

## APPLICATION FOR STAND-BY LETTER OF CREDIT AND AGREEMENT

TO: **California Bank & Trust** \_\_\_\_\_ Office Date: \_\_\_\_\_

We request that you issue an irrevocable stand-by letter of credit on the following terms and conditions for delivery to the Beneficiary by:

- Full test teletransmission (Without airmail confirmation)     
  Mail     
  Brief preliminary notification by teletransmission with airmail confirmation

Applicant (name and address)

Beneficiary (name and address)

Advising Bank (if blank, use any correspondent at your option).

Amount	Expiry Date (at the counter of the drawee Bank)	Any charges of Advising Bank are for the account of: <input type="checkbox"/> Applicant <input type="checkbox"/> Beneficiary
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Documents:

We agree to be bound by the terms and conditions set forth above and below hereof.

Company Name	Authorized Signature
Address	Print Name and Title

(for Bank Use Only)

Request for Process	Date: _____
To: _____	From: _____
International Operations Center	Manager: _____ Sign
Ref No. _____	Credit Adm. Approval # _____

Customer Signature Verified		Date: _____ Amount: _____
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Customer Digital Signature	Bank Digital Signature
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In consideration of your opening at our request a Stand By Letter of Credit ("Credit"), the terms of which appear above hereof, we hereby agree with you as follows:

1. We shall pay you upon demand in United States currency all moneys paid by you or your correspondents or for which you or your correspondents become liable under or pursuant to said Credit, including under drafts paid by you or your correspondents, together with interest, commission and all customary charges thereon; we also authorize you to charge any of our accounts with you for all such moneys so paid or for which you or your correspondents become liable and we agree at least one day before same is due to provide you with funds to meet all disbursements or payment of any kind or character, together with the commission, interest and charges, which you or your correspondents are entitled under or in relation to said Credit; provided, however, that if any amounts paid or under or in respect of said Credit are in any currency other than United States Currency, the amount payable or provided by us to you or chargeable by you hereafter 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 ten percent (10%) per annum.
2. We understand that the commissions, fees and charges payable by us to you in connection with said 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 said 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 said Credit (including without limitation, deposit insurance assessments and reserve requirements costs) we shall pay you upon demand in United States currency the amount of any such increase or increases.
3. As security for the fulfillment of the Customer's obligations hereunder the Customer hereby grants to the Bank a security interest in the "Collateral". As used herein, the term "Collateral" shall mean the balance of every credit balance account now or hereafter existing, of the customer with the Bank and any other claim of the Customer against the Bank, now or hereafter existing, direct or indirect, and all money, goods, instruments, securities, documents (including the goods covered thereby) chattel paper, credits, claims, demands, goods, inventory, equipment and any other property, rights and interests of the Customer which at any time shall come into the possession or custody or under the control of the Bank or any of its agents, associates, or correspondents for any purpose and shall include any of the foregoing from time to time made available to the Customer by the bank pursuant to a trust receipt or other security agreement the effect of which is to continue the Banks' security interest therein and shall also include the proceeds, products, and accessions if any to each of the foregoing and any additional security now or hereafter furnished by the customer under the terms of any other agreement between the Bank and the Customer. The Customer agrees at any time upon the Bank's demand to deposit with the Bank as further security for the fulfillment of the Customer's Obligations hereunder such cash or other collateral as the Bank may request. The Customer hereby authorizes the Bank to sign and file financing statements at any time with respect to the Collateral without the signature of the Customer. The Customer will, however at any time on request of the Bank, sign financing statements, security agreements or other agreements with respect to the Collateral. Upon the Customer's failure to do so the Bank is authorized as the agent for the customer to sign any such agreements as well as financing statements. The Customer agrees to pay all filing fees and to reimburse the bank for its cost and expenses of any kind (including legal fees) incurred in any way in connection with the Collateral. The Bank and the Customer in any litigation (whether or not arising out of or relating to this Agreement or to any obligation arising therein or therefrom) in which the Bank and any of the Customer shall be adverse parties, waive trial by jury and the Customer in addition waives the right to interpose any defense based upon any Statute of Limitations or any claim of laches and any set-off or counterclaim of any nature or description.
4. In the event of default in respect of any payment due under this Agreement, or in the event of death, insolvency, dissolution or termination of the existence of any of us, or should any bankruptcy or similar proceedings be filed by or against any of us, the amount of said 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 that time of any such event said 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 said 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.
5. You and your correspondents shall be entitled to make payments under said Credit if the documents presented thereunder appear on their face to be in accordance with the terms and conditions of said Credit; and neither you nor your correspondents shall be liable or responsible for their 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 document relating to said Credit. Subject to applicable law and usage of trade in the jurisdiction where said Credit is to be paid, said Credit shall be subject to and performance by you. Your correspondents and the beneficiary thereunder shall be governed by and the Uniform Customs and Practice for Documentary Credits, 1993 Revision, ICC Publication No. 500, or any subsequent revision thereof adopted by the International Chamber of Commerce which is then in effect.
6. We shall pay upon demand in United States currency all expenses, including attorneys' fees, incurred by you or your correspondents in connection with the preservation or enforcement of any right granted hereunder. In addition, we shall indemnify you and your correspondents against any and all liabilities, losses, damages, settlements and expenses, including attorney fees which you or your correspondents may incur in connection with any dispute with the beneficiary or any other third party relating to said Credit; and, in the event any suit or their proceeding is brought against you or your correspondents regarding such dispute you and your correspondents named in such a 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.
7. 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 said 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 said Credit at our request, this Agreement shall be binding upon us with regard to said 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.
8. You may, in your discretion arrange for the direct or indirect participation by other financial institutions in the issuance of said Credit or provide for the assignment or transfer to and assumption by other financial institutions of all or some portion of your liability under said 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 said 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, property not so assigned or transferred.
9. If the Application and Agreement for Stand By Documentary Credit is signed by one party, terms in the plural shall be read in the singular as appropriate. If signed by two or more parties, this Agreement shall be the joint and several agreement of such parties.
10. This Agreement shall become effective upon its receipt and acceptance by you, shall be governed by the laws of the State of California, United States of America, in all respects, including (without limitations) 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; and, no assignment or other transfer of all or any of our rights hereunder or under said Credit, whether with regard to any property or otherwise may be made without your prior consent in writing.

Signature \_\_\_\_\_