

In consideration of the issuance of our Letters of Credit (Credit) request, substantially according to the foregoing instructions, the undersigned, intending to be legally bound, agrees as follows:

1. To pay you in United States currency on demand, or, in any event, prior to the presentation of any sight draft or the maturity of any time draft drawn or purporting to be drawn under or in connection with the Credit, the value of the Credit or of each draft purporting to be drawn thereunder, together with your commission and all expenses paid or incurred by you in connection with the Credit, and interest, at a rate to be determined by you, from the date of any payment by you to the date of reimbursement by us. As to draft payable in currency other than United States currency, the undersigned agrees to pay you an amount in United States currency equivalent to the actual cost to you of settlement of your obligations under each such draft.
2. Bank may select any intermediary bank and any means for the transmission of operative letter of credits which it considers suitable, including but not limited to Bank's own internal systems, Fedwire, SWIFT, or Telex. The Bank must operate in accordance with the policies and procedures of each respective network.

Unless otherwise directed in writing by Customer, Bank may execute requests in any order and select means and routes which Bank considers appropriate under the circumstances. If Customer instructs the Bank to use a specific intermediary bank or specific means of execution, which related to the Customer assumes all risk of failure or of non-execution by the intermediary bank and all risks of loss by the means directed.

Bank is not responsible for performance failure as a result of an interruption in transfer facilities, labor disputes, power failures, equipment malfunctions, suspension of payment by another bank, refusal or delay by another bank to accept the letters of credit transactions, war, emergency conditions, fire, earthquake, or other circumstances not within Bank's control.
3. The undersigned acknowledges your, and grants to you an absolute security interest in and unqualified, right to the possession and disposal of all property shipped under or in connection with the Credit, whether released to us under security agreements or otherwise, and also in and to all shipping documents, documents of title, or drafts drawn under the Credit and in and to all other property owned by us, or any one of us, in or coming into your possession or custody, together with the proceeds of each and all of the foregoing, until such time as all the obligations and liabilities of us, or any of us, to you under or with reference to the Credit or any other obligations or liabilities of us, or any of us, to you, now or hereafter incurred, have been fully paid and discharged. The undersigned agrees to deliver and assign to you, upon demand, security of a value and character satisfactory to you, or to make such cash deposits with you as you may require to further secure our obligation hereunder. The undersigned hereby agrees to execute and deliver, at your request, any and all documents necessary or required in order to perfect the security interest heretofore created and acknowledged.
4. To procure or to cause the Beneficiaries of the Credit to procure promptly any necessary import and export or other licenses for import or export or shipping of any goods referred to in or pursuant to the Credit and to comply and to cause the Beneficiaries to comply with all foreign and domestic governmental regulations in regard to the shipment and warehousing of such goods or otherwise relating to or affecting the Credit, including governmental regulations pertaining to transactions involving designated foreign countries or their nationals, and to furnish such certificates in that respect as you may at any time require, and to keep such goods adequately covered by insurance in amounts, with carriers and for such risks as shall be satisfactory to you, and to cause your interest to be endorsed thereon, and to furnish you on demand with evidence thereof. Should the insurance upon said goods for any reason be unsatisfactory to you, you may, at our expense, obtain insurance satisfactory to you, and the undersigned shall reimburse to you, on demand, any and all costs related thereto. Always that you choose to cover the merchandise on your own you must submit, at the time of signing this application, a certificate of insurance or other satisfactory evidence that the current policy meets the requirements of the Bank accordingly.

5. The undersigned certifies hereby that transactions in the merchandise covered by the application and or credit are not prohibited under the Foreign Assets Control Regulations, other regulations of a similar nature in effect from time to time with regard to specified foreign countries or the Transaction Control Regulations of the United States Treasury Department and that any importation or exportation covered by this application conforms in every respect to all existing United States Government Regulations. Neither the undersigned nor the Beneficiaries are "designated nationals" or "specially designated nationals" under such Regulations.
6. To indemnify, defend, and save you and your correspondents harmless from and against all losses, damages, claims, liabilities, or costs or expenses, including reasonable counsel fees, in any way arising from or in connection with the Credit. The Beneficiaries of the Credit shall be deemed our agents and we assume all risks of their acts or omissions. The provisions of this paragraph 6 shall survive termination of this agreement.
7. You shall not be deemed to have waived any of your rights hereunder, unless you or your authorized agent shall have signed a written waiver. No such waiver, unless it expressly so states, shall be effective as to any transaction which occurs subsequent to the date of such waiver, nor as to any continuation of a breach after such waiver.
8. If the undersigned consists of more than one person (including any individual, bank, business corporation, partnership, or other form of legal entity), such persons shall be jointly and severally liable under this Agreement and, notwithstanding the fact that one or more of such persons may have executed this Agreement as a sponsor, a guarantor or in some other capacity, each such person makes each and all of these promises, pledges, covenants, and agreements and shall be directly, unconditionally and fully liable to you.
9. The Credit and this Agreement shall be subject to the last revision of the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce, the terms of which are known to us, and the same shall be considered as incorporated herein in a manner not inconsistent with the terms hereof, and the Credit and this Agreement shall be construed in accordance with the laws of the Commonwealth of Puerto Rico.
10. Charges refused by beneficiary, should be paid by applicant, as per UCP 600 Article 37.

Executed this _____ day of _____, _____
Month Year

Company Name

Applicant 's Signature

Printed Name / Title

BANCO POPULAR DE PUERTO RICO

- We certify the existence of an insurance coverage that comply with requirements described in operational instructions.

Bank Officer's Signature

Printed Name / Title