

**APPLICATION FOR STANDBY LETTER OF CREDIT  
THIS APPLICATION IS SUBJECT TO THE TERMS OF CONTRACT ON THE NEXT  
FIVE PAGES:**

For Bank Use Only
SL/C No. Chg

State Bank of India  
19 South La Salle Street  
Chicago, Illinois 60603

Gentlemen: .....20.....

Please issue for our account an irrevocable Standby Letter of Credit as per the enclosed format in favour \_\_\_\_\_  
\_\_\_\_\_.

The amount under the Standby Letter of Credit is payable by the Bank on demand, and the Bank's Undertaking is subject to ISP 98/UCP 600/URDG.

The Standby Letter of Credit will be valid upto \_\_\_\_\_ and our liability to you thereunder for a further period of thirty days, upto an aggregate amount of USD \_\_\_\_\_. This application is also subject to the terms and conditions on the next five pages, which forms a part of this application. We enclose a check for USD \_\_\_\_\_ for our charges.

Yours truly,

.....  
Authorised Signatory

Date:.....

The above signature of an officer, partner or agent of the account party conforms to that on the file with us and he/she is fully authorized to sign for such account party.

\_\_\_\_\_  
(BANK)

\_\_\_\_\_  
(Authorised Signatory for the Bank)

1. In consideration of your issuing, at the request of the undersigned (or, if more than one, of any one or more of the undersigned), your Standby Letter of Credit (hereinafter called the Credit'), we jointly and severally hereby unconditionally agree as follows:

2. As to drafts, acceptances or other instruments or demand under or purporting to be under the Credit, which are payable in United States Currency, we agree: (a) in the case of each sight draft, instrument or demand, to reimburse you, at your office, on demand, the amount paid on such draft, instrument or demand, or, if so demanded by you, to pay to you at your office in advance the amount required to pay such draft, instrument or demand; and (b) in the case of each acceptance, to pay to you, at your office, the amount thereof, on demand but in any event not later than one business day prior to maturity, or, in case the acceptance is not payable at your office, then, on demand but in any event in time to reach the place of payment in the course of the mails not later than one business day prior to maturity.

3. As to drafts, acceptances or other instruments or demands under or purporting to be under the Credit, which are payable in currency other than United States Currency, we agree: (a) in the case of each sight draft, instrument or demand, to reimburse you, at your office, on demand, the equivalent of the amount paid, at the rate of exchange then current in Chicago for cable transfers to the place of payment in the currency in which such draft or instrument is drawn or the demand is made, or if there be no such rate at said time, then at such rate as you may fix; and (b) in the case of each acceptance to furnish you at your office, on demand, but in any event in time to reach the place of payment in the course of the mails not later than one business day prior to maturity, with first class banker's demand bills of exchange to be approved by you for the amount of the acceptance, payable in the currency of the acceptance, and bearing our endorsement, or, if you for so request, to pay to you, at your office, on demand, the equivalent of the acceptance at rate of exchange current in Chicago for cable transfers at time of transmission to the place of payment in the currency in which the acceptance is payable, or if there be no such rate at said time, then at such rate as you may fix.

4. In the event that any United States Currency drafts are drawn by us or any of us on you in order to refinance any obligation set forth in the preceding two sections, and such drafts, at your option, are accepted by you, we agree to pay you on demand, but in any event not later than the maturity date, the amount of each such acceptance, and this agreement shall be applicable to all drafts so accepted by you as if such drafts were drawn under the Credit. Each amount which may become due and payable to you under this agreement may in your discretion and if not otherwise paid, be charged by you to any available funds then held by you for our account.

5. We also agree to pay you, on demand, a commission and all charges and expenses paid or incurred by you in connection with the Credit and this agreement, and interest where chargeable. Said commission and interest shall be at such rates as may be established by you.

6. As security for any and all of our obligations and liabilities hereunder and also for any and all other of our obligations and liabilities (or the obligations or liabilities of any of us) to you, howsoever created, arising or evidenced, whether joint or several, direct or indirect, absolute or contingent, or now or hereafter existing, or due or to become due (hereinafter called the "Liabilities"), we hereby grant to you a security interest in, and recognize and admit your ownership in and unqualified right to, the possession and disposal of all property shipped under or pursuant to or in connection with the Credit or in anyway relative thereto, and to any of the drafts, instruments or demands drawn or made there under, and also in and to any and all shipping documents, warehouse receipts, policies or certificates of insurance and other documents accompanying or relative to drafts drawn or made under the Credit, (whether or not such goods, documents, or other property be released to us, or upon our order, on trust or bailee

receipt or otherwise under any instrument whereby you retain a security interest), and in and to the proceeds of each and all of the foregoing, until such time as all the Liabilities have been fully paid and discharged . All such goods, instruments, documents and other property hereinabove referred to together with any and all other property in which you are granted a security interest by us(or any of us) hereunder or under any other instrument, are hereinafter collectively referred to as the” Collateral”. All or any of the collateral coming into your possession or that of any of your correspondents may be dealt with, held and disposed of by you as hereinafter provided; and receipt by you, or any of your correspondents at any time, of other security, including cash, shall not be deemed a waiver of any of your rights and powers herein mentioned. In the event that you deliver to us any of such property or the documents of title thereto prior to your having received reimbursement with respect to the relative drafts or acceptances as herein provided , we agree to execute and deliver to you trust receipts or other security instruments and statements of financing complying with the requirements of the applicable law, in such form as may be required by you, and to pay all filling fees in connection therewith , it being understood that your right as specified herein or therein shall be in addition to, and not in limitation of, your rights under any applicable law.

7. In the event you receive some but not all of the documents against which drawings, but whatsoever method, may be made and, at our request, you deliver such documents to us, against trust receipt or otherwise, prior to the presentation of the relative draft, we agree to pay you on demand the amount of any claim made against you by reason thereof and authorize you to pay or accept (as the case may be) such draft when it is presented regardless of whether or not such draft or any document which may accompany it complies with the terms of the Credit.

8. Except in so far as instructions have been heretofore given by us in writing expressly to the contrary, we agree that you and any of your correspondents may receive and accept as “bills of lading” under the Credit , any documents issued or purporting to be issued by or on behalf of any carrier which acknowledge receipt of property for transportation, whatever the specific provisions of such documents, and that the on board date of each such document shall be deemed the date of shipment of the property mentioned therein; and that you may receive and accept as documents of insurance either insurance policies or insurance certificates. You may receive and accept as sufficient and controlling the description of the property contained in the invoice, and may receive and accept bills of lading, insurance and other documents, however variant in description from that contained in the invoice. You and any of your correspondents may receive and accept bills of lading containing stamped, written or typewritten provisions thereon, whether or not signed or initialed, and you and any of your correspondents may assume conclusively that the same were placed with authority on the bill of lading at the time of its signing and issuance by the steamship company or carrier or any agent thereof. You and any of your correspondents may accept documents of any character which comply with the provisions, definitions, interpretations and practices contained in the “International Standby Practices 98/Uniform Customs and Practice for Commercial Documentary Credits fixed by the International Chamber of Commerce/ Uniform Rules for Documentary Guarantee”, and any amendments thereto, or which comply with the laws or regulations in force in, or the customs or usages of, the place of shipment or negotiation.

9. Except insofar as instructions have been heretofore given by us in writing expressly to the contrary, we agree that part shipments may be made under the Credit and you may honor the relative drafts, instruments or demands. We agree that you and any of your correspondents may accept or pay any draft dated on or before the expiration of any time limit expressed in the

Credit, regardless of when drawn and whether or when negotiated, provided the other required documents are dated on or prior to the expiration date of the Credit.

10. In the event of any increase in the amount of the Credit, or the extension ( for one or more periods , whether or not longer than the original period) of the maturity or time for presentation of drafts, instruments, demands, acceptances or documents, or any other modification of the terms of the Credit at the request of any of us, with or without notice to the others of us, this agreement, and your rights hereunder, shall continue unimpaired and shall be binding upon us with respect to the credit so increased or otherwise modified and with respect to any action taken by you or any of your correspondents in accordance with such extension, increase or other modification.

11. The users of the Credit shall be deemed our agents and we assume all risks of their acts and omissions. Neither you nor your correspondents shall be responsible for : the existence, character, quality, quantity, condition, packing, value, or delivery of the property purporting to be represented by documents; any difference in character, quality, quantity, condition, or value of the property from that expressed in documents; the validity, sufficiency or genuineness of documents, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; the time, place, manner or order in which shipment is made; partial or incomplete shipment, or failure or omission to ship any or all of the property referred to in the Credit; the character, adequacy, validity, or genuineness of any insurance; the solvency or responsibility of any insurer, or for any other risk connected with insurance; any deviation from instructions, delay, default or fraud by the shipper or anyone else in connection with the property or the shipping thereof; the solvency, responsibility or relationship to the property of any party issuing any documents in connection with the property ; delay in arrival or failure to arrive of either the property or any of the documents relating thereto; delay in giving or failure to give notice of arrival or any other notice; any breach of contract between the shippers or vendors and ourselves or any of us; compliance with or circumstances resulting from any laws, customs and regulations which may be effective in countries of negotiation or payment of the Credit; failure of any draft, instrument or demand to bear any reference or adequate reference to the Credit, or failure of documents to accompany any draft, instrument or demand at negotiation , or failure of any person to note the amount of any draft, instrument or demand on the reverse of the Credit or to surrender or take up the credit or to send forward documents apart from drafts, instruments or demands, as required by the terms of the Credit, each of which provisions, if contained in the Credit itself, it is agreed may be waived by you; errors, mistakes in translation, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, wireless or otherwise, whether or not they be in cipher; nor shall you be responsible for any act, error, neglect, or default, omission, insolvency or failure in the business of any of your correspondents or for any refusal you or any of your correspondents to pay or honor drafts drawn under the Credit because of any applicable law, decree or edict, legal or illegal, of any governmental agency now or hereafter in force or for any other matter beyond your control; and none of the above shall affect, impair, or prevent the vesting of any of your rights or powers hereunder, or our obligations hereunder. In furtherance and extension and not in limitation of the specific provisions hereinbefore set forth, we agree that any action taken by you or by any of your correspondents under or in connection with the Credit or the relative drafts, instruments or demands, documents or property, if taken in good faith, shall be binding on us and shall not put you or your correspondents under any resulting liability to us; and we make like agreement as to any inaction or omission, unless in breach of good faith. We further agree that we will indemnify you and hold you harmless from and against each and every claim, demand, action or

suit which may arise against you, or any of your correspondents, by reason of any action taken pursuant to this agreement.

12. We agree to procure promptly any necessary import and export and other licenses for the import or export or shipping of the property or payment therefore, and to comply with all foreign and domestic governmental regulations in regard to the shipment of the property or the financing thereof, and to furnish such certificates in that respect as you may at any time require, and to keep the property adequately covered by insurance satisfactory to you, in companies satisfactory to you, and to assign the policies or certificates of insurance to you, or to make the loss or adjustment, if any, payable to you , at your option; and to furnish you if demanded with the evidence of acceptance by the insurers of such assignment.

13. Each of us agrees at any time and from time to time, if you shall feel insecure, to deliver, convey, transfer, and assign to you on demand, as security, for any and all liabilities, additional collateral of a value and character satisfactory to you. Each of us agrees that all the property belonging to us or any of us, or in which we or any of us may have an interest, or every name and nature whatsoever, now or at any time hereafter delivered, conveyed, transferred, assigned or paid to you, or coming into your possession or into the possession of anyone for you in any manner whatsoever, whether expressly as security for any of the Liabilities, or for safe-keeping or otherwise, and all items received for collection or transmission and the proceeds thereof, whether or not such property is in whole or in part released to us on trust or bailee receipt or otherwise under any instrument whereby you retain a security interest, are hereby pledged as security for all liabilities. Each of us agrees, with respect to himself, ourselves and any endorsers or guarantors of our obligations under this agreement, that upon the failure of any of us to perform any agreement herein contained in any security instrument, or other agreement delivered to you, or upon the default in the punctual payment of any sum due under the Credit, or upon our failure at any time to keep a margin or security with you satisfactory to you, or upon the death of any of us, or upon the making by us or any of us of any assignment for the benefit of creditors, or upon the filing of any voluntary or involuntary petition in bankruptcy or for an arrangement or reorganization by or against us or any of us, or upon the application for the appointment of a receiver of any of the property of all or any of us, or upon any act of bankruptcy or state of insolvency of all or any of us, or if any governmental authority or any court at the instance of any governmental authority shall take possession of any substantial part of the property of all or any of us or shall assume control over the affairs or operations of all or any of us or if a receiver shall be appointed of, or if a writ or order of attachment or garnishment shall be issued or made against , the property or assets of all or any of us, or if, with respect to all or any of us, any application is made by any judgment creditor for any order directing you to pay over money, or a suit , proceeding, or other action( at law or in equity) for the dissolution, organization, or liquidation is commenced, then all Liabilities shall become and be immediately due and payable without demand or notice, notwithstanding any credit or time allowed to us , or any of us or instrument evidencing any such Liabilities; and each of us as to property in which he may have any interest, and all of us, as to property in which we may have any interest, expressly authorize you , to the extent permitted by applicable law, in any such event to sell immediately , without demand for payment, without advertisement and without notice to us or any of us, all of which are hereby expressly waived, any and all Collateral, arrived or to arrive, at private sale or at public auction or at brokers' board or otherwise, at your option, in such parcel or parcels and at such time or times and at such place or places and for such price or prices and upon such terms and conditions as you may deem proper; and you are also given the right, power and authority, in your discretion, to collect or cause to be collected or otherwise to convert into

money, all or any part of the Collateral , and you may, in your discretion, enforce the collection of the Collateral, with all additions thereto and substitutes therefore, by suit or otherwise and may surrender , compromise, release, renew, extend ( for one or more periods, whether or not longer than the original period) or exchange any or all of the Collateral, and you may apply the net proceeds of such sale or sales, collection, exchange or conversion together with any balance of deposits and any sums credited by or due from you to us or any of us in general account or otherwise, to the payment of the costs, expenses and attorney's fees incurred in respect to the Collateral, and the sale, collection, exchange or conversion thereof, and to the payment of any and all Liabilities. If any such sale be at brokers' board or at public auction you may yourself, to the extent permitted by applicable law, be a purchaser at such sale, free from any right of redemption, which we and each of us hereby expressly waive and release. You are however, released from all obligation or liability to collect any of the Collateral or to bind or hold any maker or endorser thereof.

14. The undersigned hereby certify and agree that no shipments will be made or other transactions undertaken under the Credit in violation of the laws of the United States or the regulations of any governmental agency.

15. You shall not be deemed to have waived any of your rights hereunder, unless you or your authorized agent shall have signed such waiver in writing. No such waiver, unless expressly stated therein, shall be effective as to any transaction which occurs subsequent to the date of such waiver, nor as to any continuance of a breach after such waiver.

16. The word "property" as used in this agreement includes goods, merchandise, securities, funds , chooses in action, and any and all other forms of property, whether real personal or mixed and any right or interest therein.

17. You and the undersigned in any litigation whether or not arising out of or relating to this agreement or to any Liabilities arising there from in which you and any of the undersigned shall be adverse parties, waives trial by jury and the undersigned, 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.

18. If this agreement is signed by one individual, the terms "we", "our", "us", shall be read throughout as "I", "the undersigned" "my", "me", as the case may be. If this agreement is signed by two or more parties, it shall be the joint and several agreements of such parties. Each of us shall be deemed to be the agent of all the others of us, and you may, expect to the extent expressly otherwise provided herein, act at the direction or request of any one or more of us, return or turn over the Collateral and any other property to any one or more of us, and give any notice or notices, whether or not required to be given, to anyone or more of us, all as you may elect and without notice to any others of us.

This agreement is binding upon our heirs, legal representatives, successors and assigns.

This agreement shall be governed by the laws of the State of Illinois. The Credit shall be subject to the "International Standby Practices/Uniform Customs and Practice for Commercial Documentary Credits fixed by the International Chamber of Commerce/Uniform Rules for Documentary Guarantee", except to the extent otherwise specifically set forth herein or therein. Wherever possible each provision of this agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if nay provision of this agreement shall be prohibited by or invalid under such law, such provision shall be in effective to the extent of such prohibition of invalidity, without invalidating the remainder of such provision or the remaining provisions of this agreement.

**JOINT SIGNATURE AGREEMENT**

In consideration of your establishment of the credit substantially as applied for herein, it is further agreed that this application shall be the joint and several application of the undersigned and all property referred to in this application as belonging to the applicant shall be understood to refer to the joint property of any or all of the several applicants as well as to the individual property of each of them. The happening of any Event of Default as specified in Section 13 of this application with respect to any one of the applicants shall mature the obligations of all applicants. A demand made on any applicant pursuant to Section 3 of this application shall fix the exchange rate as to all applicants.

It is agreed that .....shall appear in the Credit as account party and that .....has the exclusive right to issue all instructions on any and all matters relating to the Credit, including, without limitation, instructions as to disposition of documents and any unutilized funds, waiver of discrepancies and to agree with you upon any amendments, modifications, extensions, renewals, or increases in the Credit or the further financing or refinancing of any transaction effected there under or any other matter. You may release on trust receipt to .....any or all of the documents or merchandise received by you in respect to any drafts drawn or shipments made under the Credit for such purposes as you, in your sole discretion, may be willing to permit.

.....  
(Joint Applicant) (Joint Applicant)

By..... By.....  
Authorized Signature Authorized Signature

**AUTHORIZATION AND AGREEMENT OF ACCOUNT PARTY**

State Bank of India  
Chicago Branch  
19 South La Salle Street  
Chicago, Illinois 60603

Gentlemen:

We hereby join in the request of the applicant to issue the Credit described on page 1 with out name appearing as account party.

In consideration of your issuing the Credit in this form it is agreed that the applicant has exclusive right to issue all instructions relating to the Credit including, without limitation, instructions as to disposition of documents and any unutilized funds, waiver of discrepancies, and to agree with you upon any amendments, modifications, extensions, renewals, or increases in the Credit or the further financing or refinancing of any transaction effected there under or any other matters

irrespective of whether the same may now or hereafter affect our rights or those of our successors or assigns.

.....  
(Account Party)

By.....  
Authorized Signature

(Where specimen signatures of the above Account Party are not on file with State bank of India, the following signature verification is required.)

The above signature of an officer, partner or agent of the Account Party indicated above conforms to that on file with us and such officer, partner or agent is fully authorized to sign for such Account party.

.....  
(Bank)

By.....  
Authorized Signature