

**LETTER OF CREDIT
APPLICATION AND AGREEMENT**

Community Bank, National Association

LOAN NUMBER	APPLICATION DATE	OPENING DATE	EXPIRATION DATE
LETTER OF CREDIT NUMBER	PLACE OF APPLICATION		

APPLICANT INFORMATION (hereinafter referred to as "Applicant" or "Borrower")

ISSUING BANK INFORMATION (hereinafter referred to as "Issuer" or "Bank")

Community Bank, National Association

BENEFICIARY INFORMATION -

Name and Address:

Representative Name:

Representative Title:

Phone:

LETTER OF CREDIT AND CREDIT AMOUNT. Borrower hereby requests the Issuer to issue a(n) Irrevocable Standby Commercial Letter of Credit (the "Credit") up to an aggregate amount of Dollars (\$))

in favor of

AVAILABLE CREDIT. Payment to the Beneficiary will be made upon presentation of a sight draft acceptable to Issuer, drawn on Community Bank, National Association and accompanied by those documents specified in the Credit.

REPAYMENT OF DRAWS. Applicant will pay Issuer on demand in same-day funds the amount of each draft or payment drawn under the Credit, whether drawn before, on or, if in accordance with the law applicable to the Credit, after the expiry date. The Applicant will also pay interest on all amounts remaining unpaid from time to time from the date of payment of any draft as set forth in the Promissory Note executed in conjunction with this Agreement.

Applicant will also pay commission and fees as specified below and any other expense that may be incurred in relation to this Letter of Credit Agreement. Applicant will pay Issuer at its office at the address noted above or at such other place as Issuer may designate in writing. The Applicant will make all payments in lawful money of the United States of America.

CONDITION FOR DRAWS. For draw details, see Letter of Credit #

COMMISSION AND FEES. Applicant will be charged an issuance fee of \$

Upon any subsequent renewal of the letter, the Applicant will also pay an annual renewal fee in an amount to be determined at the sole discretion of the Lender. The Lender will notify the Applicant in writing of said renewal fee.

TRANSFER OF CREDIT. This Credit is not transferable. Any successor assignee of the Beneficiary will not constitute a transferee of Credit.

OBLIGATION AND PROPERTY. As used herein, the word "Obligations" means Applicant obligations to Issuer 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 of Applicant's rights thereto and all documents relative thereto.

SECURITY. As collateral for the payment of any and all Obligations, Applicant hereby recognizes and admits Issuer's ownership in and unqualified right to the possession and disposal of, and hereby grants to Issuer 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 hereby defined) shipped under or in connection with the Credit or in any way relative thereto, or to any of the drafts drawn hereunder (whether or not such documents or Property are released to or upon Applicant's order in trust or otherwise), and (ii) any and all proceeds and products of the foregoing. Also to secure the payment of any and all Obligations, Issuer shall be subrogated to Applicant's rights in respect of any transaction to which the Credit relates. Insofar as any Property which may be held by Issuer, or for Issuer's account, as collateral hereunder may be released to or upon Applicant's order. Applicant will sign and deliver to Issuer on demand such form of trust receipt or other form of security agreement covering such Property as may be satisfactory to Issuer, it being understood that Issuer's rights as specified therein shall be in furtherance of, and in addition to (but not in limitation of), Issuer's rights hereunder. Security for this Letter of Credit is granted in pursuant to the following security documents(s):

ADDITIONAL COLLATERAL. If at any time and from time to time Issuer requires collateral (or additional collateral), Borrower will, on demand, assign and deliver to Issuer as security for any and all Obligations collateral of a type and value satisfactory to Issuer or make such cash payment as Issuer may require.

WAIVER OF LIABILITY. Any action, inaction, or omission taken or suffered by Issuer, or by any of Issuer's 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 US laws, regulations, or customs applicable thereto, shall be binding upon Applicant and shall not place Issuer or any of Issuer's correspondents under any resulting liability to Applicant. Without limiting the generality of the foregoing, Issuer and Issuer 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 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 other 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.

TAXES. Any or all payments made to Issuer hereunder shall be made free and clear of and without deduction for any present or future taxes, levies, imposts, deductions, charges, withholdings, and all liabilities with respect thereto, excluding taxes imposed on net income and all income and franchise taxes of the US and any political subdivisions thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings, and liabilities being hereinafter called "Taxes"). If 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. Issuer shall receive an amount equal to the sum Issuer and would have received had no such deductions been made, (ii) Applicant shall pay the full amount deducted to the relevant taxing authority or other authority in accordance with applicable law. Applicant will indemnify Issuer for the full amount of taxes (including, without limitation, any taxes imposed by any jurisdiction on amounts payable under this section paid by Issuer in any liability (including penalties, interest, and expenses) arising there from or with respect thereto, whether or not such taxes were correctly or legally asserted. This indemnification shall be made with 30 days from the date Issuer makes written demand thereof. Within 30 days after the date of any payment of Taxes, Applicant will furnish to Issuer the original or certified copy of a receipt evidencing payment thereof.

DEFAULT. Upon the occurrence of any one of the following events of default, Issuer, at its option, may declare the entire amount of the Obligation, as well as any other fees owing, immediately due and payable: (a) the nonpayment of any of the Obligations of the Applicant to Issuer under this Credit; (b) the failure of the Applicant to perform or observe any other term or covenant under this Credit or any related agreement; (c) the death, dissolution or termination of existence of Applicant; (d) the commencement of any proceeding under bankruptcy or insolvency laws by or against Applicant or the appointment of a receiver; (e) any writ of attachment, garnishment, execution, tax lien or similar instrument is issued against any of Applicant's property; (f) Applicant's business is sold to or merged with any other business, individual or entity; (g) Issuer, in good faith, believes Applicant's ability to repay its obligations under this Credit, or Issuer's ability to collect on any collateral, is or soon will be impaired, time being of the very essence.

REMEDIES. If any Event of Default shall have occurred and be continuing, Issuer 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 Issuer's offices or elsewhere, for cash, on credit, or for future delivery, and upon such other terms as Issuer 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 Applicant at the address specified above 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. Applicant will pay to Issuer 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 Issuer's 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, Issuer may, in its discretion, hold the proceeds thereof as additional collateral hereunder or then or 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 Issuer may determine, any surplus to be paid over to Applicant or to whomever may be lawfully entitled to receive such surplus.

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

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

RIGHT TO SETOFF. Upon the occurrence and during the continuance of any Event of Default, Issuer is 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 Issuer to or for Applicant's credit or account against any and all of the Obligations, irrespective of whether or not Issuer shall have made any demand under this Agreement and although such deposits, indebtedness, or Obligations may not have matured or are contingent. Issuer's rights under this section are in addition to other rights and remedies (including, without limitation, other rights of setoff), which Issuer may have.

CONTINUING AGREEMENT. This Agreement shall be binding upon Applicant, its successors and assigns, and shall inure to the benefit of the Issuer, its successors, transferees, and assigns.

USURY. No provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate permitted by the applicable law.

WRITTEN WAIVER AND MODIFICATION. None of the terms of this Agreement may be waived or amended except as Issuer may consent thereto in writing.

GOVERNING LAW. This letter of credit is governed by the International Standby Practices (hereinafter defined) and to the extent consistent, the Uniform Customs and Practices (as hereafter defined). As used herein, the term "Uniform Customs and Practice" means the Uniform Customs and Practices for Documentary Credits, International Chamber of Commerce Publication No.600 (2007 Revision), or any subsequent revision thereof or substitution thereof adhered to by the Bank. As used herein, the term "International Standby Practices" means the International Standby Practices 1998, published by the Institute of International Banking Law & Practice, Inc. and approved by the International Chamber of Commerce Banking Commission, or any subsequent revision thereof or substitution therefor or any other standards adhered to by the Bank and incorporated into the Credit. This Agreement shall be governed by and construed in accordance with the laws of the _____, United States of America, except to the extent such laws are inconsistent with the Uniform Customs and Practices or the International Standby Practices.

COMPLIANCE WITH APPLICABLE LAW. Applicant will comply with all foreign and US law, 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 Applicant's performance of this Agreement.

ENTIRE AGREEMENT. This Agreement contains the entire agreement between the parties and may not be modified except as permitted by applicable law.

ORAL AGREEMENTS DISCLAIMER. This Agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

ADDITIONAL PROVISIONS:

Applicant agrees to all of the provisions hereof and signifies assent thereto by the signature below.

IN WITNESS HEREOF, the Applicant has executed this Application and Agreement on the date and year shown below.

Applicant:

By:

Its:

Date

 _____

By:

Its:

Date

By:

Its:

Date

By:

Its:

Date