



Illinois Department of Financial and Professional Regulation
Division of Professional Regulation - Cannabis Control Section

Adult Use Dispensing Organization License Escrow Account Agreement

Effective Date: _____

Name of Financial Institution: _____

Financial Institution Address: _____

Name of Dispensing Organization: _____

Dispensing Organization Address: _____

KNOW ALL PERSONS BY THESE PRESENTS,

That we, _____ (Full Legal Name of Principal), of the City of _____, County of _____, State of _____, as Principal, and _____ (Full Legal Name of Financial Institution) of the City of _____, County of _____, State of _____, as a financial institution business authorized to transact in the State of _____, are held and firmly bound unto the State of Illinois Department of Financial and Professional Regulation, Division Professional Regulation (the "Division"), as Obligee, for any loss suffered by reasons of the Principal's violation of the conditions applied under the adult use cannabis dispensary registration in the penal sum of FIFTY THOUSAND DOLLARS (\$50,000.00), the payment of which we jointly and severally bind ourselves, our heirs, executors, administrators, successors and assigns (the "Escrow Account").

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH that the Principal has applied for the issuance or renewal of a dispensing organization license pursuant to the Illinois Cannabis Regulation and Tax Act ("Act"), 410 ILCS 705/1 et. seq, which license or license renewal shall be valid, if not suspended or revoked, for a license period ending March 31, 2021 or, if renewed, March 31 of each even-numbered year thereafter, through which the Principal is required to give security pursuant to 410 ILCS 705/15-55.

NOW, THEREFORE, if the Principal is granted a license by the State pursuant to the Act, during the term of said license and any renewal thereof, the amount held in the Escrow Account shall be used to assure that the Principal timely and successfully completes dispensary construction, operates in a manner that provides an uninterrupted supply of cannabis, faithfully pays license renewal fees, keeps accurate books and records, makes regulatorily required reports, complies with State tax requirements, and conducts the dispensary in conformity with the Act and any administrative rules made pursuant to the Act.

- IT IS FURTHER PROVIDED the Escrow Account is created and held subject to the following express conditions:
1. The Escrow Account shall be continuous in form and shall remain in full force and effect for the term of the initial licensing and all subsequent terms, for all liabilities, acts, omissions or causes arising after this agreement becomes effective until terminated as hereinafter provided.
 2. The Escrow Account created hereby may be canceled by the Financial Institution by giving thirty (30) days' notice in writing to the Division and Principal(s) at the address last known to the Financial Institution by certified mail at least thirty (30) days prior to the termination date specified in the notice and upon giving such notice, the Financial Institution shall be discharged from all liability and obligation under this agreement for any act or omission of the Principal occurring after such termination date

3. If the Division determines, after a hearing pursuant to its Administrative Rules, Civil Administrative Code or the Act that the Principal has failed to comply with the terms herein, the Division, may proceed against the Principal, for a right of action upon the Escrow Account created hereby and the Financial Institution shall immediately turnover the penal sum held in the Escrow Account to the Division upon written demand from the Division, at which time the Financial Institution shall be relieved of any further duty provided for herein. The Financial Institution may rely on the Division's written demand and shall have no liability to the Principal or the Division for any action(s) taken in conformance with the Division's written demand.
4. Regardless of the number of years the Escrow Account remains in effect, the number of renewals of the license, the number of claimants or the number of claims made, the aggregate liability shall not exceed the amount of the Escrow Account. In the event the Escrow Account is the subject of a seizure or other legal proceeding by a federal government agency or creditor of the Principal, the Financial Institution shall provide notice of the same to the Division and the Principal and shall have no further duty provided for herein and shall be relieved of all liability by the Division and the Principal for any action taken in compliance with the third party legal process.
5. The Principal and the Financial Institution agree they shall not amend or modify the terms of this Escrow Account Agreement without prior written consent of the Division.
6. The Principal acknowledges and agrees:
 - The Escrow Account Agreement is subject to the terms and conditions of its account agreement with the Financial Institution and Financial Institution shall have no liability to Principal in the event the Division obtains a right of action upon the Escrow Account created hereby.
 - The Principal is not entitled to any funds in the Escrow Account until released by the Division or the Financial Institution cancels the Escrow Account as provided herein. In the event of cancellation, the Principal shall be required to fulfill its obligation to provide security to the Division pursuant to 410 ILCS 705/15-55.
 - The funds in the Escrow Account shall be in a non-interest-bearing account.
 - The Principal shall pay the Financial Institution a fee for its services hereunder as mutually agreed upon between the Principal and Financial Institution.

Agreed to By:

The Principal

The Financial Institution

By: _____

By: _____

Its Authorized Agent:

Its Authorized Agent:

Print Name and Title

Print Name and Title

Correspondence to Department of Financial and Professional Regulation shall be sent to:

Deputy Director of Cannabis Control Section
Department of Financial and Professional Regulation Division of Professional Regulation
100 West Randolph, 9th Floor Chicago, IL 60601
FPR.CannabisAdministration@Illinois.gov

Acknowledged and Approved by the Division:

By: _____ Name and Title: _____

Date: _____