



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

Branch \_\_\_\_\_  
 Date \_\_\_\_\_  
 L/C No. \_\_\_\_\_

(For Bank Use Only)

**APPLICATION FOR IRREVOCABLE DOCUMENTARY LETTER OF CREDIT**

Please issue an irrevocable Documentary Letter of Credit substantially conforming with this Application and forward same to your correspondent by the indicated means for delivery to the beneficiary. In issuing the Credit you are expressly authorized to make such changes in the terms herein below set forth as you, in your sole discretion, may deem advisable provided that no such changes shall vary the principle terms hereof. This Application is subject to the terms and conditions on the two following pages and to the Bank's standard time.

Please forward by  Airmail only  Airmail with brief cable advice  Full cable (operative)

<b>ADVISING BANK</b>  <small>(If Beneficiary's bank is unknown we will use our Correspondent Bank)</small>	<b>FOR ACCOUNT OF</b>  <small>(Account Party or Applicant)</small>
<b>IN FAVOR OF (BENEFICIARY)</b>	<b>AMOUNT</b> <input type="checkbox"/> Aggregate <input type="checkbox"/> Approx.
	<small>Drafts to be presented on or before (Expiration Date)</small>  <small>in the country to the Beneficiary unless otherwise indicated.</small>

Available by draft(s) at:  Sight  Days Sight  Days Date \_\_\_\_\_ drawn, at your option, or you or your correspondent for \_\_\_\_\_ % of the invoice value.

When accompanied by the following documents, as checked:

- Commercial Invoice \_\_\_\_\_
- Packing List \_\_\_\_\_
- Marine & War insurance Policy and/or Certificate \_\_\_\_\_
- Other Documents/Special Instructions \_\_\_\_\_

Air Way Bill consigned to \_\_\_\_\_

ON BOARD Original Ocean Bill of Lading (if more than one original has been issued, all are required)

issued to order of:  Yourselves  
 To order of shipper, blank endorsed

marked: NOTIFY \_\_\_\_\_ Showing  Freight Prepaid  Freight Collect

COVERING: Merchandise described in the invoice as: (Mention Commodity only in generic terms omitting details as to grade, quality, etc.)

Check one:  FAS  FOB  C&F  CIF  C&I

Shipment from: \_\_\_\_\_  Partial Shipment Prohibited  (partial Shipment and Transshipment are allowed unless specifically prohibited)  
 To: \_\_\_\_\_ Latest: \_\_\_\_\_  Transshipments Prohibited

Documents must be presented to negotiating or paying bank within \_\_\_\_\_ days after the date of issuance of documents evidencing shipment or dispatch or taken in charge (shipping documents) but within validity of letter of credit.

Insurance effected by ourselves. We agree to keep insurance coverage in force until this transaction is completed.

CREDIT TO BE:  TRANSFERABLE  NON-TRANSFERABLE  
(Check one box)

All banking charges outside the U.S.A. are for  Beneficiaries' account  Our account

Unless otherwise instructed, documents shall be forwarded to you in one airmail. The credit will be subject to the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce presently in effect, including but not limited to UCP 600.

INITIAL INITIAL

In consideration of the issuance of the Credit by the issuer thereof ("you"), substantially according to the Application appearing on the reverse side hereof or as attached thereto and initialed on behalf of the undersigned, the undersigned (hereinafter called the "Applicant") agrees as follows:

1. The Applicant will pay you on demand at your address specified in the aforesaid Application in same day funds the amount of each draft or other request for payment (hereinafter called a "draft") drawn under the credit (whether drawn before, on or, if in accordance with the law applicable to the Credit, after the expiry date stated in the Credit), except that (a) if such draft is drawn in a currency other than United States currency the Applicant will pay the equivalent in United States currency, at your then selling rate for cable transfers to the place where and in the currency in which such draft is payable, of such amount in such other currency, or, at your option, will pay you in such other currency in a place, form and manner acceptable to you, and (b) if a time draft is drawn under the Credit, you will notify the Applicant of the amount and maturity date and the Applicant will make such payment without demand sufficiently in advance of its maturity to enable you to arrange for cover in same day funds to reach the place where it is payable no later than the date of its maturity.

2. The Applicant will pay you on demand in such currency as would be payable, and if applicable, at such equivalent in United States currency as would be used, in respect of drafts drawn under the Credit under section 1 hereof: (a) interest on all amounts remaining unpaid under section 1 hereof from time to time at a fluctuating interest rate per annum equal to 5% per annum above the rate of interest announced publicly by Guaranty Bank of California, Los Angeles, from time to time as Guaranty Bank of California base rate, (b) commissions in respect of the Credit (so long as you shall be obligated under the Credit in accordance with the law applicable to the Credit), computed on such amounts and at such rates as the Applicant and you may agree, and in the absence of such agreement, on such amounts and such rates as you may in your discretion reasonably determine; and (c) all expenses which you may pay or incur in connection with the Credit.

3. If the aforesaid Application requests the inclusion in the Credit of any provision for clean advances to the beneficiary, you may place in the Credit such a provision in that respect as you may deem appropriate, under which any bank entitled to negotiate drafts under the Credit, acting in its discretion in such instance and upon the request in writing from the beneficiary, may make any one or more clean advances on or prior to the date by which drafts are to be negotiated under the Credit. The aggregate of such advances shall in no event be more than the amount specified therein in such Application and in no event shall any such advance exceed the amount remaining available under the Credit at the time of such advance. While it is expected by the Applicant that each such advance will be repaid with interest by the beneficiary to the bank that made such advance from the proceeds of a draft or drafts drawn under the Credit, should any such advance not be thus repaid the Applicant will pay you on demand the amount thereof as if such advance were evidenced by a draft drawn under the Credit, with interest on such amount as charged by the bank that made such advance. Neither you nor any bank which makes any such advance shall be obliged to inquire into the use that may be made of such advance by the beneficiary or liable for any wrongful use that may be made by the beneficiary of any funds so advanced.

4. Any action, inaction or omission taken or suffered by you or by any one of your correspondents under or in connection with the Credit or any relative drafts, documents or property, if in good faith and in conformity with foreign or U.S. laws, regulations or customs applicable thereto, shall be binding upon the Applicant and shall not place you or any of your correspondents under any resulting liability to the Applicant. Without limiting the generality of the foregoing, you and your correspondents may (a) act in reliance upon any oral, telephonic, telegraphic, electronic or written request or notice believed in good faith to have been authorized by the Applicant, whether or not given or signed by an authorized person, and (b) receive, accept or pay as complying with the terms of the Credit any drafts or documents, otherwise in order, which may be signed by, or issued to, the administrator or executor of, or the trustee in bankruptcy of, or the receiver for any of the property of, or any other person or entity acting as the representative or in the place of, the party in whose name the Credit provides that any drafts or other documents should be drawn or issued.

5. Any and all payments made to you hereunder shall be made free and clear of and without deduction for any present or future taxes, levies, imports, deductions, charges or withholdings and all liabilities with respect thereto, excluding taxes imposed on net income and all income and franchise taxes of the United States and any political subdivisions thereof (all such non-excluded taxes, levies, imports, deductions, charges, withholdings and liabilities being hereinafter called "Taxes"). If the Applicant shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this section 5) you shall receive an amount equal to the sum you would have received had no such deductions been made, (ii) the Applicant shall make such deductions and (iii) the Applicant shall pay the full amount deducted to the relevant taxing authority or other authority in accordance with the applicable law. The Applicant will indemnify you for the full amount of Taxes (including, without limitations, any Taxes imposed by any jurisdiction on amounts payable under this section 5) paid by you and any liability (including penalties, interest and expense) arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally asserted. This indemnification shall be made within 30 days from the date you make written demand thereof. Within 30 days after the date of any payment of Taxes the Applicant will furnish to you the original or a certified copy of a receipt evidencing payment thereof.

6. In the event of the happening of any one or more of the following events (any such event being hereinafter called an "Event of Default"), namely: (i) the nonpayment of any of the obligations of the Applicant to you (under this Agreement or otherwise), or to any other person or entity, when due, or (ii) the failure of the Applicant to perform or observe any other term or covenant of this Agreement, or (iii) the dissolution or termination of existence of the Applicant, or (iv) the institution by or against the Applicant of any proceeding seeking to adjudicate the Applicant a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of the Applicant or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian, or other similar official for the Applicant or for any substantial part of its property, or (v) any seizure, vesting or intervention by or under authority of a government by which the management of the Applicant is displaced or its authority in the control of its business is curtailed, or (vi) the attachment of or restraint as to any funds or other property which may be in, or come into, the possession or control of you, or any third party acting in your behalf, for the account or benefit of the Applicant, or the issuance of any order of court or other legal process against the same, or (vii) the occurrence of any of the above events with respect to any person or entity which has guaranteed any obligations of the Applicant to you (under this Agreement or otherwise): — then, or at any time after the happening of such event, the amount of the Credit, as well as any and all other obligations of the Applicant under this Agreement, shall, at your option (as evidence by your endorsement on this Agreement), become due and payable immediately without demand upon or notice to the Applicant.

7. As collateral for payment of any and all Obligations (as hereinafter defined), the Applicant hereby recognizes and admits your ownership in and unqualified right to the possession and disposal of, and hereby grants to you a security interest in, (i) any and all documents of title, policies or certificates of insurance and other documents accompanying or relative to drafts drawn under the Credit, and any and all other Property (as hereinafter defined) shipped under or in connection with the Credit or in any way relative thereto or to any of the drafts drawn thereunder (whether or not such documents for Property are released to or upon the order of the Applicant in trust or otherwise) and (ii) any and all proceeds and

INITIAL

INITIAL

products of the foregoing. Also to secure the payment of any and all Obligations, you shall be subrogated to the rights of the Applicant in respect to any transaction to which the Credit relates. Insofar as any Property which may be held by you, or for your account, as collateral hereunder may be released to or upon the order of the Applicant, the Applicant will sign and deliver to you on demand such form of trust receipt or other form of security agreement covering such Property as may be satisfactory to you, it being understood that your rights as specified therein shall be in furtherance of and in addition to (but not in limitation of) your rights hereunder.

8. If at any time and from time to time you require collateral (or additional collateral), the Applicant will, or demand, assign and deliver to you as security for any and all Obligations collateral of a type and value satisfactory to you or make such cash payment as you may require.

9. As used herein, the word "Obligations" means obligations of the Applicant to you now or hereafter existing under this Agreement or otherwise, and the word "Property" includes inventory; equipment, farm products and other goods, documents of title, policies and certificates of insurance, securities and other instruments, chattel paper, accounts, general intangibles, and any and all other types of property, together with all proceeds and products thereof, all rights of the Applicant thereto and all documents relative thereto.

10. If any Event of Default shall have occurred and be continuing, you may exercise in respect of the Property subject to any of the security interests granted under or contemplated by this Agreement all the rights and remedies of a secured party on default under the applicable Uniform Commercial Code or any other applicable law and also may, without notice except as specified below, sell such Property or any part thereof in one or more parcels at public or private sale, at any of your offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as you may deem commercially reasonable. To the extent notice of sale of such Property shall be required by law, reasonable notification shall include, but not be limited to, written notice mailed or delivered to the Applicant at the address specified below or at least five business days prior to the date of public sale or prior to the date after which private sale is to be made. The Applicant will pay to you on demand all costs and expenses (including without limitation, reasonable attorneys' fees and legal expenses) related or incidental to the custody, preservation or sale of, or collection from, or other realization upon, any of such Property or related or incidental to the establishment, preservation or enforcement of your rights in respect of any such Property. In the event of sale of, collection from, or other realization upon all or any part of such Property, you may, in your discretion, hold the proceeds thereof as additional collateral hereunder or then at any time thereafter apply the proceeds thereof to the payment of such of the costs and expenses referred to above and such of the Obligations, whether or not then due, as you may determine in your discretion, any surplus to be paid over to the Applicant or to whomever may be lawfully entitled to receive such surplus.

11. You are hereby authorized, at your option at any time and with or without notice to the Applicant, to transfer to or register in the name of any of your nominees all or any part of the Property subject to any of the security interests granted under or contemplated by this Agreement. You are also authorized, at your option, to file financing statements without the signature of the Applicant with respect to all or any part of such Property. The Applicant will pay the cost of any such filing and, upon request, sign such instruments, documents or other papers, and take such other action, as you may require to perfect such security interests.

12. The Applicant will comply with all foreign and U.S. laws, rules and regulations (including exchange control regulations) now or hereafter applicable to the transaction related to the Credit or applicable to the execution, delivery and performance by the Applicant of this Agreement.

13. The Applicant will indemnify you from and against (a) all loss or damage to you arising out of your issuance of, or any other action taken by you in connection with, the Credit other than loss or damage resulting from your gross negligence or willful misconduct, and (b) all costs and expenses (including reasonable attorney's fees and legal expenses) of all claims or legal proceedings, arising out of your issuance of the Credit or incident to the collection of amounts owed by the Applicant hereunder or the enforcement of your rights hereunder, including, without limitation, legal proceedings, relating to any court order, injunction, or any other process or decree restraining or seeking to restrain you from paying any amount under the Credit.

14. Upon the occurrence and during the continuance of any Event of Default you are hereby authorized to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by you to or for the credit or the account of the Applicant against any and all of the Obligations, irrespective of whether or not you shall have made any demand under this Agreement and although such deposits, indebtedness or Obligations may be unmatured or contingent. Your rights under this section 14 are in addition to other rights and remedies (including without limitation, other rights of set-off) which you may have.

15. This Agreement shall be binding upon the Applicant, its successors and assigns, and shall inure to the benefit of you, your successors, transferees and assigns. 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. None of the terms of this Agreement may be waived or amended except as you may consent thereto in writing.

16. It is our agreement that you shall not be responsible for any consequences or refund of our payment to any documentary bills under your credits if goods cannot be cleared through customs authorities for any reason whatsoever, including but not limited to, quota restrictions, tariff preferences, and tariff regulations as imposed from time to time by the United States government or any foreign governments or their agents.

17. The Uniform Customs and Practice for Documentary Credits as most recently published by the International Chamber of Commerce (hereinafter called the "UCP") shall in all respects be deemed a part hereof as fully as if incorporated herein and shall apply to the Credit. This Agreement shall be governed by and construed in accordance with the laws of California, United States of America, except to the extent such laws are inconsistent with the UCP.

ADDRESS \_\_\_\_\_

\_\_\_\_\_  
Name of Applicant

\_\_\_\_\_  
By \_\_\_\_\_

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Name & Title/Position

\_\_\_\_\_  
Please sign with authorized signature registered with us