

To: **CALIFORNIA BANK & TRUST**
International Banking Group
550 S. Hope Street, 3rd Floor
Los Angeles, CA 90071
Tel: 213-593-2128 Fax: 213-593-2144

ACCEPTANCE PURCHASE AGREEMENT

Date _____

From:

L/C #: _____

Issued By: _____

Draft Amount: _____

CBT Advice No.: _____

Maturity Date: _____

Rate: _____ % per annum

Tel: _____ Fax: _____

Email: _____

SUBJECT: Purchase of Accepted Drafts Under a Usance Letter of Credit

Gentlemen/Ladies:

In consideration of your agreeing to purchase from us (i) all of our rights, title and interest in and to the accepted Draft (the "Draft"), and (ii) all of our rights to receive payment from the issuing bank and/or accepting bank (if different) identified above under such Draft, we agree to the following terms and conditions:

1. We hereby deliver to you the original Draft subject to the representations and warranties set forth below.
2. Upon your receipt of a tested telex or authenticated SWIFT message from the accepting bank confirming that the accepting bank has accepted the Draft and that the accepting bank will pay the Draft at maturity on the date specified in the telex or SWIFT message, and your determination that the Draft and its acceptance are otherwise to your satisfaction, and that the representations and warranties set forth herein remain true and correct as of the purchase date, you will pay us an amount equal to the face amount of the purchased Draft, less:
 - (a) a purchase discount on such amount, calculated by you in accordance with your normal practice, at the Rate shown above computed on the basis of a 360 day year and actual days elapsed; and
 - (b) your charges and out-of-pocket expenses for purchasing and collecting the Draft that are in effect at the time of your purchase.

The net amount is to be remitted to our account via Fed Wire.

Account Name _____ Account Number _____

Bank Name _____ ABA/Transit No. _____

No purchase discount amount will be refunded to us in the event that you are reimbursed by the issuing and/or accepting bank prior to the expiration of the discount period.

3. As of the respective dates of your purchase of the Draft and the presentation by you of the Draft to the issuing and/or accepting bank, we represent and warrant the following:
 - (a) the Draft (i) was created under an irrevocable documentary letter of credit duly issued by the issuing bank in our favor as a payment mechanism for the sale of goods and is subject to the Customs and Practice for Documentary Credits, 1993 Revision, International Chamber of Commerce Publication No. 500 (or any revision thereof in effect at the date of issuance of the Credit); (ii) has been duly accepted by the accepting bank, (iii) matures on the date noted above, and (iv) is an absolute and unconditional obligation of the issuing and accepting bank to pay its face amount at maturity to the holder thereof;

- (b) the Draft is genuine, valid, bona fide, properly authorized and executed by the relevant party or parties and conforms with all requirements of the relevant letter of credit for a drawing in the amount requested;
- (c) immediately prior to your purchase of our Draft, we have good and marketable title to such Draft and all rights to the proceeds of the relevant letter of credit free and clear of all security interests, liens, liabilities, defenses, charges and claims of any kind whatsoever, except for your rights hereunder and the Draft has not been dishonored and has been duly endorsed by us to you and validly accepted by the issuing bank or the accepting bank, if different; and
- (d) you will, from and after the date of your purchase of the Draft, be the sole owner thereof and of all rights to receive the proceeds of the letter of credit to the extent of the amount of the Draft, free and clear of all security interests, liens, liabilities, defenses, charges and claims of others of any nature whatsoever.

The foregoing representations and warranties will survive your purchase of the Draft. We will hold you harmless from and against all costs and expenses (including without limitation reasonable attorney's fees) that may be imposed on, incurred by or asserted against you in any way relating to or arising out of any such representation or warranty being incorrect or incomplete in any material respect when made or deemed to be made by us. We will also indemnify you for all liabilities, claims, losses, damages, actions, judgments, suits, costs and expenses (including without limitation reasonable attorneys' fees) that may be imposed on, incurred by or asserted against you in any way relating to or arising out of the failure by us or any other person to obtain and maintain all import and export licenses and other government authorization or approvals whatsoever of any jurisdiction that are required for the underlying transaction (including sale, shipment and delivery of the goods to the account party and payment therefor), or to comply with the foreign asset control regulations of the United States or any other applicable law. We shall pay interest on any amounts owed hereunder at your then-current Prime Rate.

4. This Agreement shall be governed by and construed in accordance with the laws of the State of California and may not be amended other than by an amendment in writing executed by each of us. Both parties hereby irrevocably consent to the non-exclusive jurisdiction of the state or federal courts located in Los Angeles, California, and we hereby agree that service of process in such jurisdictions may be effected by mailing copies thereof by mail or courier to us at our address above.

5. THE BENEFICIARY AND CALIFORNIA BANK & TRUST EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY, AND AFTER AN OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL, WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING IN CONNECTION WITH THIS AGREEMENT OR THE DOCUMENTS OR AGREEMENTS REFERENCED HEREIN, OR THE OBLIGATIONS OR TRANSACTIONS CONTEMPLATED IN ANY OF THEM.

BENEFICIARY - Signature	Name & Title (type/print)	Date
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AUTHENTICATED BY - Signature	Bank Name, Individual Name & Title (type/print)	Date
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ACCEPTED BY- Signature	Name and Title (type/print) California Bank & Trust	Date
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