



**APPLICATION AND AGREEMENT
FOR DOCUMENTARY CREDIT**

THE MANAGER
RBC ROYAL BANK (BAHAMAS) LIMITED

TRANSIT _____ (BRANCH DOMICILE)

DATE _____

1. PLEASE ISSUE AN IRREVOCABLE AND (a) TRANSFERABLE DOCUMENTARY CREDIT

(b) BY AIRMAIL
 BY AIRMAIL PRE-ADVISE BY CABLE
 BY CABLE - FULL PARTICULARS
 (SELECT ONE OF THE ABOVE)

2. EXPIRY DATE

3. ACCOUNT TO BE DEBITED WITH DRAWINGS

4. APPLICANT (FULL NAME AND ADDRESS)

5. BENEFICIARY (FULL NAME AND ADDRESS)

6. (a) CURRENCY

(b) AMOUNT

7. PAYMENT TERMS: AVAILABLE BY BENEFICIARY'S DRAFT(S) AT: (SELECT ONE)

(a) SIGHT _____ DAYS AFTER SIGHT _____ DAYS AFTER BILL OF LADING DATE PAYABLE ON _____ DATE

(TERMS OF DRAFT HAS NO BEARING ON EXPIRY DATE OF CREDIT) (b) FOR _____ % OF INVOICE VALUE DRAWN AT YOUR OPTION ON YOU OR YOUR CORRESPONDENTS (c) BENEFICIARY HAS REQUESTED NO DRAFTS BE AUTHORIZED

8. SHIPMENT

a) FROM _____

 b) TO: _____

9

	PERMITTED	PROHIBITED	REQUIRED
CONTAINER SHIPMENT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PARTIAL SHIPMENT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TRANS SHIPMENT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10. COVERING (BRIEF DESCRIPTION OF MERCHANDISE)

11. SHIPPING TERMS: (SELECT ONE)

(a) F.O.B. _____ (POINT OF LOADING) (b) C. & F. _____ (DESTINATION) (c) C.I.F. _____ (DESTINATION)

(d) EX WORKS _____ (POINT OF LOADING) (e) OTHER _____

ACCOMPANIED BY THE FOLLOWING DOCUMENTS:

12. COMMERCIAL INVOICE _____ (NO. OF COPIES) 13. (a) _____ (COUNTRY) CUSTOMS INVOICE (b) _____ (NO. OF COPIES)

14. TRANSPORT DOCUMENT: (SELECT ONE)

(a) FULL SET CLEAN ON BOARD MARINE BILL OF LADING COMBINED TRANSPORT BILL OF LADING
 AIR WAYBILL FORWARDER'S CARGO RECEIPT OTHER _____ (SPECIFY)

(b) DATED NOT LATER THAN _____ (c) MARKED FREIGHT PREPAID OR COLLECT

DRAWN / CONSIGNED TO THE ORDER OF RBC ROYAL BANK (BAHAMAS) LIMITED (d) NOTIFY _____

15. (a) INSURANCE POLICY OR CERTIFICATE _____ (NO. OF COPIES)

(b) COVERING _____ (INDICATE RISKS) (c) FOR _____ % (d) OF _____ VALUE (CIF / INVOICE)

IN NEGOTIABLE FORM WITH LOSS PAYABLE TO RBC ROYAL BANK (BAHAMAS) LIMITED (e) IN _____ (CITY) _____ (COUNTRY)

16. OTHER DOCUMENTS:

17. SPECIAL CONDITIONS:

18. ALL BANKING CHARGES OUTSIDE OF (a) _____ (COUNTRY OF APPLICANT) (b) FOR BENEFICIARY'S ACCOUNT APPLICANT'S ACCOUNT

19. DOCUMENTS MUST BE PRESENTED WITHIN _____ DAYS AFTER DATE OF TRANSPORT DOCUMENT BUT BEFORE EXPIRY OF CREDIT

20. COMPANY CONTACT _____ TEL _____

21. IS THIS DOCUMENTARY CREDIT COVERED BY A FUTURE CONTRACT ? _____ (Y / N) NUMBER _____ RATE _____

22.

THE CUSTOMER HEREBY ACKNOWLEDGES AGREES AND RATIFIES THE TERMS AND CONDITIONS SET OUT ON THE REVERSE HEREOF. IN CASE OF INCORPORATED COMPANIES AND OTHER ORGANIZATIONS THIS FORM MUST BE SIGNED BY PROPERLY AUTHORIZED OFFICIALS.

_____ (INCLUDE COMPANY NAME - WHERE APPLICABLE)

EXCEPT AS OTHERWISE EXPRESSLY STATED, THIS DOCUMENTARY CREDIT IS SUBJECT TO UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 500 AS REVISED FROM TIME TO TIME

In consideration of RBC Royal Bank (Bahamas) Limited (hereinafter called the "Bank") issuing, honouring, revising and amending at the request of the person(s) whose signature(s) appears on the face hereof (hereinafter collectively called the "Customer", their liabilities herein being joint and several) of a documentary credit (hereinafter called the "Credit"), the terms and conditions of which are agreed to by the Customer and are set forth on the reverse side hereof (the "Application"), and subject to modifications in the Credit which may be made by the Bank from time to time between the date of signing of the Application and the date of issuance of the Credit, the Customer covenants and agrees with the Bank as follows:

1. To provide for all bills of exchange, drafts, cable and written demands for payments and receipts drawn or issued under a Credit (a "Drawing") by payment of the amounts thereof at the branch of the Bank to which the Application is addressed in accordance with the following provisions:
 - (a) a Drawing in the currency of the place of issue of the Credit shall be provided for by payment in that currency;
 - (b) a Drawing in a currency other than the currency of the place of issue of the Credit (a "foreign currency") shall be provided for by payment in the currency of the place of issue of the Credit in an amount determined by applying the Bank's current announced rate of exchange for converting such foreign currency to the currency of the place of issue of the Credit to the amounts due under the Credit, or in such foreign currency by bankers' demand draft approved by the Bank or by telegraphic transfer;
 - (c) if the Drawing is payable on sight, payment will be made on demand of the Bank together with interest from the date the Drawing was honoured by the Bank; and
 - (d) if the Drawing is not payable on sight, payment will be made a sufficient number of days prior to the maturity of the Drawing, to enable the Bank to transfer the funds to (and for value in) the place where the Credit is to be honoured, from the branch of the Bank to which the Application is addressed, at least one clear business day prior to the maturity of the Drawing.
2. To pay the Bank's fees and charges at the prevailing rate for issuing, honouring, revising or making amendments to documentary credits. In addition, the Customer confirms that the Customer shall reimburse the Bank that amount that compensates the Bank for any additional cost or reduction in income caused by: (i) an imposition of or increase in taxes on amounts payable by the Customer to the Bank under the Credit other than taxes on the overall net income of the Bank; (ii) an imposition of or increase in reserve or similar requirement against assets held or deposits in or for the account of, loans by or any other acquisition of funds for loans by the Bank; (iii) a change in the manner to which the Bank is required to allocate capital resources to its obligations under the Credit; (iv) the imposition of any other condition with respect to the Credit by any government, governmental body or agency, tribunal or regulatory authority, through any directive, regulation, request or requirement with which financial institutions operating in the relevant jurisdiction are accustomed to or have generally complied, whether or not having the force of law.
3. To pay interest on all overdue payments, fees and charges. Any interest payable hereunder is payable at the rate of interest announced from time to time by the Bank as the reference rate then in effect for determination of rates of interest for loans in the relevant currency and location. Such interest shall be calculated daily and shall be payable monthly with interest on overdue interest at the same rate as on the principal.
4. To pay all reasonable costs, charges and expenses (including, without limitation, any legal and documentation expenses) paid or incurred by the Bank in connection with the Credit or under the authority of this agreement and interest thereon.
5. That users of the Credit shall be deemed to be agents of the Customer, and neither the Bank nor its agents or correspondents shall be responsible for the existence, nature, condition, quality, weight, quantity or value of any property which may be purchased through the use of the Credit (the "Goods"), or the packing, shipment, export, import, handling or storage thereof, or the safety or preservation thereof at any time, and neither the Bank nor its agents or correspondents shall be liable for any loss resulting from the total or partial destruction of or damage to or deterioration or fall in value of the Goods, or from the inadequacy or invalidity of any documents or insurance, or from the default or error in or misinterpretation of or default or delay in the sending, transmission, arrival or delivery of any message, whether in cipher or not, by post, telegraph, cable, wireless or otherwise, and the liability of the Customer to the Bank shall not be in any way lessened or affected if any bill or documents accepted, paid or acted upon by the Bank or its agents or correspondents should be in any or all respects invalid, insufficient, fraudulent or forged or if any bill does not bear a reference or sufficient reference to the Credit or if no note thereof is made on the Credit.
6. To obtain promptly all necessary permissions, licenses and the other authorizations in respect of the shipping, export or import of any Goods and shall comply with all foreign and domestic governmental requirements with regard thereto, the whole to the exoneration of and without expense to the Bank, and deliver to the Bank such certificates in respect thereof as it may require from time to time.
7. To grant the Bank a security interest from time to time in any bills of lading, warehouse receipts and all of the property including, without limitation, any Goods, as well as any documents relative thereto, securities, funds, choses in action, and any and all other forms of property whether real, personal or fixed and any right or interest of the Customer therein or thereto, which may be purchased through the use of the Credit (the "Property").
8. To grant the Bank the absolute right and title to and the unqualified right to the possession and disposal of the Property, whether or not released to the Customer on trust or bailee receipt or otherwise, and all shipping documents, warehouse receipts, policies or certificates of insurance and other documents accompanying or relative to Drawings under the Credit, and the proceeds of each and all of the foregoing and all the rights of the Customer as unpaid sellers, until such time as all the obligations and liabilities at any time incurred by the Customer to the Bank under or with reference to the Credit or this agreement as well as all other obligations and liabilities to the Bank heretofore or hereafter incurred by the Customer (the "Obligations") have been fulfilled and paid, the whole being hereby assigned and pledged to the Bank as collateral security for the fulfillment and payment of the Obligations.
9. That whenever the Bank may in its discretion deem it necessary for its protection, it may, without regard to the maturity of any of the Obligations, without advertisement and without notice or demand to the Customer, sell by public or private sale or realize in such other manner as to the Bank seems best all or any of the Property before or after arrival and whether or not released to the Customer on trust or bailee receipt or otherwise, and all shipping documents, warehouse receipts, policies or certificates of insurance and other documents accompanying or relevant to bills drawn under the Credit, and all or any other security and all or any property in its possession or control, upon such terms and conditions and for such price in money or other consideration as the Bank may see fit, with the right to the Bank to buy all or any thereof at any sale on a stock or other exchange or other public sale, free from all rights or equities of redemption which are hereby waived and released that any moneys received by the Bank as proceeds of any such realization, after deduction of all fees and expenses in connection therewith which, with interest, shall be borne by the Customer, shall be applied against the Obligations as the Bank may see fit and that any moneys at credit of the Customer may be so applied, and the Customer undertakes to facilitate any such sale or disposal by executing such documents as may from time to time be necessary or desirable to vest the proceeds or the Property in the Bank or its transferee or to effect delivery of the same as the Bank may require and by doing all such things as may from time to time be necessary or expedient. Notwithstanding any other provision of this agreement, the Bank may at any time or from time to time, without notice to the Customer or to any other person, set-off, appropriate and apply any and all deposits (general and special) by or for the benefit of the Customer with any branch of the Bank, whether matured or unmatured, and regardless of currency and any other indebtedness of the Bank to the Customer, against and on account of the amounts payable to, or the liabilities of the Customer to, the Bank under this agreement, irrespective of whether or not the Bank has made any demand for payment pursuant to the provisions of this agreement or the amounts payable are due or the liabilities are contingent.
10. To grant the Bank from time to time whenever requested by it additional security, satisfactory to it in nature and amount, for the Obligations and the Bank may hold all property of any kind belonging to the Customer at any time in possession of the Bank or under its control as security for all the Obligations.
11. To insure the Goods and keep them insured, or cause them to be insured and kept insured, against all risks, including war risks, with companies and by means of policies satisfactory to the Bank, the loss in every case to be payable to the Bank and the policies of all certificates of insurance to be delivered to it. Should any claim arise under any insurance the Bank is hereby irrevocably authorised to recover the full amount thereof from the insurers and to give a valid and binding receipt on behalf of the Customer and to apply the full amount thereof to the Obligations.
12. That this Credit is subject to all laws, customs and regulations which may be in force in any place of negotiation or payment thereof.
13. The Bank may, in its sole and absolute discretion, use any agent to advise, confirm or issue the Credit or carry out any other act or deed in connection with the Credit or this agreement.
14. That this agreement and the rights and obligations hereunder shall be deemed to form part of the Credit as if written thereon.
15. That this agreement and the obligations hereunder shall continue in force and apply notwithstanding any change for any cause or in any manner whatsoever in the composition or membership of any firm which is a party hereto or may be a user of the Credit, and shall be binding upon the Customer and its heirs, executors, administrators, successors and assigns and shall ensure to the benefits of the Bank and its successors and assigns.
16. That in case of any renewal or extension of the Credit or of any bills drawn thereunder, or any increase in the amount of the Credit or any modification in any of its terms, all obligations of the Customer under this agreement shall subsist and apply to and in respect of such bills and the Credit so renewed, extended, increased or modified.
17. To indemnify the Bank and hold it harmless from any claims, losses, costs, liabilities, actions, judgements or suits, damages and expenses, including legal fees and expenses, which the Bank may incur by reason of issuing the Credit or by reason of any action taken, admitted or suffered to be taken in good faith in reliance upon any instruction, application, request or order from the Customer or upon other paper or document reasonably believed by the Bank to be genuine.
18. Except as otherwise expressly stated, the Credit is subject to Uniform Customs & Practice for Documentary Credits (1993 Revision), International Chamber of Commerce, Publication No. 500 as revised from time to time.
19. The Customer has expressly requested that this document be drawn up and executed in the English language. Le client a expressement demande que ce document soit redige et signe en langue anglaise (Province of Quebec only).