

THE BAR PLAN SURETY AND FIDELITY COMPANY
THE BAR PLAN MUTUAL INSURANCE COMPANY
COLLATERAL PLEDGE AGREEMENT

This Agreement made and entered into this ____ day of _____, 20__, by and between The Bar Plan Surety and Fidelity Company/The Bar Plan Mutual Insurance Company (hereinafter referred to as "Company") and _____ (hereinafter referred to as "Principal").

WITNESSETH:

WHEREAS, the Company has agreed to issue Bond Number _____ and act as a Surety for the obligations of Principal, and,

WHEREAS, the Principal has agreed to indemnify the Company for any loss it may incur as a result of issuing said bond, and,

WHEREAS, the Principal has heretofore or simultaneously herewith delivered to Company an approved Letter of Credit in the amount of \$_____ to secure the payment of said indemnity,

NOW, THEREFORE, in consideration for the issuance of said Bond Number _____, and of the mutual covenants and agreements hereinafter contained, it is agreed as follows:

1. Company and Principal do hereby appoint and designate Company to hold the above-referenced Letter of Credit for the purposes as hereinafter set forth.
2. Company and Principal do hereby authorize the Company to keep and preserve said Letter of Credit in its possession until the release of the Company from any obligation under its bond without claim being made, or if claim be made, then upon payment in full by Principal to Company under the terms of Bond Number _____ and the accompanying Agreement of Indemnity.
3. It is expressly understood that in the event the Principal fails, neglects, or refuses to pay in accordance with the terms of the documents described above, then the Company is hereby authorized to draw down funds against the Letter of Credit to use in full or partial payment of the obligations of Principal.
4. It is further expressly understood that should the issuing bank give notice it intends to cancel the Letter of Credit prior to the release of Company's obligations under Bond Number _____, Company is hereby authorized to draw down funds to the full amount of the face value of the Letter of Credit. Company and Principal do hereby appoint and designate Company as escrow agent for any such funds.

5. In the event the obligations of Principal are less than the amount of funds held in escrow by Company, the Company hereby agrees to reimburse the Principal in cash or money form, at its option, for any amount over and above the obligations of the Principal under said indemnity agreement. In the event the obligations of Principal exceed the value of the funds in escrow, Principal shall remain liable for the entire remaining obligation.

6. In the event that the Company must retain legal services or resort to the Courts in enforcement of this Collateral Agreement, Principal shall be liable to Company for reasonable attorney's fees and costs associated therewith. Any obligations remaining unpaid more than 30 days after becoming due and payable shall bear interest at the rate of 12% per annum.

IN WITNESS WHEREOF:

by: The Bar Plan Surety and Fidelity Company
and The Bar Plan Mutual Insurance Company

by: The Principal

by: Issuer/Broker (if required by same)