



# Cash Security Deposit Program

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ARC Agency Code Number

This Cash Security Deposit Agreement (this "Agreement") is made and entered into this \_\_\_\_\_ day \_\_\_\_\_, of 20\_\_\_\_ by, and between Airlines Reporting Corporation ("ARC"), 3000 Wilson Blvd., Suite 300 Arlington, VA 22201 and

\_\_\_\_\_  
(Agent"), (Travel Agency Legal Name) located at

\_\_\_\_\_  
(Travel Agency's STREET Address Including City and state)

Are you currently undergoing an ownership change?  Yes  No

**Witnesseth:**

WHEREAS, ARC and the Agent are parties to the ARC Agent Reporting Agreement ("ARA") and Agent is in good standing as determined by ARC;

AND WHEREAS, in order to comply with the ARA, the Agent is required to maintain an instrument of financial security for the benefit of ARC and the Carriers (as defined in the ARA) for its performance under the terms and conditions of the ARA;

AND WHEREAS, ARC offers a program whereby the Agent may satisfy the financial instrument requirements of the ARA by depositing with ARC cash in an amount sufficient to meet the security requirements in the form of a cash security deposit ("Security Deposit");

AND WHEREAS, this Agreement is intended by the parties to govern the terms and conditions of the Security Deposit;

NOW THEREFORE, in consideration of the mutual promises set forth herein, the benefit provided to the Agent by ARC and by the Agent's participation under the ARA, ARC and the Agent hereby agree as follows:

1. The Agent has tendered to ARC cash in the amount of \$\_\_\_\_\_USD in order to create a cash security deposit, and consents to ARC holding such funds under the terms and conditions of this Agreement.
2. The Agent hereby grants ARC a priority security interest in any and all funds held in the Security Deposit, including such additional and further amounts as may be added to the Security Deposit from time to time following the execution of this Agreement.
3. The Agent agrees that any and all amounts held in the Security Deposit shall not accrue interest on behalf of the Agent, nor shall ARC be required to account for any amount other than the principal amount of the Security Deposit.
4. The Security Deposit, together with any and all other security deposits received by ARC from other agents, shall be maintained in a segregated demand deposit account at a federally insured financial institution selected in the sole and absolute discretion of ARC, and the Security Deposit shall be held in the name of ARC.
5. ARC shall maintain in its records the amount of the Security Deposit held on behalf of the Agent and shall provide such information to the Agent within seven (7) business days of receiving a written request from the Agent.



6. In the event that the Agent defaults in the performance of its obligations under the ARA for any reason, ARC may apply, with or without notice to or consent by the Agent or any other party, by set off or otherwise, all or any portion of the Security Deposit subject to this security interest to cover any and all amounts owed to ARC or the Carriers under the ARA by the Agent for any obligation of any kind.

7. It is the intention of the parties hereto that the Security Deposit be considered in the possession of ARC and subject to a perfected security interest and agreement in favor of ARC.

8. It is further the intention of the parties that ARC be considered to be in control of the account in which the Security Deposit may be deposited within the meaning of the current Uniform Commercial Code and any revisions or modifications thereto, and that ARC hold a perfected security interest in such account.

9. ARC may terminate this Agreement without further notice following a default of the Agent under the terms and conditions of the ARA. ARC may terminate this Agreement without cause upon ninety (90) days advanced, written notice to the Agent.

10. Agent may terminate this Agreement without cause in conjunction with either a substitution in the form of Agent financial security (i.e., a change to a bond or letter of credit), or in connection to an ownership change or a voluntary deletion under the terms and conditions of the ARA.

11. Upon termination of this Agreement, the Security Deposit, less any and all amounts owing by the Agent under the ARA, shall be returned to the Agent as follows: (A) if the Agent is in default under the terms and conditions of the ARA, only upon a full and final accounting of all amounts accepted by ARC and owed by the Agent and of all ARC traffic documents and carrier ID plates; (B) if the Agent is not in default under the terms and conditions of the ARA and termination of this Agreement is the result of a substitution in the form of financial security from a cash security deposit to a bond, 100 days from the effective date of the replacement bond; or (C) if the Agent is covered by a cash security deposit and is voluntarily deleting its accreditation or has been ARC approved for a Stock Transfer with New Owners or Existing Agency with New Owners. Ownership Change, 100 days from the effective date of the Ownership Change or from the effective date of the voluntary cancellation OR upon a full and final accounting of all ARC traffic documents and carrier ID plates, whichever occurs later.

12. The terms and conditions of the ARA are incorporated herein and made a part hereof by reference.

13. This Agreement in combination with the ARA constitutes the entire agreement of the parties concerning the Security Deposit. All prior negotiations or representations are merged into this Agreement. This Agreement may not be modified or amended except by a writing signed by the party against which the modification or amendment would operate.

14. No failure or delay on the part of ARC to exercise any rights, power, or remedy under this Agreement shall be construed as a waiver of the right to exercise the same or any other right at any time. This Agreement may not be assigned or otherwise assumed by a party other than the Agent except with the express prior written consent of ARC.

15. This Agreement shall be construed in accordance with the laws of the Commonwealth of Virginia.



Agent Entity Type: (Check the one that applies)

Sole Proprietorship      \_\_\_ Ltd. Liability Company      \_\_\_ Partnership      \_\_\_ Corporation

Ownership: Please include your ownership interest below, e.g., for corporation, shareholders with 30% or more and officers with 10% or more of the stock or other beneficial interest; for LLC, all members and respective titles such as managing member; for partnership, General Partner and his/her spouse.

Full Name	Social Security No.	Date of Birth	If not U.S. citizen, Alien Registration No.	Ownership Interest (%)

1. If the person identified as Agent above is applying for inclusion on the ARC Agency List (the "Applicant"), the ARA and this Agreement shall become effective only on or upon such date as evidenced by written notification from ARC to the person that the application for inclusion on the ARC Agency List has been approved and that such person has been included on the Agency List.

2. ARC shall return the principal amount of the Security Deposit, without interest, to the signatory for the Applicant in the event ARC disapproves the application for inclusion on the ARC Agency List.

\_\_\_\_\_  
*Signature of Authorized Owner or Officer of Above Travel Agency*

\_\_\_\_\_  
*Printed Name of Above Authorized Owner or Officer*

\_\_\_\_\_  
*Email Address*

Please mail checks and the following documents via overnight mail (please do not send certified mail) to:

**ARC**  
Attention: Financial Guarantee Program  
3000 Wilson Blvd. Suite 300  
Arlington, VA 22201

Please include:

- Certified or cashier's check for the full coverage amount.
- Separate fee check in the amount of \$100- agency or personal check acceptable.
- The Cash Security Deposit Agreement (CSDA) signed by an ARC authorized owner or officer.