



**ARC PAY  
CASH SECURITY DEPOSIT**

ARC Number

This ARC Pay Cash Security Deposit Agreement ("Agreement") is made and entered into on the last date shown below, between Airlines Reporting Corporation ("ARC"), 3000 Wilson Blvd., Suite 300 Arlington, VA 22201, and

\_\_\_\_\_  
**Print Legal Name of Agent (Entity)**

Located at:

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

designated with ARC Number referenced above ("Agent").

**ARC and Agent agree:**

- ARC and Agent<sup>1</sup> are parties to the ARC Pay;
- Due to excessive (as determined by ARC) potential liabilities for which the Agent is responsible for under the ARC Pay Agreement, and in order to comply with its obligations under the ARC Pay Agreement, Agent has agreed to maintain an instrument of financial security ("Financial Instrument") for the benefit of ARC in order;
- The Agent may satisfy its agreement to maintain a Financial Instrument for the benefit of ARC by delivering to ARC cash in an amount sufficient to meet the security requirements in the form of a cash security deposit, which shall include Agent's interest in the funds that are deposited, and any claim by Agent to the funds delivered to ARC and deposited in to any account ("Security Deposit" or "Cash Security Deposit");
- If Agent does not deliver to ARC a Security Deposit, Agent agrees that ARC shall have sole discretion as to the type and amount of a substitute Financial Instrument required to be provided to ARC to secure its obligations and performance under the ARC Pay Agreement, the failure of which to deliver shall give ARC the ability to immediately terminate the ARC Pay Agreement; and
- This Agreement governs the terms and conditions of the Security Deposit.

<sup>1</sup> The term "Agent" includes, as applicable, "ARC Accredited Agent" ("Agent"), "Corporate Travel Department" ("CTD"); "Sovereign Entity Agent" ("SEA") or a "Sovereign Entity CTD" ("SECTD").



## ARC PAY CASH SECURITY DEPOSIT

In consideration of the mutual promises set forth herein, the sufficiency and adequacy of which are acknowledged, the benefit provided to Agent by ARC and by Agent's continued participation under the ARC Pay Agreement, ARC and Agent further agree:

1. Agent has delivered to ARC cash in the amount of \$\_\_\_\_\_USD in order to create a Cash Security Deposit, and Agent consents to ARC receiving and maintaining such funds under the terms and conditions of this Agreement. The parties agree that the Cash Security Deposit has been/will be funded as follows:  
  - By certified or cashier's check or wire in the amount written above; or
  - Through ARC's holdback of Agent's weekly disbursement until such time as the amount written above is funded.
2. Agent hereby grants ARC a first priority security interest in any Security Deposit, and such additional and further amounts as may be added by or on behalf of Agent to the Security Deposit from time to time, following the execution of this Agreement.
3. Agent agrees that any and all amounts making up its Security Deposit shall not accrue interest on its behalf, nor shall ARC be required to account for any amount other than the principal amount of the Security Deposit in the event Agent is entitled to receive a refund of any of all or a portion of the amount of the Security Deposit as permitted by and in accordance with this Agreement.
4. The Security Deposit, together with any and all other security deposits received by ARC from other agents, as solely determined by ARC, may be maintained in one more segregated demand deposit account(s) at one or more federally insured financial institution(s) selected in the sole and absolute discretion of ARC, and the Security Deposit will be held and titled solely in the name of ARC for its benefit under this Agreement.
5. ARC will maintain a notation in its records of the amount of the Security Deposit delivered by Agent under this Agreement and currently held by ARC shall provide such information to the Agent within seven (7) business days of receiving a written request from Agent.
6. If Agent breaches or defaults for any reason in the performance of its obligations under the ARC Pay Agreement, ARC may apply, with or without notice to or consent by Agent or any other party, by set off, recoupment or otherwise, all or any portion of the Security Deposit subject to the security interest to cover any and all amounts owed to ARC under the ARC Pay Agreement by Agent for any obligation of anykind.
7. It is the intention of the parties hereto that 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, be considered in the sole 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 sole control, within the meaning of the current Uniform Commercial Code and any revisions or modifications thereto, and other applicable law, of any account into which the Security Deposit may be deposited and any Agent interest in or claim to the funds in the account. ARC holds a perfected security interest in such account and in Agent's interest in and claim to the funds in the account. Agent agrees that regarding any Security Deposit, none of its officers, directors, general partners, managers, employees or agents shall be a signatory on any account or have the right to withdraw or otherwise direct any action to ARC or to any bank where the Security Deposit is maintained, and that said bank may disregard any demand, verbal or written, made to said bank by Agent or anyone purporting to acting on behalf of the Agent.
9. ARC may terminate this Agreement without further notice following a breach or default by Agent of the terms and conditions of the ARC Pay Agreement. ARC may terminate this Agreement without cause upon three (3) days advanced, written notice to Agent.
10. Agent may terminate this Agreement without cause in conjunction with either a substitution in the form of Agent's Financial Instrument (e.g., a change to a letter of credit) in the nature, amount, and terms acceptable to ARC in its sole discretion, or in connection with an ownership change or a voluntary termination under the terms and conditions of the ARC Pay Agreement.



# ARC PAY CASH SECURITY DEPOSIT

11. Upon termination of this Agreement, an amount equal to any Security Deposit made by Agent, less any and all amounts owing by Agent under the ARC Pay Agreement, will be refunded to Agent one (1) year following the date of the Agent's last transaction under the ARC Pay Agreement, without interest or other remuneration.
12. The terms and conditions of the Agent's applicable ARC Pay Agreement are incorporated herein and made a part hereof by reference.
13. This Agreement in combination with the applicable ARC Pay Agreement 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 in 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 Agent except with the express prior written consent of ARC.
15. This Agreement shall be construed in accordance with and governed by the laws of the Commonwealth of Virginia. Agent agrees, and its principals confirm, that the State and Federal courts of the Commonwealth of Virginia will have personal jurisdiction over all matters arising under this Agreement.
16. The parties agree that faxed or scanned signatures will constitute original signatures and will be treated the same as original signatures.
17. ARC and its affiliates may from time to time receive funds from Agent pursuant to this Agreement, including Cash Security Deposit funds, and ARC agrees, on behalf of itself and its affiliates, that ARC and/or its affiliates shall control such funds (less any fees due and payable from time to time to ARC and/or its affiliates) pursuant to the terms of this Agreement.
18. Any request for return of the amount equal to the Security Deposit funds must be made in writing and signed before a notary public by Agent's owner (or, as applicable, officer, general partner or manager if Agent is a business entity)
19. In accordance with the terms of this Agreement, ARC will return an amount equal to the Security Deposit, without interest and less any and all amounts owed by Agent to ARC, to Agent's designated ARC bank account by electronic funds transfer (EFT) payable to Agent.
20. In the event Agent's ARC designated bank account is closed, Agent may designate an owner or, as applicable, general partner, manager, or officer of Agent as an alternate recipient for the amount equal to the Security Deposit, if any, that may be returned pursuant to the terms of this Agreement. Upon receipt of a written request in the form required by ARC, signed and notarized by an owner or officer of the Agent, ARC may return the amount equal to the Security Deposit, without interest and less any and all amounts owed by Agent to ARC, to the recipient Agent designates below:

Optional Alternate	Print Name of Alternate Recipient: _____
	Title of Alternate Recipient: _____
	Address of Alternate Recipient: _____
	Phone Number of Alternate Recipient: _____
	Email address of Alternate Recipient: _____

(A request to change or withdraw the alternate recipient designation must be provided in the form required by ARC, signed and notarized by an owner or officer of Agent).



**ARC PAY  
CASH SECURITY DEPOSIT**

AGREED TO BY:

*Agent:  
I, the owner or officer of Agent, certify and represent to ARC  
that I am authorized to submit this Cash Security Deposit and*

*Airlines Reporting Corporation:*

\_\_\_\_\_  
Signature of owner (or officer if Agent is a corporation)

*Print Name:* \_\_\_\_\_

*Signature:* \_\_\_\_\_

*Print Title:* \_\_\_\_\_

*Title:* \_\_\_\_\_

*Date:* \_\_\_\_\_

*Date:* \_\_\_\_\_

Please send the following documents via overnight deliver or a traceable mail service to ARC at the address show below: (please **do not** send certified mail)

- Where applicable, Certified or cashier's check in the currently required amount.
- The Cash Security Deposit Agreement (CSDA) assigned by and owner of the Agent (or Officer if the Agent is a corporation)

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