

APPLICATION AND AGREEMENT FOR IRREVOCABLE STANDBY LETTER OF CREDIT

Applicant name			Advising Credit Union name		
Address			Address		
City	State	Zip	City	State	Zip
Beneficiary name			Forward standby letter of credit (check one) <input type="checkbox"/> Directly to beneficiary <input type="checkbox"/> To applicant <input type="checkbox"/> Other		
Address			Amount \$		
City	State	Zip	In words		
Expiration date: <input type="checkbox"/> (Documents to be presented to Alaska USA Federal Credit Union or your correspondent on or before) <input type="checkbox"/> Other					
Partial drawings are: <input type="checkbox"/> Allowed <input type="checkbox"/> Prohibited					
Purpose (This information will not be included in the Letter of Credit unless specified):					
Available by drafts at sight drawn on Alaska USA Federal Credit Union (or your correspondent at your option) and accompanied by the following documents: Beneficiary's signed certification that Other documents required:					
Special Instructions to be included in letter of credit: <input type="checkbox"/> Letter of Credit to be printed on Alaska USA letterhead.					
I/WE HEREBY AGREE TO ALL TERMS AND CONDITIONS, COVENANTS AND AGREEMENTS SET FORTH ON THIS APPLICATION.					
_____ Authorized signature			_____ Date		
_____ Print name					

Date received:

In consideration of ALASKA USA FEDERAL CREDIT UNION ("Credit union") issuing the credit whether or not titled a Standby Letter of Credit, and any modifications or extensions thereof ("Standby Credit"), each of the undersigned (an "Applicant") jointly and severally agrees as follows:

Payment Terms:

1. Applicant promises to pay the credit union upon demand at credit union's designated office the following:
 - a. The amount paid or to be paid by the Credit Union on each draft, demand or claim ("Demand") under the Standby Credit. If the Demand is payable in U.S. currency, Applicant shall pay the amount in U.S. currency. If the Demand is payable other than in U.S. currency, at credit union's sole option, Applicant shall pay either (i) the amount in such other currency at such place as the credit union directs, or (ii) the equivalent amount in U.S. currency at the credit union's then applicable selling rate for cable transfers to the place and in such currency as the Demand is payable;
 - b. All expenses or charges, including without limitation, attorneys' and legal fees, collection costs and taxes incurred by or imposed on the Credit Union and/or its correspondents in connection with this Agreement, the Standby Credit, or any Demand;
 - c. Credit Union's commissions and fees for issuance, modification, extension, transfer, increase and other such services in accordance with Credit Union's schedule of fees and commissions in effect at the time of each such service or as otherwise agreed by credit union in writing; and
 - d. Interest on the above amounts from the date due until paid at a rate per annum equal to the rate reflected in the promissory note unless otherwise agreed in writing by credit union.
 - e. All increased costs as determined by Credit Union for issuing or maintaining the Letter of Credit because of any reserves, special deposits, FDIC assessments or similar requirements.
2. Credit Union is authorized to charge Applicant's account(s) maintained with Credit Union or any affiliate of Credit Union for the amounts due under this Agreement.

Warranties:

1. Applicant represents and warrants to Credit Union that:
 - a. Applicant has taken all action and obtained all approvals and consents necessary for, and has full authority and legal right to enter into and perform this Agreement.
 - b. Neither the entry into nor performance of this Agreement by Applicant will:
 - (i) Breach any agreement, order of judgment to which Applicant is a party or which is binding on Applicant or Applicant's property;
 - (ii) Contravene Applicant's charter or articles; or
 - (iii) Violate any law applicable to Applicant.

Extensions, Increases or Modifications of the Credit.

1. At the request or with the consent of any Applicant, the Credit Union may increase the amount, extend the time or otherwise modify any of the terms or conditions of the Standby Letter of Credit and as so increased, extended or modified, this Agreement, the Standby Credit, and any action taken by the credit union or its correspondents in accordance therewith, shall be binding upon all Applicants.
2. Credit Union is authorized to restate in the Standby Letter of Credit the terms of the application with such modifications or variations as it, in its sole discretion, determines necessary or appropriate and not materially inconsistent with the terms of the application. Further Applicant shall be conclusively deemed to have waived any objection to any variation between the terms of the application and any documents issued by Credit Union unless Applicant notifies Credit Union in writing thereof immediately upon receipt of such documents.

Continued on next page

3. Credit Union and its correspondents may, under the Standby Credit, accept and pay any Demands or other documents (otherwise in order) signed or issued by the receiver, trustee in bankruptcy, executor or other legal representative of the person named in the Standby Credit as the person by whom Demands or other documents are to be made or issued.

Responsibilities and Liabilities:

1. The users of the Standby Credit shall be deemed agents of Applicant. Credit Union and its correspondents shall not be responsible for, and Applicant's liability and obligations hereunder shall not be affected by:
 - a. The validity, accuracy, sufficiency, genuineness or legal effect of any demands or other documents, even if same should in fact be invalid, fraudulent, forged, inaccurate or insufficient;
 - b. The failure of any Demand to bear any, or adequate, reference to the Standby Credit;
 - c. Any omissions, errors, delays in, or nondelivery of, any message however sent;
 - d. Any error, omission or failure in business of any correspondent; or
 - e. Any consequences arising from causes beyond credit union's control;
 - f. Any act or omission by Credit Union if in good faith, shall be binding on Applicant.
2. In case of any variation between documents accepted by Credit Union or its correspondents, Applicant shall be conclusively deemed to have waived any objection unless immediately upon receipt of such documents or notice of the variation, Applicant files written objection with the Credit Union.
3. Applicant will bear, pay, indemnify and save harmless credit union and its correspondents from all liability, demands, loss or expenses however arising under, in connection with, or enforcement of, this Agreement and/or the Standby Credit.
4. At the option of the Credit Union, Credit Union may from time to time accept as temporary originals copies of letter of credit applications and amendments thereto transmitted to the Credit Union by facsimile machine or similar method.

Applicant agrees to indemnify and hold Credit Union harmless from and against any and all claims, damages, costs (including credit union charges for amending the letter of credit), expenses, attorney fees and liabilities whatsoever arising out of, in connection with, or relating to the agreement by credit union to accept as temporary originals copies of letter of credit applications and amendments thereto transmitted to the Credit Union by facsimile machine or similar method.

Default:

1. Upon the occurrence with respect to any Applicant, endorser or guarantor, of any of the following:
 - a. Default in payment when due or performance of any of Applicant's obligations under this Agreement;
 - b. The commencement of bankruptcy, receivership, reorganization or any other proceeding for the relief of debtors, by or against, or the death, dissolution, termination of existence, suspension of business or insolvency of, any of them;
 - c. Any misrepresentation by, failure to disclose any material fact, or failure to establish upon demand the correctness of any representations to credit union made by, any of them;
 - d. The occurrence of any event of default under any agreement for the extension of credit to any of them whereby the holder has the right to accelerate the maturity of the obligation whether or not such right is exercised; or
 - e. The credit union for any reason in good faith deems itself insecure;

Then Credit Union at its election, without notice or demand, may declare any and all amounts payable under Section 1 of this Agreement, even though contingent and not matured, and any other amounts owing under this Agreement to be immediately due and payable. Also, Credit Union may terminate any agreement for financial accommodation. Applicant waives the right to interpose any defenses based on any statute of limitations or any set off or counterclaim of any nature.

Continued on next page

Governing Law:

1. This Agreement shall be governed by and construed in accordance with the laws and regulations governing federal credit unions. Any provision hereof which may prove unenforceable shall not affect the validity or enforceability of any other provision hereof.
2. That said Letter of Credit shall be subject to the law, customs and practices of the trade, existing in the area where the beneficiary is located, and performance by you, your correspondent and the beneficiary there under shall be governed by the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce as in force on the date of issuance of the Credit.

I/WE HEREBY AGREE TO THE TERMS & CONDITIONS, COVENANTS & AGREEMENTS ABOVE & ON THE REVERSE HEREOF.

Authorized signature

Date

Print name

Authorized signature

Date

Print name