



COLLATERAL SECURITY RECEIPT AND AGREEMENT

NO. \_\_\_\_\_

Surety: North American Specialty Insurance Company
Washington International Insurance Company

Bond No. \_\_\_\_\_ Amount of Bond \$ \_\_\_\_\_ Date of Bond \_\_\_\_\_
(Attach list of bonds if more than one)

Principal's Name \_\_\_\_\_

Principal's Address \_\_\_\_\_

Principal's Identification Number \_\_\_\_\_
(Federal ID Number, Customs Assigned Importer Number, or Social Security Number)

Type of Bond (s) \_\_\_\_\_
(Attach list of bonds if more than one)

Depositor of Collateral Security \_\_\_\_\_
(Address)

Amount of Deposit \$ \_\_\_\_\_ Date of Deposit \_\_\_\_\_ Ck#, CD #, Other # \_\_\_\_\_

In consideration of the execution or continuation, by the Surety, of certain bonds, the Depositor is hereby depositing the security described below subject to the following terms and conditions which terms and conditions are expressly made a part hereof, Surety acknowledges the receipt of the following security from the party designated above as Depositor.

DESCRIPTION OF SECURITY

TERMS AND CONDITIONS

Surety is hereby given FULL RIGHT, POWER AND AUTHORITY in connection with said bond and all other bonds, whether executed heretofore or hereafter on behalf of said Principal, to act in accordance with the terms and conditions below.

- (1) REIMBURSEMENT OF LOSSES, ETC: Surety shall apply said Deposit, in whole or in part, to the payment of all premiums due or which may become due and in reimbursement of all losses, costs, damages, charges and expenses of whatsoever kind of nature, including attorneys' fees, incurred or sustained by Surety, directly or indirectly, by virtue of any failure on the part of said Principal to comply with the terms and conditions of any agreement made in the connections with any such bonds.
(2) SALE/LIQUIDATION OF SECURITY: Surety may sell or realize upon said deposit, in whole or in part, at its discretion, at public or private sale, with or without notice to the Depositor or Principal of the time and place of said sale, and also with the right to purchase said Deposit at said sale or sales, released and discharged from any equity of redemption. Surety shall not be liable for any loss of interest or dividends or depreciation resulting from any such action. Surety may, at any time, without regard to it having suffered damages, loss, expense or similar charges, cash any and all checks, letters of credit, certificates of deposit, saving accounts and similar instruments or orders for the payment of money and to hold the proceeds thereof. Surety shall not be liable for any loss of interest or dividends or depreciation resulting from such action.
(3) INVESTMENT OF SECURITY: Without regard to the Surety having suffered damages, losses, expense, or similar charges, at its sole discretion, Surety may hold and/or invest for its benefit or otherwise with limitation any all sums of money or proceeds of other instruments which are the subject of this instrument. Surety shall not be liable for the interest and earnings on said Deposit nor for any depreciation, notwithstanding any provision of law to the contrary.
(4) REQUESTS FOR ADDITIONAL SECURITY: In the event of depreciation of said Deposit, or any part thereof, or of any Deposit which may be hereafter deposited with the Surety, additional and satisfactory Deposits shall be deposited with the Surety, if requested, so that the total market value of the Deposit shall, at all times, be equal to the present market value of the original Deposit described herein. If the Depositor fails, upon the request of the Surety to immediately deposit such additional Deposit, Surety shall have full right, power and authority, without further demand or notice, to sell, assign and deliver the whole, or any part of such Deposit, at public or private sale, at its option, and without advertisement or notice to said Depositor, and also with the right to purchase said Deposit at said sale or sales, released and discharged from any equity or redemption. Surety shall not be liable for loss of interest or dividends or depreciation resulting from such action.
(5) DRAWS ISSUED ON LETTER OF CREDIT: Surety shall charge and Depositor agrees to pay all charges, costs, and expenses of whatsoever kind of nature incurred or sustained by the Surety directly or indirectly by virtue of drawings on any letters of credit held as Deposit. Surety shall charge and Depositor agrees to pay a reasonable service charge on each draw issued. Surety reserves the right to reasonably change the amount of this service charge from time to time.
(6) ADMINISTRATIVE SERVICE CHARGES: Surety shall charge and Depositor agrees to pay a reasonable service charge to cover administrative activities related to any Deposit. Depositor agrees that payment will be made in the form of a deduction from the Deposit principal. Surety reserves the right to reasonably change the amount of this service charge from time to time.

Subject to the foregoing conditions, Surety will return to the Depositor the net principal balance of said Deposit as may then be in its custody upon receipt of reasonable written evidence satisfactory to the Surety that the conditions of each and every such bond have been satisfied and Surety has been fully released and discharged from further liability of responsibility incurred thereunder, or in connection therewith. It is acknowledged that differences of opinion with regard to proof of ownership and/or discharge of liability, require giving considerable latitude to Surety in the determination of what evidence is reasonable and satisfactory. In the absence of written evidence from any and all obligees that the conditions of any/all bond(s) have been satisfied and Surety has been fully released and discharged from further liability or responsibility thereunder, or in connection therewith, the Deposit will not be returned to the Depositor until at least one year has elapsed from the date of termination of such bond(s) by obligee(s).

The following terms and conditions are agreed to on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
(Witness as to Depositor/ Owner) By \_\_\_\_\_  
Depositor of Collateral Security

\_\_\_\_\_  
(Witness as to Surety Attorney-in-Fact) By \_\_\_\_\_  
Surety Attorney-in-Fact