EXPORT-IMPORT BANK OF THE UNITED STATES

SHORT TERM
SINGLE BUYER EXPORT CREDIT INSURANCE POLICY FOR EXPORTERS

In consideration of the payment of premiums and in reliance upon the representations in the application, Export-Import Bank of the United States, an agency of the United States Government, herein called "Ex-Im Bank," agrees as follows with the insured named in the declarations (or "you"). Italicized terms used in the Policy shall have the meanings set forth in the declarations, Article 10 or the applicable endorsement.

ARTICLE 1. POLICY CONTENTS

This Policy consists of Articles 1 through 10 of this document, your application, the declarations and all endorsements.

The date of shipment shall determine which declarations and endorsements are applicable to your insured transaction.

ARTICLE 2. INSURING AGREEMENT

Subject to the terms and conditions of this Policy, Ex-Im Bank agrees to pay you the insured percentage of a loss on an insured transaction that remains unpaid 90 days after the due date.

There shall be no coverage for any loss that is insurable under the American Institute of Marine Underwriters' War Risk and Strikes, Riots and Civil Commotion clauses current on the date of shipment.

ARTICLE 3. REQUIREMENTS OF AN INSURED TRANSACTION

Your shipment of products to the buyer is an insured transaction only if it meets all of the conditions set forth in this Article 3 on the date of such shipment. Each shipment must be:

A. comprised of products that: (i) are not military equipment or defense related, (ii) are not for sale to, or for use by, a military or security agency and (iii) are made in the United States with at least 50% United States content (United States content includes the costs of labor, raw materials and components), excluding price markup (you may not add any value to the products after they leave the United States); and

B. shipped during the policy period from the United States (or its territories) to the buyer's country (shipment begins when the products are placed en route to the buyer by you, your supplier or agent); and

C. evidenced by a buyer obligation payable to you; and

D. an export sale evidenced by a bill of lading or other shipping document(s) that are consistent with the other documents evidencing the buyer obligation. (A shipping document showing delivery to a transport carrier or intermediary agent will not be accepted.)

ARTICLE 4. LIMITATIONS OF EX-IM BANK'S LIABILITY

A. Policy Payment Limit

The policy payment limit is set forth in the declarations and is the maximum aggregate amount payable by Ex-Im Bank under this Policy, exclusive of interest, if any, for shipments made during the policy period.
B. Reduction of Liability

Each claim payment by Ex-Im Bank made under this Policy shall reduce Ex-Im Bank’s liability under the policy payment limit by the amount of such claim payment.

ARTICLE 5. EXCLUSIONS

Ex-Im Bank shall not be liable for any loss:

A. if you, or any of your employees or agents fail to strictly comply with any of the terms or conditions of this Policy at the time such term(s) or condition (s) was (were) required to be performed; or

B. arising out of, or related to, your actions or any actions of your employees or agents or any assignee of this Policy; or

C. if you do not submit your Notice of Claim and Proof of Loss within the applicable filing period specified in Article 7, Section A.2 of the Policy; or

D. where any unresolved dispute, of any nature, exists between you and the buyer until you have established the buyer obligation to be valid and legally enforceable against the buyer in the courts of the buyer’s country or you have otherwise settled the dispute to the satisfaction of Ex-Im Bank; or

E. to the extent that the amount of, or the obligation to pay, the buyer obligation has been relieved, in whole or in part, by payment or by an express or implied agreement by you or your employees or agents.

ARTICLE 6. AGREEMENTS OF THE INSURED

You agree to:

A. report and pay premiums on insured transactions when and as required by Article 9, Section A of the Policy; and

B. remain at risk, for your own account, for the buyer obligation less the insured percentage of your insured transaction; and

C. stop shipping to the buyer if the buyer is: (i) more than 90 days past due to you for $2,000 or more, unless the buyer disputes the past due amount and you have acknowledged the legitimacy of the dispute in writing; or (ii) known to you to be in bankruptcy proceedings, insolvent, discontinuing operations, or in receivership; and

D. submit a complete and accurate “Report of Overdue Accounts Under Short-Term Policies” to Ex-Im Bank within 30 days after the end of each calendar month if the buyer is more than 90 days past due to you for $25,000 or more (this report can be completed via the Exim Online web portal or, alternatively, a copy of this form can be found on Ex-Im Bank’s website at www.exim.gov/tools/appsforms/insurance.html or a hard copy may be delivered to you by mail upon written request); and

E. not amend the due date unless approved by Ex-Im Bank in writing; and

F. take commercially reasonable action to minimize and reduce any existing or potential loss, including exercising rights of reclamation, offset, stoppage in transit and the like and any reasonable measures which may be required by Ex-Im Bank; and

G. cooperate with Ex-Im Bank to make recoveries; and

H. comply with all applicable export and import laws and regulations.
ARTICLE 7. PROOF AND PAYMENT OF CLAIMS

A. Ex-Im Bank will pay you in accordance with the insuring agreement set forth in Article 2 of the Policy within 60 days of receipt of a complete Notice of Claim and Proof of Loss provided you:

1. have made a written demand for payment from the buyer and any applicable guarantor at least 30 days prior to submission of the Notice of Claim and Proof of Loss; and

2. submit a signed and complete Notice of Claim and Proof of Loss between 3 and 8 months after the date of default or, if specifically requested by Ex-Im Bank, within 30 days from the date of such request by Ex-Im Bank (you may immediately submit a claim when the buyer is declared bankrupt, insolvent or placed into receivership); and

3. specify in the Notice of Claim and Proof of Loss all amounts outstanding under insured transactions and uninsured debt with the buyer on the date of your completed form.

B. If you failed to stay at risk for the buyer obligation less the insured percentage, Ex-Im Bank will reduce any claim payment by the amount for which you failed to stay at risk.

C. If you have any other valid and collectible insurance applicable to a loss covered by this Policy, any claim amount paid by Ex-Im Bank pursuant to this Policy shall be excess insurance over the applicable limit of liability of the other insurance.

D. Upon receipt of notification of a claim approval, you will have a maximum of 30 days to provide any additional documentation requested by Ex-Im Bank, including (i) wire instructions, (ii) taxpayer identification number, (iii) a completed original “Release and Assignment” form for all insured transactions and, unless otherwise agreed to in writing by Ex-Im Bank, all uninsured debt, and (iv) if applicable, original loan documentation endorsed to Ex-Im Bank. You may forfeit your rights to the claim payment if you fail to provide this information in the timeframe set forth above.

ARTICLE 8. RECOVERIES

A. After paying any claim, (i) Ex-Im Bank will undertake all collection efforts against the buyer on your insured transaction and, if applicable, all uninsured debt, if any, and (ii) you will be precluded from any independent recovery actions against the buyer. Any amounts you receive from the buyer after a claim payment, whether from insured transactions or uninsured debt must be remitted, without reduction, directly to Ex-Im Bank.

B. Any recovery shall be applied first to collection costs. The balance of the recovery shall be shared by you and Ex-Im Bank in the proportion in which the loss was shared on the date of claim payment. All recoveries shall be shared in accordance with these proportions, without limitation, even if Ex-Im Bank collects more than the claim payment plus accrued interest, if any.

ARTICLE 9. GENERAL CONDITIONS

A. Premiums and Reporting

1. You must pay minimum premium in the amount and as set forth in the declarations.

2. You must report and pay shipment premiums on your insured transaction, at the rate set forth in the declarations, no later than 30 days following the end of the month during which the insured transaction was made.

Exporters Only” via the Exim Online web portal. Alternatively, a copy of this form can be found on Ex-Im Bank’s website at www.exim.gov/tools/appsforms/insurance.html or a hard copy may be delivered to you by mail upon written request.

4. In the event you fail to file any report or pay any premium when due, Ex-Im Bank may reject or accept, at its sole discretion, any such report or premium when tendered. Any claim you submit on a shipment for which premium was not paid or rejected will be denied.

B. Your Records - Ex-Im Bank may, at any time, examine and copy your records relating to (i) this Policy, (ii) your insured transaction, (iii) any claim made under any Ex-Im Bank insurance policy or any guarantee from Ex-Im Bank, (iv) any shipment to the buyer, and (v) any assignee of this Policy or the Policy proceeds. You will help Ex-Im Bank obtain any other information Ex-Im Bank may request.

C. Changes - Ex-Im Bank agrees not to change any terms of the Policy after the Policy is issued.

D. Notices, Reports and Communications

1. All communications to Ex-Im Bank shall be given to Ex-Im Bank at its office at 811 Vermont Avenue, N.W., Washington, D.C. 20571 or delivered electronically via a designated e-mail address. All communications to you shall be given to you at your electronic mail or street address on file with Ex-Im Bank or to your designated insurance broker.

2. All communications shall be written and in the English language. All communications to you shall, when mailed or electronically transmitted, be effective as of the date specified in such communication. All communications to Ex-Im Bank shall be effective only when received by Ex-Im Bank.

3. All communications transmitted via electronic mail shall constitute “written notifications” as may be required under this Policy.

E. Action Against Ex-Im Bank

1. No action may be brought against Ex-Im Bank prior to 60 days after submission of a complete and accurate Notice of Claim and Proof of Loss and unless a written demand is made on Ex-Im Bank 30 days prior to bringing such action.

2. No action of any kind may be brought against Ex-Im Bank more than 18 months after the date of default.

3. Any action or proceeding against Ex-Im Bank arising out of or relating to this Policy shall be instituted only in a Federal court sitting in the District of Columbia, or the state or jurisdiction in which your principal business is located.

4. In any action or proceeding against Ex-Im Bank, service of process shall be made upon Ex-Im Bank in accordance with Rule 4(d) (3)-(5) of the Federal Rules of Civil Procedure. Service upon Ex-Im Bank shall be given to Ex-Im Bank at its Office of General Counsel at 811 Vermont Avenue, N.W., Washington, D.C. 20571.

5. In any claim, action, suit or proceeding to enforce a claim for loss hereunder, the burden of proving the following is on you: (i) the loss is recoverable under this Policy, (ii) all conditions of coverage related to the loss in question have been satisfied, (iii) all other obligations of the insured related to the loss in question have been satisfied and (iv) no exclusion applies to the loss in question.

6. The construction, validity and performance of the Policy shall be governed by and construed in accordance with uniform Federal Law.
F. False or Fraudulent Statements, Reports, Claims or Concealment - If you knowingly make false statements to Ex-Im Bank, conceal facts you should disclose to Ex-Im Bank, or report a claim that is false or fraudulent, this Policy will be void and Ex-Im Bank will not pay any claim. If Ex-Im Bank has already made a claim payment in connection with a claim or insured transaction for which you committed any of the actions described in this Section F, you will promptly refund the payment to Ex-Im Bank, with interest.

G. Assignment
1. This Policy may not be assigned or transferred without the prior written consent of Ex-Im Bank.
2. Assignment of any Policy proceeds shall bind Ex-Im Bank only if Ex-Im Bank has executed an Assignment completed by you and a financial institution (the assignee) acceptable to Ex-Im Bank. If Ex-Im Bank pays the assignee amounts that you would not have been entitled to hereunder, you agree to indemnify Ex-Im Bank for such amounts plus any costs and expenses incurred by Ex-Im Bank to enforce this provision.

H. Compliance by Insured - Notwithstanding any other action by Ex-Im Bank, your failure to timely comply with any term or condition of this Policy shall not be deemed to have been excused or accepted by Ex-Im Bank unless explicitly agreed to by Ex-Im Bank in writing.

I. Cancellation - This Policy will automatically expire at the end of the policy period unless extended in writing by Ex-Im Bank prior to that time.

J. Indemnification and Repayment of Ex-Im Bank - You will indemnify and hold Ex-Im Bank harmless for all costs and expenses incurred by Ex-Im Bank of any nature, including: (1) costs of defense; (2) costs of collection; and (3) attorney’s fees relating to any of these items IF (i) you (or your employees or agents, distributors or contractors) fail to fulfill your contractual or legal obligations to the buyer or to Ex-Im Bank or (ii) as a result of any unresolved dispute, of any nature, between you and the buyer, the buyer is relieved, in whole or in part, of its obligations to pay the buyer obligation.

ARTICLE 10. DEFINITIONS

"Assignment" means one of the following forms, as applicable:: (1) “Notification by Insured of Amounts Payable Under Single-Buyer Export Credit Insurance Policy” or (2) “Single Buyer Export Credit Insurance Policy (ESS/ESSP) Enhanced Assignment of Policy Proceeds For Qualified Small Businesses Only, as found on Ex-Im Bank’s website at www.exim.gov/tools/appsforms/insurance.html or delivered to you by mail upon written request.

"buyer obligation" means the written agreement of the buyer to order the products and pay you the invoice value of the products as evidenced, collectively, by the documents identified in Item 12 of the declarations. This amount may include insurance and freight costs incurred by you on the buyer’s behalf and which support the sale of the products. The buyer obligation shall be valid and enforceable, when obtained, under the laws of the buyer’s country and under the laws of a state, territory, or possession of the United States or the District of Columbia.

"claim" means your request for payment from Ex-Im Bank to pay you for a loss.

"collection costs" means all costs and expenses incurred by Ex-Im Bank to prevent or minimize a loss or effect recoveries, and extraordinary costs and expenses incurred by you to prevent or minimize loss provided Ex-Im Bank gives you prior written approval to incur such costs or expenses.

"default" means non-payment, in whole or in part, of the amount of principal and/or interest, if any, due on a buyer obligation in accordance with its terms. Default shall not include any non-
payment resulting from any tax or other charge levied by withholding or otherwise, on the buyer obligation.

"due date" means any date or dates of payment specified in a buyer obligation. Unless specified otherwise in the buyer obligation, the due date will be established by the duration of the contracted payment terms from the bill of lading date.

"loss" means the amount of the default on an insured transaction, less:

1. discounts, credits, or other similar allowances; and
2. any amount which, prior to the time of claim payment by Ex-Im Bank hereunder, you have received from realization of any security on the insured transaction; and
3. any amount which the buyer would have been entitled to take into account by way of payment, set-off or counterclaim; and
4. any costs or expenses saved by you by non-payment of any agent's commissions or its non-fulfillment of the contract of sale or purchase order.

Accrued and unpaid interest at a rate not exceeding the “Maximum Insured Interest Rate” set forth in the declarations shall be included in the calculation of loss provided that: (1) the buyer obligation specifies an interest rate and includes provisions for interest up to and/or after the due date and; (2) the amount of interest is calculated to the earlier of the date on which Ex-Im Bank pays the claim or 180 days from the due date.

For calculation of loss, Ex-Im Bank will apply any payments or credits for an insured transaction or uninsured debt made to you by, or on behalf of, the buyer between the date of default and the claim payment date in chronological order of due dates, regardless of how the buyer or other entity from whom such payments are received may have designated such payments or credits.

“Notice of Claim and Proof of Loss” means the form entitled “Notice of Claim and Proof of Loss, Short Term Comprehensive Single Buyer” as found on Ex-Im Bank’s website at http://www.exim.gov/tools/claims/claims.html or delivered to you by mail upon written request.

“Policy” means the terms and conditions of the collective documents set forth in Article 1.

“recovery” means, after payment of a claim, any and all amounts (e.g. without limitation, interest, principal, fees, or costs) received by you or any of your agents or by Ex-Im Bank from or on behalf of the buyer on an insured transaction, regardless of any designation as to application of funds by the buyer or other person or entity from whom such payments are received and regardless of whether the claim payment was for principal or interest.

"uninsured debt" means the total principal amount and interest thereon outstanding from the buyer to you on export sales which are not insured transactions.

“you” and “your” refer to the insured.

IN WITNESS WHEREOF, Export-Import Bank of the United States has caused this Policy to be executed.

Export-Import Bank of the United States

__________________________________
John A. McAdams
Senior Vice President
Export Finance
811 Vermont Avenue, N.W.
Washington, D.C. 20571

ESSBPLT3 (01/07)