

<b>CALIFORNIA BANK &amp; TRUST</b> <b>International Banking Group</b> 550 South Hope Street, 3 <sup>rd</sup> Floor Los Angeles, CA 90071 Fax: 213-593-2144 - <a href="mailto:IBGops@calbt.com">IBGops@calbt.com</a>		<b>APPLICATION AND AGREEMENT FOR COMMERCIAL LETTER OF CREDIT</b>	DATE: _____
		ADVISING / BENEFICIARY'S BANK and Address (If unknown leave blank)	
APPLICANT Name and Address  Tel _____ Fax _____ Email _____		BENEFICIARY Name and Address  Tel _____ Fax _____ Email _____	
CURRENCY & AMOUNT IN WORDS:  AMOUNT IN FIGURES: ( _____ )		DRAFTS PAYABLE AT: <input type="checkbox"/> SIGHT <input type="checkbox"/> _____ <input type="checkbox"/> Days after sight <input type="checkbox"/> Days After B/L Date. <input type="checkbox"/> _____	
PLEASE ISSUE CREDIT BY: <input type="checkbox"/> SWIFT <input type="checkbox"/> Airmail <input type="checkbox"/> Courier		DRAWING OF INVOICE VALUE: <input type="checkbox"/> 100% <input type="checkbox"/> _____ %	
PARTIAL SHIPMENTS : <input type="checkbox"/> ALLOWED <input type="checkbox"/> NOT ALLOWED		TRANSSHIPMENT: <input type="checkbox"/> ALLOWED <input type="checkbox"/> NOT ALLOWED	
TRANSFERABLE: <input type="checkbox"/> YES <input type="checkbox"/> NO		INCOTERMS 2000 Price Basis (Check one) <input type="checkbox"/> FOB <input type="checkbox"/> FCA <input type="checkbox"/> CFR <input type="checkbox"/> CIF <input type="checkbox"/> EXW <input type="checkbox"/> FAS <input type="checkbox"/> CPT <input type="checkbox"/> DAF <input type="checkbox"/> Other	
SHIPMENT TO BE MADE NOT LATER THAN:	Documents to be presented to negotiating bank no later than _____ days after date of issuance of transport documents.	L/C EXPIRATION DATE / PLACE: <small>(Expiration place will be at Beneficiary's country unless otherwise indicated)</small>	
SHIPMENT / DISPATCH / TAKING IN CHARGE FROM / AT:		FOR TRANSPORTATION TO:	
EVIDENCING SHIPMENT OF: (Omit unnecessary details):  			
DOCUMENTS REQUIRED: <input type="checkbox"/> ORIGINAL SIGNED COMMERCIAL INVOICE and _____ copies. <input type="checkbox"/> ORIGINAL PACKING LIST and _____ copies. <input type="checkbox"/> ORIGINAL CERTIFICATE OF ORIGIN and _____ copies. <input type="checkbox"/> INSURANCE POLICY AND/OR CERTIFICATE FOR 110% OF INVOICE VALUE IN DUPLICATE. <input type="checkbox"/> ORIGINAL INSPECTION CERTIFICATE PURPORTEDLY SIGNED BY: _____ and _____ copies.		<input type="checkbox"/> BENEFICIARY'S SIGNED STATEMENT CERTIFYING THAT ONE SET OF <input type="checkbox"/> NON-NEGOTIABLE <input type="checkbox"/> NEGOTIABLE DOCUMENTS HAVE BEEN SENT TO: _____ _____ <input type="checkbox"/> Other document: _____ _____ <input type="checkbox"/> Other document: _____ _____	

ORIGINAL CLEAN [ ] AIR WAYBILL [ ] TRUCK B/L [ ] RAIL TRANSPORT DOCUMENT CONSIGNED					
TO: _____ MARKED NOTIFY: _____					
_____ AND SHOWING [ ] FREIGHT PREPAID [ ] FREIGHT COLLECT.					
[ ] FULL SET OF ORIGINAL CLEAN ON BOARD OCEAN BILL OF LADING CONSIGNED					
TO: _____					
MARKED NOTIFY: _____					
_____ AND SHOWING [ ] FREIGHT PREPAID [ ] FREIGHT COLLECT.					
SPECIAL INSTRUCTIONS:					
ISSUING BANK'S CHARGES ARE FOR THE ACCOUNT OF: [ ] APPLICANT [ ] BENEFICIARY.					
ADVISING BANK'S CHARGES ARE FOR THE ACCOUNT OF: [ ] APPLICANT [ ] BENEFICIARY.					
DISCOUNT CHARGES IF ANY ARE FOR THE ACCOUNT OF [ ] APPLICANT [ ] BENEFICIARY.					
INSURANCE COVERED BY: [ ] APPLICANT [ ] BENEFICIARY.					
THIS CREDIT IS SUBJECT TO THE "UCP" CURRENTLY IN EFFECT.					
You are hereby authorized to debit our account # _____ for all transactions related to this Letter of Credit.					
The opening of this Credit is subject to the terms and conditions as set forth in the California Bank & Trust Commercial Letter of Credit Agreement appearing on pages 2, 3, 4, 5 and 6 to which we agree.					
_____ Company Name		_____ Customer Signature		_____ Name & Title	
_____ Date		_____ Date		_____ Date	
<b>BANK USE ONLY BELOW THIS LINE</b>					
Date:	Office Name:	Office Number:	Customer Signature Verified by:	Managers Signature:	APPROVAL UNDER: [ ] Manager Authority [ ] CP Approval

## COMMERCIAL LETTER OF CREDIT AGREEMENT

To: California Bank & Trust

In consideration of your opening at our request a commercial letter of credit (the "Credit"), we hereby agree (this "Agreement") 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 the Credit, together with interest, commission and all customary charges, and we agree at least one day before the same is due to provide you with funds to meet all such disbursements or payments. 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. If any amounts paid or payable under or in respect of the Credit are in any currency other than United States currency, the amount payable or provided by us to you or chargeable by you hereunder may be, at your election, either in such other currency or the equivalent in United States currency computed at the rate you would at the time sell such other currency for United States currency. Past due amounts of any kind shall bear interest at the rate of three percent (3%) per annum above the prime rate. The "prime rate" shall mean the rate of interest established by you from time to time as your prime rate, which may not necessarily be the lowest rate charged by you to your borrowers. You are authorized without prior notice to charge any or all of our deposit accounts with you for all required payments and reimbursements under this Agreement.

2. All goods and documents which shall come 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 the 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 the Credit; (b) for any interest, commission or other customary charges in relation to the 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 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.

3. We hereby agree to deliver to you, upon demand in your sole discretion, adequate Collateral to your satisfaction as security for the satisfaction of all of our indebtedness and other obligations under this Agreement. We hereby unconditionally and irrevocably grant to you a security interest in all of the Collateral so delivered to you or otherwise presently or hereafter held in your possession. As used herein, the term "Collateral" shall mean the balance of every deposit account or credit balance account of ours with you (including without limitation those held by us jointly with any third party), now or hereafter existing, which you may elect to block in your sole discretion upon the occurrence of a default or an event of default hereunder, and any other claim of ours against you, now or hereafter existing, direct or indirect, and all money, goods, instruments, securities, documents (including without limitation the goods covered thereby), chattel paper, credits, claims, demands, goods, inventory, equipment and any other property, rights and interest of ours which at any time shall come into your possession or custody or under your control or any of your agents, associates or correspondents for any purpose, and shall include any of the foregoing from time to time made available to us by you pursuant to a trust receipt, and shall also include the proceeds, products, and accessions, if any, to each of the foregoing. We agree at any time upon your demand to deposit with you as further security for the fulfillment of our indebtedness and other obligations hereunder such cash or other Collateral as you may request, and you may, at any time, take control of our Collateral with you as security for our obligations under this Agreement. We will at any time on your request sign, authenticate, deliver and file, as the case may be, financing statements, security agreements or other agreements in a form required by you with respect to the Collateral. We hereby authorize you as our agent to sign, authenticate and file any such statements or agreements on our behalf. We agree to pay all filing fees and to reimburse you for all costs and expenses of any kind (including without limitation legal fees and costs) incurred in any way in connection with the Collateral, including costs of collection, storage and sale.

4. We will obtain or will cause to be in existence insurance on any goods described in the Credit against fire and other usual risk and against any additional risks which you may request. Upon request, we agree to have you named as an additional loss payee on the policies of any such insurance. You are hereby authorized and empowered to collect the amount due under any such insurance and apply the same against any of our obligations to you arising under the Credit or otherwise.

5. We represent that any required import or export licenses have been obtained with respect to the goods covered by the Credit.

6. In the event of default in respect of any payment due under this Agreement, or in the event of the death, insolvency, dissolution or termination of the existence of any of us, or should any bankruptcy or similar proceeding be filed by or against any of us, the amount of the Credit, as well as any and all other amounts then or to become payable to you hereunder ("Other Amounts"), together with interest thereon, shall, to the extent not theretofore paid to you, become immediately due and payable; and if at the time of any such event the Credit is still in effect and not completely drawn against or Other Amounts are not paid, we shall, upon demand, pay to you, for application to drawings under the Credit or payment of such Other Amounts, the entire amount which has not been drawn or paid. Any amount so paid shall be repaid to us without interest when it is finally determined by you that we have fully discharged our obligations hereunder.

7. You and your correspondents shall be entitled to make payments under the Credit if the documents presented thereunder appear on their face to be in accordance with the terms and conditions of the Credit; and neither you nor your correspondents shall be liable or responsible for the form, sufficiency, accuracy, genuineness, falsification or legal effect of any documents, or for the authority of any persons signing the documents, or for the good faith or acts or omissions, solvency, performance or standing of the beneficiary or any other person whomsoever, including performance of the underlying contract or other transaction between us and the beneficiary. Furthermore, you and your correspondents shall not have any liability or responsibility for the consequences arising out of delay or loss in transit of any messages, drafts or documents, or for any delay, interruption, mutilation or other error arising in the transmission of any telecommunication, or for errors in translation or interpretation of any message or documents relating to the Credit. You and your correspondents shall not be liable for any failure to pay or accept any draft under the Credit resulting from any law or restriction exercised by any domestic or foreign government, any court order, or any other cause beyond your control. Any and all claims by us for improper payment, dishonor or other actions or inaction by you shall be made by written notice within sixty (60) days of the contested action or inaction or such claim is waived. Any and all proceedings to recover from you or your correspondents must be made within one (1) year from the date of said notice or said claim shall be deemed waived.

8. We understand that the commissions, fees and charges payable by us to you in connection with the Credit are established by you with regard in part to your costs in issuing and maintaining the Credit. If, prior to the expiry date of the Credit, any applicable law, rule or regulation is adopted or amended, or there is a change in the interpretation or administration of any existing applicable law, rule or regulation, which has the effect of increasing the taxes, duties, charges or other costs paid or incurred by you in connection with the Credit (including without limitation, deposit insurance assessments, reserve requirement costs, and the implied costs of additional capital), we shall pay you upon demand in United States currency the amount of any such increase or increases.

9. We shall pay upon demand in United States currency all expenses, including reasonable attorney's fees (including any such fees incurred in bankruptcy or similar proceedings), incurred by you or your correspondents in connection with or related to the Credit, or the preservation or enforcement of any right granted hereunder. In addition, we shall indemnify and hold harmless you and your

correspondents from and against any and all liabilities, losses, damages, settlements and expenses, including reasonable attorneys' fees (including any such fees incurred in bankruptcy or similar proceeding), which you or your correspondents may incur in connection with any claim or controversy with the beneficiary or any other third party relating to the Credit except for such matters constituting your own gross negligence or willful misconduct; and, in the event any suit or other proceeding is brought against you or your correspondents regarding such dispute, you or your correspondent named in such suit or proceeding may elect either to defend such suit or proceeding at our expense or to require that we assume the defense thereof employing counsel acceptable to you or such correspondent. Attorney's fees shall include the reasonable cost of in-house counsel.

10. In the event of any extension of the maturity or time for presentation of drafts, acceptance of documents, or any other modification of the terms of the Credit, at the request of any of us with or without notification to the others, or in the event of any increase in the amount of the Credit at our request, this Agreement shall be binding upon us with regard to the Credit so increased or otherwise modified, to drafts, documents and property covered thereby, and to any action by you or any of your correspondents in accordance with such extension, increase or other modification.

11. You may, in your discretion, arrange for the direct or indirect participation by other financial institutions in the issuance of the Credit or provide for the assignment or transfer to and assumption by other financial institutions of all or some portion of your liability under the Credit; and you may assign or transfer this Agreement or all or any portion of your rights hereunder, and any instrument(s) evidencing all or any portion of your liability under the Credit, and you may deliver all or any of the property then held as security for our obligations hereunder, to the assignee(s) or transferee(s), who shall thereupon become vested with all the powers and rights in respect thereto given you herein or in the instrument(s) assigned or transferred, and you shall thereafter be forever relieved and fully discharged from all liability or responsibility with respect thereto, but you shall retain all rights and powers hereby given with respect to any and all instrument(s), rights or property not so assigned or transferred.

12. Except as otherwise provided herein, any notice from you to us, if mailed, shall be deemed given when mailed postage paid, addressed to you at your address set forth herein or such other address of which you are notified in writing at your designated office. All notices to you shall be sent as indicated below and shall be deemed given when received. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited or invalid under applicable law, such 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 Agreement.

13. We understand and agree that you shall rely, and are entitled to rely, on information from us with respect to the terms and wording of the Credit. We agree that our approval of the Credit format binds us irrevocably, and we hereby waive any and all claims or liabilities we may have with respect to such terms and wording. We further understand and agree that the acceptance of this Agreement and application does not constitute a commitment by you to issue a Credit. This Agreement, together with the application and any other loan document provided in connection herewith, constitutes the entire agreement of the parties hereto, and supersedes all prior discussions, negotiations and agreements with respect thereto.

14. You shall not be liable for any failure by your correspondents to pay or accept any draft under the Credit resulting from any law or restriction exercised by any domestic or foreign government or from any other cause beyond your control or your correspondents, and we agree to indemnify and hold you harmless from any claim, loss, liability or expense arising by reason of any such failure to pay.

15. We will comply with all foreign and domestic laws, rules and regulations now or hereafter applicable to the transaction underlying or relevant to the execution, delivery and performance by us of this Agreement.

16. 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.

17. 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.

18. We authorize the issuance of the Credit by your correspondent in accordance with this Agreement. If the Credit is issued by your correspondent, each of the warranties, liabilities and other terms of this Agreement or of the Credit shall run in your favor as well as that of your correspondent issuing the Credit. We authorize you, without reference to or approval by us, to set forth the terms of this Application in the Credit in such language as you may deem appropriate, with such variations from such terms as you may in your sole discretion determine (which determination shall be conclusive) are necessary and or not materially inconsistent with this application.

19. If any other person signs this Agreement as Applicant's Bank (including any bank which procures issuance of the Credit on our behalf as Applicant's Bank), that person shall be jointly and severally liable for all obligations and shall otherwise be treated as Applicant under this Agreement, including with respect to all warranties hereunder. Without limiting the foregoing, each Applicant shall be bound by any notice from you to any other Applicant. Each Applicant shall be bound by any authorization or waiver from any Applicant to you that supports the extension, increase or other amendment of the Credit, your amendment of this Agreement or your settlement or release of any obligations or your release of any Collateral. Each Applicant shall be bound by any Applicant's settlement or release of any claims against you arising under this Agreement. Each Applicant shall be bound by any event of default attributable to any Applicant or to any guarantor of any Applicant's obligations hereunder. Each Applicant signing this Agreement accepts that its obligations are primary. We hereby grant you a security interest in any collateral (not including real property or fixtures) given as security for our obligations under this application and in any deposit account with Applicant's Bank for the Credit and for any of Applicant's Bank obligations entered into on our behalf for issuance of the Credit. At your request, you may take control of and direct disbursement of such deposit accounts without notice or further direction from us.

20. If this application is directed through Applicant's Bank, Applicant's Bank, by its execution of this Agreement: (a) requests and appoints you as its agent to establish in your name or through a correspondent the Credit; (b) authorizes you and/or your correspondent(s) to pay drafts drawn against the Credit as specified in this Agreement and to exercise all rights, powers and privileges conferred by this Agreement without reference to Applicant's Bank; (c) agrees to make payments to you in amount, time and manner as required of us under this Agreement whether or not Applicant's Bank has received payment from us; (d) assigns to you as security all its rights, including rights of payment and to security (not including real estate or fixtures), under this Agreement and agrees to deliver to you, upon demand, such additional security as you may request, and also agrees to give you a lien on all our property, including deposit accounts, now or hereafter in its possession, for the amount of any liability of Applicant's Bank to you hereunder; and (e) agrees that if it fails to make any payment or provide any security as requested, all its obligations and liabilities to you shall immediately, without notice, become due and payable at your sole option.

21. To the extent not inconsistent with this Agreement, this Agreement and the Credit shall be subject to the UCP as provided in the Credit, and subject to such limitation, shall be governed by the laws of the State of California, United States of America, in all respects, including without limitation matters of title, construction, validity, performance and discharge, and shall be binding upon us and our successors, assigns, and legal representatives and shall not be waived, altered, modified or amended as to any of its terms or provisions, except as you may consent thereto in writing. No assignment or other transfer of all or any of our rights hereunder or under the Credit, whether with regard to any property or otherwise, may be made without your prior consent in writing. We waive our right to assert forum non conveniens against the institution of an action in or removal of an action to any such court.

## 22. JURY TRIAL WAIVER AND JUDICIAL REFERENCE.

(a) SUBJECT TO SECTION 22(b) AND TO THE EXTENT THAT IN THE FUTURE SUCH WAIVERS ARE PERMITTED BY LAW, EACH OF THE PARTIES TO THIS AGREEMENT WAIVES ITS RESPECTIVE RIGHTS TO A TRIAL BEFORE A JURY IN CONNECTION WITH ANY ACTION, CLAIM, LAWSUIT, DISPUTE OR CONTROVERSY OVER, ARISING FROM OR RELATING TO THIS AGREEMENT OR ANY OTHER DOCUMENT OR INSTRUMENT RELATING HERETO, THE ENFORCEMENT HEREOF OR THEREOF OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

(b) The foregoing provision shall not apply if, at the time an action, claim, lawsuit, dispute or controversy is brought or initiated, jury trial waivers are not permitted by applicable law. If jury trial waivers are not permitted by applicable law, either party may require that such action, claim, lawsuit, dispute or controversy be resolved by judicial reference in accordance with California Code of Civil Procedure, Sections 638, *et seq.*, including without limitation whether the action is subject to a judicial reference proceeding. The referee shall be a retired judge or justice or a practicing or retired attorney with experience in the field of international trade and finance selected by mutual written agreement of the parties. If the parties cannot agree, the referee shall be selected by the presiding judge (or his or her representative) of the superior court or federal district court in a county or district where venue is appropriate under applicable law. The referee shall sit with all of the powers provided by law. The parties agree that time is of the essence in conducting the judicial reference proceeding set forth herein. The costs of the judicial reference proceeding, including the fee for the court reporter, shall be borne equally by the parties as the costs are incurred, unless otherwise awarded by the referee. The referee shall hear all pre-trial and post-trial matters (including without limitation requests for equitable relief), prepare an award with written findings of fact and conclusions of law and apportion costs as appropriate. The referee shall be empowered to enter equitable relief as well as legal relief, provide all temporary or provisional remedies, enter equitable orders that are binding on the parties and rule on any motion that would be authorized in a trial, including without limitation motions for summary judgment or summary adjudication. Judgment upon the award shall be entered in the court in which such proceeding was commenced, and all parties shall have full rights of appeal. This provision will not be deemed to limit or constrain your right of set-off, to obtain provisional or ancillary remedies, to interplead funds in the event of a dispute, to exercise any security interest or lien you may hold in any of the Collateral or other property (whether such proceedings are judicial or non-judicial or otherwise) or to comply with legal process involving the Collateral or our other

accounts or property. By agreeing to judicial reference proceedings, the parties do not intend to deprive any court of its jurisdiction to issue a pre-trial injunction, pre-trial attachment or other order in aid of these judicial reference proceedings and the enforcement of any award.

23. In these provisions:

- (a) "We", "Us" means the undersigned party or parties identified and signing this Agreement as Applicant.
- (b) "Applicant" means all of the undersigned party or parties.
- (c) "You", "Your" means California Bank & Trust.
- (d) "Applicant's Bank" means the undersigned party or parties identified and signing as such.
- (e) "Credit" means the irrevocable letter of credit issued by California Bank & Trust at its option pursuant to this Application, as the Credit may be modified or amended from time to time.
- (f) "UCP" means the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, and any subsequent revisions thereof approved by the International Chamber of Commerce.

In consideration of your issuing the Credit and for other consideration, the receipt and adequacy of which is hereby acknowledged, we agree to be bound by this Agreement, including but not limited to the payment obligations therein set forth, and including being jointly and severally liable for all indebtedness and obligations of any other Applicant, if any, arising under or pursuant to this Agreement.

<b>APPLICANT</b>	
NAME _____	DATE _____
AUTHORIZED SIGNATURE, TITLE _____	
CONTACT NAME _____	
TELEPHONE NUMBER _____	

<b>APPLICANT'S BANK</b> (This section must be completed by Applicant's Bank if application is being submitted through another bank)	
NAME _____	DATE _____
AUTHORIZED SIGNATURE, TITLE _____	
AUTHORIZED SIGNATURE, TITLE _____	

Co-Applicant agrees to be bound by the terms and conditions of this Agreement (as Applicant) and Applicant and Co-Applicant agree that each shall be jointly and severally liable for all indebtedness and obligations arising under or pursuant to this Agreement.

**CO-APPLICANT**

NAME _____	DATE _____
AUTHORIZED SIGNATURE, TITLE _____	
ADDRESS: _____	
TELEPHONE: _____	

All notices to California Bank & Trust shall be sent to:

International Banking Operations  
 550 South Hope Street, 3<sup>rd</sup> Floor  
 Los Angeles, CA 90071

and confirmed by fax (213) 593-2144  
 addressed to: Operations Manager