts hereunder will not be used for personal, family or household purposes.

SECTION 5. Disputes, Repurchase and Reserves

- 5.1 With respect to any purchased Account, upon the occurrence of a breach (or at any time thereafter) of any of the representations or warranties contained in Section 4.1, or upon the assertion by a customer of a Dispute, Apex may require Client to immediately repurchase the related Account by paying Apex the Repurchase Price. Apex may set off any Repurchase Price owed by Client from any amounts to be paid to or held for or from Client hereunder.
- 5.2 Client shall immediately notify Apex in the event that a customer alleges any Dispute. Client shall promptly confirm in writing any verbal notification provided hereunder. Apex may, but is not obligated to, settle, compromise, adjust or litigate all such Disputes upon such terms as Apex deems advisable. If an unadjusted Dispute delays the payment of any Approved Account or Non-Approved Account when due, Apex may require Client to immediately repurchase the related Account by paying Apex the Repurchase Price.
- 5.3 Apex may, at any time in its sole and absolute discretion, require Client to immediately repurchase any purchased Non-Approved Accounts by paying Apex the Repurchase Price.
- 5.4 Apex shall have the right to charge back to Client any payment which Apex receives with respect to any Account if such payment is subsequently disgorged from Apex, whether as a result of any proceeding in bankruptcy or otherwise, unless Apex has assumed Credit Risk on the Account.
- 5.5 Upon payment by Client to Apex of the Repurchase Price on a repurchased Account, title on such repurchased Account shall revert to Client, subject, however, to Apex's security interest therein. Client agrees to indemnify and save Apex harmless from and against any and all loss, costs and expenses caused by or arising out of disputed Accounts, including, but not limited to, collection expenses and attorney's fees incurred with respect thereto.
- 5.6 Apex may maintain such reserves as Apex, in Apex's sole discretion, deems advisable as security for the payment and performance of the Obligations. Such reserves may include deferred payment amounts due to Client under Section 3.4 above and/or all or a portion of the purchase price of Accounts.

SECTION 6. Administration

- 6.1 (a) Client shall, from time to time, execute and deliver to Apex, in a manner acceptable to Apex, confirmatory schedules of Accounts sold to Apex, together with invoices, all pages of acceptable evidence of shipment and such other documentation and proofs of delivery as Apex may require. Apex shall deliver invoices to Client's customers, as required, unless Apex decides, at its option, to permit Client to deliver invoices. Client agrees to execute and deliver to Apex such further instruments of assignment, financing statements and instruments of further assurance as Apex may reasonably require.
- (b) Client hereby authorizes Apex to file such Uniform Commercial Code ("UCC") financing statements as Apex may deem necessary in order to perfect and maintain the security interests granted by Client in accordance with this Agreement and any other agreement between Client and Apex, and Client further agrees that Apex may file this Agreement or a copy thereof as such UCC financing statement. Client agrees to bear the cost of all filing fees, filing taxes, search reports, legal fees and other charges or costs (including reasonable charges for time expended by Apex employees) incurred by Apex in the perfection, protection and preservation of the rights and collateral security herein granted to Apex.
- (c) If any remittances on purchased Accounts are made directly to Client, Client's employees or agents or representatives, Client shall act as trustee of an express trust for Apex's benefit, hold the same as Apex's property and deliver the same to Apex forthwith in kind. Where such endorsement is required to effect collection on a purchased Account, Apex and/or such designee as Apex may from time to time appoint are hereby empowered and authorized by Client to endorse Client's name on: (i) any and all checks or other forms of remittances received by Apex; and (ii) any and all documents required in order to obtain a check or remittance, including, without limitation, rate or load confirmation sheets and broker/carrier contracts. In addition, Apex and/or such designee as Apex may from time to time appoint are hereby empowered and authorized to transmit notices to customers, in Client's name or in Apex's, that amounts owing by them have been assigned and are payable directly to Apex. The powers provided by this paragraph are coupled with an interest and are irrevocable.
- (d) Apex may, at all times, have access to, inspect and make extracts from all of Client's records, files and books of account. Apex may, at any time after default by Client hereunder, remove from Client's premises all such records, files and books relating to Accounts. Client will promptly furnish Apex with all statements prepared by or for Client showing Client's financial condition and the results of Client's operations and such other statements as Apex may reasonably require. Client authorizes Apex to communicate directly with Client's independent certified public accountants, bookkeepers, or accountants, and shall authorize such persons to discuss Client's financial condition and statements directly with Apex. In order to inspect or receive confidential information of Client in or from any office of the Internal Revenue Service for any type of tax and for any year or period, Apex and/or such designee as Apex may from time to time appoint are hereby empowered and authorized by Client from time to time and at any time to endorse Client's name on and file with the IRS a Form 8821, Tax Information Authorization, or any successor form serving the same purpose. If requested by Apex, Client agrees to execute and deliver such form to the IRS. The powers provided by this paragraph are coupled with an interest and are irrevocable.
- 6.2 If Apex determines that the credit standing of a customer has deteriorated after Apex has purchased an Account, Client shall, at Apex's request, exercise such rights as Client may have, and Client hereby grants Apex the right to take such steps in Client's name or Apex's name.
- 6.3 Reports relating to Accounts purchased by Apex from Client are electronically accessible by Client in real-time, and at any time, through Apex's Account Management Portal. Each such report shall constitute an account assented to or admitted as correct unless Client makes written objection thereto within thirty (30) days from the date such statement is made available (electronically or otherwise) to Client.
- 6.4 Client expressly authorizes Apex to disclose such information as required by law and as Apex deems appropriate to persons making credit inquiries about Client.

SECTION 7. Events of Default

The occurrence of any of the following acts or events shall constitute an Event of Default: (a) if Client fails to perform any of the Obligations when due; (b) if Client fails to make any remittance required by this Agreement; (c) if Client commits any breach of any of the terms, representations, warranties, covenants, conditions or provisions of this Agreement, or of any present or future supplement or amendment hereto or of any other agreement between Client and Apex; (d) if Client delivers to Apex a false financial statement; (e) if Client calls, or has called by a third party, a meeting of Client's creditors; (f) if Client has commenced by or against Client any bankruptcy proceeding, insolvency, arrangement or similar proceeding; (g) if Client makes an assignment for the benefit of creditors; (h) if a receiver, receiver and manager, trustee or custodian is appointed in respect of Client's assets or any of them; (i) if Client suspends or discontinues doing business for any reason; (j) if a receiver or trustee of any kind is appointed for Client or any of Client's property; (k) if any guaranty of Client's obligations is terminated; (l) if any change of ownership occurs with respect to more than forty percent (40%) of Client's capital stock or similar equity interest; or (m) if a notice of lien, levy or assessment is filed of record with respect to all or any of Client's assets by the United States or any department, agency or instrumentality thereof or by any state, county, municipal or other governmental agency.

Upon the occurrence of an Event of Default, Apex shall have the right to terminate this Agreement and all other arrangements existing between Client and Apex forthwith and without notice, and the Obligations shall mature and become immediately due and payable and Apex shall have the right to withhold any further payments to Client until all Obligations have been paid and performed in full. Furthermore, Client authorizes Apex to initiate electronic debit entries in any amount through the Automated Clearing House system to any deposit account maintained by Client, until all amounts owed by Client to Apex are paid in full. In addition, Apex shall have all of the rights of a secured party under the Uniform Commercial Code, including, without limitation, the right to take possession of any collateral in which Apex has a security interest and to dispose of same at public or private sale and Client will be liable for any deficiency. Apex shall not be required to proceed against any collateral but may proceed against Client directly. In the event any action is brought to enforce, contest, challenge, modify or invalidate the terms of this Agreement, including, but not limited to, any lawsuit or arbitration, Client agrees to pay Apex's costs and reasonable attorney's fees incurred therein, including reasonable charges for time expended by Apex employees.

SECTION 8. Limited Liability; Indemnity

Client agrees to indemnify and hold harmless Apex, its shareholders, directors, officers, employees, representatives, agents, and affiliates, from and against liabilities, damages, penalties, actions, judgments, claims, costs, expenses and disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against Client or the indemnitees identified in this section, by reason of any breach by Client of any of its representations, warranties or covenants in this Agreement. In no event will Apex be liable to Client for any lost profits, lost savings or other consequential, incidental or special damages resulting from or arising out of or in connection with this Agreement, the transactions or relationships contemplated hereby or Apex's performance or failure to perform hereunder, even if Apex has been advised of the possibility of such damages. Client agrees that any claim or cause of action by Client against Apex, its directors, officers, employees, agents, accountants or attorneys, based upon, arising from, or relating to this Agreement, or any other present or future agreement, or any other transaction contemplated hereby or thereby or relating hereto or thereto, or any other matter, cause or thing whatsoever, occurred, done, omitted or suffered to be done by Apex, its directors, officers, employees, agents, accountants, or attorneys, relating in any way to Client, shall be barred unless asserted by Client by the commencement of an action or proceeding in a court of competent jurisdiction by the filing of a complaint within six (6) months after the first act, occurrence or omission upon which such claim or cause of action, or any part thereof, is based, and the service of a summons and complaint on an officer of Apex, or on any other person authorized to accept service on behalf of Apex, within thirty (30) days thereafter. Client agrees that such six-month period provided herein shall not be waived, tolled, or extended except by the written consent of Apex, in its sole and absolute discretion. This provision shall survive any termination, however arising, of this Agreement and any other present or future agreement.

SECTION 9. Term and Termination

- 9.1 This Agreement shall continue in full force and effect for the Term and the Term shall be automatically renewed for the same period of days or months as the initial Term at the end of the Term and at the end of each renewal period unless Client gives Apex written notice to the contrary at least sixty (60) days, but not more than ninety (90) days, prior to the expiration of the Term or the renewal period, as applicable. Notwithstanding the foregoing, Apex may terminate this Agreement for any reason whatsoever upon sixty (60) days written notice to Client or at any time immediately, with or without notice to Client, if Client is in default under any provision of this Agreement. If Client provides notice of termination of this Agreement, but thereafter sells Accounts to Apex following the specified date of termination, Client's notice of termination shall, at the option of Apex, be deemed rescinded. Notwithstanding any notice of termination, both parties' respective rights and obligations arising out of transactions having their inception prior to the specified date of termination shall not be affected by such termination and all terms, provisions and conditions hereof, including but not limited to, the security interests granted to Apex, shall continue in full force and effect until all Obligations have been paid in full. All of the representations, warranties and covenants made herein which by their nature are intended to survive termination of this Agreement shall survive the termination of this Agreement.
- 9.2 In recognition of Apex's right to have its attorneys' fees and other expenses incurred in connection with this Agreement secured by the collateral covered by the security interests granted to Apex, notwithstanding payment in full of all Obligations by Client and the termination of this Agreement, Apex shall not be required to record any terminations or satisfactions of any of Apex's liens on such collateral unless and until Client has executed and delivered to Apex a general release in a form reasonably satisfactory to Apex. Client understands that this provision constitutes a waiver of its rights under § 9-513 of the UCC.
- 9.3 Upon Client's satisfaction of all Obligations following termination of this Agreement, Apex agrees to furnish to Client, for delivery to Client's customers, a written and signed notification that Client is no longer factoring with Apex and that payment of Client's invoices should thereafter be remitted as directed by Client. It is Client's responsibility to promptly provide Client's customers with new payment instructions and to make sure Client's instructions are subsequently followed. Apex may receive payments from Client's customers on some invoices even after Client has provided Client's customers with new payment instructions. In such event, Apex may, at its option, either (i) forward to Client proceeds from payments received from Client's customers or (ii) return payments by Client's customers to the customers without any further liability or responsibility to Client in respect thereof. To cover Apex's costs in handling payments received from Client's customers following termination of this Agreement, Apex may, at its option, impose a two and one-half percent (2.5%) charge on the amount of all proceeds forwarded to Client or returned to Client's customers after 60 days from the date of Apex's delivery to Client of the written and signed notification to Client's customers referred to in the opening sentence of this Section 9.3.

SECTION 10. Modifications

The Factoring Agreement between Apex and Client and the terms and conditions of this document cannot be changed or terminated orally. The terms and conditions contained in this document may be updated by Apex from time to time, and any such update shall become effective fifteen (15) days following notice thereof to Client. The Factoring Agreement between Apex and Client, supplemented by these terms and conditions, constitutes the entire agreement between Apex and the Client concerning the subject matter thereof and shall be binding upon the parties' respective successors and assigns, but may not be assigned by Client without Apex's prior written consent. No delay or failure on Apex's part in exercising any right, privilege, or option hereunder shall operate as a waiver thereof or of any other right, privilege or option. No waiver whatsoever shall be valid unless in writing, signed by Apex, and then only to the extent therein set forth. If any term or provision of this Agreement is held invalid, illegal or unenforceable in any respect under any law, statute, rule or regulation of any jurisdiction, by a court competent to make such a decision, then such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability and the remaining terms and provisions shall not be affected, but shall remain in full force and effect.

SECTION 11. Governing Law, Venue and Waiver of Jury

TRANSACTIONS DESCRIBED IN THIS AGREEMENT ARE ACCOUNT PURCHASE TRANSACTIONS UNDER TEXAS LAW, TEX. FIN. CODE §§ 306.001 ET SEQ. TO THE MAXIMUM EXTENT

PERMITTED BY APPLICABLE LAW, ALL ISSUES RELATING TO THE TRANSACTIONS DESCRIBED HEREIN SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, IT BEING RECOGNIZED BY THE PARTIES THAT ISSUES SUCH AS CREATION, PERFECTION AND PRIORITY OF THE SECURITY INTEREST GRANTED TO APEX MAY BE GOVERNED BY THE LAWS OF THE JURISDICTION IN WHICH THE COLLATERAL SECURITY IS LOCATED OR DEEMED TO BE LOCATED. CLIENT HEREBY CONSENTS TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURT LOCATED WITHIN THE STATE OF TEXAS. IF CLIENT PRESENTLY IS, OR IN THE FUTURE BECOMES, A NON-RESIDENT OF THE STATE OF TEXAS, CLIENT HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, DIRECTED TO CLIENT, AT CLIENT'S ADDRESS APPEARING IN APEX'S RECORDS AND SERVICE SO MADE SHALL BE COMPLETE TEN (10) DAYS AFTER THE SAME HAS BEEN POSTED AS AFORESAID. CLIENT HEREBY WAIVES CLIENT'S RIGHT TO TRIAL BY JURY IN ANY SUIT OR PROCEEDING ARISING UNDER OR RELATING TO THIS AGREEMENT.

SECTION 12. Notices

Notices under this Agreement shall be in writing and mailed postage prepaid, registered or certified mail, return receipt requested, or sent by overnight delivery service, or by electronic transmission, addressed to the proper recipient at the Client Address, in the case of Client, and at 301 Commerce Street, Suite 1200, Fort Worth, Texas 76102 or legal@apexcapitalcorp.com, in the case of Apex, or to such other address as either party notifies the other in writing. All such notices shall be effective upon receipt if delivered by hand, overnight delivery service or electronic transmission; otherwise upon three (3) business days after the notice is placed in the U.S. Mail.

EXHIBIT A

Approved Account Requirements

Approved Account Requirements are only applicable to Approved Accounts on which Apex has agreed to assume Credit Risk.

Each invoice for an Approved Account for which Apex is to assume Credit Risk must:

1. Be legible.
2. Clearly state the full legal name and address of the shipper, consignee, and the party to whom such invoice is to be mailed.
3. Clearly state whether such invoice is “prepaid,” “collect,” or “bill third party.”
4. Be attached to any supporting information or documentation required by the customer as a precondition to payment.
5. Be submitted within thirty (30) days after delivery of the freight related to the invoice.
6. Clearly state the pro number, date of shipment and delivery, points of origin and destination, container number, shipper number, accurate assessed rate, weight, volume or measurement of property transported and description of articles and number of packages, total charges to be collected including charges for special services, any advances or other deductions which reduce the amount collectable, the route of movement indicating the complete name of all carriers participating, and if the invoice is an import invoice due from a steamship company, the vessel name and voyage number.
7. Have the Client’s name on the load sheet or rate sheet as the carrier.
8. Have the Client’s signature on the load sheet or rate sheet.
9. Not mention damaged freight on supporting documentation.
10. Not mention freight shortage on supporting documentation.
11. Show proof of delivery on the bill of lading.
12. Show client’s name on the shipper’s copy of the bill of lading as the carrier.
13. Show only a single broker involved with the load.
14. Not show an unlicensed company as third party broker.
15. Have been sent to Client’s customer by Apex.
16. Have been issued a credit approval by Apex before purchase which has not been withdrawn before purchase.

In addition, Client must execute and deliver to Apex such further instruments of assignment and further assurance as Apex may reasonably require.

FACTORING AGREEMENT

This Factoring Agreement is entered into on and effective as of January 23, 2019, by and between Apex Capital Corp, a Texas corporation, with offices at 6000 Western Place, Suite 1000, Fort Worth, Texas 76107 ("Apex"), and FREIGHT SHERPAS INC., a/an Illinois corporation with offices at 1848 W Woodland Avenue, Addison, IL 60101 ("Client"). Client transacts business under Freight Sherpas Incorporated and Freight Sherpas

Client and Apex agree that the following provisions and the provisions of Apex's Factoring Terms and Conditions constitute the terms upon which Apex shall act as Client's sole factor. Apex's Factoring Terms and Conditions, provided to Client with this Factoring Agreement and also available upon login to the Apex online system, are incorporated herein by this reference as though fully set forth herein. Such terms and conditions may be updated by Apex from time to time, and any such update shall become effective fifteen (15) days following notice thereof to Client. In the event of conflict between this Factoring Agreement and Apex's Factoring Terms and Conditions, this Factoring Agreement shall control.

Client agrees that it shall not during the term of this Factoring Agreement or at any time after the termination or expiration hereof, disclose to any third party the rates, terms and conditions of this Factoring Agreement.

SECTION A. Definitions

Apex's Factoring Terms and Conditions contain definitions of the capitalized terms appearing below. In addition, the capitalized terms defined in this section shall have the meanings indicated when used in Apex's Factoring Terms and Conditions.

A.1 "Factoring Fee" – A fee equal to a percentage of the Net Amount of each Account. The Factoring Fee on each purchased Account will increase based upon the number of days the Account is outstanding before the Collection Date, as shown in the following schedule:

If the number of days the Account is outstanding is:	The Factoring Fee will be:
0 - 14	2.00%
15 - 29	2.50%
30 - 45	3.00%
46 - 60	3.50%

A.2 "Recourse Date" – With respect to any Account, the date which is sixty (60) days from the date of the underlying invoice.

A.3 "Reserve Percentage" – ten percent (10.0%)

A.4 "Term" – A period of 60 day(s) commencing January 23, 2019

SECTION B. Collateral Security

As collateral security for all Obligations, Client hereby assigns and grants to Apex a continuing security interest in: (i) all of Client's presently existing and hereafter created Accounts and general intangibles and the proceeds thereof; (ii) all monies, securities and other property now or hereafter held or received by, or in transit to Apex from or for Client, whether for safekeeping, pledge, custody, transmission, collection or otherwise, and all of Client's deposits and credit balances in Apex's possession; (iii) all books, records and other property at any time evidencing or relating to the Accounts; and (iv) the proceeds of any insurance policies covering any of the foregoing. Recourse to the collateral security herein provided shall not be required, and Client shall at all times remain liable for the payment and performance of the Obligations upon demand by Apex.

SECTION C. Specific Modifications of Factoring Terms and Conditions

Section 2.3 of Apex's Factoring Terms and Conditions is hereby modified to read in its entirety as follows: Credit Risk will be assumed by Apex on all Approved Accounts represented by invoices submitted in accordance with the requirements of Exhibit C; however, Apex shall have full recourse to Client for all other purchased Accounts. Apex shall have the right to chargeback and recover from Client any amounts owing on: (i) a Non-Approved Account at anytime in its sole and absolute discretion; or (ii) an Approved Account immediately in the event of a Dispute or Event of Default. In addition, Apex will have full recourse to Client on any invoice sent out by Client prior to purchase by Apex if such invoice is not paid on or before the Recourse Date. In the event of a chargeback of amounts owing on an Account, Apex shall be entitled to receive, and to charge Client's account for, the Factoring Fee on the amounts charged back. If and to the extent Apex obtains and maintains credit insurance coverage on purchased Accounts, through EULER American Credit Indemnity Company or any other similar business credit insurance provider, the covered accounts shall be considered Approved Accounts; however, Apex shall have full recourse to Client on the covered Accounts in the event Client fails to cooperate in the making of any claim for coverage on the covered Accounts.

An Exhibit C, in the form attached to this Factoring Agreement, is hereby added to Apex's Factoring Terms and Conditions.

"Exhibit "B" of the Factoring Terms and Conditions is hereby modified by removing "\$375.00" for the Set-Up Charge (One-time only), and replacing it with "WAIVED."

SECTION D. Signatures

This Factoring Agreement may be signed in any number of counterparts, each of which shall be original, with the same effect as if all signatures were upon the same instrument. Signatures may be affixed manually or digitally and delivery of an executed counterpart of the signature page to this Factoring Agreement by facsimile or by electronic means shall be as effective as delivery of a manually executed counterpart, and any party delivering such an executed counterpart by facsimile or electronic means to any other party shall thereafter also promptly deliver a manually executed counterpart to such other party, provided that the failure to deliver such manually executed counterpart shall not affect the validity, enforceability or binding effect of this Factoring Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Factoring Agreement to be executed as of the date first above written.

APEX CAPITAL CORP

Client: FREIGHT SHERPAS INC.

DocuSigned by:
By: 
C03C8FDB3B974C4
David N. Baker, President

DocuSigned by:
By: 
C4CD77AE60CD452
Name: Mark Niewolik
Title: President

DS




April 8, 2021

Mark Niewolik
FREIGHT SHERPAS INC.
2700 N Austin Ave
Chicago, IL 60639

VIA EMAIL: mark@freightsherpas.com

Dear Mark:

Effective for all invoices purchased after the later of the date stated above or the date you sign and deliver this amendment to us ("Effective Date"), the Factoring Agreement entered into between Apex Capital Corp and FREIGHT SHERPAS INC. on January 23, 2019, is amended as follows:

Section A.1 of the Factoring Agreement is hereby amended to read in its entirety as follows:

"Factoring Fee" – A fee equal to a percentage of the Net Amount of each Account. The Factoring Fee on each purchased Account will increase based upon the number of days the Account is outstanding before the Collection Date, as shown in the following schedule:

If the number of days the Account is outstanding is:
0-60

The factoring fee will be:
2.15%

Section A.3 of the Factoring Agreement is hereby amended to read in its entirety as follows:

"Reserve Percentage" – **three percent (3%).**

Section A.4 of the Factoring Agreement is hereby amended to read in its entirety as follows:

"Term" – A period of **twelve (12) months** commencing on the **Effective Date**. Pursuant to Section 9.1 of the Factoring Terms and Conditions, the Factoring Agreement shall continue in full force and effect for the Term and the Term shall be automatically renewed for the same period of days or months as the Term and at the end of each renewal period unless Client gives Apex written notice to the contrary at least sixty (60) days, but not more than ninety (90) days, prior to the expiration of the Term or the renewal period, as applicable.

Except as expressly amended by this letter, the Factoring Agreement, as previously amended, shall continue in full force and effect in accordance with its existing terms and provisions.

You agree that you shall not during the term of the Factoring Agreement or at any time after the termination or expiration thereof, disclose to any third party the rates, terms and conditions of this letter.

Please indicate your acceptance of the terms of this letter by signing in the space provided below and returning to the undersigned.

Sincerely,

Apex Capital Corp

ACCEPTED AND AGREED:

FREIGHT SHERPAS INC.

By: Chris Bozek 04/19/2021
Date

Chris Bozek
President

By: [Signature] 04/09/2021
Date

Mark Niewolik
President

ad

MJH