

GE Capital
Commercial Finance
A unit of General Electric Capital Corporation
10 South LaSalle Street, Suite 2800
Chicago, IL 60603

FORM OF ACCOUNT DEBTOR NOTICE/ACKNOWLEDGMENT

May 14, 1999

E&S International Enterprises, Inc.
7849 Canoga Ave.
Canoga Park, CA 91303-5002
Attn: Fred Johnson

Re: Notice of Assignment and Payment Instructions

Dear Sir:

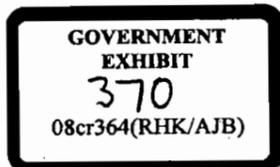
Reference is made to the purchase orders dated May 11, 1999 entered into between you and Petters Capital, Inc. ("Petters Capital"), a copy of which is attached as Exhibit A hereto (the "Sales Agreement").

Please be advised that Petters Capital has granted to General Electrical Capital Corporation ("GE Capital") a security interest in all now-existing or hereafter-arising rights of Petters Capital under the Sales Agreement, including, without limitation, all now-existing or hereafter-arising rights to payment in connection therewith.

Please be further advised that Petters Capital has granted to GE Capital the irrevocable right to receive all payments made by you in connection with the Sales Agreement, and that you are hereby instructed in accordance with Section 9-318 of the Uniform Commercial Code to make all payments in connection with the Sales Agreement directly to GE Capital in one of the following manners:

- (i) If payment is made by check, by check made payable "To the order of General Electric Capital Corporation" and delivered to the following address:

GE Capital Corporation/Commercial Finance
Suite 1453
75 Remittance Drive
Chicago, IL 60675-1453



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(ii) Otherwise, by wire transfer to the following bank account:

Northern Trust Co.
75 Remittance Drive
Chicago, IL 60675
Account Name:
Account Number:
ABA Number:

GE Capital Corporation/Commercial Finance

The foregoing instructions may only be changed by written notice to you from GE Capital. Please note that any payments not made in accordance with the foregoing payment instructions may not satisfy your obligations under the Sales Agreement.

Petters Capital is executing this letter to confirm to you the matters described in this letter and to irrevocably instruct you to comply with GE Capital's instructions in connection therewith.

Please execute the enclosed copy of this letter where indicated below to (a) acknowledge your receipt of this notice and payment instruction and your agreement to comply with terms hereof, and (b) confirm that the Sales Agreement is the complete agreement between you and Petters Capital with respect to the subject matter thereof and that the Sales Agreement will not be amended or otherwise modified without the prior written consent of GE Capital.

If you have any questions regarding this matter, please contact Geoff Hall at GE Capital at 10 South LaSalle, Suite 2800, Chicago, IL 60603. (312) 419-0985.

Very truly yours,

GENERAL ELECTRIC CAPITAL
CORPORATION

By *Geoff Hall*

ACKNOWLEDGED:

PETTERS CAPITAL, INC.

By *[Signature]*
Thomas Petters
President

ACKNOWLEDGED AND CONFIRMED:

E&S International Enterprises, Inc.

By *[Signature]*
Name *F. H. [Signature]*
Title *Vice President*

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