



APPLICATION FOR STANDBY LETTER OF CREDIT

To: GBC INTERNATIONAL BANK
5670 Wilshire Blvd., Suite 1780
Los Angeles, CA 90036

DATE OF APPLICATION	CREDIT NUMBER (For Bank Use Only) No.
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Please issue your Irrevocable Standby Letter of Credit on substantially the terms and conditions as indicated herein. Advise by

Airmail
 Courier
 SWIFT

FORWARD STANDBY CREDIT (Check one) <input type="checkbox"/> Directly to Beneficiary or Through your Correspondent <input type="checkbox"/> Directly to Applicant <input type="checkbox"/> Through _____	FOR ACCOUNT OF (Name & Address) 				
IN FAVOR OF (Beneficiary's Name & Address) 	AMOUNT (In Figures & Words) <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;">EXPIRATION DATE</td> <td style="width: 50%; padding: 5px;">EXPIRES IN (PLACE): (Note: expires at your Issuing Office Unless Otherwise specified)</td> </tr> <tr> <td colspan="2" style="padding: 5px;"> <input type="checkbox"/> Expiration date to be extended automatically one year with _____ days notification of non-extension. </td> </tr> </table>	EXPIRATION DATE	EXPIRES IN (PLACE): (Note: expires at your Issuing Office Unless Otherwise specified)	<input type="checkbox"/> Expiration date to be extended automatically one year with _____ days notification of non-extension.	
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<input type="checkbox"/> Expiration date to be extended automatically one year with _____ days notification of non-extension.					

CHECK ONE :
 Available by Draft(s) drawn (at your option) on you or your Correspondent at sight accompanied by the following document(s):
 As per attachment
 Available as Follows:

PARTIAL DRAWINGS PERMITTED: <input type="checkbox"/> YES <input type="checkbox"/> NO	MULTIPLE DRAWINGS PERMITTED: <input type="checkbox"/> YES <input type="checkbox"/> NO
------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------

In reimbursement for payments and charges debit:
 This Office Customer's Acct. No.

FORWARD DOCUMENTS:
 TO THIS OFFICE DIRECT TO CUSTOMER

Customer's Signature is verified & authority to sign is confirmed. This extension of credit under Customer's Liability has been approved in accordance with current approval requirements of the Bank as evidenced by the attached copy of the appropriate approval form or, alternatively, the Credit Approval authority delegated to the officer(s) signing below.

Official signature(s) _____

I/We hereby agree to the terms and the conditions, covenants and agreements above and below hereof.

APPLICANT

ADDRESS

AUTHORIZED SIGNATURE(S)

The credit will be subject to the International Standby Practices of the International Chamber of Commerce Publication 590 (ISP98) or the ICC Publication 600 or UCP latest version.

TERMS AND CONDITIONS -- APPLICATION AND AGREEMENT FOR STANDBY CREDIT

The Applicant ("Applicant") signing this Application and Agreement and GUARANTY BANK OF CALIFORNIA, ("Bank") hereby agree as provided on the reverse side hereof and as follows:

1. **OBLIGATIONS.** Applicant promises to pay to Bank upon demand by Bank at the office of Bank to which this Application and Agreement is addressed (Unless otherwise specified by Bank) as follows:

(a). The amount paid on each demand or claim (including, without limitation, drafts) ("Demand") whatsoever under or in connection with or howsoever purporting to be under or in connection with the credit instrument issued pursuant hereto and referred to on the reverse hereof as standby credit (although Applicant acknowledges and agrees that the title of the credit instrument is not controlling and that it may not and need not be titled standby credit) and all renewals, extensions and amendments thereof ("Standby Credit"). If such Demand is payable in U.S. currency, Applicant shall pay Bank the amount thereof in U.S. currency. If such Demand is payable in other than U.S. currency, then Applicant shall at Bank's sole discretion pay Bank either (i) the amount thereof in that other currency at such place as Bank shall direct or (ii) the equivalent of the amount thereof in U.S. currency at the then prevailing rate of exchange in San Francisco, or Los Angeles, California, for sales of that other currency for cable transfer to the country of which it is the currency.

(b). All taxes, levies, imposts, charges, fees, deductions or withholdings of any nature whatsoever and by whomsoever imposed in connection with this Application and Agreement, the Standby Credit or any transactions thereunder or thereupon.

(c). All commissions of Bank and Bank's correspondents, at the rate agreed upon or as specified by Bank, and all charges and expenses incurred by Bank and interest on all amounts due and payable hereunder, from the date such amounts become due and payable, at two percent per annum above the rate which Bank charges from time to time at its principal office on 90-day unsecured commercial loans to its most creditworthy commercial borrowers. Any change in such rate shall be effective on and as of the date of such change.

(d). All sums and expenses, including attorney's fees, collection, legal and receiver's expenses, advanced or howsoever incurred by Bank for or in connection with this Application and Agreement, the Standby Credit or any transactions hereunder or thereupon.

2. **WARRANTIES.** Applicant represents and warrants that Applicant has authority and has obtained all approvals and consents necessary to enter into and perform this Application and Agreement, and that the entering into and performance of this Application and Agreement will not result in a breach of any of the terms and conditions of any agreement, instrument, order or judgment under which Applicant is a party or by which Applicant or its property may be bound or affected or under any charter documents of Applicant and will not violate any provision of applicable law.

3. **STANDBY CREDIT.** (a) Bank and its correspondents may, under the Standby Credit, receive, accept and pay any Demands or other documents and instruments (otherwise in order) signed by, or issued to, the receiver, trustee in bankruptcy, executor, administrator, guardian or conservator of anyone named in the Standby Credit as the person by whom Demands and other documents and instruments are to be made or issued:

(b). Without releasing Applicant from any liability hereunder and under the Standby Credit, Bank may (i) at Applicant's request, increase the amount of the Standby Credit, extend the time for and modify the terms and conditions governing the making and honoring of Demands and other Agreement, the Standby Credit, and all action taken by Bank or Bank's correspondents pursuant hereto or thereto, shall be binding upon Applicant as to all property, goods, documents and instruments covered hereby; and (ii) surrender from time to time to the persons designated by Applicant (or their nominees) all or any part of any property, goods, documents and instruments against payments by, or other documents or instruments satisfactory to Bank executed by, such persons.

(c). The users of the Standby Credit shall be deemed agents of Applicant, and neither Bank nor Bank's correspondents shall have liability and Applicant assumes all responsibility for the form, sufficiency, correctness, validity, genuineness, falsification and legal effect of any Demands and other documents, instruments and other papers relating thereto and for the general and particular conditions stipulated therein, and for the good faith and acts of any person whomsoever, and for the existence, form, sufficiency and breach of contracts of any nature whatsoever and for solvency, standing and responsibility of any person whomsoever, and for existence, form, sufficiency and breach of contracts of any nature whatsoever and for the solvency, standing and responsibility of any person whomsoever, and for any delay in giving or failure to give any notice, demand or protest, and for failure of any person to comply with the terms of the Standby Credit and for errors, omissions, delays in or non-delivery of any message however sent, and for any other error, neglect or omission if done in good faith, and any action taken in good faith by Bank or Bank's correspondents shall be binding on Applicant. The determination whether a Demand has been made prior to the expiration of the Standby Credit and whether a Demand is in proper and sufficient form for compliance with the Standby Credit shall be made by the Bank in its sole discretion, which determination shall be conclusive and binding upon Applicant.

(d). Bank is authorized without reference to or approval by Applicant to set forth the terms appearing on the reverse hereof in the Standby Credit, and to modify or alter such terms in such language as Bank may deem appropriate, with such variation from such terms as Bank at its discretion determine (Which determination shall be conclusive and binding upon Applicant) are necessary and are not materially inconsistent with such terms.

(e). Except as otherwise provided in this subparagraph (e), or on the reverse hereof, the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce as in force on the date of issuance of the Standby Credit ("UCP") shall in all respects be deemed as part hereof as fully as if incorporated herein, and this Application and Agreement and the Standby Credit shall be governed by and construed in accordance with the laws of the State of California and the UCP ("Governing Laws"). Applicant understands and agrees that if the Standby Credit provides that the Standby Credit is governed by laws, regulations or rules other than the Governing Laws ("Specified Laws") and Bank makes payment under the Standby Credit in accordance with the Specified Laws, Applicant will make payment to Bank as specified in Paragraph 1 above, notwithstanding any contrary provisions of the Governing Laws or any other applicable laws or regulations. No provision of the Specified Laws, now existing or as they may be changed from time to time, shall be used or relied upon or in any way raised as a defense by Applicant to any payment Applicant is obligated to make hereunder.

(f) Applicant shall indemnify and save Bank and its successors, assigns and correspondents harmless from all liability, claims, demands, losses and expenses, including attorney's fees and expenses, whatsoever and however arising under or in connection with this Application and Agreement, the Standby Credit, and any transactions hereunder or thereupon.

4. **DEFAULT.** Upon the happening of any of the following: (a) default in payment or performance of any of Applicant's obligations hereunder; (b) levy or proceeding against Applicant's property or the property of any guarantor of Applicant's obligations hereunder ("Guarantor"); (c) commissions of an act of bankruptcy or commencement of bankruptcy, insolvency, arrangement, reorganization or other debtor-relief proceedings by or against, or the death, dissolution, termination of existence or insolvency of, Applicant or any Guarantor; (d) any misrepresentation, mis-statement, or failure to establish upon demand the correctness of all written information and representations by Applicant or any Guarantor to Bank; (e) the occurrence of any event under any agreement of instrument involving the extension of credit to Applicant or any Guarantor which gives the holder of such obligation the right to accelerate its maturity, whether or not such right is exercised; or (f) Bank, for any reason in good faith, deems itself insecure, - then Bank, at its election and in addition to all other rights, powers and privileges, may: (i) declare the amount for which the Standby Credit was issued (less any payment received pursuant to Paragraph 1(a) above) and any amounts owing pursuant to Paragraphs 1(b), 1(c) and 1(d) above immediately due and payable without demand or notice and Applicant will pay to or deposit with Bank the amount thereof; (ii) waive any default, which waiver shall not be deemed a waiver of any prior or subsequent default; (iii) take such action as Bank in Bank's sole discretion deems necessary or desirable to remedy any default, which action shall not be deemed a waiver of such default or any prior or subsequent default, and (iv) terminate any agreement for financial accommodation.

5. **CHANGES TO LAWS AND REGULATIONS.** Applicant agrees that if because of any law or regulation, or because of any change in any existing law or regulation, or in the interpretation thereof by any official authority, whether or not having the force of law, which comes into effect after the date of this Application and Agreement, (a) Bank or Applicant should, with respect to this Application and Agreement, the Standby Credit, or any transactions hereunder or thereupon, be subject to any tax, charge, fee, deduction or withholding of any kind whatsoever, or (b) reserve requirements, or changes in existing reverse requirements, should be imposed on Bank with respect to this Application and Agreement or the Standby Credit or any transactions hereunder or thereupon, and if any of the above mentioned measures, or any other similar measure, should result in (i) any increase in the cost to Bank of issuing and maintaining the Standby Credit pursuant to this Application and Agreement or of any transaction under the Standby Credit or this Application and Agreement, or (ii) any reduction in the amount of principal, interest or any fee receivable by Bank in respect of the Standby Credit or this Application and Agreement or of any transaction under the Standby Credit or this Application and Agreement, then Applicant shall pay to Bank upon demand such increased cost or reduction.

6. **GENERAL.** (a) Applicant shall give Bank prior written notice of any change of residence or place of business and address thereof.
(b) The singular includes the plural. If there is more than one Applicant their obligations and agreements hereunder are joint and several and binding upon their respective heirs, successors and assigns. If Applicant is a married person, recourse may be had against his/her separate property for his/her indebtedness and obligations to Bank.
(c) This Application and Agreement incorporates the provisions on the reverse hereof. Time is of the essence. Acceptance by Bank of Partial or delinquent payment of failure by Bank to exercise any right, power or remedy shall not waive any obligation of Applicant to modify this Application and Agreement. Bank, its successors and its assigns have all rights, powers and remedies herein and as provided by law, and may exercise the same and effect any set-off and proceed against any security for the obligations of Applicant at any time notwithstanding any cessation of applicant's liability or running of any statute of limitation, which Applicant hereby waives to the fullest extent permitted by law. Notice to Bank must be given at the office of Bank to which this Application and Agreement is addressed and Bank's issuance of the Standby Credit constitutes its agreement hereto.