

## PERFORMANCE FUND IN LIEU OF BOND

Instead of posting a \$10,000 bond to meet the CLO's bonding requirements for ownership of pre-1998 leases, a working interest owner in good standing may elect to join the CLO's "**Performance Fund**". The Performance Fund was first developed in May of 1998 as an alternative to posting a Surety Performance Bond through an insurance company. It should be noted that **new leases** granted by the CLO currently **do not** require a Performance Fund payment.

A new assignee may join the Performance Fund by paying a **\$300 - \$550 one-time fee**. This is a one-time, lifetime fee. Lessees who have an existing bond filed with the CLO may elect to join the Performance Fund by paying the one-time fee based upon the number of leases owned (see the table below), and have their bond released, provided that there are no pending claims against said bond. Any successors and/or assignees of Performance Fund members automatically meet the CLO bonding requirements by virtue of their assignor being a Performance Fund member in good standing.

<b>NUMBER OF LEASES OWNED</b>	<b>PERFORMANCE FUND FEE</b>
<b>0-5</b>	<b>\$300.00</b>
<b>6-10</b>	<b>\$325.00</b>
<b>11-15</b>	<b>\$350.00</b>
<b>16-20</b>	<b>\$400.00</b>
<b>21-60</b>	<b>\$450.00</b>
<b>61-180</b>	<b>\$500.00</b>
<b>181 or more</b>	<b>\$550.00</b>

Please make checks payable to the "**CLO Performance Fund**".