



APPLICATION AND AGREEMENT FOR IRREVOCABLE STANDBY LETTER OF CREDIT

BANK USE ONLY
Letter of Credit Number:

PLEASE CHECK AND COMPLETE APPLICABLE BOXES BELOW.

We ("Applicant") request you, Union Bank of California, N.A. ("Bank") to issue an irrevocable standby letter of credit ("Credit") with the following terms and conditions for delivery to the beneficiary named below ("Beneficiary") by: Telex/SWIFT or Courier

AMOUNT (in words and figures, including currency type)	EXPIRY DATE:
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APPLICANT (complete name and address)	BENEFICIARY (complete name and address)
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ADVISING BANK (name and address)--If left blank, Bank will select at its option	PARTIAL DRAWINGS: <input type="checkbox"/> Allowed or <input type="checkbox"/> Not Allowed
	ANY CHARGES OF ADVISING BANK ARE FOR THE ACCOUNT OF: <input type="checkbox"/> Applicant or <input type="checkbox"/> Beneficiary

CREDIT AVAILABLE BY SIGHT PAYMENT: Against presentation of the documents detailed herein and Beneficiary's draft(s) drawn at sight on Bank or Bank's correspondent, at Bank's option, or Bank may waive requirement for draft.

DOCUMENTS REQUIRED:

A dated statement purportedly signed by an authorized officer or representative of Beneficiary stating:

"The undersigned being a duly authorized officer or representative of _____ (BENEFICIARY'S NAME) hereby represents and warrants that the amount of the accompanying draft represents and covers: (insert text of statement below)

See attached exhibit (please sign and date on each attached page)

Others (Specify):

SPECIAL CONDITIONS:

No draft is required

Automatic Renewal Clause for _____ PERIOD with _____ days prior notification of non-renewal

Final Expiry Date: _____ (Month/Day/Year)

Others (Specify):

IMPORTANT NOTICE

(A) Applicant understands that the risk is greater if Applicant requests a standby letter of credit which requires only a draft without any supporting documentation. Typically, standby letters of credit require the beneficiary to provide some statement of alleged non-performance or default in order to obtain payment. However, a beneficiary that can obtain a standby letter of credit available only against presentation of a draft or a demand, relieves itself of any documentary requirements.

(B) Applicant understands that the final form of Credit may be subject to such revision and changes as are deemed necessary or appropriate by Bank and Applicant hereby consents to such revisions and changes.

The opening of the Credit is subject to the terms and conditions as set forth in the Standby Letter of Credit Agreement appearing on the reverse hereof to which Applicant agrees and, if Applicant's continuing agreement is lodged with Bank, subject to the terms and provisions set forth therein.

THE UNDERSIGNED AGREES TO BE BOUND BY THE TERMS AND CONDITIONS SET FORTH ABOVE AND ON THE REVERSE SIDE HEREOF.

NAME OF APPLICANT			
AUTHORIZED SIGNATURE	DATE	ADDITIONAL AUTHORIZED SIGNATURE	DATE
X		X	
TELEPHONE NUMBER ()		ACCOUNT NUMBER	

RISK GRADE <input type="checkbox"/>	PURPOSE CODE <input type="checkbox"/>	OBLIGATION TYPE <input type="checkbox"/>	RISK CAPITAL TYPE <input type="checkbox"/>	P = PERFORMANCE BOND A standby letter of credit qualifies as a performance bond if the underlying contract between the account party and the beneficiary concerns a "commercial non-financial" undertaking. Examples include guaranty of labor and material, and bid and performance bonds.	
REAL ESTATE RISK <input type="checkbox"/> Transaction not collateralized by real property and: <ol style="list-style-type: none"> 1. Purpose of transaction is to acquire, develop, or renovate commercial or residential real property 2. Applicant derives 80 percent or more of revenues from real estate activities 3. Applicant's assets consist of 80 percent or more of real estate holdings 4. Not applicable 			F = FINANCIAL OBLIGATION A standby letter of credit qualifies as a financial obligation substitute if the underlying contract between the account party and the beneficiary is "financial" in nature and concerns the payment or repayment of monetary amounts (cash, credit, securities, bills due, etc.).		
OPENING COMMISSION _____ % P.A. (min. \$ _____) + (\$ _____) or Flat Fee: \$ _____			PAYMENT COMMISSION _____ % per Drawing or Minimum \$ _____		
ACCOUNT OFFICER PRINT NAME & TITLE	ACCOUNT OFFICER APPROVAL <input checked="" type="checkbox"/>	OFFICE PHONE NO.	RC NUMBER	OFFICE NO.	CUSTOMER CODE
ADDITIONAL CONCURRENCE PRINT NAME & TITLE		ADDITIONAL CONCURRENCE APPROVAL <input checked="" type="checkbox"/>			
SIGNATURE VERIFIED BY LIABILITY CONTROL Initials: _____ Date: _____	TELETRANSMISSION AGREEMENT <input type="checkbox"/> Yes or <input type="checkbox"/> No or <input type="checkbox"/> N/A	LINE AVAILABILITY (Unit \$1,000.00) Current Amount: \$ _____ This L/C \$ _____			

TO: Union Bank of California, N.A.

In consideration of the issuance by Bank of the Credit as defined on the reverse side of this application and agreement for letter of credit ("Agreement") for the account of the party or parties executing such reverse side hereof as Applicant (individually and collectively "Applicant"), Applicant hereby agrees with Bank as follows:

1. **In addition to other terms defined herein, "Obligations"** means all indebtedness, obligations and liabilities of Applicant to Bank now or hereafter existing under or with reference to this Agreement or the Credit, whether contingent or otherwise, whether matured or not matured, and **"Instrument"** means (i) any draft, or (ii) any demand for payment transmitted in writing or by any teletransmission method.

2. **Applicant, in respect to the Credit and this Agreement:**

a) Will immediately reimburse Bank for each payment by Bank of an Instrument under the Credit and will deliver good funds to Bank no later than 12:00 Noon (Pacific time for U.S. Dollars, and other times for other currencies as Bank may advise to Applicant), on the date of maturity of the applicable Instrument. Provided there is no Default (as defined in Section 5) and Applicant has no other sufficient credit availability from Bank, the due date of each such reimbursement shall be extended for thirty days, prepayable at any time. Interest shall accrue and be payable on each such sum as though it were a past due sum hereunder.

b) Hereby expressly authorizes Bank to debit Applicant's account referenced on the reverse hereof, or any other account now or hereafter maintained by Applicant with Bank or with any of Bank's affiliates or subsidiaries, for the amount of the Obligations.

c) Will make all payments hereunder in immediately available funds in the currency and amount in which Bank is required to pay pursuant to the Credit, at such bank or branch of Bank in the applicable country as Bank may direct; provided, however, that in the case of a currency other than U.S. Dollars, Bank may, at its option, require Applicant to make such payment in U.S. Dollars at Bank's then current rate of exchange.

d) Agrees to pay Bank on demand: (i) all Bank's fees and commissions now or hereafter in effect for letters of credit; (ii) all charges, costs and expenses paid or incurred by Bank, including, without limitation, reasonable attorneys' fees and costs of any kind (including those allocated to in-house counsel) plus costs allocated to Bank's business

insolvency, reorganization, arrangement, debt adjustment or debtor relief; (v) the assignment by any Obligor for the benefit of such Obligor's creditors; (vi) the appointment or commencement of any proceeding for the appointment of a receiver, trustee, custodian or similar official for all or substantially all of any Obligor's property; (vii) the commencement of any proceeding for the dissolution or liquidation of any Obligor; (viii) the termination of existence or death (if an individual) of any Obligor; (ix) the revocation of any guaranty, security or subordination agreement given in connection with any of the Obligations; (x) the failure of any Obligor to comply with any order, judgment, injunction, decree, writ or demand of any court or other public authority; (xi) the filing or recording against any Obligor or the property of any Obligor, of any notice of levy, notice to withhold, or other legal process for taxes other than property taxes; (xii) a default by Applicant or any guarantor of any of the Obligations under any obligation concerning the borrowing of money; (xiii) the issuance against any Obligor, or the property of any Obligor, of any writ of attachment, execution, or other judicial lien; or (xiv) the deterioration of the financial condition of any Obligor which results in Bank deeming itself, in good faith, insecure.

b) Immediately and without notice upon the occurrence of a Default specified in sub-section (a)(iii) through (viii) of this Section 5, or, at the option and upon the declaration of Bank, upon the occurrence of any other Default, the Obligations (including but not limited to the providing of "Contingent Security" as defined below) shall immediately become due and payable, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, and Bank may immediately, and without the expiration of any period of grace, enforce payment of the Obligations and exercise any and all other rights and remedies granted to it hereunder or by law. If at the time of any such Default and acceleration of the Obligations, Bank remains liable under the Credit, whether because the Credit has not yet expired and amounts remain available to be drawn thereunder, or otherwise, then Applicant shall provide Bank sufficient funds ("Contingent Security") from which to pay all amounts for which Bank may become liable if the Credit is thereafter fully drawn. All amounts constituting Contingent Security shall be deposited in an account in Bank's name to be maintained with Bank as additional Collateral and are hereby pledged to Bank by Applicant as security for the Obligations, and the unused portion thereof, if any, shall be returned

document(s) including one or more Obligations, (B) any legal advice sought by Applicant in connection with Bank's rights, remedies, legal position, or obligations, (C) enforcing the Obligations, (D) any proceeding for declaratory relief, interpleader, injunction, restraining order, or any similar proceeding, or any counterclaim to any such proceeding or any appeal of the results of such proceeding, brought by or against Bank; and (iii) the amount of all disbursements made by Bank or Bank's correspondents or, upon Bank's demand, provide Bank with sufficient funds to meet all disbursements of any kind or character for which Bank or Bank's correspondents become liable at such time as Bank may require in order to assure that such funds are available to Bank or Bank's correspondents, as the case may be, at least one (1) business day prior to the date such disbursements are to be made.

e) Agrees that should Applicant fail to pay any amount on the date due hereunder, such amount, and any accrued but unpaid interest thereon, shall be due and payable on demand in immediately available funds in U.S. Dollars (or the currency applicable to the sum owed) at such place as Bank may direct, and shall bear interest from the date due at a rate per annum (computed for actual days elapsed on the basis of a 360-day year) equal to 5% in excess of the Reference Rate. "Reference Rate" means the rate announced by Bank from time to time at its corporate headquarters as its "Reference Rate". The Reference Rate is an index rate determined by Bank from time to time as a means of pricing certain extensions of credit and is neither directly tied to any external rate of interest or index nor necessarily the lowest rate of interest charged by Bank at any given time. For an amount due in a currency other than U.S. Dollars said per annum rate equals the rate ("Funding Rate") which Bank determines to be its cost of funding such currency from time to time plus 5%. These rates shall respectively change as the Reference Rate or any Funding Rate changes. Provided, however, no provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate permitted by applicable law.

f) Agrees that each demand on Applicant by Bank for payment may be made by telephone or other telecommunication.

g) Agrees, on demand, to cause the Credit to be returned to Bank for cancellation once it expires.

h) Agrees that the Credit shall be issued by an office of Bank located in California.

i) Irrevocably waives, and in any event agrees not to exercise and irrevocably surrenders, any rights otherwise accruing to it through Bank or Bank's rights upon making payments hereunder, by operation of law, or contract, whether under the doctrine of subrogation or otherwise, with Applicant agreeing to pursue any remedies it may have or any obligations it may be owed in respect to such payments solely and directly on the basis of the contract(s) it has with, or the tort liability of, the beneficiary, transferee or assignee of proceeds of the Credit, or other persons or entities, as applicable.

j) Agrees that if the Credit is the subject of an "extend or pay" type of request received by Bank from the beneficiary of the Credit and provided to Applicant by Bank, Applicant shall be liable to Bank for the Credit in its amount at the time of Bank's receipt of such extend or pay request even though an expiry or reduction in amount of the Credit might otherwise appear to occur after Bank's receipt, until the matter has been resolved to Bank's satisfaction. Applicant understands that Bank retains every right to decline to amend or extend the Credit for any reason whatsoever.

k) Agrees that if the expiry of the Credit is of the automatic renewal type, the Applicant shall, if it wishes to bring an end to automatic renewals, give written notice to Bank of such desire not later than thirty days prior to the last day Bank is able, under the terms of the Credit, to give notice under the Credit to effect an end to automatic renewals. Applicant further agrees to be fully responsible for the Credit in the event it is late in its presentation of such request to Bank and automatic renewals are not ended at the point Applicant had requested. Applicant further agrees Bank may at any time give a notice of non-renewal of such Credit without prior notice to Applicant.

l) Agrees that if the Credit is expressed to be governed by the laws of any jurisdiction, other than the laws of the State of California or any other State that has adopted into law a law in the same form as California's Commercial Code Section 5113 as in effect on the date the Credit is issued, and the Credit expressly provides that the Credit shall be available to successors in interest (or parties similar in nature) to the named beneficiary of the Credit, Bank shall regard any person or entity purporting to be such a successor as such successor, without any responsibility for verifying the facts of such purported succession, all on the Applicant's complete responsibility even if the wrong party is paid. The Applicant agrees to indemnify and hold harmless Bank from any and all losses, damages, or costs, of whatsoever kind, including but not limited to reasonable fees and expenses of attorneys, arising out of such payment and the claim that such payment was made to the wrong party.

m) Agrees that if the Credit includes a request to a third party ("Local Bank") to issue a letter of credit or any other kind of agreement, guarantee, or undertaking of whatsoever kind without limitation (the "Undertaking"), Bank shall have no responsibility to the Applicant for the wording of the Undertaking or its legal effect, whether under foreign law or otherwise, and Applicant shall have complete continuing liability to the Local Bank and to Bank for any and all claims made under the Undertaking, whether or not the Credit expires, until Local Bank's liability under the Undertaking terminates.

n) Agrees that should any commercial type documents (such as invoices or bills of lading, but not a default or claim statement) be required to be presented under the Credit, Bank shall have absolutely no responsibility for examining any such document under any standard under any circumstance.

3. Applicant hereby represents and warrants to Bank (a) that Applicant has obtained, or has caused to be obtained, all governmental approvals required in connection with the transaction(s) contemplated by the Credit, and (b) that such transaction(s) comply in all respects with all applicable domestic and foreign laws, rules and regulations.

4. Applicant agrees that if the Obligations are ever secured by security interests ("Collateral"), Bank at its discretion may continue to hold Collateral after the Expiry Date of the Credit until the Credit is returned to Bank undrawn and lawfully cancelled, and that in no event shall any release of Collateral be construed to be a release or discharge of the Obligations.

5. a) The occurrence of any one or more of the following shall constitute a default ("Default") hereunder: (i) the failure of Applicant to make any payment hereunder, or to perform any other of the Obligations, when first obliged to do so; (ii) any breach, misrepresentation or other default by Applicant, any guarantor, or provider of security for or subordinating creditor to the Obligations (each, including Applicant, an "Obligor") under any guaranty, subordination, security or other agreement between Bank and any Obligor; (iii) the insolvency of any Obligor or the failure of any Obligor generally to pay such Obligor's debts as such debts become due; (iv) the commencement as to any Obligor of any voluntary or involuntary proceeding under any laws relating to bankruptcy,

Bank that Applicant has fully discharged the Obligations.

6. Applicant shall pay and protect, defend and indemnify Bank and Bank's employees, officers, directors, shareholders, affiliates, correspondents, agents and representatives and their respective employees, officers, directors, shareholders, affiliates, correspondents, agents and representatives (each such person or entity other than Bank, a "Person") against, and hold Bank and each such Person harmless from, all claims, actions, proceedings, liabilities, damages, losses, expenses (including, without limitation, reasonable attorneys' fees and costs of any kind including those allocated to in-house counsel, plus costs allocated to Bank's business staff) and other amounts incurred by Bank and each such Person, arising from (i) the matters contemplated by this Agreement or the Credit, or (ii) any contention that Applicant has failed to comply with any law, rule, regulation, order or directive applicable to Applicant's sales, leases or performance of services to Applicant's customers, or (iii) any dispute with the beneficiary, transferee or assignee of proceeds under the Credit or any third party relating to the Credit (including without limitation actions brought by Applicant to enjoin payment or drawings under the Credit). Provided, however, this indemnification shall not apply to any of the foregoing incurred solely as a result of the gross negligence or willful misconduct of Bank as to Bank's conduct or of an applicable Person as to such Person's conduct. This indemnification shall survive the payment and satisfaction of all of Applicant's obligations and liabilities to Bank.

7. Bank and Bank's correspondents shall be entitled to make payments or to accept or negotiate drafts drawn under the Credit if the documents presented thereunder appear on their face to be in compliance with the terms and conditions of the Credit, and neither Bank nor Bank's correspondents shall be liable or responsible for the form, sufficiency, accuracy, genuineness, falsification or legal effect of such documents, for the authority of any persons signing such documents, for the general or particular conditions stipulated in or superimposed on such documents, for the truth of such documents, for the acts, omissions, good faith, solvency, performance, standing or capacity of the beneficiary under the Credit, or any other persons, or for the performance of any contracts which have been entered into by Applicant and the beneficiary under the Credit in connection with the transaction(s) contemplated by the Credit. In addition, neither Bank nor Bank's correspondents shall have any liability or responsibility for the consequences arising out of any delay or loss in transit of any messages, letters or documents, any delay, interruption, mutilation or other error in the transmission of any telecommunications, or any error in the translation or interpretation of any technical terms or any messages or documents relating to the Credit. Subject to the laws, customs and practices of trade in the jurisdiction where the Credit is to be paid or negotiated, and the laws of any jurisdiction specified in the Credit to govern it, the Credit shall be subject to, and performance by Bank, Bank's correspondents and the beneficiary under the Credit shall be governed by, the Uniform Customs and Practice for Documentary Credits, 1993 Revision, ICC Publication No. 500, or such subsequent revision thereof, adopted by the International Chamber of Commerce, as is in effect on the date the Credit is issued, unless the Credit omits reference to such publication.

8. If this Agreement is executed by more than one Applicant, their obligations hereunder for the Obligations shall be joint and several, and each of them agrees that any one of them, acting alone, shall have full right and authority, binding on all of them, to request or consent to amendments, renewals, extensions, waivers or modifications of the Credit or of any of the terms or conditions of the Credit. If Applicant has requested the Credit to appear on its face to be issued for a party ("Account Party") other than Applicant, Applicant represents and warrants that Account Party has and will have absolutely no interest in the Credit or its subject matter with all interests in the Credit and its subject matter being held exclusively and absolutely by Applicant.

9. This Agreement may not be amended or modified, nor may any of its terms be waived, except by a written instrument signed by the party or parties against which enforcement thereof is sought. No failure or delay on Bank's part in exercising any right hereunder shall operate as a waiver thereof or of any other right, nor shall any partial exercise of any such right preclude any other further exercise thereof or of any other right. Each waiver or consent under any provision hereof shall be effective only in the specific instance and for the specific purpose for which given.

10. This Agreement shall be binding upon and inure to the benefit of Bank and Applicant and their respective successors and assigns (and the heirs and personal representatives of Applicant if Applicant is an individual); provided, however, that Applicant may not assign its rights or delegate its duties hereunder without the prior written consent of Bank. If, at the request of Applicant, the amount of the Credit is increased, the maturity of the Credit or the time for presentation of drafts or acceptance of documents thereunder is extended or the terms of the Credit are otherwise modified, this Agreement shall continue to be binding on Applicant with regard to the Credit as so increased, extended or otherwise modified, to the drafts, and documents covered thereby, and to any actions taken by Bank or Bank's correspondents in accordance with such increase, extension or other modification.

11. If the Credit is transferable, Applicant acknowledges that Bank may take such actions as Bank deems necessary or desirable to assure itself that neither the Credit nor any portion thereof is transferred in violation of applicable laws, rules or regulations and, in connection therewith (but not by way of limitation), authorizes Bank to include as a condition of the Credit a requirement that the identity of any proposed transferee (whether of all or any portion of the Credit) be disclosed to Bank, and that Bank's consent to such transfer to such transferee be obtained, before the Credit or any portion thereof is transferred. Bank's consent to any such transfer shall not, however, constitute a representation or warranty by Bank to Applicant or any other person that such transfer is, in fact, legally permissible.

12. This Agreement hereby incorporates any alternative dispute resolution agreement previously, concurrently or hereafter executed between Bank and Applicant. Notwithstanding any item in any agreement ("Other Agreement") between Bank and Applicant, or in any note issued by Applicant in favor of Bank, now or hereafter purporting to make one or more terms of such Other Agreement or note in whole or in part superior to, or otherwise in whole or in part govern or control, one or more terms of this Agreement, (collectively, "Superior Terms"), such purported Superior Terms shall not be given effect with respect to this Agreement or the Credit, unless the particular Superior Terms are agreed to in this Agreement, or the Other Agreement or such note by specific reference to this Agreement or Credit so provides.

13. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and Applicant hereby consents to service of process by any means authorized by California law. Applicant hereby waives notice of acceptance by Bank of this Agreement.