

CBTrade™ Agreement with California Bank & Trust

This CBTrade™ Agreement (the "Agreement") is entered into this ___ day of _____, _____, between _____ ("Company"), and CALIFORNIA BANK & TRUST. This CBTrade™ Agreement supersedes any prior CBTrade™ Agreements.

Whereas, CALIFORNIA BANK & TRUST has offered to Company and Company has accepted from CALIFORNIA BANK & TRUST, a service called CBTrade™ (the "Service") which will allow Company to, among other things, complete an application to CALIFORNIA BANK & TRUST for the issuance of, and amendments to commercial letters of credit and reporting of various financial instruments by means of Company's Internet access to CBTrade™.

Whereas, the Service will be provided to Company by CALIFORNIA BANK & TRUST for use on the Company's certificated computers (computers with a digital certificate registered with CBTrade™), and

Whereas the Service will facilitate Internet communication with servers ("Servers") residing in CALIFORNIA BANK & TRUST operations offices in California.

Now therefore, Company and CALIFORNIA BANK & TRUST agree as follows:

1. **THE SERVICE.** Company shall have the right to use the Service and the prepare Service product applications in format prescribed by CBTrade™ for (a) the issuance of, and amendments to, Commercial Letters of Credit, (the "Credits") for the account of the Company; (b) to transmit such applications to the CALIFORNIA BANK & TRUST Servers; (c) to receive information regarding the Credits; and (d) for additional products that CALIFORNIA BANK & TRUST may include in the Service ("Additional Products") pursuant to the terms of an agreement and other documents for each Additional Product as agreed upon by Company and CALIFORNIA BANK & TRUST, ("Additional Product Documents");
2. **LICENSE.** Company understands that the Service was designed to operate via Internet access with computers running Microsoft Explorer 5.0 and Adobe Acrobat 4.0 or higher, with Internet access of at least 56KB modems or higher. CALIFORNIA BANK & TRUST hereby grants to Company and Company accepts from CALIFORNIA BANK & TRUST, in accordance with the terms and conditions of this Agreement, a non-exclusive, non-transferable License (the "License") for the use of the Service solely for Company's access to the Service. The License will terminate when Company's use of the service ceases, or if earlier, when this Agreement and the Service terminate in accordance with Section 1 herein. The service is licensed and not sold.
3. **PROPRIETARY RIGHTS OF CALIFORNIA BANK & TRUST.** Company's rights in the Service are expressly limited to the use of the Service as set forth in this Agreement. Company acknowledges that the Service is subject to the proprietary rights of CALIFORNIA BANK & TRUST. Company agrees to keep the contents of the Service confidential in the manner consistent with the maintenance of trade secret right, and not to copy, reproduce, lend, sell, transfer, assign, license, sub-license, dispose of, or otherwise make available, the Service in whole or in part to any person or entity, including, but not limited to, any successor to, or any affiliate of Company (other than employees of Company who have need to use the Service), whether voluntarily, by operation of law or otherwise, without the prior written consent of CALIFORNIA BANK & TRUST, which consent will not be unreasonably withheld. Company agrees to use its best efforts to protect the Service from unauthorized disclosure by Company's

employees and agents. Company further agrees not to create or attempt to create, or permit others to create or attempt to create, by reverse engineering or otherwise, the source programs or any part thereof from the object code of the Service.

4. CHANGES IN SERVICE. CALIFORNIA BANK & TRUST may at any time change the Service, the products included in the Service and the procedures for using the Service after giving Company prior notice of such changes. In accepting the Service, the License, and the terms and conditions of this Agreement, Company agrees to follow the instructions, conditions and procedures for the use of the Service, established or specified by CALIFORNIA BANK & TRUST from time to time in any notices, manuals, materials, documents or instructions furnished by CALIFORNIA BANK & TRUST to Company.
5. LETTER OF CREDIT AGREEMENT. The opening of Credits initiated through the Service, all actions taken or not taken under such Credits, and the rights and obligations of CALIFORNIA BANK & TRUST and Company under such Credits and under each application transmitted through the Service will be governed by this Agreement and the Commercial Letter of Credit Agreement (the "Letter of Credit Agreement") attached hereto as Exhibit A.
6. ADDITIONAL PRODUCTS DOCUMENTS. Any Additional Products initiated through the Service, all actions taken or not taken under such Additional Products, and the rights and obligations of CALIFORNIA BANK & TRUST and company under such Additional Products will be governed by this Agreement and any Additional Product Document. Terms used in this Agreement and not defined in this Agreement, but defined in the Letter of Credit Agreement, or Additional Product Documents will have the meanings assigned to them in the Letter of Credit Agreement of Additional Product documents as appropriate. In case of any contradiction or conflict with any provision of provisions of this Agreement, the provisions of this Agreement will govern and control.
7. APPLICATIONS AND LETTERS OF CREDIT. Company agrees that each transmission from the Company received on the CALIFORNIA BANK & TRUST'S CBTrade™ computer which is in the format labeled "Import Letter of Credit Application" or "Application to Amend Letter of Credit" is an Application governed by the terms and conditions of this Agreement, the Service and the Letter of Credit Agreement, and that CALIFORNIA BANK & TRUST is authorized to treat such transmission as an Application. Neither the execution by CALIFORNIA BANK & TRUST or Company of this Agreement or the Letter of Credit and Security Agreement, nor the delivery of the Service to Company, will in any way obligate CALIFORNIA BANK & TRUST to issue or amend any Credit when Company transmits an Application through the Service or at any other time until CALIFORNIA BANK & TRUST approves such Application.
8. RESPONSIBILITY FOR APPLICATIONS. Company represents and warrants that all the Applications transmitted to CALIFORNIA BANK & TRUST through the Service will be genuine, correct and authorized by a person or persons who has the authority to contract with CALIFORNIA BANK & TRUST for the issuance or amendment, as the case may be, of Credits. Company acknowledges the security functions available in the Service and accepts full responsibility for any and all Applications transmitted through the Service and processed by CALIFORNIA BANK & TRUST and for any and all Credits issued or amended in accordance with such Applications processed by CALIFORNIA BANK & TRUST. CALIFORNIA BANK & TRUST WILL NOT BE RESPONSIBLE FOR APPLICATIONS TRANSMITTED BY UNAUTHORIZED PERSONS.
9. USER IDENTIFICATION CODES AND PASSWORDS. The Service permits Company to manage and control the following by means of user identification codes selected by Company and assigned by Company to individual users of the Service and by means of passwords selected by the individual users of the Service: (a) access to the Service for the input of data for Applications; (b) security verification of each such access and such data; and (c) the release of

Applications to the CALIFORNIA BANK & TRUST CBTrade™ computer. CALIFORNIA BANK & TRUST will not know and cannot verify any such codes or passwords.

10. PROTECTION OF CODES AND PASSWORDS. FAILURE TO PROTECT CODES AND PASSWORDS MAY ALLOW AN UNAUTHORIZED PARTY TO INITIATE APPLICATIONS FOR THE ISSUANCE OF, OR AMENDMENTS TO, CREDITS, TO ORIGINATE, CORRECT CHANGE, VERIFY OR SEND DATA FOR APPLICATIONS OF FOR ADDITIONAL PRODUCTS DOCUMENTS OR TO GIVE INFORMATION TO, OR RECEIVE INFORMATION OR COMMUNICATIONS FROM, CALIFORNIA BANK & TRUST. COMPANY ASSUMES THE ENTIRE RISK FOR THE FRAUDULENT OR UNAUTHORIZED USE OF ALL CODES AND PASSWORDS. Company acknowledges the importance of developing internal procedures to limit such risk, which procedures shall include, at a minimum, the following: (a) changing the codes and passwords of the individual users of the Service at regular intervals; (b) not permitting such individual users of the Service to share their codes or passwords; (c) changing the codes of such individual users of the Service when they no longer have or allowed to have access to the Service; and (d) not keeping, in any form or in any place, lists of codes or passwords used to access the Service.
11. COMMENCEMENT OF SERVICE. The Service will commence when all the following conditions have been met: (a) Company has signed and delivered this Agreement to CALIFORNIA BANK & TRUST; (b) as to Letters of Credits when Company has signed and delivered the Letter of Credit Agreement to CALIFORNIA BANK & TRUST; (c) as to Credits, Company has been authorized by CALIFORNIA BANK & TRUST to submit Applications for Credits; (d) as to Additional Products, when Company has executed and delivered to CALIFORNIA BANK & TRUST the required Additional Product Document and acceptance by CALIFORNIA BANK & TRUST of such.
12. INTERRUPTIONS IN SERVICE. Company acknowledges that the transmission of Applications to CALIFORNIA BANK & TRUST through the Service, and issuance and amendment of Letters of Credit by CALIFORNIA BANK & TRUST, may be interrupted by industrial disputes, acts of government, fires, power failures, computer malfunctions, interruptions in, or malfunctions of, communications facilities, civil disturbances or other events not within the control of CALIFORNIA BANK & TRUST. The Company assumes all risk of such interruptions and agrees that CALIFORNIA BANK & TRUST will not liable to the Company for any direct, special, consequential or incidental damages resulting from such interruptions or any claims against the Company by any third party resulting from such interruptions.
13. CHARGES FOR SERVICE. CALIFORNIA BANK & TRUST pays for out-of-pocket costs and expenses incurred in installing the Services for the Company. CALIFORNIA BANK & TRUST reserves the right to discontinue the Service to Company for under or non-utilization of Service at its own discretion. CALIFORNIA BANK & TRUST reserves the right to charge fees for installation and use in the future.
14. RESPONSIBILITIES AND OBLIGATIONS. Company acknowledges that in order for CALIFORNIA BANK & TRUST to perform the Service and act on Applications transmitted through the Service, Company will be obligated to perform its responsibilities as required by this Agreement. CALIFORNIA BANK & TRUST agrees to perform its obligations hereunder in a reasonable manner consistent with the quality provided when CALIFORNIA BANK & TRUST performs similar services for its own account. Except as may be expressly set forth in this Agreement, or the Letter of Credit Agreement, or the Application, or any Additional Product Document, CALIFORNIA BANK & TRUST MAKES NO PROMISES, COMMITMENTS, GUARANTEES, REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICE, THIS AGREEMENT OR THE LETTER OF CREDIT AGREEMENT, ANY ADDITIONAL PRODUCT DOCUMENT AND CALIFORNIA BANK & TRUST

DISCLAIMS ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OF FITNESS FOR A PARTICULAR PURPOSE.

15. INDEMNIFICATION. Except to the extent caused by CALIFORNIA BANK & TRUST'S gross negligence or willful misconduct, Company agrees, in addition to and not in restriction of any provision of the Service and the Letter of Credit Agreement and any Additional Products Document, that Company will, on demand without setoff or counterclaim, reimburse and indemnify CALIFORNIA BANK & TRUST against, and hold CALIFORNIA BANK & TRUST harmless from, any damages, losses, liabilities, claims, obligations, penalties, actions, judgments, suits, expenses and/or costs, of any kind whatsoever and howsoever caused, including, but not limited to, any attorney's fees and/or expenses, (collectively, "Losses") paid, suffered or incurred by, or imposed upon, CALIFORNIA BANK & TRUST directly or indirectly as a result of, or in any way connected with, CALIFORNIA BANK & TRUST'S performance of the Service, including, but not limited to, (a) CALIFORNIA BANK & TRUST issuance or amendment of any Credit in accordance with any Application transmitted to CALIFORNIA BANK & TRUST through the Service, whether or not such Application was properly authorized by Company, and/or (b) any information or communication transmitted by CALIFORNIA BANK & TRUST or received by Company through the Service.
16. LIMITATION OF LIABILITY. Except to the extent caused by CALIFORNIA BANK & TRUST'S gross negligence or willful misconduct, Company agrees, in addition to and not in restriction of any provision of the Letter of Credit Agreement, any Additional Products Documents, that Company's exclusively remedy, and CALIFORNIA BANK & TRUST'S entire liability to Company in contract, tort or otherwise, arising out of or in any way connected with (a) Service, and /or CALIFORNIA BANK & TRUST'S performance of the Service, including, but not limited to, (i) CALIFORNIA BANK & TRUST 'S issuance or amendment of any Credit in accordance with any Application transmitted to CALIFORNIA BANK & TRUST through the Service, whether or not such Application was properly authorized by Company, and/or (ii) any information or communication transmitted by CALIFORNIA BANK & TRUST or received by Company through the Service. Notwithstanding any other provision of this Agreement, the Service or the Letter of Credit and Security Agreement, IN NO EVENT SHALL CALIFORNIA BANK & TRUST BE LIABLE TO COMPANY, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL CONSEQUENTIAL OR INDIRECT DAMAGES WHETHER OR NOT THE LIKELIHOOD OF SUCH DAMAGES WAS KNOWN TO, OR FORESEEN BY, CALIFORNIA BANK & TRUST.
17. COSTS AND EXPENSES. Company Agrees to reimburse CALIFORNIA BANK & TRUST immediately upon demand without setoff or counterclaim for any and all costs, expenses and/or attorney's fees paid, suffered, or incurred by, or imposed upon, CALIFORNIA BANK & TRUST directly or indirectly as a result of, or in any way connected with, CALIFORNIA BANK & TRUST enforcement of its rights and privileges under this Agreement.
18. CONTINUING OBLIGATIONS. Company agrees that its obligations under this Agreement are unconditional and continuing whether or not any or all the Credits issued or amended pursuant to Applications transmitted to CALIFORNIA BANK & TRUST through the Service have expired or otherwise terminated.
19. TERMINATION. The Service and this Agreement may be terminated with or without cause by CALIFORNIA BANK & TRUST or Company giving ten (10) days' prior written notice to the other of such termination: provided, however, that CALIFORNIA BANK & TRUST may terminate the Service, and this Agreement immediately upon notice to the Company (a) if Company violated any of the terms and conditions of the Agreement, or the Letter of Credit Agreement, or any Additional Products Document or (b) if the Letter of Credit Agreement is terminated for any reason whatsoever. The termination of this Agreement will not terminate the obligations of

Company in regard to the Credits issued or amended by CALIFORNIA BANK & TRUST for the account of Company before such termination.

- 20. WAIVERS AND AMENDMENTS. No waiver amendment, modification, addition to or deletion of any of the provisions of this Agreement shall be effective unless made in writing and signed by authorized representatives of Company and CALIFORNIA BANK & TRUST.
- 21. NOTICES. All notices from CALIFORNIA BANK & TRUST or from Company to CALIFORNIA BANK & TRUST shall be delivered to the address of CALIFORNIA BANK & TRUST or of Company, as the case may be, specified on the signature page hereof. All notices shall be effective upon receipt.
- 22. GOVERNING LAW. Company agrees that this Agreement, and performance by Company and CALIFORNIA BANK & TRUST under this Agreement, shall be governed by, and be construed in accordance with, the laws of the State of California. If any provision or provisions of this Agreement shall be held to be invalid, illegal, or unenforceable in any jurisdictions, and of the remaining provisions of this Agreement in all jurisdictions, shall not in any way be affected or impaired.
- 22. ASSIGNMENT. This Agreement is not assignable without the prior written consent of CALIFORNIA BANK & TRUST, which consent will not be unreasonably withheld. Any attempt by Company to assign any of its rights, duties, or obligations under this Agreement without such consent is null and void.
- 23. ENTIRE AGREEMENT. This Agreement, the Applications, and the Letter of Credit and Security Agreement set forth the entire and only agreement between Company and CALIFORNIA BANK & TRUST with respect to the Service. Any prior agreements, representatives, statements, negotiations, undertakings, promises or conditions, whether oral or written not incorporated in this Agreement, the Applications or the Letter of Credit Agreement are superseded by this Agreement, the Applications and the Letter of Credit Agreement.

IN WITNESS WHEREOF, Company and CALIFORNIA BANK & TRUST have caused this Agreement to be executed by their duly authorized officers on the date specified in the opening paragraph of this Agreement.

CALIFORNIA BANK & TRUST
550 South Hope Street, 3rd Floor
Los Angeles, CA USA 90071

Company

By _____

By _____

Title _____

Title _____

Date _____

Date _____

Exhibit A.

CALIFORNIA BANK & TRUST COMMERCIAL LETTER OF CREDIT AGREEMENT

In consideration of your opening at our request a commercial letter of credit, we hereby agree with you as follows:

1. We promise to pay to you, or order, upon demand in lawful money of the United States of America all monies paid by you under or pursuant to said letter of credit, together with interest, commission and all customary charges: we also authorize you to charge any of our accounts with you for all money is so paid or for which you become liable under said letter of credit and we agree at least one day before the same is due to provide you with funds to meet all disbursements or payments of any kind or character, to herewith commission, interest and charges which you have paid or to which you are entitled under or pursuant to said letter of credit. In the event that any sums paid by you hereunder are obtained by you through discount of bills of exchange drawn by us and accepted by you, we promise to pay to you, or order, such sums upon demand or when due in accordance with the terms of each such bill of exchange accepted by you. Past due amount of any kind shall bear interest at the rate of ten percent (10%) per annum.
2. All goods and documents which shall become into your control or into your possession or that of any of your correspondents as the result of opening or in connection with any transactions under said letter of credit, are and shall be pledged to you as security (a) for all payments made or to be made by you or your correspondents under said letter of credit: for any interest, commission or other customary charges in relation to said letter of credit and (c) for any other obligations of us to you. Upon any default by us in any of the undertakings set forth in this Letter of Credit Agreement, you are authorized to sell, without notice to us, at public or private sale, any of such pledged goods or documents: in the event of any deficiency, we will pay the same to you immediately or in the event of any surplus, you shall pay the same to us or to the persons entitled thereto. In the event such goods should suffer any decline in value we will upon demand deliver to you additional collateral to your satisfaction.
3. We hereby agree to deliver to you, upon demand, collateral security to your satisfaction, should the market value of the merchandises referred to herein suffer any decline. Also we hereby agree to grant you a security interest of all property presently or hereafter held in your possession, by or for our account: and also in any present or future balance of our deposit account with you for the amount of any liability hereunder.
4. We will obtain, or will cause to be in existence: insurance on any goods described in said letter of credit against fire and other usual risk and gains an additional risks which you may request. You are hereby authorized and empowered to collect the amount due under any such insurance and apply the same again any of our obligations to you arising under said letter of credit or otherwise.
5. As to said letter of credit we represent that any required import or export licenses have been obtained.
6. Neither you nor your correspondences shall be in any way responsible for performance by any beneficiary of its obligations to us, nor for the form sufficiency, correctness, genuineness, authority of person signing, falsification or legal effect of any documents called for under said letter of credit if such documents called for under said letter of credit is such documents on their face appear to be in order.
7. Subject to the laws and customs and practices of trade, existing in the area where the beneficiary is located, said letter of credit shall be issued subject to the "Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Brochure No. 500".
8. It is agreed that all directions and correspondence relating to said letter of credit are to be sent at our risk and that you do not assume any responsibility for any inaccuracy, interruption, error or delay in transmission or delivery by post, telegraph or cable, or for any inaccuracy of translation.

9. This agreement is to continue in force and be applicable to all transactions, notwithstanding any change in the individuals composing any firm, parties to, or concerned in this contract, whether such change shall arise from the acquisition of one or more new partners or from the death or secession of any partner or partners.

10. If the Application for Commercial Letter of Credit is signed by one individual, the terms, "we", "our", "us" shall be read throughout as "I", "my", "me" as the case may be. If signed by two or more parties, it shall be the joint and several agreement of such parties.

11. This agreement is governed by the Uniform Commercial Code of California and any provisions supplanted or prohibited by it shall be deemed to be deleted.

12. We understand that the final form of the letter of credit may be subject to such revisions and changes as are deemed necessary or appropriate by issuing office and we hereby consent to such revision or changes.

(CBTrade Agree 0904)

Exhibit B.

SECURITY AGREEMENT FOR USE WITH CASH SECURED LETTERS OF CREDIT

1. GRANT OF SECURITY INTEREST. As security for any and all Indebtedness of _____ ("Debtors"), the undersigned _____ ("Pledgors"), hereby irrevocably and unconditionally grant a security interest in and assign and transfer the Deposit Accounts (as defined below) to _____ ("Secured Party").

2. INDEBTEDNESS. "Indebtedness" means all debts, obligations or liabilities now or hereafter existing, absolute or contingent of Debtors or any one or more of them to Secured Party, whether voluntary or involuntary, whether due or not due, or whether incurred directly or indirectly or acquired by Secured Party by assignment or otherwise. Unless otherwise agreed in writing, "Indebtedness" shall not include such debts, obligations or liabilities which are or may hereafter be "consumer credit" subject to the disclosure requirements of the federal Truth-in-Lending law or any regulation promulgated there under.

3. DEPOSIT ACCOUNTS. For purposes of this agreement, "Deposit Accounts" means the following deposit account(s) opened by Pledgors with Secured Party, any renewals or rollovers thereof, and any proceeds thereof:

Deposit Account No.	Open or Issue Date	Current Principle Amount	Maturity Date
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

4. NO OTHER SECURITY INTERESTS. Pledgors hereby represent and warrant to Secured Party that they own each of the Deposit Accounts free and clear of any and all liens, encumbrances, or interests of any third parties other than the security interest of Secured Party.

5. WITHDRAWALS, RENEWALS, ROLLOVERS. Pledgors shall not withdraw funds from the Deposit Accounts without Secured Party's prior written consent. Pledgors agree that, upon maturity of any Deposit Account with a maturity date, such Deposit Account shall be renewed at Secured Party's then prevailing rate of interest for successive ninety (90) day periods (or such other time period as may be agreed by Secured Party and Pledgors).

6. CERTIFICATES. Upon Secured Party's request, Pledgors shall deliver any certificate evidencing any of the Deposit Accounts to Secured Party, duly endorsed over to Secured Party, as necessary.

7. INTEREST PAYMENTS. Notwithstanding Secured Party's security interest in the proceeds of the Deposit Accounts, Secured Party will continue to pay to Pledgors interest accruing there under until the occurrence of an Event of Default under this Agreement.

8. COSTS. All advances, charges, costs and expenses, including reasonable attorney's fees, incurred or paid by Secured Party in exercising any right, power or remedy conferred by this Agreement or in the enforcement thereof, shall become a part of the Indebtedness secured hereunder and shall be paid to Secured Party by Debtors immediately and without demand, with interest thereon at an annual rate equal to the highest rate of interest of any Indebtedness secured by this Agreement.

9. EVENTS OF DEFAULT. At the option of Secured Party and without necessity of demand or notice, all or any part of the Indebtedness of Debtors shall immediately become due and payable irrespective of any agreed maturity upon the happening of any of the following events ("Events of Default"); provided, however, that all Indebtedness of Debtors automatically shall become due and payable if a bankruptcy petition is filed with respect to any Debtor: (a) failure to keep or perform any of the terms or provisions of this Agreement; (b) default in the payment of principal or interest or any other default with respect to any Indebtedness of Debtors; (c) the levy of any attachment, execution or other process against any of the collateral; (d) the death, insolvency, failure in business, commission of an act of bankruptcy, general assignment for the benefit of creditors, filing of any petition in bankruptcy or for relief under the provisions of the Bankruptcy Code, of, by, or against any Debtor or Pledgors or any co maker, surety or guarantor of the Indebtedness or any endorser of any note or other document evidencing the Indebtedness. Upon the happening of any of the foregoing specified events, any agreement for further financial accommodation by Secured Party shall terminate at its option.

10. REMEDIES. Upon the happening of any Event of Default, Secure Party may then exercise as to such collateral all the rights, powers and remedies of an owner and all rights, powers and remedies of a secured party under the Uniform Commercial Code and other laws. Secured Party may exercise any rights of setoff, without notice, against any funds in any Deposit Account.

11. WAIVERS. Pledgors waive any right to require Secure party to (a) proceed against any person, (b) proceed against or exhaust any collateral, or (c) pursue any other remedy in Secured Party's power; and waive any defense arising by reason of any disability or other defense of any Debtor or any other person, or by reason of the cessation from any cause whatsoever of the liability of Debtors or any other person. Pledgors waive any right of subrogation, reimbursement, indemnification, and contribution (contractual, statutory or otherwise), including without limitation, any claim or right of subrogation under the Bankruptcy Code or any successor statute, arising from the existence or performance of this Agreement, and Pledgors waive any right to enforce any remedy which Bank now has or may hereafter have against Debtors or against any other person, and waive any benefit of, and any right to participate in, any security now or hereafter held by Secured Party. If any Pledgor is not also a Debtor with respect to a specified Indebtedness, such Pledgor authorizes Secured Party without notice or demand and without affecting Pledgors' liability hereunder from time to time to: (a) renew, extend, accelerate or otherwise change the time for payment of, or otherwise change the terms of, such Indebtedness or any part thereon; (b) take and hold security, other than the collateral herein described for the payment of such Indebtedness or any part thereof, and exchange, enforce, waive and release the collateral herein described or any part thereof or any such other security; and (c) release or substitute Debtors, or any of the endorsers or guarantors of such Indebtedness or any part thereof, or any other parties thereto.

12. TRANSFER OF COLLATERAL. Upon the transfer of all or any part of the Indebtedness, Secured Party may transfer all of any part of the collateral and shall be fully discharged thereafter from all liability and responsibility with respect to such collateral so transferred, and the transferee shall be vested with all the rights and powers of Secured Party hereunder with respect to such collateral not so transferred. Secured Party shall retain all rights and powers hereby given.

13. CONTINUING AGREEMENT. This is a continuing Agreement and all the rights, powers and remedies hereunder shall apply to all past, present and future Indebtedness of Debtors, including that arising under successive transactions which shall either continue the Indebtedness, increase or decrease it, or from time to time create new Indebtedness after all or any prior Indebtedness has been satisfied, and notwithstanding the death, incapacity or bankruptcy of any Debtor, or any other event or proceeding affecting any Debtor.

14. CONTINUING POWERS. Until all Indebtedness shall have been paid in full all rights, powers and remedies granted to Secured Party hereunder shall continue to exist and may be exercised by Secured Party at the time specified hereunder irrespective of the fact that the Indebtedness or any part thereof may have become barred by any statute of limitations, or that the personal liability of any Debtor may have ceased.

15. OTHER RIGHTS. The rights, powers and remedies given to Secured Party by this Agreement shall be in addition to all rights, powers and remedies given to Secured Party by virtue of any statute or rule of law. Any forbearance or failure or delay by Secured Party in exercising any right, power or remedy hereunder shall not be deemed to be a waiver of such right, power or remedy, any single or partial exercise or any right, power or remedy hereunder shall not preclude the further exercise thereof; and every right, power and remedy of Secured Party shall continue in full force and effect until such right, power or remedy is specifically waived by an instrument in writing executed by Secured Party.

16. PLEDGORS RESIDENCE. Each Pledgor represents and warrants that Pledgor resides in, or, if Pledgor is not an individual, has, its executive office in the state specified on the signature page hereof. Each Pledgor agrees to give Secured Party at least thirty (30) days notice before changing its state of residence or chief executive office.

18. TERMINATION. This Security Agreement shall remain in full force and effect until terminated by Secured Party.

19. LAW. This Agreement shall be governed by the laws of the State of California. The Debtor's application for credit may not yet have been approved by Secured Party at the time this Agreement is executed. By signing below, each Pledgor agrees that Secured Party may place a hold on the Deposit Accounts while the application is under review. If the application is denied, the hold will be released.