

# **EXHIBIT I**

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Standby Letter of Credit Application and Agreement

NO.-DO  
NOT FILL IN

DATE: September 24, 2004

International Trade Services Department  
Comerica Bank  
  
TO: Comerica Bank  
2321 Rosecrans Avenue 5<sup>th</sup> Floor  
El Segundo, California 90245  
Attn: Rudy Forbes

MICHIGAN

LC 595628

The undersigned hereby requests Comerica Bank, to issue an Irrevocable Standby Letter of Credit and either; Notify through Comerica Bank's correspondent by; a)  Forward directly to Beneficiary by  mail  courier; b)  Return to us for mailing to beneficiary by  mail  courier; c)  Swift/telex; d)  Hold for pickup by \_\_\_\_\_; e)  Send to Third Party: \_\_\_\_\_ by  mail  courier; as follows:  
(INDICATE NAME) (INDICATE NAME)

In favor of (Beneficiary): Southern California Edison Company  
2131 Walnut Grove Avenue  
Rosemead, CA 91770  
ATTN: Tommy Navarro

(COMPLETE STREET ADDRESS - NO P.O. BOX)

For account of (Applicant): Conexant Systems, Inc.  
4000 MacArthur Boulevard (FO4-400)  
Newport Beach, CA 92660

140575  
2004 SEP 24 PM 3:49

Amount: An aggregate amount not to exceed Fifty Three Thousand Nine Hundred Seventy Dollars  
\$53,970.00

DOC TRACK NO. 1484830  
O.F.A.C CHECKLIST  
E.A.B. CHECKLISTS

DEL19:2283850.1\022751-03706

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Expiration  
Date:

September 27, 2004

Partial  
Drawings

are  
permitted

are not  
permitted

Available by drafts at sight drawn on Comerica Bank or their correspondent at their option when accompanied by the following documents (if any):

See Attached.

**TERMS AND CONDITIONS**

In these provisions:

- (1) The "Applicant" means the undersigned party or parties identified and signing as such.
- (2) "Application" means this application and agreement by the Applicant for an irrevocable standby letter of credit from the Bank, as such application may be amended or modified from time to time in accordance with the provisions hereof or with the written agreement or consent of the Applicant.
- (3) The "Bank" means Comerica Bank
- (4) The "Credit" means the irrevocable standby letter of credit issued by the Bank at its option pursuant to this Application, as such letter of credit may be modified or amended as provided herein.
- (5) An "Instrument" means any draft, receipt or cable or written demand for payment relating to the Credit.
- (6) "~~Uniform Customs And Practice~~" means the ~~Uniform Customs and Practice for Documentary Credits (1993 Revision)~~, International Chamber of Commerce Publication No. 500, and any subsequent revisions thereof approved by a Congress of the International Chamber of Commerce and adhered to by the Bank. <sup>KRP</sup>

This Standby Letter of Credit is subject to ISP98 International Chamber of Commerce Publication No. 590  
In consideration of the issuance by the Bank of the Credit, the Applicant hereby agrees with the Bank as follows:

- 1. The Applicant will reimburse the Bank at its principal office, in cash, the amount required to pay each instrument, such reimbursement to be made on demand in the case of each sight draft or receipt, with interest from the date of payment of the instrument to the date of reimbursement. Upon the occurrence of any event of default described in paragraph 11 below, Applicant will pay the Bank a sum equal to the Bank's outstanding liability under the Credit.
- 2. The Applicant will pay the Bank, quarterly in arrears, a non-refundable commission of 27.5 <sup>KRP</sup> 375 % per annum of the face amount of the letters of credit outstanding from time to time, together with such other reasonable fees and expenses of the Bank (including but not limited to overnight delivery fees) in connection with the Credit according to the Bank's standard practice, as in effect from time to time, and interest on the amount paid by the Bank and not reimbursed as provided in paragraph 1 hereof, including all charges and expenses paid or incurred by the Bank in connection therewith, at the rate of three (3%) percent above the Bank's prime rate; and effect shall be given

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to any change in the interest rate resulting from a change in the prime rate on the date of such change in the prime rate. The "prime rate" shall mean the rate of interest established by the Bank from time to time as its prime rate, which may not necessarily be the lowest interest rate charged by the Bank to its borrowers. The Bank is authorized to charge Applicant's deposit account for all required payments.

3. If any law or regulation or the interpretation or implementation thereof by any court or administrative or governmental authority charged with the administration thereof shall either: (a) impose, modify or deem applicable any reserve, special deposit, limitation or similar requirement against letters of credit issued by, or assets held by, or deposits in or for the account of, the Bank, or (b) impose on the Bank any insurance premium or other condition regarding this Application or the Credit, and the result of any event referred to in clause (a) or (b) above shall be to increase the cost of issuing or maintaining the Credit over that which the Bank assumed in determining its fees, then, upon demand by the Bank, the Applicant shall immediately pay to the Bank, from time to time as specified by the Bank, additional amounts which shall be sufficient to compensate the Bank for such increased cost, together with interest on each such amount from the date demanded until payment in full thereof at the rate and on the terms set forth in paragraph 2 above. A certificate as to such increased cost incurred by the Bank as a result of any event mentioned in clause (a) or (b) above, submitted by the Bank to Applicant, shall be conclusive, absent manifest error, as to the amount thereof.
4. The Applicant agrees to indemnify and hold the Bank harmless from and against any and all claims, damages, losses, liabilities, costs or expenses whatsoever which the Bank may incur (or which may be claimed against the Bank by any person) by reason of, or in connection with, the execution and delivery or transfer of, or payment or failure to pay under, the Credit, or by reason of, or in connection with, any other matters arising under this Application, or any of the transactions contemplated hereby; provided, however, the Applicant shall not be required to indemnify the Bank for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful and wrongful misconduct or gross negligence of the Bank.
5. The Applicant assumes all risks of the acts or omissions of any beneficiary or transferee of the Credit with respect to its use of the Credit. Neither the Bank nor any of its officers or directors shall be liable or responsible for: (a) the use which may be made of the Credit or for any acts or omissions of any beneficiary or transferee in connection therewith; (b) the validity, sufficiency or genuineness of documents, or of any endorsements thereof, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; (c) payment by the Bank made against presentation of documents which substantially comply with the terms of the Credit; or (d) any other circumstances whatsoever in making or failing to make payment under the Credit. In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary. The Bank shall not be responsible for any act, error, neglect or default, omission, insolvency or failure in business of any of its correspondents. The occurrence of any one or more of the contingencies referred to in the preceding clauses of this paragraph shall not affect, impair or prevent the vesting of any of the Bank's rights or powers hereunder or the Applicant's obligation to make reimbursement. The Applicant will promptly examine (i) the copy of the Credit (and any amendments thereof) sent to it by the Bank and (ii) all documents and instruments delivered to it from time to time by the Bank, and, in the event of any claim of noncompliance with Applicant's instructions or other irregularity, will immediately notify the Bank thereof in writing, the Applicant being conclusively deemed to have waived any such claim against the Bank and its correspondents unless such notice is given as aforesaid.
6. The Applicant will pay on demand all reasonable costs and expenses (including without limitation, reasonable attorneys' fees and legal expenses) incurred by the Bank in connection with the enforcement of this Application and

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such other documents which may be delivered in connection with this Application or any action or proceeding relating to a court order, injunction or other process or decree restraining or seeking to restrain the Bank from paying any amount under the Credit.

7. Except insofar as instructions may be given by the Applicant in writing or by a Request (as defined in paragraph 9 below) expressly to the contrary with regard to, and prior to, the Bank's issuance of the Credit, the Bank may, but shall not be required to, honor, as complying with the terms of the Credit and the Application, any instruments or other documents otherwise in order signed or issued by any administrator, executor, trustee in bankruptcy, debtor in possession, assignee for the benefit of creditors, liquidator, receiver or other legal representative of the party authorized under the Credit to draw or issue such instruments or other documents.
8. These Terms and Conditions and the Credit shall be subject to the Uniform Customs and Practice (a copy of which is available upon request) and, in the event any provision of the Uniform Customs and Practice is or is construed to vary from or be in conflict with any provision of the Michigan Uniform Commercial Code, as from time to time amended and enforced (the "Commercial Code"), the Uniform Customs and Practice shall prevail.
9. The Applicant authorizes the Bank to honor the Applicant's orders to issue, amend or pay the Credit for the Applicant's account and risk upon a request communicated to the Bank by telephone, telegram, telex, computer, facsimile transmission, or other electronic means (a "Request") subject to the following: (a) a Request shall be made only by those persons authorized by the Applicant in accordance with the Bank's established requirements and the Bank shall not be obligated to identify such persons so authorized beyond the use of the authorized name or code identification if any is established, (b) all Requests will be confirmed by the Bank in writing by sending to the Applicant a copy of the documents authorized or requested by the Applicant and the Applicant agrees promptly to examine such documents and to report any discrepancies promptly upon receipt of such confirmation, (c) if frequent Requests are to be made, the Bank may, but shall not be obligated to, assign a unique code number or word and require that such code be used by the Applicant (and if such a code number or word is established, all further Requests shall refer to such code), (d) the Bank shall not be liable for any loss that the Applicant may incur as a result of the Bank's compliance with a Request in accordance with this Application even if unauthorized, provided that the Bank acted in good faith, and the Applicant indemnifies the Bank and holds the Bank harmless for any such losses, (e) the Bank will not be liable for any delays in honoring any Request, nor for any delays caused by others to whom the Bank may transmit such Request either at the Applicant's direction or otherwise and the Bank will not be required to honor Requests on the day on which Requests are received unless the Bank has agreed to do so and the Applicant has caused such Request to be received before the time the Bank has specified to honor such Request, (f) the Bank shall not be obligated to honor any Requests provided that the Bank has notified the Applicant by telephonic or other prompt means, (g) all Requests shall be subject to the terms of this Application and any other written, electronic, or oral agreement entered into with the Bank by the Applicant in connection with any transaction relating to such Request. Bank may record any Request made by telephone and any other telephonic communications between the Applicant and the Bank regarding the Credit.
10. To induce Bank issue the Letter of Credit and to secure its obligations hereunder, Applicant has pledged its interest in its money market account no. # 1851-480234 held at Bank pursuant to a Security Agreement (Negotiable Collateral) dated as of even date herewith.

All other funds, property and account balances of the Applicant with or in the Bank's possession or any of the Bank's agents or correspondents at any time, whether before or after any default, shall secure the obligations of the Applicant

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hereunder and the Applicant hereby grants the Bank a security interest in the same for the purpose of securing such obligations.

In the event of default by Applicant hereunder, the Bank shall have all remedies available to the Bank under the Commercial Code.

11. Upon the death of any Applicant; or if any of the obligations and/or liabilities of the Applicant to the Bank shall not be paid or performed when due; or if there is a breach in any warranty or representation herein; or if the Applicant shall become insolvent (however such insolvency may be evidenced) or commit any act of bankruptcy or insolvency, or make a general assignment for the benefit of creditors; or if the Applicant shall suspend the transaction of its usual business or be expelled or suspended from any exchange; or if an application is made by any judgment creditor of the Applicant for an order directing the Bank to pay money or deliver other property (and the Applicant is unable to have such order set aside within 45 days of notice thereof); or if a petition in bankruptcy shall be filed by or against the Applicant or a petition or any proceeding shall be filed or instituted by or against the Applicant for any relief under any bankruptcy or insolvency laws or any law relating to the relief of debtors, readjustment of indebtedness, reorganization, composition or extension; or if any governmental authority, or any court at the instance of any governmental authority, shall take possession of any substantial part of the property of the Applicant, or shall assume control over the affairs or operations of the Applicant, or if a receiver shall be appointed of, or a writ of order of attachment or garnishment shall be issued or made against, any of the property or assets of the Applicant (and the Applicant is unable to have such order or attachment set aside within 45 days of the entry thereof); or if the Bank shall in good faith deem itself insecure at any time; thereupon, unless the Bank shall otherwise elect, any and all obligations and liabilities of the Applicant to the Bank hereunder, whether now existing or hereafter incurred, shall become and be due and payable forthwith without presentation, demand or notice, all of such are waived, and the Bank is hereby authorized to sell immediately, without demand for payment, advertisement or notice to the Applicant, all of which are hereby expressly waived, at private sale or at public auction, any property shipped or to be shipped under the credit in which the Applicant may have any interest, applying the proceeds, less the reasonable costs and expenses of such sale and any other reasonable expenses paid or incurred in respect of said property, in and towards any indebtedness of the Applicant to the Bank, paying the surplus to the Applicant or the Applicant's legal representative.
12. The Applicant submits, in any legal proceeding related to the Application or the Credit, to the nonexclusive jurisdiction over the person of the Applicant of any court of competent jurisdiction sitting in the State of Michigan and agrees to a suit being brought in any such court; waives any objection that it may now have or hereafter have to the venue of such proceeding in any such court or that such proceeding was brought in an inconvenient court; agrees that service of process and any such legal proceeding may be made, and shall be conclusively deemed sufficient and adequate, by mailing of copies thereof (by registered or certified mail, if practicable) postage prepaid, or by teletransmission to the Applicant at its address set forth therein or such other address of which the Bank shall be notified in writing, in which event, service shall be deemed complete upon the filing with the court of a copy of the process mailed or sent and an affidavit attesting the mailing or sending. The Applicant agrees that nothing herein shall affect the Bank's right to effect service of process in any other manner permitted by law.
13. The Bank shall not be deemed to have waived any of its rights hereunder, unless the Bank or its authorized agents shall have signed such waiver in writing. No such waiver unless expressly as stated therein, shall be effective as to any transaction which occurs subsequent to the date of such waiver, nor as to any continuance of a breach after such waiver.

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14. If the Applicant has submitted this Application to its bank ("Applicant's Bank") and requested that Applicant's Bank (as Applicant's agent) establish the Credit through the Bank as the affiliate or correspondent of Applicant's Bank, then the following provisions shall apply: (a) the term "Bank" shall mean the Applicant's Bank and the Bank, both collectively and individually so that either Applicant's Bank or Bank may exercise all the rights, privileges and powers conferred upon the Bank under this Application; (b) any collateral given as security for the Applicant's obligations under this Application and any deposit balances with Applicant's Bank shall stand as security for the Credit and for any of Applicant's Bank's obligations entered into on behalf of the Applicant for the issuance of the Credit.
15. If the Credit was directed through Applicant's Bank, then Applicant's Bank, by its execution of this Application: (a) requests and appoints the Bank as its agent to establish in the Bank's name or through a correspondent the Credit; (b) authorizes the Bank and/or its correspondent(s) to pay drafts drawn against the Credit as specified in this Application and to exercise all rights, powers and privileges conferred by this Application without reference to Applicant's Bank; (c) agrees to make payments to the Bank in amount, time and manner as required of the Applicant under this Application whether or not Applicant's Bank has received payment from the Applicant; (d) assigns to the Bank as security all its rights, including rights of payment and to security, under this Application and agrees to deliver to the Bank, upon demand, such additional security as the Bank may request, and also agrees to give the Bank a lien on all its property, including deposit balances now or hereafter in the Bank's possession for the amount of any liability of Applicant's Bank to the Bank hereunder; and (e) agrees that if it fails to make any payment or provide any security as requested, all its obligations and liabilities to the Bank shall immediately, without notice, become due and payable at the Bank's option.
16. The obligations hereof shall bind the successors and assigns of the Applicant, and all rights, benefits and privileges conferred on the Bank shall be and are extended to and conferred upon and may be enforced by its successors and assigns. If the Applicant is a partnership, the obligations hereof shall continue in force and apply, notwithstanding any change in the membership of such partnership, whether arising from the death or retirement of one or more partners or the accession of one or more new partners. If this Application is signed by two or more Applicants, it shall be the joint and several agreement of each Applicant.
17. Except as otherwise provided herein, any notice from the Bank to the Applicant, if mailed, shall be deemed given when mailed, postage paid, addressed to the Applicant at its address set forth herein or such other address of which the Bank shall be notified in writing. Whenever possible each provision of this Application shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Application shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Application.
18. Subject to the provisions of paragraph 8 above, this Application and all rights, obligations and liabilities arising hereunder shall be both governed by, and construed in accordance with, the law of the State of Michigan.
19. This Agreement and any Requests constitute the entire agreement of the parties with respect to the subject matter hereof, and except as provided in paragraph 9, this Application may not be amended except in writing signed by both parties.

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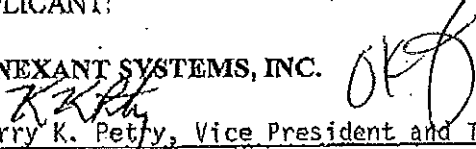
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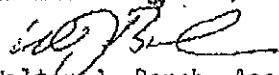
In consideration of your issuing the Credit, as requested in this application, the Applicant agrees to all terms and conditions of the Agreement set forth above, including but not limited to the payment obligations therein set forth. The Applicant is referred to as the "Applicant" in such terms and conditions.

APPLICANT:

CONEXANT SYSTEMS, INC.

  
Kerry K. Petry, Vice President and Treasurer

Authorized Signature, Title

  
Walter J. Bench, Assistant Treasurer

Contact Name



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TELEX NO: 160455 CMACALB  
FAX NO: (310) 338-6330  
SWIFT: MNBDSUS6S LAX

COMERICA BANK-CALIFORNIA  
INTERNATIONAL DEPARTMENT  
9920 S. LA CIENEGA BLVD., 11<sup>TH</sup> FLOOR  
INGLEWOOD, CA. 90301

BENEFICIARY:  
SOUTHERN CALIFORNIA EDISON  
COMPANY  
2131 WALNUT GROVE  
ROSEMEAD, CA. 91770  
ATTN: ~~CHERIE HSU~~  
TOMMY NAVARRO

ISSUANCE DATE: ~~OCTOBER 10, 2002~~

AMOUNT: USD ~~825,000.00~~ <sup>53,970.00</sup> ONE YEAR  
DATE ~~OCTOBER 15, 2003~~ <sup>DATE</sup> PACT ISSUANCE  
(AT OUR COUNTERS)

4026 MACARTHUR BOULEVARD

AT THE REQUEST AND FOR THE ACCOUNT OF CONEXANT SYSTEMS, INC., ~~411 TAMBOREE ROAD~~ NEWPORT BEACH, CA. 92660 WE, HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. ~~57736~~ IN FAVOR OF SOUTHERN CALIFORNIA EDISON COMPANY, 2131 WALNUT GROVE, ROSEMEAD, CA. 91770 IN THE AGGREGATE AMOUNT OF ~~EIGHT HUNDRED TWENTY FIVE THOUSAND U.S. DOLLARS (\$825,000.00)~~ AND IS AVAILABLE FOR PAYMENT AGAINST PRESENTATION OF YOUR DRAFT(S) AT SIGHT DRAWN ON COMERICA BANK-CALIFORNIA WHEN ACCOMPANIED BY THE FOLLOWING DOCUMENTS:

1. THE ORIGINAL OF THIS LETTER OF CREDIT AND AMENDMENT(S) IF ANY THERETO.
2. A). A WRITTEN STATEMENT PURPORTEDLY SIGNED BY AN AUTHORIZED OFFICIAL OF BENEFICIARY, CERTIFYING THAT CONEXANT SYSTEMS, INC. FAILED TO PAY FOR GOODS OR SERVICES PROVIDED BY SOUTHERN CALIFORNIA EDISON COMPANY WHEN DUE, AND  
B). A COPY OF BILL(S) FOR SUCH GOODS OR SERVICES.

SPECIAL CONDITIONS:  
PARTIAL DRAWINGS ARE PERMITTED.

ALL DOCUMENTS ARE TO BE DISPATCHED IN ONE LOT BY COURIER SERVICE TO COMERICA BANK-CALIFORNIA INTERNATIONAL DEPARTMENT, 9920 S. LA CIENEGA BLVD., 11<sup>TH</sup> FLOOR, INGLEWOOD, CA. 90301 ATTN: STANDBY L/C TEAM-44

WE ENGAGE WITH YOU THAT ALL DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS CREDIT WILL BE DULY HONORED IF PRESENTED AT THIS OFFICE ON OR BEFORE ~~OCTOBER 15, 2003~~.

THIS STANDBY LETTER OF CREDIT IS SUBJECT TO THE "ISP98" INTERNATIONAL CHAMBER OF COMMERCE (PUBLICATION NO. 390), AND ALL DISPUTES ARISING OUT OF IT OR RELATED TO IT ARE SUBJECT TO ARBITRATION UNDER "ICLOCA RULES (1996)".

YOURS VERY TRULY

AUTHORIZED SIGNATURE

RUDY FORBES  
VP, INTERNATIONAL DIV.

*KLP*  
NOTE: THIS IS AN EXACT COPY OF THE CREDIT ~~LETTER~~ WHICH WE HAVE ISSUED IN ACCORDANCE WITH YOUR APPLICATION. PLEASE EXAMINE THE CONTENTS IN ORDER TO NOTE WHETHER YOUR INSTRUCTIONS WERE PROPERLY FOLLOWED.

Ltr/Credit