

TEMPLATE & DRAFT - SALES AND PURCHASE CONTRACT

CEMENT 42.5 N or R

Contract No: Draft-2009-EBT

Agent: A True Performer

**ALL CHANGES MADE TO THE OFFERED CONTRACT MUST BE INITIALED.
OFFER SUBJECT TO SELLER'S FINAL REVIEW, CONFIRMATION AND APPROVAL.**

THIS AGREEMENT MADE AND ENTERED INTO ON _____ 2009

VALID FOR 5 (FIVE) DAYS

By and between:

Herein after called the "seller" with

_____ TBA _____
Reg no.: _____

Through:

**EQUITY REAL ESTATE INVESTMENT & BUSINESS TRUST
MANDATE HOLDER**

Reg no.: BT189-2004

Represented by: Stephan Schurmann

And

A SERIOUS AND REAL BUYER LTD.

Reg no.: _____

Herein after called the "buyer" and

Whereas: **The seller and buyer, each with full corporate authority, certifies, represents and warrants that each can fulfill the requirements of this agreement and respectively provide the products and the funds referred to herein, in time and under the terms agreed to hereafter;**

and

Whereas: **The buyer hereby agrees and makes an irrevocable firm contract to purchase _____ MT (_____ metric tons) (+/-5%) of cement 42.5 N or R cost, freight and insurance (CIF) incoterms 2000,**

and

Whereas: **The seller and the buyer both agree to finalize this contract under the terms and conditions; and the product offered for sale is subject only to the terms and conditions contained in this contract and strictly confidential between the buyer and the seller and it is therefore agreed as follows:**

1. PRODUCT

GREY PORTLAND CEMENT 42.5 N or R SHALL CONFORM TO INTERNATIONAL STANDARD ACCORDING TO, BRITISH STANDARDS **BS12/1996**, OR UNITED STATES STANDARDS **ASTM C-150** OR RUSSIAN CERTIFICATION **GOST** OR EUROPEAN STANDARD **EN-197-1/2000**

SPECIFICATIONS:

Formula	Generic 42.5 N / R CEM1 or CEM2	Typical Analysis
CHEMICAL ANALYSIS		
SiO ₂	Silicon Dioxide	21%
Al ₂ O	Aluminum Oxide	5.30%
Fe ₂ O ₃	Ferric Oxide	3.30%
CaO	Calcium Oxide	65.60%
MgO	Magnesium Oxide	1.10%
SO ₃	Sulphur Trioxide	2.70%
LOI	Loss Of Ignition	0.90%
C3A	Tricalcium Aluminates	8.05%
C3S	Tricalcium Silicate	60%
C2S	Dicalcium Silicate	15%
C4AF	Tricalcium Aluminous Ferric	9.76%
PHYSICAL TESTS		
Blaine		3.25 Cm2/g
Autoclave Expansion	(Le Chat)	0.02 Mm
Compressive Strength		
3- Days		230 Kg/Cm2
7- Days		305 Kg/Cm2
28 – Days		420 Kg/Cm2
Initial Setting Time	(Vicat Test)	105 Min
Final Setting Time	(Vicat Test)	135 Min

2. ORIGIN

SELLERS OPTION – Excluding China

3. DESTINATION / PRODUCT DISCHARGE:

- 3.1 Destination shall be **CIF** _____ (non USA sanctioned port) (see article 26 terms and definitions) subject to sellers receipt of all appropriate permits, permissions and licenses.
- 3.2 The basis of delivery for all other shipments shall be minimum twelve thousand five hundred (12,500) metric ton shipments.
- 3.3 Delivery shall begin thirty to forty (30 -40) days after receipt and confirmation of an operative financial instrument acceptable to the seller, and completed within the stated time.
- 3.4 Minimum discharge rate of fifteen hundred (1,500) metric tons per weather working day (WWD) subject to discharge port offloads capabilities.

4. PRODUCT DELIVERY

- 4.1 The date (s) of bill of lading (CIF) shall be considered the date (s) of delivery.
- 4.2 The first delivery shall begin thirty to forty (30 - 40) days after receipt and confirmation of a letter of credit acceptable to the seller.
- 4.3 The seller shall have the right to deliver earlier than agreed in this contract giving notice to all designated parties as required herein, with the approval of the buyer.
- 4.4 The product shall be shipped to the relevant provisions of this contract with the shipment to be forwarded to destination port/s in minimum shipments of twelve thousand five hundred (12,500) metric tons per lift (+/-5%)
- 4.5 Total shipments shall be according to shipping schedule. (See "Appendix 2") minimum is subject to slight and reasonable variations in schedules due to the customary and usual exigencies. Consecutive shipments shall be shipped by delivering and receiving schedule of buyer, sent to the seller after the first shipment has left the port as indicated by the SGS certificate. Incoterms 2000 / CIF (see article 26 terms and definitions)
- 4.6 The buyer and the seller agree that partial shipments are allowed and transshipment not allowed.

5. CONTRACTED QUANTITY

The total quantity of the contract shall be determined by the certifications of weight issued by the inspection authority and by the bill of lading of the shipment that was in effect delivered to the buyer.

6. PRODUCT WEIGHT AND QUALITY

- 6.1 The seller guarantees that each shipment of cement 42.5 shall be provided with an inspection certificate of weight and quality at time of loading and such certificate shall be provided by Société Générale de Surveillance (SGS) or similar recognized authority at seller's expense, and shall be deemed to be final.
- 6.2 The seller shall instruct said authority to carry out the inspection in strict accordance with the international chamber of commerce (I.C.C.) rules.
- 6.3 The buyer shall, if desired, and at his own expense provide additional inspection at port of loading to confirm loading.
- 6.4 If discrepancies should at any time and in particular case result in relation to the inspection certificate (s) issued at the port of loading and destination, it is hereby agreed that arbitration shall be employed to determine the appropriate judgment.
- 6.5 Both parties agree to be bound by the arbitrator's decision for or against either buyer or seller.

7. PACKING

- 7.1 The product will be packed in net 50 kg (fifty kilograms) new polypropylene bags with polyethylene lining.
The bags have a combined tare of 100 gm (one hundred grams) and are sufficient to ensure the safe arrival of product to destination and packed in 1MT, 1.5MT or 2MT wet proof sling-bags/big-bags

8. **QUANTITY**

- 8.1 _____ METRIC TONS (+/-5%) CIF FOR CONTRACT
8.2 **25,000** METRIC TONS (+/-5%) CIF PER MONTH

9. **PRICE PER METRIC TON**

_____ UNITED STATES DOLLARS \$ _____ CIF **ASWP** (NON USA SANCTIONED PORT)

10. **CONTRACT AMOUNT**

UNITED STATES DOLLARS \$ _____ .00 (+/- 5%) _____ **MILLION** _____
HUNDRED THOUSAND US DOLLARS

11. **PAYMENT TERMS**

- 11.1 Shall be by **Irrevocable, Confirmed, Non-Transferable, Auto-Revolving Documentary Letter of Credit (MRDLC)** with a face value of _____ **Million** _____ **hundred and** _____ **Thousand United States Dollars (US\$ _____ .00) (+/-5%)** and is assured for the full contract value of _____ **Million** _____ **Hundred Thousand United States Dollars (US\$ _____ .00)**. This instrument will be valid for 14 months and 16 days on a 12 month contract and issued or confirmed by a **top 50 Western Bank**.
- 11.2 The letter of credit shall allow a minimum of fifteen (15) banking days for presentation and negotiation of documents but within the expiry period.
- 11.3 The letter documents shall be negotiable and payable at the seller's bank; the negotiation and payable shall be at counter of corresponding bank.
- 11.4 Letter of credit opening bank shall allow adding confirmation and advising by any bank at the expense of the buyer's side.
- 11.5 All bank costs from buyer's bank to seller's bank are for the buyers account.
- 11.6 Transfer of the letter of credit shall be on sellers' account (beneficiary) all credit to be made out to mandate holder with full corporate authority.
- 11.7 If a letter of credit is issued by the buyer to the seller that is not in accordance with the terms of the contract or what is acceptable to the seller and the sellers bank the contract will be cancelled and the buyer shall be responsible for all confirmation, advising and cancellation costs.

12. **PERFORMANCE BOND**

Two (2%) percent of the monthly shipment value will be issued within ten (10) international banking days of receipt, confirmation, verification and acceptance of letter of credit acceptable to the seller and the sellers bank.

13. **PROOF OF PRODUCT**

Full POP shall be provided by seller after receipt of a **non-operative** letter of credit acceptable to seller and seller's bank by Swift MT799. **Or** a partial POP can be provided in form of an **AFFIDAVIT, CONFIRMED BY THE SELLERS BANK** when a payment of \$30,000 "Buyers Good Faith Deposit" has been received into an Escrow Account. The

\$30,000 is fully refundable when the buyer has fulfilled his obligations under this contract. Should the buyer, after signing this agreement, fail to deliver the non-operative LC within the time frame of 30 days or for any other reason breach this agreement, the seller has the right to cancel this agreement and keep the "Buyers Good Faith Deposit" for defaulting of this agreement.

14. PRODUCT DOCUMENTATION PER LIFT

A full set of the following documents will be presented to the buyer, buyer's bank:

- A. Three (3) original and three (3) copies of signed commercial invoices;
- B. Three (3) original and three (3) copies of full set of clean on board ocean
- C. Bill of lading (b/l) marked "freight pre-paid" issued to the order of buyer;
- D. Two (2) original and four (4) copies of certificate of quality quantity and weight inspection issued by SGS only;
- E. One (1) original and four (4) copies of certificate of origin, issued by the chamber of commerce and industry of the country of origin;
- F. One (1) original and two (2) copies of shipping company statement confirming that the age of the vessel does not exceed twenty (20) years and the vessel is registered under Lloyds registry;
- G. One (1) original and two (2) copies of non-radioactivity certificate;
- H. Pre-shipment condition survey of cargo, inspection certificate for the vessel (cargo hold cleanliness/suitability to load);
- I. One (1) original and two (2) copies of packing list showing: i) gross / net weight; ii) the number of ocean bill of lading;
- J. International maritime bureau certificate;
- K. Copy of charter party agreement;
- L. The insurance certificate in the buyer name covering **110 %** of the cargo

15. PRODUCT INSURANCE

The seller shall provide insurance at his sole expense and responsibility covering **110%** of total shipment value and the buyer is the beneficiary.

16. DEMURRAGE

- 16.1 At the loading port it is on seller's account.
- 16.2 At the discharging port it is on buyer's account.

17. IMPORT FACILITIES, DOCUMENTS, TAXES AND FEES

- 17.1 All taxes or levies imposed by the country of destination having any effect on this contract are on the buyer's account and his sole responsibility.
- 17.2 Buyer must have all import permissions and permits in writing, and copy sent to seller.
- 17.3 Buyer bears the sole responsibility of securing all permits, licenses or any other documents required by the government of the importing nation.
- 17.4 Seller will bear no responsibility to provide such documentation.
- 17.5 Buyer will bear all costs associated with securing such documents and will also bear all costs and penalties if such documents are not secured.

17.6 In no case shall the seller be held liable for missing or improper documentation the buyer is required to provide. Shipping based on Incoterms 2000.

18. FORCE MAJEURE

Neither party to this contract shall be held responsible for breach of contract caused by an act of god, insurrection, civil war, war, military operation or local emergency. The parties do hereby accept the international provision of "Force Majeure" as published by the international chamber of commerce, Geneva, Switzerland, and as defined by I.C.C. rules uniform customs and practice.

19. DISPUTES AND ARBITRATION

The parties hereby agree to settle all disputes amicably. If settlement is not reached, the dispute in question shall be submitted and settled by arbitration at the International Arbitration Association Chambers in Geneva, Switzerland by one or more arbitrators appointed in accordance with said rules and regulations and the losing party will pay the arbitration fee. The findings of the arbitration shall be considered as final, irrevocable and binding upon both parties.

20. AUTHORITY TO EXECUTE THIS CONTRACT

The parties to this contract declare that they have full authority to execute this document and accordingly to be fully bound by the terms and conditions.

21. EXECUTION OF THIS CONTRACT

This contract may be executed simultaneously in two or more counterparts via electronic (email) or facsimile transmission, each of which shall be deemed as originals and legally binding.

22. GOVERNING LAW

This contract shall be governed, and interpreted in accordance with the united nation convention for the sale of goods (U.N. Convention). In event of inconsistency between this contract and the provisions of the U.N. Convention, this contract shall have priority for the purpose of article 39 of the U.N. Convention a reasonable period of time shall be deemed to be five (5) days. This contract shall further be construed in accordance with the courts of the European Union, which shall apply to ICC rules and regulations.

23. LANGUAGE USED

The English language shall be used.

24. ASSIGNMENT

This agreement is assignable and transferable by the seller, without prior written permission of the other party.

25. NON-CIRCUMVENTION AND NON-DISCLOSURE

The parties accept and agree to the provisions of the International Chamber of Commerce, Geneva, Switzerland for non-circumvention and non-disclosure with regards to all and everyone of the parties involved in this transaction and contract, additions, renewals, and third party assignments, with full reciprocation for a period of (5) five years from the date of execution of this contract. This clause is extensive to all

subsidiaries and or affiliated companies. It is further agreed that any information of buyer and seller contained in this agreement is to be held in the strictest confidence, and any violation of which will result in the immediate cancellation of this agreement.

26. **PROCEDURES**

1. The buyer issues seller their LOI/ICPO
2. The seller reviews the LOI/ICPO and upon acceptance issues draft contract to buyer for comments and acceptance, the buyer signs and returns the draft contract showing all amendments required initialed and adds their full banking coordinates, confirming banking information and contact information
3. The seller, after discussing and finalizing all amendment with the buyer on phone or via fax or e-mail, amends where necessary the contract, and signs, seals and issues to the buyer a final copy of the contract for its completion.
4. The buyer reviews the final contract and upon acceptance signs the final copy contract and returns it to the seller. If further revisions are required they are noted and sent back to the seller for further review. Any facsimile or electronic copy shall be considered as the original.
5. Upon receipt of the accepted signed and sealed final contract from the seller via fax or email, buyer will print a copy of the contract as a hard copy, sign it and return it to us. Seller will then send three (3) hard copies to the buyer of their final contract signed and sealed.
6. **Before the payment instrument is transferred** to a designated mandate holder account the text of the payment instrument must be **reviewed and approved by a representative of Equity Business Trust and/or the Seller** and notification of approval shall be sent to the buyer.
7. The **non-operative irrevocable prime bank letter of credit** is issued, confirmed and guaranteed by a top world prime bank acceptable to the seller, in accordance with the agreement within 7-international banking days of signing and exchanging this agreement and from receipt of the irrevocable prime bank guarantee in accordance with this agreement, the seller's bank will issue to the buyer's bank the proof of product by Swift MT 700 **that will activate the letter of credit.**
8. Within 10-international banking days of the receipt, verification and authentication of buyer's irrevocable prime bank guarantee at seller's bank, the seller will issue a 2% performance bond for the value of the monthly shipment.
9. Delivery and shipment shall commence after the fulfillment of the procedure, stated above, as per the terms and conditions of this contract.

27. **AGREEMENT TO TERMS**

- 27.1 Signatures on this agreement received by the way of facsimile, mail and /or e-Mail shall be an executed contract. Agreement

enforceable and admissible for all purposes as may be necessary under the terms of the agreement.

- 27.2 All signatories hereto acknowledge that they have read the foregoing agreement and by their initials and signature that they have full and complete authority to execute the document for and in the name of the party for which they have given their signature.
- 27.3 **Electronic signature is valid and accepted as hand signature, EDT** (electronic document transmissions)
- 27.4 EDT (electronic document transmissions) shall be deemed valid and enforceable in respect of any provisions of this contract. As applicable, this agreement shall be:-
- 27.5 Incorporate U.S. public law 106-229, "electronic signatures in global and national commerce act" or such other applicable law conforming to the Uncitral model law on electronic signatures (2001) and
- 27.6 Electronic commerce agreement (ece/trade/257, Geneva, May 2000) adopted by the United Nations centre for trade facilitation and electronic business (un/Defact).
- 27.7 EDT documents shall be subject to European community directive no. 95/46/EEC, as applicable. Either party may request hard copy of any document that has been previously transmitted by electronic means provided however, that any such request shall in no manner delay the parties from performing their respective obligations and duties under EDT instruments.

28. CONTRACT TERM

Fourteen months and sixteen (16) days. Includes first thirty to forty five days where shipment is being prepared;

- 28.1 If any party to this agreement should make unauthorized contact with the bank of the seller or the buyer, such contact shall be considered interference with the agreement and shall at the option of the buyer or the seller, constitute valid reason to terminate this agreement. The interfering party will be charged with the loss of profits in this transaction by the injured party who will be entitled to file legal proceedings against the interfering party at the international chamber of commerce at Paris, France to recover their losses.
- 28.2 The buyer agrees to open the bank guarantee according to the payment schedule within five (5) days after signing of the final contract, and if the letter of credit is not opened than the buyer shall pay to the seller a fee equal to two percent (2%) of the full contract value within fifteen (15) calendar days of default
- 28.3 We also confirm that said funds are good clean, cleared unencumbered, legitimately earned and of non criminal origin

28.4 Any changes made in the contract that are not initialed will make the contract null and void.

BY SIGNING ON THE SIGNATURE PAGE THE PARTIES HEREBY ENTER INTO THIS AGREEMENT PROVIDED THAT THE ACCEPTANCE EXPIRATION DATE ON THE FULL CORPORATE OFFER HAS NOT PASSED PRIOR TO SIGNATURE.

SIGNATURE PAGE

Witness whereof, the parties hereto do set their hands and are witnessed with seals upon this Commodity Contract as of the following date:

Seller Signature:

FOR SELLER:

DATE: _____ **2009**

SELLER DETAILS:

Buyer Signature:

FOR BUYER :

DATE: _____ **2009**

BUYER DETAILS:

Company Name:

Reg no.:

Adress:

FAX:
MOBILE:
EMAIL:

FAX: +
MOBILE: +
EMAIL:



WITNESS:

General Manager:

AGENT: Stephan Schurmann

MANDATE HOLDER DETAILS:

EQUITY BUSINESS TRUST

Reg no: BT189-2004

Tel: +1-702-425-3340

Mobile: +34-622-179-069

Mobile:

Email:

DATE: _____ **2009**

Email: ceo@equitypanels.com

DATE: _____ **2009**

APPENDIX "1"

BANKING INFORMATION

SELLERS BANKING INFORMATION

NO CONTACT WITH THE SELLERS BANK/S MAY BE MADE WITHOUT THE EXPLICIT WRITTEN PERMISSION OF THE SELLER. IF CONTACT IS MADE WITHOUT THIS PERMISSION THE CONTRACT IS CONSIDERED NULL AND VOID.

SELLER WILL PROVIDE BANKING DETAILS ONCE THE FINANCIAL INSTRUMENT TEXT HAS BEEN APPROVED BY SELLER.

SELLER RESERVES THE RIGHT TO USE ONE OF ITS ALTERNATE CORPORATE BANK ACCOUNTS. IN THE EVENT AN ALTERNATE ACCOUNT IS TO BE USED, SELLER WILL NOTIFY BUYER OF NEW BANK COORDINATES WITHIN 48 HOURS OF RECEIPT OF SIGNED AND SEALED CONTRACT.

SELLER REQUIRES THAT BUYER NOTIFY SELLER PRIOR TO FORWARDING ANY FINANCIAL INSTRUMENT OR CORRESPONDENCE TO SELLERS BANK

ALTERNATIVE CORPORATE BANK ACCOUNTS

DUE TO THE DIFFERENT BANKING REGULATIONS AND PRACTICES AROUND THE WORLD, VARIOUS BANKING INSTRUMENTS ARE ACCEPTED BY SOME BANKS IN SOME COUNTRIES AND NOT ACCEPTED BY OTHERS. DEPENDING UPON THE FINANCIAL INSTRUMENT FINALLY ISSUED BY THE BUYER TO THE SELLER, IN ORDER TO FACILITATE THE TRANSACTION, IT MAY BE NECESSARY FOR THE SELLER TO USE A BANK OTHER THAN THAT ORIGINALLY DESIGNATED. DIRECT CONTACT WITH ANY BANK DESIGNATED BY THE SELLER WITHOUT FIRST GAINING WRITTEN PERMISSION FROM EQUITY BUSINESS TRUST AND/OR THE SELLER WILL NOT BE PERMITTED AND WILL RENDER THIS CONTACT NULL AND VOID.

Buyer's Banking Details:

COMPANY	
REG No.	
REPRESENTED BY	
TITLE	
ADDRESS	
CITY	
COUNTRY	
TELEPHONE NUMBER	
FAX NUMBER	
EMAIL	
PASSPORT NUMBER	
NATIONALITY	
BANK NAME	
BRANCH NAME	
BRANCH ADDRESS	
COUNTRY	
ACCOUNT NAME	
BENEFICIARY	
PASSPORT NUMBER	
ACCOUNT NUMBER	
SWIFT CODE	
BANK OFFICER	
BANK PHONE	
BANK FAX	

CONFIRMING PRIME BANK

Bank Name :
 Zip Code – City :
 Country :
 Swift Code :

APPENDIX "2"

DELIVERY SCHEDULE

The shipments of goods in MTW with five percent tolerance (+/-5%) as per specification under Appendix No. 2 of this contract will be made from any port as designated by the Seller as follows:

SHIPMENT NUMBER	APPROX. SAILING DATE (MONTH)	QUANTITY OF SHIPMENT	DESTINATION TBA
1		MT (+/- 5%)	
2		MT (+/- 5%)	
3		MT (+/- 5%)	
4		MT (+/- 5%)	
5		MT (+/- 5%)	
6		MT (+/- 5%)	
7		MT (+/- 5%)	
8		MT (+/- 5%)	
9		MT (+/- 5%)	
10		MT (+/- 5%)	
11		MT (+/- 5%)	
12		MT (+/- 5%)	
TOTAL SHIPMENTS:	12 (Twelve)	TOTAL QUANTITY	MT

1. Delivery:

Delivery of Portland Cement 42.5 will commence no later than 45 days after the acceptable operative payment instrument is received at the Seller's bank.

2. Transport:

All supervision and fees or levies at the port of loading are for the Seller's account.

Vessel must be classified as 100-A-1 in the Lloyd's Register or be of an equivalent classification and must **not be older than twenty (20) years**.

Vessel should be certified cargo hold cleanliness / suitable to load.

Not later than seventy two (72) hours from the completion of loading, the Seller's agent shall telex, fax or cable the Buyer and inform him of the vessel's sailing date and the expected time of arrival at the port of destination. Seller shall also inform the Buyer of the vessel's name, vessel's capacity, number of hatches, number of cargo and particulars of the vessel's readiness to effect operations through all hatches and at completion of loading the quantity loaded per chamber and the quantity shipped.

3. Vessel Discharge

The vessel's Master is to advise the Buyer's agent at port of discharge the vessel's name, date of arrival, vessel capacity, number of hatches / number of cargo chambers, quantity loaded per cargo chamber and the particulars of the vessel's readiness to effect cargo operations through all hatches.

The vessel's Master shall give ETA twenty (20) days and seven (7) days provisional notice and 72, 63 and 21 hours final notice of the vessel's estimated time of arrival at port of destination to the Buyer's agent at the port of discharge. Such notices shall be effected during normal business hours and whether in berth or not.

Lay time shall commence from 1.00 PM if vessel's notice of readiness to discharge is given prior to noon and from 8.00 AM of the next working day if notice is given after noon. If the port is congested, then lay time is to commence twenty-four (24) hours after notice of readiness is given. The Buyer is responsible for the product discharge.

The average discharge rate shall be 1,500 MT for bagged product at 5,000 MT for bulk product per weather working day of twenty-four (24) hours. If the port of discharge has a lower average discharge, the discharge rate will be adjusted according to the port's capacity. The times from 5.00 PM on Saturday to 08.00 AM on Monday and from 5.00 PM on the day proceeding to 08.00 AM on the day succeeding any holidays are excluded even if used.

Should the vessel be discharged at the rate less than the average, the Buyer shall pay to Seller demurrage at a rate established by that particular port per running day and pro rated share for any portion of any running day.

It is agreed that demurrage be settled by the vessel's Master and Buyer's shipping agent within five (5) days from the receipt of the vessel Master's Invoice.

Should the vessel be required to shift from one berth for another port of discharge, then the time used shifting shall be for the Buyer's account. In the event lighter age is required at the port of discharge, the said expenses are for the Buyer's account.

The Buyer is authorized to claim on the Seller's insurance policy in the event of non-delivery and the Seller agrees to support the Buyer's claim by providing all documents required for the processing of the said claim, as appropriate.

INSURANCE

Insurance is to be in accordance with ICC rules, and the terms and conditions of this contract. Insurance is for the Seller's account and is his sole responsibility.

1. Insurance is to cover **110%** of the value of the goods and should be payable to the order of the Buyer.
2. Insurance of the goods for voyage is the Seller's sole responsibility.
3. Insurance must include non-delivery of the goods.

ANNEX #1 to this contract

EXAMPLE OF A Letter of Credit to be issued by the end buyer (Verbiage of the L/C)

SENDER:

RECEIVER: Will put this in after I received this back with the bank info from the buyer

27 : Sequence of Total: 1/1

40A Form of Documentary Credit
IRREVOCABLE NON-TRANSFERABLE

20 Documentary Credit Number
xxx

31C Date of Issue:
XXXX 09

31D Date and Place of Expiry:
XXXX. 09 , ANY BANK

50 Applicant
IMPORTER NAME

59 Beneficiary:

32B Currency Code, Amount
Currency : USD (US DOLLAR)
Amount : \$ _____ #

39B Maximum Credit
TO MAXIMUM - _____ MILLION _____ HUNDRED THOUSAND
UNITED STATE DOLLARS (US\$ _____ .00)

41a Available With ...By ...
ANY BANK/PAYMENT

42C Drafts At **SIGHT**

42A Drawee: **BIC - [ISSUE BANK]**

43P Partial Shipments **PERMITTED**

43T Transshipment **PROHIBITED**

44A Port of Loading/ Airport Departure **EXPORT COUNTRY**

44B Port of Discharge/Airport Destination **IMPORT COUNTRY, ANY PORT**

44C Latest Date of Shipment **2009XXXX**

45A Description of Goods and/or Services.

**SUPPLY OF [ORDINARY PORTLAND CEMENT GRADE 42.5 PER SABS 50197/1
OR BS 12/1996 OR EN197-1/2000] AS PER CONTRACT DATED XX JANUARY
2009, _____ METRIC TONS (+/-5%) AND CONTRACT NO: XXXXXXXXXX
AND AS SPECIFICATION DOCUMENTS SENT BY THE BENEFICIARY.**

CIF - _____, _____, STRICTLY IN ACCORDANCE WITH
PROFORMA INVOICE.

46A Documents Required

- 1) SIGNED COMMERCIAL INVOICES IN 4 COPIES DULY CERTIFYING THAT THE GOODS SHIPPED ARE AS CONTRACT NO. CONTRACT NO: XXXXXXXXXX DATED XX 2009
- 2) CERTIFICATE OF ORIGIN IN 2 COPIES DULY CERTIFYING THAT THE GOODS ARE _____ ORIGIN ISSUED BY CHAMBER OF COMMERCE OR COMPETENT AUTHORITY SHOULD ACCOMPANY THE DOCUMENTS.
- 3) BILL OF LADING (PLUS 3 NN COPIES) SHOWING FREIGHT PREPAID EVIDENCING GOODS CONSIGNED TO _____ BANK, [BANK ADDRESS] AND LC NUMBER AND DATE NOT LATER THAN A MONTH BUT NOT EARLIER THAN THE DATE OF THIS L/C.
- 4) PACKING LIST IN 4 COPIES.
- 5) INSURANCE POLICY IN DUPLICATE FOR 110% CIF VALUE COVERING INSTITUTE CARGO CLAUSES (A), INSTITUTE WAR AND STRIKE CLAUSES, EVIDENCING THAT CLAIMS ARE PAYABLE IN IMPORT-COUNTRY. (GOODS DETAIL AS PER PROFORMA INVOICE FROM ORIGIN COUNTRY PORT TO DESTINATION PORT)
- 6) INSPECTION CERTIFICATE IN 3 COPIES, ISSUED BY SGS AT PORT OF LOADING IS FINAL CERTIFYING THAT INDICATING THAT ITEMS ARE AS PER SPECIFICATION MENTIONED PURCHASE ORDER/CONTRACT & PERFORMA INVOICE.

47A Additional Conditions

THE APPLICANT ISSUES IN FAVOR OF THE BENEFICIARY XXXX THIS OPERATIVE IRREVOCABLE, NON-TRANSFERABLE LETTER OF CREDIT WHICH WILL BE AUTOMATICALLY REVOLVING FOR 12 TIMES ALLOWING 30-45 DAYS START UP COVERING MONTHLY _____ MT OPC 42.5 AND TO THE VALUE OF MONTHLY US\$ _____ (_____ MILLION _____ HUNDRED AND _____ THOUSAND UNITED STATES DOLLARS) AND WILL CONTINUE AUTOMATICALLY REVOLVING AND UNTIL THE TOTAL QUANTITY OF _____ MT AND TO THE VALUE OF US\$ _____ (_____ MILLION _____ HUNDRED THOUSAND UNITED STATE DOLLARS) IS SHIPPED AND DELIVERED (+/- 5%).

71B Charges

ALL CHARGES OUTSIDE THE IMPORT COUNTRY ARE ON BENEFICAIRY' ACCOUNT

48 Period for Presentation

DOCUMENTS MUST BE PRESENTED WITHIN 21 DAYS AFTER THE DATE OF SHIPMENT.

49 Confirmation WITHOUT/ **CONFIRM**

53A Reimbursement Bank **XXXXXXXXXX**

78 Instructions to the Paying/ Accepting/ Negotiating Bank Instructions to the receiving bank

UPON PRESENTATION TO YOU OF DOCUMENTS COMPLYING IN ALL RESPECTS TO LETTER OF CREDIT TERMS, YOU ARE AUTHORISED TO CLAIM ON US BY TESTED TELEX CERTIFYING THAT ALL TERMS AND CONDITIONS HAVE BEEN COMPLIED WITH AND THAT THE RELATIVE DOCUMENTS HAVE BEEN FORWARDED TO US BY REGISTERED AIRMAIL COURIER. WE UNDERTAKE TO REMIT WITHIN TWO WORKING DAYS AFTER RECEIPT BY US OF YOUR TESTED TELEX/SWIFT CLAIM IN US DOLLARS /EURO/ ANY OTHER FREELY EXCHANGEABLE CURRENCY, IN ACCORDANCE WITH YOUR INSTRUCTIONS. THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (2007 REVISION) INTERNATIONAL CHAMBER OF COMMERCE BROCHURE NO. 600. THIS TELEX/SWIFT MAY BE TREATED AS THE OPERATIVE INSTRUMENT. ALL APPARENT SPELLING MISTAKE/MISTAKES IN LC DOCUMENTS, WHICH DO NOT ALTER MEANING/ SPECIFICATION / DESCRIPTION/QUANTITY/ VALUE OF GOODS ARE ACCEPTABLE AND WILL NOT COUNT AS A DISCREPANCY.

57A: Advice through bank

Bank
Address
City
Country

72 Sender to Receiver Information

THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (2007 REVISION ICC PUBLICATION NO.600). THIS SWIFT/TELEX TREATED AS THE AN OPERATIVE INSTRUMENT.

END OF DOCUMENT

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Be assured of our excellent and prompt service.

Should you have any questions, please do not hesitate to contact us

Yours sincerely,



STEPHAN SCHURMANN – CEO
21st EQUITY HOMES MANUFACTURING INC.