

BANCA NAZIONALE DEL LAVORO

ATLANTA AGENCY

PEACHTREE CENTER GAS LIGHT TOWER SUITE 2000
333 PEACHTREE STREET, N.E. ATLANTA, GEORGIA 30322

PHONE: (404) 881-0143
TELEX: 84-2184
CABLE: LAVOROBANK ATL
TELEX: 4679333 BNL UI
TELEFAX: (404) 882-0978

HEAD OFFICE:
ROME, ITALY

Issuing Bank's Credit No. 88/3/3712

ATLANTA November 21, 1988

Our Advice No. 11755

Beneficiary

Servaes Incorporated
1000 Waterway Boulevard
Indianapolis, Indiana 46202

Instructions Received From

Central Bank Of Iraq
New Bank Street
Baghdad, Iraq

For Account Of

Al Shaheed Factory
Baghdad, Iraq

Gentlemen:

We are pleased to advise you that the above mentioned correspondent has issued their Irrevocable Letter of Credit in your favor for account as shown above for a sum not exceeding Forty Million Six Hundred Two Thousand Dollars United States Currency (\$40,602,000.00 USC) available by your draft(s) drawn at sight on The Central Bank of Iraq.

The amount of this letter of credit covers 100% of the invoice value of:

Copper Scrap refining machines, tools, parts and technical documents C & F Baghdad.

A. 10% of the credit value is payable as advanced payment. However, payment will only be made upon our receipt of tested telex from The Central Bank of Iraq stating that bank guarantee issued by Rafidain Bank has been issued and approved by the buyers.

B. Up to 50% of the credit value is payable as against your draft(s) as described above accompanied by:

1. Your signed commercial invoice in original and 7 copies in the name of the above mentioned accountee stating the merchandise description, quantity, price value, gross and net weight, freight charges, shipping marks, country of origin, country of manufacturer, trade discount (if any) and certifying its correctness and that the goods are of U.S.A. origin. Original must be attested by Iraqi Consulate (see * below for attestation and legalization).

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ATLANTA AGENCY

HEAD OFFICE
ROME, ITALY

210 PEACHTREE STREET, NE ATLANTA, GEORGIA 30303

PHONE: (404) 581-0143
TELEX: 84-2194
CABLE: LAVOROBANK ATL
TELEX: 4879333 BNL UI
TELEFAX: (404) 522-0378

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2. Certificate of origin in original and 3 copies (see * below for attestation and legalization).
3. Full set clean on board ocean bills of lading issued to the order of the Central Bank of Iraq marked notify the account party shown above and freight prepaid. Bills of lading must show "In transit to Iraq".
4. Your signed statement that the buyers name and address and L/C no. 88/3/3712 is shown on goods and that arrangements have been made to be shown on the shipping manifest.
5. Shipment to be made on vessels of Iraqi State Enterprise for Maritime Transport or United Arab Shipping Company through their agents: Arabian National Shipping Corp.
P. O. Box H
Jamaica, New York 11430
Tel. (New York 718-528-2200) and (Houston 713-723-2264).
In the event that the above lines are not available, you must also present:
 - a. Signed statement issued by Arabian National Shipping Corp. stating that the vessel is of lines recognized by the Iraqi Authorities and approved by them.
 - b. Certificate showing age and classification of vessels issued by Lloyd's Register of Shipping or an American classification bureau of shipping. Vessel is not to exceed 15 years of age.
 - c. Certificate issued by the steamship line or their agents certifying that the vessel is allowed to enter any Arabic ports.
6. Your signed statement certifying that you have airmailed directly to the State Organization for Land Transport in Aqaba the following documents:
 - a. copy commercial invoice.
 - b. copy bill of lading.
 - c. copy certificate of origin.
7. Your signed statement certifying that inland transportation has been arranged through State Organization for Land Transport.
8. Your signed statement that * goods have been packed according to internationally adopted packing specifications to ensure its safe and sound arrival to final destination.

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9. Signed copy of your telex to buyers giving following details:
- Date of shipment.
 - Quantity shipped.
 - Estimated date of arrival.
 - Vessel name.

10. Your signed statement that inland transportation has been arranged through Iraqi State Organization for Land Transport.

Evidencing one or more shipments of the merchandise from U.S.A. port to Baghdad via Turkish port by sea then by truck to Baghdad not later than November 15, 1989.

Transshipment by sea not permitted.

Insurance covered in Iraq.

All documents must bear reference to letter of credit no. 88/3/3712.

All Banking charges outside Iraq for beneficiary's account.

- * Original commercial invoice or Original certificate of origin must be legalized and attested to "name of producer or manufacturer and the producing company (supplier)" of the goods. The legalization must be by Chambers of Unions of Commerce or Industry or similar bodies or organization acting for them or Joint Arab Foreign Chambers of Commerce according to the local practice in the supplying country. The attestation by the Iraqi Commercial Attache or his representative in the Iraqi Diplomatic or Consular representation in the U.S.A.

For the following payments under this credit, you are to present your documents directly to the Central Bank of Iraq and in turn they will telex us authorization to pay:

- Up to 10% of the credit value is payable against P.A.C. approved by the buyers.
- Up to 20% of the credit value is payable against G.O.C. approved by the buyers.
- Up to 10% of the credit value is payable against P.A.C. approved by the buyers.

Documents must be presented at our office (235 Peachtree Street, Suite 2000 Gas Light Tower, Atlanta, Ga. 30303) not later than November 15, 1989.

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We hereby confirm this letter of credit and engage with you that all documents drawn under and in compliance with the terms of the above mentioned credit will be duly honored by us.

Unless otherwise expressly stated, this letter of credit is subject to the Uniform Customs and Practice for Documentary Credits (1983 Revision), International Chamber of Commerce Publication No. 400.

Very truly yours,



Authorized Signature