

Letter of Pledge of Goods.

To

GENERAL MANAGER

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DEAR SIRs,

1. In consideration of your permitting overdraft, Loan or other facilities from time to time I/We hereby deposit with and pledge to the Bank all the goods, grain, produce and or merchandise of the nature specified in the Schedule hereto and/or approved by the Bank (hereinafter called "the goods") now at -----
----- or wheresoever the goods may be removed or may for the time being be lying either in the course of transit from one godown to another or in transit by land or water and whether in my / our possession, control or power or that of the Bank to constitute a continuing security to the Bank for the repayment on demand of the moneys hereafter mentioned.

2. If any of the goods are shipped at any time I/We undertake to hand to the Bank the Bills of Lading or other documents of title endorsed in favour of the Bank and that in default of so doing, the Bank may enter and take possession of the goods wherever they may be found. I/We also agree not to create any pledge mortgage charge or lien over the goods or any part there of specially or otherwise in favour of any other party or to permit or suffer to be done any act or thing which may adversely affect the Bank's security thereon.

3. I/We will at all times undertake that the total of my/our liabilities to the Bank does not exceed ----- percent of the cost price or market value of the goods (whichever shall be lower). If at any time the margin above indicated shall be diminished I/We agree to lodge immediately which the Bank additional security approved by the Bank or to pay to the Bank a sufficient sum of money so as to maintain unimpaired the said margin. The Bank shall be the sole judge of the current market value of the goods and of the additional security for the purpose of this agreement. The Bank shall not in any way be prejudiced nor shall any waiver of the provisions of this agreement be implied from the Bank's neglect or failure to enforce the said margin.

4. I/We undertake to pay the proceeds of any goods sold into account with the Bank in reduction or satisfaction of outstanding liabilities.

5. I/We will ensure that the goods are insured to their full value against fire and all other risks as required by the Bank with Insurance Companies approved by the Bank and will deliver to the Bank the policy or policies of Insurance duly assigned in favour of the Bank failing which the Bank shall be entitled but not bound to insure the goods at my /our expense of and for my/our account. The Bank shall be entitled to receive any money payable in respect of the insurance. The Bank shall be entitle to adjust, settle, compromise or refer to arbitration any dispute between the Insurance Company and the assured relating to the goods shown in the schedule, I/We agree to accept any decision so reached.

6. The Bank shall be entitle without any previous notice to take possession and I/We agree to give possession of all or any of the goods and to comply with all the directions of the bank and afford every facility in order to place and keep the Bank in exclusive possession custody and control of the goods and in such manner that such possession custody and control shall be apparent and indisputable.

7. In particular but without prejudice to the generality of clause 6 hereof, the Bank may direct.

(a) that all godowns in which the goods shall be stored shall be taken in , or transferred to, the name of the Bank and the Bank shall be at liberty to affix to all or any such godowns a notice or notices or otherwise to adopt such means of identification as the Bank may deem proper;

(b) that the goods shall be stored in the said godowns in the presence of an employee of the Bank;

(c) that a clerk, watchman, durwan and/or any other person shall be appointed at each of the said godowns and that such clerk, watchman, durwan and/or other person shall act solely under the Bank's orders;

(d) that an invoice and/or statement containing full particulars of the goods including weight or other measurement and market value shall be handed over to the Bank by me/us;

(e) that a register shall be kept of the goods in, or removed from, any godown which register shall be open for inspection at all times and such register shall be considered to be the property of the Bank;

(f) that private marks or numbers of the Bank be placed on and/or that other marks be deleted or removed from all or any of the goods deposited in any such godowns in pursuance of this Agreement.

8. I/We agree to pay on demand by the Bank all rent in respect of the said godowns, salary and wages of clerks, watchman, durwans or employees of the Bank and all costs charges and expenses incurred by the Bank in the exercise of or in giving effect to such directions aforesaid.

9. Notwithstanding the delivery to the Bank of the said godowns and the presence of the Bank's employees the Bank shall in no way be responsible for the safe custody of the contents nor for the preservation of the said godowns nor for the performance and observation of the terms on which the same are held and I/We shall be responsible for the safety of the goods from theft and destruction or damage or deterioration by rain or other causes.

The goods or any part thereof shall not be removed from the said godowns except on production of a delivery order or orders signed on behalf of the Bank by its manager or acting manager authorized in that connection.

10. In the event of my/our failing to pay on demand my/our liabilities to the Bank, or in the event of my/our failing to observe or perform any of the terms and conditions hereof or if for any reason the Bank may consider its security jeopardized the Bank shall be entitled without any previous notice to me/us (notwithstanding any notices required by law or otherwise to be given which notices are hereby expressly waived and without prejudice to any other rights or remedies of the Bank) to sell by public auction or private contract in whole or in part at such price as it thinks fit. If however the total net proceeds are insufficient to cover my/our indebtedness to the Bank, I/We shall forthwith pay to the Bank the deficiency.

I/We agree to accept without question the Bank's account of such sale(s) or other transactions signed by an officer of the Bank as sufficient proof of the amount realized or due and the costs, charges and expenses.

11. Any partial delivery of the goods by the Bank to me/us shall in no way prejudice the rights of the Bank against the remainder of the goods or otherwise under this agreement.

12. The security hereby created shall, subject to the rights of the Bank hereunder, be available to the Bank as security (collateral or otherwise) for all sums of money, accounts, debts, liabilities, present or future conditional or contingent, whether matured or not, due or to become due by me/us to the Bank whether singly or jointly with another or others or as guarantor or in any other capacity or otherwise howsoever and for all claims, demands, costs and charges of the Bank against me/us on any account whatsoever.

13. I/We hereby covenant with the Bank that I/We have a good right to deposit pledge, hypothecate and/or charge the goods and or other securities as shown in the schedule.

14. I/We agree to pay all costs, charges and expenses in any way incurred by the Bank in connection with this agreement and to pay interest thereon at the agreed rate.

15. This agreement shall operate as a continuing security irrespective of whether any particular amount or the general balance of accounts between us shall revert to my/our credit.

16. This agreement shall be binding on us jointly and severally and all persons deriving title from all or any of us and that notwithstanding any charges in the constitution or the name of the firm or whether the firm its successors or assigns be reduced to a single individual.

Yours faithfully,

SCHEDULE

Timber Logs, Furniture and other Timber products with a minimum margin of 40% . (Loan to Value is Maximum of 60% of purchase value of the stock)