



Collateral Policy Agreement

Principal: _____

Principal Address: _____

Depositor: _____

Depositor Address: _____

The Depositor hereby deposits the amount of \$ _____ in the form of cash, checks, credit card payment and/or letters of credit with Avalon Risk Management Insurance Agency LLC as General Agent on behalf of the Sureties It Represents as collateral security against the liability of the Sureties It Represents on account of the Principal named above, subject to the following conditions:

It is hereby understood that collateral will be returned as follows:

Customs Bond – Activity Code 1: 90 days after final liquidation of the last Customs entry secured by said bond and all claims and/or fees owed to U.S. Customs and Border Protection (CBP) and Avalon Risk Management Insurance Agency LLC as General Agent on behalf of the Sureties It Represents have been paid in full. Furthermore, Avalon Risk Management Insurance Agency, LLC and the Sureties It Represents reserve the right to extend this period based on any liability that has not been exhausted under said bonds. Please note there is a (6) six-year statute of limitation for which CBP can assess a claim.

In the case of AD/CVD entries, collateral will only be returned 90 days after the last liquidation date provided all liability is exhausted. Please note that the statute of limitation begins to run once the entries are liquidated by CBP pursuant to instructions issued by the Department of Commerce (DOC). There are no statutory provisions on how long it may take the DOC to provide those instructions. Therefore, collateral may be held until the (6) six-year statute of limitation expires.

ISF – Appendix D bonds: within 30 days after all liability under the bond(s) has been exhausted. Please note there is a (6) six-year statute of limitation for which CBP can assess a claim. Therefore, collateral may be held until the (6) six-year statute of limitation expires.

All Other Customs Bond Types: Two (2) years from the date of bond cancellation provided the Avalon Risk Management Insurance Agency LLC as General Agent on behalf of the Sureties It Represents has received a signed indemnity agreement from the principal, and all claims against said bonds and/or undertakings have been resolved and all claims and/or fees owed to CBP and Avalon Risk Management Insurance Agency LLC as General Agent on behalf of the Sureties It Represents have been paid in full. Furthermore, Avalon Risk Management Insurance Agency, LLC and the Sureties It Represents reserve the right to extend this period. Please note there is a (6) six-year statute of limitation for which CBP can assess a claim following the date of termination. Therefore, collateral may be held until the (6) six-year statute of limitation expires.

All Other Bond Types: Two (2) years from the date of bond cancellation provided the Surety has received a signed indemnity agreement from the principal and all claims against said bonds and/or undertakings have been resolved and all claims and/or fees owed to the Obligee and Avalon Risk Management Insurance Agency LLC as General Agent on behalf of the Sureties It Represents have been paid in full. Furthermore, Avalon Risk Management Insurance Agency, LLC and the Sureties It Represents reserve the right to extend this period.

General Terms: All collateral will be held and returned subject to the terms and conditions of the Application and Standard Indemnity Agreement, which is available upon request. To the extent the collateral is being returned via check, wire transfer, ACH or returned charge to a credit card, the depositor will be given the opportunity to provide specific address and bank account return instructions. We will contact you at the name and address provided and/or through your customs broker when the collateral may be returned. It is the principal's obligation to notify us of any change of address. If we are unable to contact you, funds that we continue to hold on your behalf will become subject to a maintenance fee of 1.5% per month effective as of the return date of undeliverable certified mail to your last known address. The Surety shall not be responsible for any loss to the property from any cause other than the act or neglect of its officers or employees. It is a further condition of the collateral agreement that, in regard to cash deposits, all accrued interest is for the account of Avalon Risk Management Insurance Agency, LLC, while the funds remain in the Avalon collateral accounts.

Signed, sealed, and dated this _____ day of _____, _____.

(Signature of Principal)

(Printed Name)

(Title)

(Signature of Depositor)

(Printed Name)

(Title)