



IT IS HEREBY ADJUDGED and DECREED that the below described is SO ORDERED.

Dated: August 04, 2017.



TONY M. DAVIS
UNITED STATES BANKRUPTCY JUDGE

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
MIDLAND DIVISION**

In Re: § **Chapter 11**
§
Saul Rodriguez Welding & Trucking, § **Case No. 17-70115-tmd**
LLC §
§
Debtor. §

FINAL ORDER AUTHORIZING (A) POST-PETITION ACCOUNTS RECEIVABLE FINANCING AND (B) USE OF CASH COLLATERAL

The matter having come before this Court on the *Emergency Motion for Interim and Final Orders Authorizing (A) Post-Petition Accounts Receivable Financing and (B) Use of Cash Collateral Nunc Pro Tunc to the Petition Date* (the “Motion”) pursuant to 11 U.S.C. §§ 363 and 364(c) and Bankruptcy Rules 4001 and 9014 filed by Saul Rodriguez Welding & Trucking, LLC (the “Debtor”). The Court finds that it has jurisdiction over this matter pursuant to 11 U.S.C. §§ 157 and 1334. The Court finds that this is a core proceeding pursuant to 11 U.S.C. § 157(b)(2)(A) and (D). Through the Motion, the Debtor seeks the entry of a final order (this “Final Order”) (1) authorizing approval of the Factoring and Security Agreement (the “DIP Agreement”)

with Diversified Lenders, Inc. (“DLI”); (2) immediately authorizing use of property that may constitute “cash collateral” (as that term is defined in 11 U.S.C. § 363(a)) nunc pro tunc to the filing date of June 28, 2017; and (3) proposes certain adequate protection to entities that may have an interest in such property. The Court finds that the relief requested in the Motion is in the best interests of the Debtor, its estate, creditors and parties-in-interest. The Court finds that under the circumstances, proper and adequate notice of the Motion and the hearing thereon has been given and that no other or further notice is necessary. The Court finds that upon the record herein and after due deliberation, the Debtor has shown sufficient justification for the relief requested in the Motion. Accordingly,

IT IS HEREBY ORDERED THAT:

1. The Motion is **GRANTED** on a final basis.
2. The relief requested in this Final Order shall be subject to the budget attached hereto as **Exhibit “A”**.

A. Authorization for Post-Petition Financing under the DIP Agreement

3. Subject to the terms of this Final Order, the Debtor is authorized to execute the *Factoring and Security Agreement* (“DIP Agreement”) attached hereto as **Exhibit “B”**.

4. The Debtor is authorized to sell invoices to DLI under the DIP Agreement, and DLI will advance 85% of the gross amount of all invoices purchased from the Debtor up to \$1,000,000.00.

5. DLI is further entitled to receive a \$500.00 due diligence fee.

6. Upon collection of the accounts receivable purchased by DLI, DLI will advance the remaining 15% to the Debtor, less its due diligence fee, its daily discount fee, and its factoring fees

and charges, which range from 1.75% of the invoice amount for the initial 30 days and 1.75% each 30 days thereafter in accordance with the DIP Agreement.

7. The DIP Agreement shall remain fully enforceable between the Debtor and DLI until confirmation of any plan of reorganization, conversion or dismissal, whichever occurs first.

8. To assure fulfillment by the Debtor of all obligations under the DIP Agreement, including but not limited to the Debtor's obligation to repurchase accounts receivable that have aged more than ninety (90) days, DLI shall have a lien against all of the Debtor's post-petition accounts receivable that have not been factored under the DIP Agreement as well as a lien on all of the Debtor's unencumbered estate property and liens junior to existing liens on property of the estate under 11 U.S.C. § 364(c)(1), (c)(2) and (c)(3).

9. Notwithstanding any contrary language in this Final Order, DLI's post-petition liens shall not extend to any chapter 5 causes of actions under the Bankruptcy Code.

10. As further adequate protection, DLI shall have a senior administrative expense claim with priority over all other administrative claims allowed in these bankruptcy cases, in the amount of any unpaid obligations under the DIP Agreement, including but not limited to the repurchase obligations set forth in the DIP Agreement.

11. To the extent that any applicable non-bankruptcy law otherwise would restrict the granting, scope, enforceability, or attachment of the liens and security interests authorized or created by the Final Order, or otherwise would impose filing registration requirements with respect to such liens, such law is preempted to the maximum extent permitted by the Bankruptcy Code, other applicable federal law, and the judicial power of the United States Bankruptcy Court. This Final Order shall be sufficient and conclusive evidence of the priority, perfection, attachment, and validity of all of the liens and security interests of DLI granted herein, and the liens granted and

created herein shall, by virtue of the filing of a certified copy of this Final Order in any filing or recording office in any county or state, constitute valid liens without the necessity of creating, filing, recording, or serving any financing statements or other documents that might otherwise be required under federal or state law in any jurisdiction or the taking of any other action to validate the liens granted in this Final Order and, in such event, the subject filing or recording officer is authorized to file or record a certified copy of this Final Order.

12. To the extent necessary, the automatic stay imposed by Section 362 of the Bankruptcy Code is modified such that DLI is authorized to file all documents necessary to perfect its security interests and liens in the Debtor's post-petition accounts receivable and any other liens granted by this Final Order, including but not limited to the filing of any UCC-1 Financing Statement with the Texas Secretary of State's Office.

13. The Debtor shall provide proof to DLI that all post-petition 941 taxes and wage obligations imposed by the Texas Workforce Commission are current.

14. To the extent there is a conflict between the terms of this Final Order or the DIP Agreement, the Final Order will supersede the provisions of the DIP Agreement.

15. DLI proposed the DIP Agreement in good faith pursuant to Section 364(e) of the Bankruptcy Code.

B. Authorization to Use TCI Business Capital Inc's ("TCI's") Cash Collateral

16. Subject to the terms and conditions of this Final Order, the Debtor is authorized to use cash collateral nunc pro tunc to the Petition Date.

17. The Debtor acknowledges the validity and priority of TCI's prepetition secured claims, including fees and interest; however, nothing in this Final Order shall impair the validity

and priority of the post-petition liens granted to DLI under the DIP Agreement for any invoices purchased and loans provided by DLI post-petition.

18. The Court hereby approves the Debtor's use of \$55,000.00 in cash collateral that TCI voluntarily released to the Debtor to meet its payroll obligations on July 17, 2017.

19. The release of \$55,000.00 in TCI's cash collateral does not violate any lien or other claim alleged by the Internal Revenue Service.

20. TCI has advised the Debtor that it currently has an outstanding balance of \$92,548.63, and there are sufficient funds held in TCI's cash and secured reserves to fully secure TCI for all accounts receivables it purchased from the Debtor prepetition.

21. As adequate protection of its asserted interests in the Debtor's cash collateral, TCI is hereby granted replacement liens to the same extent, validity and priority as existed on the Petition Date, in cash collateral of the Debtor owned as of or acquired after the Petition Date from the Debtor's prepetition accounts receivable.

22. As additional adequate protection, the Debtor shall provide TCI with written reporting as to the status of its operations, collections, generation of accounts receivable, and disbursements in the same or similar format as has been historically been provided by the Debtor pursuant to the TCI loan documents. If requested, the Debtor shall also serve TCI and DLI with copies of any monthly operating reports provided to the Office of the United States Trustee pursuant to the Bankruptcy Code and Bankruptcy Rules.

23. Pending further Order of this Court, the Debtor shall not be required to make any adequate protection payments to TCI; provided however, that this Final Order is without prejudice to the rights of the Debtor, TCI, or any other party in interest with respect to the matters set forth in the Motion.

24. DLI shall be authorized to collect all of the Debtor's remaining accounts receivable, including both pre-petition and post-petition accounts receivable. Nonetheless, the TCI shall continue to have the right to receive payment on the pre-petition accounts receivables from DLI and apply such accounts receivables to open balances only from such pre-petition invoices. To facilitate the payment of pre-petition accounts receivable to the Debtor, TCI shall provide to DLI an accounts receivable aging report.

25. Notice of the Final Hearing on the Motion was adequate and appropriate under the circumstances of this chapter 11 case as contemplated by 11 U.S.C. § 102 (l) and Fed. R. Bankr. P. 4001(b)(2).

26. Any use of cash collateral since the Petition Date is hereby authorized pursuant to the applicable provision of Section 363(c) of the Bankruptcy Code and Fed. R. Bankr. P. 4001(b)(2) as necessary to avoid immediate and irreparable harm to the estate, and all adequate protection provided for herein is enforceable to the extent of any use of cash collateral by the Debtor pursuant to this Final Order.

27. The Debtor is authorized to use any funds advanced under the DIP Agreement for the payment of all professional fees and expenses authorized by this Court and the payment of any U.S. Trustee's fees; provided, however, that nothing herein shall waive any right of DLI or TCI to object to any fees or expenses of such professionals.

28. This Final Order shall not affect any subsequent orders entered in this case authorizing professional fees and expenses.

###

Prepared and submitted by:

M. Jermaine Watson
State Bar No. 24063055
M. J. WATSON & ASSOCIATES, P.C.
325 N. Saint Paul Street, Suite 2200
Dallas, Texas 75201
Telephone: 214-965-8240
Facsimile: 214-999-1384
Email: jwatson@mjwatsonlaw.com

**COUNSEL TO SAUL RODRIGUEZ
WELDING & TRUCKING, LLC**

Exhibit "A"

	7/31/2017 Week 1	8/7/2017 Week 2	8/14/2017 Week 3	8/21/2017 Week 4	8/28/2017 Week 5	9/4/2017 Week 6	9/11/2017 Week 7	9/18/2017 Week 8	9/25/2017 Week 9
23 Week CC Budget									
Cash/Cash Equivalent Balance	\$ 346,000	\$ 366,205	\$ 366,205	\$ 386,410	\$ 406,615	\$ 426,820	\$ 446,275	\$ 465,730	\$ 485,185
Income									
Weekly Sales Revenue	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500
Total Income	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500
Total Cash/Cash Equivalent Balance	\$ 432,500	\$ 452,705	\$ 452,705	\$ 472,910	\$ 493,115	\$ 513,320	\$ 532,775	\$ 552,230	\$ 571,685
Expenses									
Payroll	\$ 18,125	\$ 18,125	\$ 18,125	\$ 18,125	\$ 18,125	\$ 18,125	\$ 18,125	\$ 18,125	\$ 18,125
Advertising	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63
Payroll Taxes	\$ 5,700	\$ 5,700	\$ 5,700	\$ 5,700	\$ 5,700	\$ 5,700	\$ 5,700	\$ 5,700	\$ 5,700
Equipment Repairs	\$ 1,188	\$ 1,188	\$ 1,188	\$ 1,188	\$ 1,188	\$ 1,188	\$ 1,188	\$ 1,188	\$ 1,188
Fuel	\$ 2,563	\$ 2,563	\$ 2,563	\$ 2,563	\$ 2,563	\$ 2,563	\$ 2,563	\$ 2,563	\$ 2,563
Hiring Expenses	\$ 413	\$ 413	\$ 413	\$ 413	\$ 413	\$ 413	\$ 413	\$ 413	\$ 413
Insurance	\$ 2,413	\$ 2,413	\$ 2,413	\$ 2,413	\$ 2,413	\$ 2,413	\$ 2,413	\$ 2,413	\$ 2,413
Lease Equipment	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625
Lease Yard/Shop	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500
Loan Payments	\$ 2,231	\$ 2,231	\$ 2,231	\$ 2,231	\$ 2,231	\$ 2,231	\$ 2,231	\$ 2,231	\$ 2,231
Office Supplies	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
Outside Contractors	\$ 21,250	\$ 21,250	\$ 21,250	\$ 21,250	\$ 21,250	\$ 21,250	\$ 21,250	\$ 21,250	\$ 21,250
Printing	\$ 188	\$ 188	\$ 188	\$ 188	\$ 188	\$ 188	\$ 188	\$ 188	\$ 188
Office Rent	\$ 213	\$ 213	\$ 213	\$ 213	\$ 213	\$ 213	\$ 213	\$ 213	\$ 213
US Trustee Quarterly Fees	\$ 813	\$ 813	\$ 813	\$ 813	\$ 813	\$ 813	\$ 813	\$ 813	\$ 813
Factoring Fees Due DLI	\$ 1,514	\$ 1,514	\$ 1,514	\$ 1,514	\$ 1,514	\$ 2,264	\$ 2,264	\$ 2,264	\$ 2,264
Vehicle Repairs	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200
Total Expenses	\$ 66,295	\$ 66,295	\$ 66,295	\$ 66,295	\$ 66,295	\$ 67,045	\$ 67,045	\$ 67,045	\$ 67,045
Total Cash/Cash Equivalent After Expenses	\$ 366,205	\$ 386,410	\$ 386,410	\$ 406,615	\$ 426,820	\$ 446,275	\$ 465,730	\$ 485,185	\$ 504,640

	10/2/2017 Week 10	10/9/2017 Week 11	10/16/2017 Week 12	10/23/2017 Week 13	10/30/2017 Week 14	11/6/2017 Week 15	11/13/2017 Week 16	11/20/2017 Week 17
Cash/Cash Equivalent Balance	\$ 504,640	\$ 524,095	\$ 543,550	\$ 563,005	\$ 582,460	\$ 601,915	\$ 621,370	\$ 640,825
Income								
Weekly Sales Revenue	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500
Total Income	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500
Total Cash/Cash Equivalent Balance	\$ 591,140	\$ 610,595	\$ 630,050	\$ 649,505	\$ 668,960	\$ 688,415	\$ 707,870	\$ 727,325
Expenses								
Payroll	\$ 18,125	\$ 18,125	\$ 18,125	\$ 18,125	\$ 18,125	\$ 18,125	\$ 18,125	\$ 18,125
Advertising	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63
Payroll Taxes	\$ 5,700	\$ 5,700	\$ 5,700	\$ 5,700	\$ 5,700	\$ 5,700	\$ 5,700	\$ 5,700
Equipment Repairs	\$ 1,188	\$ 1,188	\$ 1,188	\$ 1,188	\$ 1,188	\$ 1,188	\$ 1,188	\$ 1,188
Fuel	\$ 2,563	\$ 2,563	\$ 2,563	\$ 2,563	\$ 2,563	\$ 2,563	\$ 2,563	\$ 2,563
Hiring Expenses	\$ 413	\$ 413	\$ 413	\$ 413	\$ 413	\$ 413	\$ 413	\$ 413
Insurance	\$ 2,413	\$ 2,413	\$ 2,413	\$ 2,413	\$ 2,413	\$ 2,413	\$ 2,413	\$ 2,413
Lease Equipment	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625
Lease Yard/Shop	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500
Loan Payments	\$ 2,231	\$ 2,231	\$ 2,231	\$ 2,231	\$ 2,231	\$ 2,231	\$ 2,231	\$ 2,231
Office Supplies	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
Outside Contractors	\$ 21,250	\$ 21,250	\$ 21,250	\$ 21,250	\$ 21,250	\$ 21,250	\$ 21,250	\$ 21,250
Printing	\$ 188	\$ 188	\$ 188	\$ 188	\$ 188	\$ 188	\$ 188	\$ 188
Office Rent	\$ 213	\$ 213	\$ 213	\$ 213	\$ 213	\$ 213	\$ 213	\$ 213
US Trustee Quarterly Fees	\$ 813	\$ 813	\$ 813	\$ 813	\$ 813	\$ 813	\$ 813	\$ 813
Factoring Fees Due DLI	\$ 2,264	\$ 2,264	\$ 2,264	\$ 2,264	\$ 2,264	\$ 2,264	\$ 2,264	\$ 2,264
Vehicle Repairs	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200
Total Expenses	\$ 67,045	\$ 67,045	\$ 67,045	\$ 67,045	\$ 67,045	\$ 67,045	\$ 67,045	\$ 67,045
Total Cash/Cash Equivalent After Expens	\$ 524,095	\$ 543,550	\$ 563,005	\$ 582,460	\$ 601,915	\$ 621,370	\$ 640,825	\$ 660,280

	11/27/2017 Week 18	12/4/2017 Week 19	12/11/2017 Week 20	12/18/2017 Week 21	12/25/2017 Week 22	1/1/2018 Week 23
Cash/Cash Equivalent Balance	\$ 660,280	\$ 679,735	\$ 699,190	\$ 718,645	\$ 738,100	\$ 757,555
Income						
Weekly Sales Revenue	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500
Total Income	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500	\$ 86,500
Total Cash/Cash Equivalent Balance	<u>\$ 746,780</u>	<u>\$ 766,235</u>	<u>\$ 785,690</u>	<u>\$ 805,145</u>	<u>\$ 824,600</u>	<u>\$ 844,055</u>
Expenses						
Payroll	\$ 18,125	\$ 18,125	\$ 18,125	\$ 18,125	\$ 18,125	\$ 18,125
Advertising	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63
Payroll Taxes	\$ 5,700	\$ 5,700	\$ 5,700	\$ 5,700	\$ 5,700	\$ 5,700
Equipment Repairs	\$ 1,188	\$ 1,188	\$ 1,188	\$ 1,188	\$ 1,188	\$ 1,188
Fuel	\$ 2,563	\$ 2,563	\$ 2,563	\$ 2,563	\$ 2,563	\$ 2,563
Hiring Expenses	\$ 413	\$ 413	\$ 413	\$ 413	\$ 413	\$ 413
Insurance	\$ 2,413	\$ 2,413	\$ 2,413	\$ 2,413	\$ 2,413	\$ 2,413
Lease Equipment	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625
Lease Yard/Shop	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500
Loan Payments	\$ 2,231	\$ 2,231	\$ 2,231	\$ 2,231	\$ 2,231	\$ 2,231
Office Supplies	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
Outside Contractors	\$ 21,250	\$ 21,250	\$ 21,250	\$ 21,250	\$ 21,250	\$ 21,250
Printing	\$ 188	\$ 188	\$ 188	\$ 188	\$ 188	\$ 188
Office Rent	\$ 213	\$ 213	\$ 213	\$ 213	\$ 213	\$ 213
US Trustee Quarterly Fees	\$ 813	\$ 813	\$ 813	\$ 813	\$ 813	\$ 813
Factoring Fees Due DLI	\$ 2,264	\$ 2,264	\$ 2,264	\$ 2,264	\$ 2,264	\$ 2,264
Vehicle Repairs	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200
Total Expenses	<u>\$ 67,045</u>	<u>\$ 67,045</u>	<u>\$ 67,045</u>	<u>\$ 67,045</u>	<u>\$ 67,045</u>	<u>\$ 67,045</u>
Total Cash/Cash Equivalent After Expenses	<u>\$ 679,735</u>	<u>\$ 699,190</u>	<u>\$ 718,645</u>	<u>\$ 738,100</u>	<u>\$ 757,555</u>	<u>\$ 777,010</u>



5607 S. Avenue Q Lubbock, Texas 79412 - (806) 795- 7782 - 1-800-288-3024 - Fax (806) 797-0601

July 13, 2017

Saul Rodriguez Welding & Trucking, LLC
507 N Nelson
Fort Stockton, TX 79735

Attn: Saul Rodriguez

Please go over the directions below so that nothing is missed in the signing stage.

Please date the documents: July 13, 2017

1. I need you to initial Pages 1-8 in the bottom right hand corner
2. Sign and date Page 9, also initial paragraph 12.6 in the middle of the page
3. Sign Page 10
4. Page 11 – Please fill in the information at the top of this page. (List any person or persons who you want to authorize to act for the company)
Please sign bottom of page
5. Page 12 – sign this page and fill in the banking information
6. Sign Page 14
7. Sign page 15
8. Date and sign page 16 in both places
9. Initial page 17
10. I need a W-9
11. I need a voided check
12. I need a copy of your Driver's License

Please overnight the original documents back as soon as possible. If you want to fax or e-mail them so we can get started that would be fine but, I will still need the original documents.

Thanks!

Cole Roberts
Vice President

29
Exhibit "B"

Contract date	Maturity date	Maximum account	Initial Discount	Reserve %	Charge-back term	Funding Amount
July 13, 2017	See 3.2 (a)	\$1,000,000	one and seventy-five hundredths percent (1.75%)	fifteen percent (15%)	90	eighty-five percent (85%)

FACTORING AND SECURITY AGREEMENT

This Factoring and Security Agreement dated July 13, 2017, for purposes of reference is between the undersigned, Saul Rodriguez Welding & Trucking, LLC, a Texas limited liability company hereinafter called "CLIENT", and Diversified Lenders, Inc. a Texas corporation hereinafter called "FACTOR".

CLIENT and FACTOR agree as follows:

SECTION 1. PURPOSE OF AGREEMENT

- 1.1 CLIENT desires to obtain working capital by selling and assigning to FACTOR acceptable accounts receivable at a discount below face value. This agreement evidences an "account purchase transaction" as defined in Texas Finance Code § 306.001 and such characterization by the parties as a purchase is intended to conclusively establish the transaction as an "account purchase transaction" for purposes of Texas Finance Code § 306.103. This agreement is intended to comply with and be covered under provisions of Texas Business and Commerce Code Article 9 as those statutes relate to the sale of accounts and creation of security interests for the obligations expressed herein.

SECTION 2. DEFINITIONS

- 2.1 "ACCEPTABLE ACCOUNT" any right to payment for goods sold or leased or services rendered which is not evidenced by an instrument or chattel paper, that is verified and approved for purchase by FACTOR.
- 2.2 "ACCOUNT" means any right to payment of a monetary obligation, whether or not earned by performance, for property that has been sold, leased, assigned, or otherwise disposed of or for services rendered, which is not a right to payment evidenced by chattel paper or an instrument.
- 2.3 "ACCRUED RESERVE" means the reserve account withheld from funding and not yet collected by Factor.
- 2.4 "ASSIGNEE" means another person or entity to which Accounts may be transferred, sold, or assigned by the FACTOR.
- 2.5 "CLIENT" means the seller and assignor of the accounts.
- 2.6 "COLLATERAL" means: all assets of CLIENT, presently existing and owned, or hereafter acquired, wherever located, including but not limited to all right, title and interest of CLIENT in and to all the following property: a) CLIENT's interest in the reserve account; b) All present and future accounts and other rights to payment, accounts receivable, notes receivable, chattel paper, documents, bills of lading, dock warrants and receipts, warehouse receipts, contract rights, reserves, reserve accounts, general intangibles, and instruments (including any right to payment for goods sold or services rendered arising out of the sale or delivery of personal property or work done or labor performed by CLIENT), now or hereafter owned, held, or acquired by CLIENT, together with any and all books of account, customer lists and other records relating in any way to the foregoing (including, without limitation, computer software, whether on tape, disk, card, strip, cartridge or any form), and in any case where an account arises from the sale of goods, the interest of CLIENT in such goods; all guaranties and other security for all accounts; all right, title and interest of any CLIENT in the goods or services that caused the creation of any account; all chattel paper in which CLIENT is named as secured party, including without limitation, conditional sales agreements, bailment leases, chattel mortgages and security agreements and all documents and instruments held by CLIENT regardless of the transaction which gave rise to the chattel paper, documents or instruments and all proceeds of the chattel paper, documents and instruments; all right, title and interest in the merchandise shall include the right of stoppage in transit of goods, all returned, rejected, rerouted, reclaimed or repossessed goods, the sale or lease of goods that shall have given rise to any account; any rights CLIENT may have against third parties of any goods or services that caused the creation of any account, including all of CLIENT's right as an unpaid vendor or lienor, all rights or stoppage in transit, replevin and reclamation relating thereto, and all rights against third parties with respect thereto; any and all of CLIENT's property that comes into FACTOR's possession or contract may be withheld as security for any such sum due or indebtedness as well as any and all obligations owed to FACTOR regardless of how such obligations arise; c) All present and hereafter acquired goods and inventory, (including without limitation, all raw materials, work in process and finished goods) held, possessed, owned, held on

29
Exhibit "B"

consignment, or held for sale, lease, return or to be furnished under contracts of services, in whole or in part, by CLIENT wherever located, and all records relating in any way to the foregoing (including, without limitation, any computer software, whether on tape, disk, card, strip, cartridge or any other form); d) All equipment, presently existing and hereafter acquired, together with all increases, parts, fittings, accessories, special tools, machinery, and accessions now or hereafter attached thereto or used in connection therewith, rolling stock, personal property, furniture, furnishings, and fixtures of whatsoever kind and character now or hereafter possessed, held, acquired, leased or owned by CLIENT and used or usable in CLIENT's business, together with all replacements, accessories, additions, substitutions and accessions to all of the foregoing, and all records relating in any way to the foregoing (including, without limitation, any computer software, whether on tape, disk, card, strip, cartridge or any other form); e) All now existing or hereafter acquired general intangibles of every kind and nature, tax refunds, all franchise agreements, permits, copyrights, patents, patent applications, trademarks, service marks, trade names, mask works, trade secrets, goodwill, customer lists, licenses, computer software and code, the right to use debtor's name, and all intellectual property owned by CLIENT or used in CLIENT's business; f) All investment property, including but not limited to certificated securities, uncertificated securities, securities entitlements, securities accounts, commodity contracts, commodity accounts and financial assets; g) All money, bank accounts and deposits maintained with FACTOR in the name of or for the benefit of CLIENT. The term Collateral, as used herein, shall also include all products and proceeds of all of the foregoing (including, without limitation, insurance payable by reason of loss or damage to the foregoing property) and any property, securities, guaranties or monies of CLIENT which may at any time come into the possession of FACTOR. The designation of proceeds does not authorize CLIENT to sell, transfer or otherwise convey any of the foregoing property except finished goods intended for sale in the ordinary course of CLIENT's business or as otherwise provided herein. Furthermore, FACTOR shall have all of the rights of a secured party with respect to the Collateral under the Uniform Commercial Code and other applicable laws.

- 2.7 "DEBTOR" means a person or entity obligated on an account.
- 2.8 "EARNED RESERVE" means the reserve account collected by FACTOR on invoices paid by DEBTORS.
- 2.9 "INDEBTEDNESS" means all amounts due to FACTOR by CLIENT arising out of the purchase of Accounts by FACTOR pursuant to this agreement.
- 2.10 "INITIAL DISCOUNT" means the original fee assessed by FACTOR at the time of invoice purchase calculated as a percentage of the face value of each invoice. This charge represents the initial fee to the CLIENT for factoring services.
- 2.11 "MINIMUM FEE" means the minimum monthly fee due and payable to FACTOR as set forth in Section 4.9 of this agreement.
- 2.12 "SECURED PARTY" means FACTOR under this Agreement as (a) a person or entity in whose favor a security interest is created or provided for under a security agreement, whether or not any obligation to be secured is outstanding; and (b) a person or entity to which accounts have been sold.
- 2.13 "WARRANT" means to guarantee, as a material element of this Agreement. Each separate warranty herein is also an independent condition to FACTOR'S duties under this Agreement.

SECTION 3. TERM OF AGREEMENT AND TERMINATION OF AGREEMENT

- 3.1 **Effective Date.** This Agreement becomes effective when it is accepted and executed by the authorized officers of FACTOR.
- 3.2 **Termination.**
- (a) This agreement shall continue in effect until confirmation of any plan of reorganization, conversion or dismissal, whichever occurs first. Unless terminated as follows:
- (1) FACTOR may terminate the Agreement at any time for reasonable cause or default;
 - (2) CLIENT may terminate the Agreement on April 13, 2018, which will be known hereafter as the Termination Date. CLIENT must submit to FACTOR notice of intent to terminate by certified written notice not less than ninety (90) days prior to the Termination Date, or ninety (90) days prior to the next effective date of termination, should this Agreement be renewed automatically or otherwise for successive one year (1 year) period(s). CLIENT may terminate the Agreement prior to the effective date of termination by providing ninety (90) days notice to FACTOR and a pre-payment fee calculated by multiplying the "minimum fee" stated in section 4.9 of this agreement, times the number of months remaining on the agreement or the sum of the previous 3 months fees, whichever is greater.

Exhibit ²⁹B

- (3) Upon the effective date of termination, whether such termination is pursuant to the occurrence of Default or otherwise, all indebtedness shall become immediately due and payable without notice or demand. No such termination of this Agreement shall affect liabilities and obligations of CLIENT or the rights, powers and remedies of FACTOR under this Agreement or the security interest granted FACTOR hereunder with respect to existing or future collateral, until all indebtedness has been satisfied or paid in full.
- (b) Should CLIENT fail to present to FACTOR acceptable accounts to be purchased within any consecutive two (2) months' time, it may be construed, at FACTOR'S sole discretion, that CLIENT has terminated this relationship with FACTOR. At that time, any and all termination and minimum fee clauses within this Agreement will become applicable.
- (c) After termination, FACTOR continues to have a security interest in the accounts of CLIENT until all accounts purchased have been paid in full and termination fees, if any, have been paid in full.
- (d) In the event CLIENT ceases to sell accounts receivable to FACTOR for whatever reason and/or FACTOR ceases to purchase accounts receivable from CLIENT for whatever reason, FACTOR will forward funds that may be due the CLIENT that are received at the FACTOR'S lock box, to the CLIENT or CLIENT'S agent for no charge for the first 30 days after the CLIENT and FACTOR cease doing business. Thereafter, all funds received at the FACTOR'S lock box will be charged a fee of two percent (2%) for days 31 through 60 and a five percent (5%) fee shall apply from day 61 forward.
- (e) **No Lien Termination Without Release.** In recognition of Diversified Lenders, Inc. right to have its attorneys' fees and other expenses incurred in connection with this Agreement secured by the Collateral, notwithstanding payment in full of all Obligations by CLIENT, Diversified Lenders, Inc. shall not be required to record any terminations or satisfactions of any of its liens on the Collateral unless and until CLIENT and all guarantors of its obligations have executed and delivered to DIVERSIFIED LENDERS, INC. a general release in the form of Exhibit B hereto. **CLIENT understands that this provision constitutes a waiver of its rights under §9-513 of the UCC.**

SECTION 4. PURCHASE AND SALE OF ACCOUNTS; RESERVE ACCOUNT

- 4.1 **Assignment and Sale:** CLIENT shall from time to time, at CLIENT'S option, sell, transfer and assign accounts to FACTOR and said accounts shall be identified by separate and subsequent written assignments, on a form acceptable to FACTOR or a form to be provided to CLIENT by FACTOR.
- 4.2 **Purchase Price and Discount:** FACTOR agrees to buy acceptable accounts from CLIENT at the face value of each Account less an initial discount of one and seventy-five hundredths percent (1.75%). In addition to the initial discount other fees and/or reserves may be withheld as noted in 4.8 of this agreement.
- 4.3 **Reserve Account:** FACTOR may reserve and withhold out of sums payable to CLIENT, an amount equal to fifteen percent (15%) of the gross face amount of all accounts purchased. Said reserve may be held by FACTOR and applied by FACTOR against charge-backs or any obligations of CLIENT to FACTOR, and said reserve is not due and payable to CLIENT until any and all potential obligations owing by CLIENT to FACTOR are fully paid and satisfied. CLIENT grants to FACTOR a security interest in this reserve, which secures all obligations and indebtedness arising under this factoring agreement.
- 4.4 **Notification:** FACTOR, may at any time and at its sole discretion notify any DEBTOR of CLIENT to make payments directly to FACTOR.
- 4.5 **Approval:** FACTOR will not purchase an account unless such account is first submitted to FACTOR by CLIENT for approval. FACTOR is not obligated to buy any account from CLIENT.
- 4.6 **Maximum Account:** The outstanding amount in CLIENT'S account with FACTOR (that is, accounts purchased by FACTOR from CLIENT and not yet paid by Debtor) shall not exceed the sum of \$1,000,000, except FACTOR may purchase additional accounts from or advance additional sums to CLIENT as FACTOR may, from time to time, at FACTOR'S sole discretion determine.
- 4.7 **Monthly Volume:** In consideration of the Maximum Account in section 4.6 CLIENT agrees to sell FACTOR a monthly minimum of \$100,000 in acceptable accounts for the term(s) of the Factoring and Security Agreement.
- 4.8 **Funding, Discounts and Reserve:** It is agreed between CLIENT and FACTOR that FACTOR will fund eighty-five percent (85%) of the face value of each invoice. At the time of purchase FACTOR will deduct the initial discount and the reserve as stated in Sections 4.2 and 4.3 hereof. Additional discounts will be

29
Exhibit "B"

taken by FACTOR from the reserve account as described in this section. Additional reserve may be taken when deemed necessary by FACTOR.

(a) **Additional Discount:** FACTOR will retain and pay to itself, from the reserve account, an additional discount calculated by taking one and seventy-five hundredths percent (1.75%) of the face value of each invoice for every 30 day period, or fraction thereof, from the 30th day the invoice is dated and is subsequently paid by the DEBTOR, charged back, repurchased or otherwise settled by CLIENT in full. Should the reserve account be inadequate, FACTOR may deduct these additional charges from the purchase of new invoices or bill CLIENT directly for the amounts due.

(b) **Check Clearing:** FACTOR will add to the payment posting date two (2) days for in-state checks and five (5) days for out-of-state checks.

(c) **Earned Reserve Release:** A release of monies in the reserve account will be made by FACTOR to CLIENT on the 1st and 15th day of each month. Reserve Releases are made only on invoices that are paid by DEBTOR, charged back, repurchased or otherwise settled by CLIENT in full, unless there are outstanding obligations owing by CLIENT to FACTOR. Reserve releases are subjected to the computer closing date for that period.

d) **Daily Discount:** FACTOR will retain and pay to itself, from the reserve account, a daily discount equal to the prime rate published in the Wall Street Journal floating on the advanced amount from the day the invoice is dated and is subsequently paid by the Debtor, charged back, repurchased or otherwise settled by CLIENT in full. Should the reserve account be inadequate, FACTOR may deduct these additional charges from the purchase of new invoices or bill CLIENT directly for the amount due.

- 4.9 **Monthly Fees:** CLIENT agrees to generate a minimum fee to FACTOR of \$1,750 per month for the term of this Agreement. Should CLIENT fail to meet the monthly minimum fees due FACTOR, CLIENT agrees to remit to FACTOR the difference between the \$1,750 monthly minimum and the amount generated through factoring. Payment will be made to FACTOR by either deducting the amount from CLIENT'S Schedule of Accounts, Reserve Release or by requesting payment from CLIENT directly.
- 4.10 **Minimum Fee Per Invoice:** In the event the INITIAL DISCOUNT charged for any one invoice results in a charge of less than \$2.00, then the minimum invoice fee shall be \$2.00.
- 4.11 **Concentration:** FACTOR reserves the right to not purchase invoices on ACCOUNT DEBTORS who represent more than 25% of the total outstanding balance.

SECTION 5. OPERATION OF THE PROGRAM

- 5.1 **Power of Attorney:** In order to carry out this Agreement and avoid unnecessary notification of DEBTOR'S, CLIENT irrevocably appoints FACTOR, or any person designated by FACTOR, its special attorney in fact, or agent, with power of substitution, and with power to:
- (a) strike out CLIENT'S address on all accounts mailed to DEBTORS and put on FACTOR'S address.
- (b) receive, open and dispose of all mail addressed to CLIENT or to CLIENT'S trade name via FACTOR'S address.
- (c) endorse the name of CLIENT or CLIENT'S trade name on any checks or other evidences of payment that may come into the possession of FACTOR on accounts purchased by FACTOR or pursuant to default and on any other documents relating to any of the Accounts or to collateral.
- (d) in CLIENT'S name, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Accounts.
- (e) compromise, prosecute, or defend any action, claim or proceeding as to said Accounts.
- (f) sell in whole or in part for cash, credit or property to others or to itself at any public or private sale, assign, make any agreement with respect to or otherwise deal with any of the Collateral.
- (g) from time to time offer a trade discount to CLIENT'S normal business custom with DEBTOR.
- (h) to notify, orally and in writing, any of CLIENT'S secured or unsecured creditors (including all trade creditors), any banking institution with which FACTOR believes CLIENT

29
Exhibit "B"

does have or may have established a relationship, of, *inter alia*, CLIENT'S default, or of FACTOR's sole right to the possession of its collateral and all proceeds, and to demand turnover of same, and CLIENT will hold FACTOR harmless from any claims or damages of any kind that might arise for having done so.

(i) do any and all things necessary and proper to carry out the purpose intended by this Agreement.

The authority granted FACTOR shall remain in full force and effect until all assigned accounts are paid in full and any indebtedness of CLIENT to FACTOR is discharged.

- 5.2 **Double Payments:** Should FACTOR receive a double payment on an account or other payment which is not identified, FACTOR shall carry these sums as open items and shall return them to said Payer upon proper identification. After six months following receipt of such payments, FACTOR may, if it so elects, consider such payments or unidentified items as credits towards any outstanding or indebtedness of CLIENT. CLIENT will hold FACTOR harmless from any action brought by CLIENT or DEBTOR for misapplication of double payments.
- 5.3 **Payment of Disputed Account:** CLIENT will immediately pay to FACTOR the full amount of any account subject to a dispute of any kind whatsoever.
- 5.4 **Charge Back:** If CLIENT does not fully settle the dispute with immediacy, FACTOR may, in addition to any other remedies under this Agreement, charge or sell back the account to CLIENT.
- 5.5 **Charge Back for Invoicing Error:** Mistaken, incorrect and/or erroneous invoicing submitted by CLIENT to FACTOR may at FACTOR'S discretion be deemed a disputed invoice and be charged-back to CLIENT.

SECTION 6. PROCEDURES AND FORMS

- 6.1 **Required Forms:** When CLIENT offers a Schedule of Accounts to FACTOR for sale, FACTOR shall receive an original invoice together with one copy thereof, a copy of the Bill of Lading, work ticket, shipping document, or proof of delivery, Contract or Purchase Order, and/or a Purchase Order number which corresponds with said invoice(s) or other documents and forms necessary for payment from DEBTOR, as appropriate to the business of CLIENT.
- 6.2 **Financial Records:** CLIENT agrees to keep proper books of account showing all sales, claims and allowances on merchandise and such books and reports shall be open to FACTOR'S inspection. CLIENT agrees to provide financial statements including a balance sheet, profit and loss statement and tax returns within 90 days after fiscal year end and at other times as may be reasonably requested by FACTOR.
- 6.3 **Tax Compliance:** CLIENT will furnish FACTOR, upon request, satisfactory proof of payment and/or compliance with all Federal, State and/or Local tax requirements. CLIENT will execute IRS form 8821 or other forms which allow FACTOR to be notified of any tax liens or other action filed against CLIENT.

SECTION 7. REASSIGNMENT OF ACCOUNTS; SECURITY INTEREST

- 7.1 **Repurchase:** CLIENT will repurchase from FACTOR any and all Accounts not paid within 90 days from invoice date at one hundred percent (100%) of the face value in one of the following manners or combination thereof at FACTOR'S option: (1) by submitting new acceptable invoices, (2) by deducting amount from the Earned Reserve due CLIENT, (3) by requesting payment from CLIENT. All short payments, discounts and any other obligations CLIENT may have to FACTOR will be deducted in the same manner.

SECTION 8. REPRESENTATIONS, WARRANTIES AND COVENANTS

- 8.1 **Representations, Warranties and Covenants:** As an inducement for FACTOR to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by FACTOR instead of the delay of a complete credit investigation, CLIENT warrants and/or covenants that:
- (a) CLIENT is properly licensed and authorized to operate the business, and CLIENT'S trade name, if any, has been properly filed and published as required by the laws of the State of Texas.
- (b) CLIENT'S business is solvent. (waived due to current bankruptcy)
- (c) Each DEBTOR'S business is solvent to the best of CLIENT'S information and knowledge.

29
Exhibit "B"

- (d) CLIENT is, at the time of purchase by FACTOR, the lawful owner of and has good and undisputed title to the accounts purchased by FACTOR.
- (e) Each account offered for sale to FACTOR is an accurate and undisputed statement of indebtedness of DEBTOR to CLIENT for a sum certain which is due and payable in thirty days or less or on such other terms, as are acceptable to FACTOR in its discretion, which are expressly set forth on the face of all invoices.
- (f) Each account offered for sale to FACTOR is an accurate statement of a bona fide sale, delivery and acceptance of merchandise or performance or service by CLIENT to DEBTOR.
- (g) CLIENT does not own, control or exercise dominion over, in any way whatsoever, the business of any account to be sold by CLIENT to FACTOR.
- (h) All financial records, statements, books, or other documents shown to FACTOR by CLIENT at any time, either before or after the signing of this Agreement are true and accurate.
- (i) CLIENT will not, under any circumstances or in any manner whatsoever, interfere with any of FACTOR'S rights under this Agreement.
- (j) CLIENT will not factor or sell accounts except to FACTOR for the period of this Agreement.
- (k) CLIENT will not transfer, pledge or give a security interest in any of its accounts to any other party.
- (l) CLIENT will not change or modify the terms of the original account with DEBTOR unless FACTOR first consents to such change in writing. For example, CLIENT may not extend credit to a DEBTOR beyond thirty days without prior written consent from FACTOR.
- (m) CLIENT will notify FACTOR in writing prior to any change in CLIENT'S place of business or, if CLIENT has or acquires more than one place of business, or prior to any change of CLIENT'S chief executive office, the office or offices where CLIENT'S books and records concerning accounts receivable are kept.
- (n) CLIENT will immediately notify FACTOR of any proposed or actual change of CLIENT'S name, location, identity, legal entity or corporate structure.
- (o) CLIENT will, when requested by FACTOR, execute any written instruments and do any other things necessary to effectuate more fully the purposes and provisions of this Agreement, including without limitations, executing and filing financing statements in form and substance satisfactory to FACTOR.
- (p) All of the Collateral is owned by CLIENT alone, free and clear of all liens, claims, security interest(s) or encumbrances except those granted to FACTOR or those specifically disclosed in writing to FACTOR.
- (q) CLIENT has filed when due all tax reports and returns in connection with and in respect of CLIENT's business, assets and employees, and has timely paid and discharged all tax obligations shown thereon.

SECTION 9. DEFAULT

9.1 Defaults: Any one or more of the following shall be a default hereunder:

- (a) CLIENT or any person which is a guarantor of CLIENT shall fail to pay any indebtedness to FACTOR when due.
- (b) CLIENT shall breach any term, provision, covenant, warranty or representation under this Agreement, or under any other agreements or contracts between CLIENT and FACTOR or obligation of CLIENT to FACTOR whether or not related to Factoring and Security Agreement.
- (c) the appointment of any receiver or trustee of all or a substantial portion of the assets of CLIENT.
- (d) CLIENT shall become insolvent or unable to pay debts as they mature, shall make a general assignment for the benefit of creditors or shall voluntarily file under any bankruptcy or similar law.
- (e) any involuntary petition in bankruptcy shall be filed against CLIENT.

Exhibit ²⁹ "B"

(f) any levies of attachment, executions, tax assessments or similar process shall be issued against the Collateral.

(g) any financial statements, profit and loss statements, schedules, or other statements furnished by CLIENT to FACTOR prove false or incorrect in any material respect.

9.2 **Remedies after Default:** In the event of any default FACTOR may do any one or more of the following:

(a) declare any indebtedness secured hereby immediately due and payable.

(b) notify any DEBTOR'S and take possession of Collateral and collect any receivables without judicial process.

(c) require CLIENT to assemble the Collateral and collect any receivables without prior notice to CLIENT.

(d) enter the premises of CLIENT and take possession of the records pertaining to the receivables and any other Collateral.

(e) grant extensions, compromise claims and settle receivables for less than face value, all without prior notice to CLIENT.

(f) use, in connection with any assembly or disposition of the Collateral, any trademark, trade name, trade style, copyright, patent right or technical process used or utilized by CLIENT.

(g) return any surplus realized to CLIENT after deducting the reasonable expenses, attorney's fees incurred by FACTOR in resolving said default.

(h) hold CLIENT liable for any deficiency.

SECTION 10. APPLICABLE LAW

10.1 **Governing Law; Venue; Service of Process.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and the applicable laws of the United States of America. This Agreement has been entered into in Lubbock County, Texas, and it shall be performable for all purposes in U. S. Bankruptcy Court for the Western District of Texas. Any action or proceeding by or against the CLIENT under or in connection with this Agreement shall be brought only in U. S. Bankruptcy Court for the Western District of Texas. CLIENT hereby irrevocably (a) submits to the jurisdiction of such courts, and (b) waives any objection it may now or hereafter have as to the venue of any such action or proceeding brought in any such court or that any such court is an inconvenient forum. CLIENT agrees that service of process upon it may be made by certified or registered mail, return receipt requested, at its address specified in this Agreement. Nothing herein or in any of the other documents shall affect the right of FACTOR to serve process in any other manner permitted by law. Any action or proceeding by CLIENT against FACTOR shall be brought only in U. S. Bankruptcy Court for the Western District of Texas.

10.2 **Waiver of Jury Trial.** EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (1) ARISING UNDER THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR (2) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR THE TRANSACTIONS RELATED HERETO OR THERETO. IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTIONS SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PART TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

SECTION 11. GENERAL PROVISIONS

11.1 **Notice of Dispute:** CLIENT must immediately notify FACTOR of any disputes between DEBTOR and CLIENT.

11.2 **Settlement of Dispute:** FACTOR may settle any dispute directly with DEBTOR. Such settlement does not relieve CLIENT of final responsibility for payment of such account.

29
Exhibit "B"

- 11.3 **Disposal of Documents:** CLIENT authorizes FACTOR in its sole discretion to dispose of any documents, schedules, invoices or other papers delivered to FACTOR in connection with this Agreement, at any time at least six (6) months after they have been delivered to FACTOR.
- 11.4 **Book Entry:** CLIENT will immediately upon sale of accounts to FACTOR, make proper entries on its books and records disclosing the absolute sale of said accounts to FACTOR.
- 11.5 **Legal Fees:** The CLIENT will pay any and all legal expenses and reasonable attorney's fees that may incur as a result of FACTOR enforcing this Agreement.
- 11.6 **Hold Harmless:** CLIENT shall hold FACTOR harmless against any DEBTOR'S ill will arising from FACTOR'S collecting or attempting to collect any accounts.
- 11.7 **Binding on Future Parties:** This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties to it.
- 11.8 **Cumulative Rights:** All rights, remedies and powers granted to FACTOR in this Agreement, or in any note, lease or other agreement given by CLIENT to FACTOR, are cumulative and may be exercised from time to time as to all or any part of the pledged Collateral as FACTOR in its discretion may determine.
- 11.9 **Written Waiver:** FACTOR may not waive its rights and remedies unless the waiver is in writing and signed by FACTOR. A waiver by FACTOR of a right or remedy under this Agreement on one occasion is not a waiver of the right or remedy on any subsequent occasion.
- 11.10 **Invalid Provisions:** If any provision of this Agreement shall be declared illegal or contrary to law, it is agreed that such provision shall be disregarded and this Agreement shall continue in force as though such provision had not been incorporated herein.
- 11.11 **Entire Agreement:** This instrument contains the entire Agreement between the parties. Any addendum or modification hereto will be signed by both parties and attached hereto.
- 11.12 **Right of Stoppage:** The right of stoppage in transit on all shipments of sales on all accounts assigned or to be assigned to FACTOR is reserved to FACTOR. On FACTOR'S request, CLIENT agrees to stop any delivery of goods or services on its accounts, to assert its purchase money lien in favor of FACTOR or to take such other actions in connection with its accounts to preserve, perfect and protect FACTOR'S rights. Any merchandise returned by reclaim, exercise of purchase money lien or under the right reserved in this section shall be considered returned goods.
- 11.13 **Assignment of Contract:** FACTOR may, without notice to CLIENT, assign or transfer this agreement including all accounts purchased, reserve accounts and other sums due factor, and in such event FACTOR'S assignee or transferee shall have the rights, power, privileges and remedies of FACTOR hereunder.

SECTION 12. SPECIAL PROVISIONS

- 12.1 **Further Promises: SECURITY INTEREST/COLLATERAL:** As a further inducement to FACTOR to enter into this Agreement, CLIENT hereby grants to FACTOR as Collateral for the repayment of any and all its obligations and liability whatsoever of CLIENT to FACTOR a Security Interest in the Collateral.
- 12.2 CLIENT hereby appoints and empowers FACTOR, or any employee of FACTOR which FACTOR may designate for the purpose, as its attorney-in-fact, to execute and/or endorse (and file, as appropriate) on its behalf any documents, agreements, papers, checks, UCC financing statements and other documents which, in FACTOR'S sole judgment, are necessary to be executed, endorsed and/or filed in order to (i) perfect or preserve the perfection and priority of FACTOR'S security interests granted hereby and (ii) collect or realize upon the Collateral or otherwise exercise its rights and remedies under this Agreement or applicable law.
- 12.3 **Notice of Levy:** CLIENT will promptly notify FACTOR of any attachment or any other legal process levied against CLIENT or any of CLIENT'S DEBTORS known to CLIENT.
- 12.4 **No Pledge:** CLIENT will not pledge the credit of FACTOR to any person or business for any purpose whatsoever. CLIENT shall neither authorize nor permit any person or entity to exercise or exert control over CLIENT'S deposit accounts nor permit any person or entity to electronically debit CLIENT'S accounts in connection with what is commonly referred to as a cash advance lending relationship, including the use of any deposit account cash advance.

29
Exhibit "B"

- 12.5 **Sole Property:** Once FACTOR has purchased an account, the payment from DEBTOR, as to that account, is the sole property of FACTOR. Any interference by CLIENT with this payment may result in civil and/or criminal liability.
- 12.6 **Hold in Trust:** CLIENT agrees that even though FACTOR shall use best efforts to notify all DEBTORS of CLIENT of the Factoring and Security Agreement by CLIENT to FACTOR of certain accounts, some payments may be sent directly to CLIENT, which are the sole and exclusive property of FACTOR. In such circumstances, CLIENT promises not to negotiate said check or other forms of payment, but to hold in trust and safekeeping for the benefit of FACTOR and turn over to FACTOR the exact form of payment received. That is, CLIENT agrees to turn over to FACTOR immediately in kind any such check or other form of payment(s) which are property of FACTOR.

In the event CLIENT receives such a check or other payment owing to FACTOR, but some portion of said payment is owing to CLIENT, CLIENT still agrees to turn over said payment in kind to FACTOR, and FACTOR will remit to CLIENT along with any earned reserve, CLIENT's portion thereof, unless CLIENT is indebted to or in default with FACTOR.

CLIENT acknowledges that he has been notified by FACTOR of the potential civil and/or criminal liability for failure to fully comply herewith, and that the cashing, depositing and/or negotiation of any payment which is the property of FACTOR could result in civil and/or criminal liability and remedies attendant thereto. If an employee or other representative of CLIENT negotiates such a check payment without CLIENT's direct knowledge, CLIENT can still be held liable for acts of CLIENT's employees, agents or servants.

CLIENT further acknowledges that he has been notified by FACTOR that indebtedness by CLIENT to FACTOR arising under circumstances as described herein above may constitute a debt, which may not be discharged in a Court of Bankruptcy. The conversion of check payments can be deemed an intentional act even though CLIENT did not specifically intend to take or convert said payments and/or damage FACTOR.

Should CLIENT receive and deposit or otherwise convert into cash, payments from any DEBTOR for which such payment was due FACTOR, CLIENT may be held liable for civil and/or criminal remedies to the extent provided by law. FACTOR may also charge a processing fee equal to 25% of the amount of the payment converted into cash. The enforcement or non-enforcement of this provision shall not be considered a waiver of any other remedy of default, nor shall it be construed a precedent for future discretionary actions available to FACTOR.

CLIENT initials: _____ (I acknowledge that I have read and understand paragraph 12.6)

SECTION 13. INDEMNIFICATION

- 13.1 **CLIENT AGREES TO INDEMNIFY AND HOLD FACTOR HARMLESS FROM ANY CLAIM OR LIABILITY FACTOR MAY SUSTAIN BY VIRTUE OF OR ARISING OUT OF ANY ACTION BY CLIENT, DIRECTLY OR INDIRECTLY, WHICH IS DETERMINED TO BE IN VIOLATION OF ANY DEBT COLLECTION PRACTICES LAWS OR REGULATIONS UNDER APPLICABLE STATE OR FEDERAL LAW.**
- 13.2 **CLIENT AGREES TO INDEMNIFY AND HOLD FACTOR HARMLESS FROM ANY CLAIM OR LIABILITY SUSTAINED BY VIRTUE OF ACTING IN RELIANCE ON THE DATA THAT CLIENT SUPPLIES TO FACTOR. CLIENT AGREES TO INDEMNIFY AND HOLD FACTOR HARMLESS FROM ANY CLAIM OR LIABILITY FACTOR MAY SUSTAIN BY VIRTUE OF ACTING IN RELIANCE ON CLIENT'S OBLIGATION TO OBTAIN OR MAINTAIN WRITTEN CREDIT AGREEMENTS WITH CLIENT'S DEBTOR'S OR TO PROVIDE ANY DISCLOSURE REQUIRED UNDER APPLICABLE STATE OR FEDERAL LAW.**

Executed and accepted this _____ day of _____, _____ at Lubbock, Texas.

CLIENT:
Saul Rodriguez Welding & Trucking, LLC
507 N Nelson
Fort Stockton, Texas 79735

FACTOR:
Diversified Lenders, Inc.
5607 S. Avenue Q
Lubbock, TX 79412

By: _____
Saul Rodriguez, Manager / Director

By: _____
Cole Roberts, Vice President

NOTIFICATION AGREEMENT

Attention: CONTROLLER/MANAGER

RE: Notice of Sale and Assignment of Accounts Receivable and change in Payment Instructions
by: Saul Rodriguez Welding & Trucking, LLC to Diversified Lenders, Inc.

To Whom It May Concern:

We are pleased to advise that, to enable us to better service our customers, we have assigned our present and future accounts to Diversified Lenders, Inc.

As part of their service, they are providing us with a centralized billing and accounts receivable system. Therefore, we request your cooperation in remitting payments on all open invoices as well as those subsequently received to:

If paying by check, mail to:
Saul Rodriguez Welding & Trucking, LLC AND
Diversified Lenders, Inc.
P.O. Box 94208
Lubbock, TX 79493

If paying electronically:
Diversified Lenders, Inc.
Lubbock National Bank
Routing Number: 111307663
Account Number: 57932
Payment Advice: kgutierrez@diversifiedlenders.com

This financial arrangement has been duly recorded under appropriate State Statutes and Uniform Commercial Codes. Please make a notation in your ledger.

If there are any questions concerning your billing, please feel free to call Diversified Lenders, Inc., at:

(806) 795-7782 Fax – (806) 797-0601

This notice and instruction remains in full force and effect until you are notified by the undersigned for Diversified Lenders, Inc. in writing to the contrary. Thank you for your cooperation.

Date: July 13, 2017

Diversified Lenders, Inc.

Saul Rodriguez Welding & Trucking, LLC

By: _____
Glendon Paulk, Vice President

By: _____
Saul Rodriguez, Manager / Director

SIGNATURE AUTHORIZATION

I, the undersigned, Manager / Director of Saul Rodriguez Welding & Trucking, LLC, hereby certify that the following persons, whose names, positions and signatures appear below are authorized to act for said Company in transactions with Diversified Lenders, Inc., in the manner and to the extent specified in the Factoring and Security Agreement July 13, 2017, and that such persons are now duly qualified and acting in their respective capacities.

NAME	SIGNATURE	POSITION
Saul Rodriguez		Manager / Director

I hereby agree to notify you promptly in the event that any such person shall cease to occupy the position indicated or cease to be so authorized to act, and will contemporaneously therewith certify to you the name and signature of his successor in such position and of any additional persons so authorized to act.

Date: July 13, 2017

By: _____
Saul Rodriguez, Manager / Director

Diversified Lenders, Inc.
FUNDING TRANSFER INSTRUCTIONS

CLIENT: Saul Rodriguez Welding & Trucking, LLC

Please indicate below how you wish to have funds transferred to your company:

- 1. WIRE TRANSFER OR ACH DEPOSIT: (DIVERSIFIED LENDERS, INC. WILL NOT WIRE OR MAKE ACH DEPOSIT INTO PAYROLL ACCOUNTS)

Prior to completing this form, you must contact your bank to confirm the wire instructions are correct. DO NOT TAKE THE INFORMATION OFF YOUR BANK CHECK; IT IS NOT ALWAYS CORRECT! INCORRECT INFORMATION WILL CAUSE A DELAY IN THE TRANSFER OF FUNDS. A \$50.00 Wire Transfer fee will be charged per transaction. There is not a fee for ACH Deposits.

BANK NAME: _____

CITY & STATE: _____

BANK ROUTING NO: _____

ACCOUNT NO: _____

NAME ON ACCOUNT: _____

CERTIFICATION:

I certify that the above account is not a payroll account.

Signature: _____
Saul Rodriguez, Manager / Director

Date: July 13, 2017

- 2. ISSUE CHECK TO THE FOLLOWING:

(No checks will be issued to Individuals. Companies only.)

COMPANY NAME: _____

ADDRESS: _____

If you wish for Diversified Lenders, Inc. to overnight the check, please provide your Federal Express or UPS Account Number below:

Federal Express: _____

UPS: _____

If you do not have an account, you may request Diversified Lenders, Inc. to send the check overnight, and a \$25.00 charge will be taken from amount for the service.

GUARANTY OF INDIVIDUAL

FOR VALUE RECEIVED and in consideration of any advance now or hereafter made to Saul Rodriguez Welding & Trucking, LLC (together with its successors and assigns, "CLIENT") by Diversified Lenders, Inc. (together with its affiliates "FACTOR"), which advances will be to the direct interest and advantage of the undersigned, a stockholder/officer/owner/partnership/manager/agent or interested party of CLIENT, and to induce FACTOR from time to time to make advances to CLIENT and/or enter into any agreement with CLIENT with regard to the assignment of accounts receivable, or purchase or take by assignment receivables under any agreement with regard to the assignment of accounts receivable, the undersigned and FACTOR agree as follows:

1. CHARACTER OF OBLIGATION.

The undersigned hereby unconditionally guarantees the full payment and performance by CLIENT of any such advances, any such agreement with regard to the assignment of accounts receivable, and the advances or over-advances thereunder whether or not evidenced by promissory notes, any obligations for letters of credit or agreements with respect thereto, including but not limited to any obligation to repay accounts under the terms of the Security Agreement between Diversified Lenders, Inc. and Saul Rodriguez Welding & Trucking, LLC and any obligation thereunder, any drafts or any obligations for acceptances or agreements with respect thereto, including all interest and other charges stated therein, all obligations of CLIENT under any security agreement, instrument of lien, security deed or other security device in favor of FACTOR, and all other obligations of CLIENT to FACTOR however and whenever incurred or evidenced, whether direct or indirect, absolute or contingent, or due or to become due (hereafter the "Obligations"). The Obligation of the undersigned hereunder is primary and unconditional and shall be enforceable before, concurrently or after any claim or demand is made or suit is filed against CLIENT or any other guarantor or surety, and before, concurrently or after any proceeding by FACTOR against any security, and shall be effective regardless of the solvency or insolvency of CLIENT at any time, the extension or modification of the Obligations by operation of law, or the subsequent reorganization, merger or consolidation of CLIENT, or any other change in its composition, nature, personnel or location. The Obligation hereunder may be considered by FACTOR either as a guaranty or agreement of surety. Payment of any sum or sums due to FACTOR hereunder will be made by the undersigned immediately upon demand by FACTOR. If claim is ever made upon FACTOR for repayment or recovery of any amount or amounts received by FACTOR in payment of any of the Obligations and FACTOR repays all or part of said amount by reason of (a) any judgment, decree or order of any court or administrative body having jurisdiction over FACTOR or any of its property, or (b) any settlement or compromise of any such claim effected by FACTOR with any such claimant (including CLIENT), then in such event the undersigned agrees that any such judgment, decree, order, settlement or compromise shall be binding upon the undersigned, notwithstanding any revocation shall be and remain obligated to FACTOR hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by FACTOR. The undersigned agrees that the books and records of FACTOR showing the account between FACTOR and CLIENT shall be admissible in evidence in any action or proceeding, shall be binding upon the undersigned for the purpose of establishing the items therein set forth, and shall constitute prima facie proof thereof, except that the monthly statements rendered to CLIENT by FACTOR shall, to the extent to which no objection is made within thirty (30) days after date thereof, constitute an account stated between FACTOR and CLIENT binding upon the undersigned. The undersigned agrees to pay all costs of FACTOR of collection of any sum or sums due hereunder, including but not limited to all attorney's fees and cost of collection. The undersigned hereby transfers and conveys to FACTOR any and all of his balances, credits, deposits, accounts, items and moneys now or hereafter in possession or control of, or otherwise with FACTOR, and FACTOR is hereby given a security interest upon and in all property of the undersigned of every kind and description now or hereafter in the possession or control of FACTOR for any reason, including all dividends and distributions or other rights in connection therewith. The undersigned agrees that his Obligation hereunder shall not be discharged or impaired in any respect by reason of any failure by FACTOR to perfect, or continue perfection of, any lien or security interest in any security or any delay by FACTOR in perfecting any such lien or security interest.

2. CONSENT AND WAIVER

The undersigned waives notice of acceptance hereof, creation of any of the Obligations, or nonpayment or default by CLIENT under any of the Obligations or any agreement now or hereafter existing between CLIENT and FACTOR, presentment, demand, notice of dishonor, protest and any other notices whatsoever. The undersigned waives the provisions of Chapter 34 of the Texas Business and Commerce Code. The undersigned, without affecting his liability hereunder, consents to and waives notice of all changes of terms of the Obligations, the withdrawal or extension of credit or time to pay, the release of the whole or any part of the Obligations, renewal, indulgence, settlement, compromise or failure to exercise due diligence in collection, the acceptance or release of security, extension of the time to pay for any period or periods whether or not longer than the original period, or any

surrender, substitution or release of any other person directly or indirectly liable for any of the Obligations or any collateral security given by CLIENT. The undersigned agrees that he shall have no right of subrogation, reimbursement or indemnity whatsoever and no right of recourse to or with respect to any assets or property of CLIENT or to any collateral for the Obligations, even upon payment in full of the Obligations. The undersigned also consents to and waives notice of any arrangements or settlements made in or out of court in the event of receivership, liquidation, readjustment, any proceeding under Title II of the United States Code (entitled "Bankruptcy") as amended, or assignment for the benefit of creditors of CLIENT, and anything whatsoever whether or not herein specified which may be done or waived by or between FACTOR and CLIENT, or CLIENT and any other person whose claim against CLIENT has been or shall be assigned or transferred to FACTOR. The undersigned agrees that if any notification of intended disposition of collateral or of any other act by FACTOR is required by law and a specific time period is not stated therein, such notification, if mailed by first class mail at least fifteen (15) days before such disposition or act, postage prepaid, addressed to the undersigned either at the address shown below or at any other address of the undersigned appearing on the records of FACTOR, shall be deemed reasonably and properly given. FACTOR may, without notice of any kind, sell, assign or transfer any or all of the Obligations and in such event each and every immediate and successive assignee, transferee or holder of any of the Obligations shall have the right to enforce this Guaranty, by suit or otherwise for the benefit of such assignee, transferee or holder, as fully as if such assignee, transferee or holder were herein by name specifically given such rights, powers and benefits; FACTOR shall have an unimpaired right prior and superior to that of any such assignee, transferee or holder to enforce this Guaranty for the benefit of FACTOR as to such of the Obligations as is not sold, assigned or transferred. THE UNDERSIGNED HEREBY WAIVES ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED HEREON.

3. CONSTRUCTION & VENUE.

This Guaranty shall be governed by and construed and enforced in accordance with the laws of the State of Texas. Wherever possible, each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under applicable law, said provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guaranty. This Guaranty does not supersede any other guaranty or other agreement executed by the undersigned, or any other guaranty in favor of FACTOR. Venue for all actions and proceedings relating directly or indirectly hereto shall be litigated in Courts having location within the City of Lubbock, Texas and if such action shall be brought in Federal Court then within the Federal District Court located therein.

4. BENEFIT

This Guaranty shall bind the undersigned, his heirs, personal representatives and assigns, and the rights and privileges of FACTOR hereunder shall inure to the benefit of its successors and assigns, and this Guaranty shall be effective with respect to advances made by FACTOR'S successors and assigns to CLIENT.

5. DURATION

This Guaranty shall continue in full force and effect until terminated by the actual receipt by FACTOR by registered or certified mail of written notice of termination from the undersigned or from the legal representative of the undersigned if the undersigned is deceased. Such termination shall be applicable only to transactions having their inception thereafter, and rights and obligations arising out of transactions having their inception prior to such termination shall not be affected.

Signed and sealed July 13, 2017.

By: _____
Saul Rodriguez, individual

ACCEPTANCE

The foregoing Guaranty is accepted in Lubbock, Texas on July 13, 2017.

Diversified Lenders, Inc.

By: _____
Cole Roberts, Vice President

**BORROWING RESOLUTION
OF
LIMITED LIABILITY COMPANY**

STATE OF _____

COUNTY OF _____

The undersigned Manager / Director of Saul Rodriguez Welding & Trucking, LLC, a Texas limited liability company (the "Company") hereby take the following action(s) and hereby certify that each are now and at all times mentioned herein, have been duly elected, appointed, qualified and acting Manager / Director of the Company, and in such capacity, each has access to the records of the Company, which records of the Company reflect the matters set forth herein.

The undersigned hereby certify that the Company is a duly organized and registered Limited Liability Company existing under the laws of the State of Texas and is qualified to transact business in the State of Texas and is qualified to transact business as a domestic limited liability company in any state in which it does business.

The undersigned further certify that the following named individual(s) have been and are hereby authorized, directed and empowered, on behalf of and binding the Company, without any further action to execute factoring documents on behalf of the Company with Diversified Lenders, Inc. (herein "Diversified" or "Factor") or any of its affiliates, including entering a Factoring and Security Agreement with Diversified in the maximum amount of \$1,000,000 in the form and on terms and conditions as are determined by the Authorized Representative set forth below:

Name	Title	Signature
Saul Rodriguez	Manager / Director	_____

The above named individual(s) are the duly elected, appointed, and acting representatives of the Company holding the position set forth opposite their respective names as of the date hereof, and the signatures set opposite the respective names and titles of said representatives are true and authentic signatures.

Furthermore, it is resolved that the above named individual (herein the "Authorized Representative") or any one of the undersigned may undertake the following actions on behalf of the Company, and that his, her, or their acts are hereby authorized and empowered as follows:

Sell Accounts. To sell, transfer or assign acceptable accounts to Factor and to deliver said accounts on an acceptable invoice identifying the scope of work, amount due, date of invoice, terms of payment, billing address and proper account debtor name. All accounts assigned to Factor will be for work completed and or shipped and accepted by the account debtor.

Grant Security. To mortgage, pledge, hypothecate, or otherwise encumber and deliver to Factor, as security for the payment of any indebtedness so obtained, or any other or further obligation of the Company to Factor at any time, however the same may be evidenced, any property now or hereafter belonging to the Company or in which the Company now or hereafter may have an interest, including without limitation all real property and all personal property of the Company. Such property may be mortgaged, pledged, hypothecated, or encumbered at the time such indebtedness are obtained or such obligation is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, hypothecated, or encumbered.

Execute Security Documents. To execute and deliver to Factor the forms of factoring agreements, mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which may be submitted by Factor, and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Factor any other written instruments, any security agreements, or any other collateral, of any kind or nature, which he, she

or they may in his, her or their discretion deem reasonably necessary or proper in connection with or pertaining to the giving of the liens and encumbrances.

Negotiate Items. To draw, endorse, and discount with Factor all drafts, trade, factoring agreements, acceptances, promissory notes, invoices or other evidences of indebtedness payable to or belonging to the Company or in which the Company may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the account of the Company with Factor, or to cause such other disposition of the proceeds derived therefrom as they may deem advisable.

Further Acts. In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances thereunder, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements as he, she or they may in his, her or their discretion deem reasonably necessary or proper in order to carry into effect the provisions of these Resolutions.

Furthermore, any and all acts of the Company by the Authorized Representative, or any of the undersigned person(s) or any director, officer or member of the Company prior to this resolution are hereby ratified and confirmed and shall remain in full force and effect. This Certificate of Authority shall remain in full force and effect and Factor may rely upon this Certificate of Authority until actual receipt of written notice revoking the authority contained herein, and Factor may rely upon these acts in the Authorized Representative's capacity as Manager / Director of Saul Rodriguez Welding & Trucking, LLC.

I, Saul Rodriguez, hereby certify that I am now the duly elected, appointed, qualified and acting Manager / Director of the Company and that the foregoing certificate is a true and correct statement of resolutions adopted by the Company, and that the signature set forth above/beside such person's name is such person's correct signature; and that the certifications set forth above are true and correct as of the date hereof.

Dated this _____ day of _____, 2017

Manager / Director:

By: _____

Saul Rodriguez, Manager / Director

CERTIFICATION OF RESOLUTIONS

I, Saul Rodriguez, hereby certify that I am now the duly elected, appointed, qualified and acting Manager / Director of the Company and that the foregoing certificate is a true and correct statement of resolutions adopted by the Company, and that the signature set forth above/beside such person's name is such person's correct signature; and that the certifications set forth above are true and correct as of the date hereof.

Saul Rodriguez, Manager / Director of Saul Rodriguez Welding & Trucking, LLC

**GENERAL RELEASE
(Exhibit B)**

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and adequacy of which are hereby acknowledged, the undersigned and each of them (collectively "Releasor") hereby forever releases, discharges and acquits Diversified Lenders, Inc. ("Releasee"), its parent, directors, shareholders, agents and employees, of and from any and all claims of every type, kind, nature, description or character, and irrespective of how, why, or by reason of what facts, whether heretofore existing, now existing or hereafter arising, or which could, might, or may be claimed to exist, of whatever kind or name, whether known or unknown, suspected or unsuspected, liquidated or unliquidated, each as though fully set forth herein at length, to the extent that they arise out of or are in way connected to or are related to that certain Factoring and Security Agreement July 13, 2017

Releasor agrees that the matters released herein are not limited to matters, which are known or disclosed.

Releasor acknowledges that factual matters now unknown to it may have given or may hereafter give rise to claims which are presently unknown, unanticipated and unsuspected, and it acknowledges that this Release has been negotiated and agreed upon in light of that realization and that it nevertheless hereby intends to release, discharge and acquit the Releasee from any such unknown claims.

Acceptance of this Release shall not be deemed or construed as an admission of liability by any party released.

Releasor acknowledges that either (a) it has had advice of counsel of its own choosing in negotiations for and the preparation of this Release, or (b) it has knowingly determined that such advise is not needed.

(DATED): _____

Individual Releasor:

Saul Rodriguez, individually

Entity Releasor:

Saul Rodriguez Welding & Trucking, LLC

By: _____

Print Name: _____

Title: _____

Form **W-9**
(Rev. December 2011)
Department of the Treasury
Internal Revenue Service

**Request for Taxpayer
Identification Number and Certification**

Give Form to the
requester. Do not
send to the IRS.

Name (as shown on your income tax return)

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:

Individual/sole proprietor C Corporation S Corporation Partnership Trust/estate

Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶

Other (see instructions) ▶

Address (number, street, and apt. or suite no.) Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

*Print or type
See Specific Instructions on page 2.*

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number

				-			-				
--	--	--	--	---	--	--	---	--	--	--	--

Employer identification number

				-							
--	--	--	--	---	--	--	--	--	--	--	--

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here Signature of U.S. person ▶ Date ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.