



Illinois Department of Financial and Professional Regulation
Division of Professional Regulation
Medical Cannabis Dispensing Organization
Escrow Account Agreement

Effective Date: _____ Dispensing Organization License Number: 280. _____
Dispensing Organization Name: _____
Dispensing Organization Address: _____
Name of Financial Institution: _____
Financial Institution Address: _____

KNOW ALL PERSONS BY THESE PRESENTS,

That we, _____ of the City of _____,
(Full Legal Name of Dispensing Organization, hereinafter the "Principal"),

County of _____, State of Illinois, as Principal, and _____
(Full Legal Name of Financial Institution)

a(n) _____ state-chartered _____

of the City of _____, County of _____, State of _____, a financial

institution duly licensed and authorized to transact business in the State of _____ (the "Financial Institution"), at the direction of the Principal, and subject to the terms and condition of its membership agreement with Financial Institution, shall hold the amount of **FIFTY THOUSAND DOLLARS (\$50,000)** in a non-interest bearing account titled in the name of the Principal and for the use and benefit of the State of Illinois Department of Financial and Professional Regulation, Division of Professional Regulation (the "Division"), for any loss suffered by reasons of the Principal's violation of the conditions applied under the cannabis dispensary license in the penal sum of **FIFTY THOUSAND DOLLARS (\$50,000.00)**, the payment of which the Principal binds itself, its 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 registration pursuant to the Illinois Compassionate Use of Medical Cannabis Patient Program Act ("Act"), 410 ILCS 130/1 *et. seq.*, which registration or registration renewal shall be valid, if not suspended or revoked, for a registration period ending one year from the last day of the month of issuance of the registration or renewal and through which the Principal is required to give security pursuant to the Division's Illinois Administrative Rules, 68 IAC 1290;

NOW, THEREFORE, if the Principal is granted a registration by the State pursuant to the Act, during the term of said licensure and any renewal thereof, the Escrow Account shall be used to guarantee that the Principal timely and successfully completes dispensary construction, operates in a manner that provides an uninterrupted supply of cannabis, faithfully pays registration 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 the Division's Illinois Administrative Rules, 68 IAC 1290.

IT IS FURTHER PROVIDED this Escrow Account is issued subject to the following express conditions:

1. This Escrow Account shall be deemed continuous in form and shall remain in full force and effect for the term of the initial Escrow Account and all subsequent terms, for all liabilities, acts, omissions or causes arising after this Escrow Account becomes effective until terminated as hereinafter provided.
2. This Escrow Account 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 under this Escrow Account 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 that the Principal has failed to comply with the terms herein, the Division, as Obligee, may proceed against the Principal or Financial Institution herein, or both, for a right of action upon the Escrow Account and the Financial Institution shall immediately make payment of the above penal sum to the Division.

4. Regardless of the number of years the Escrow Account remains in effect, the number of premiums paid, the number of renewals of the registration, the number of claimants or the number of claims made, the aggregate liability under the Escrow Account shall not exceed the amount of the Escrow Account.
5. The Principal and the Financial Institution agree they shall not amend or modify the terms of this Escrow Account 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.
 - 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.

Principal (Authorized Agent)

Financial Institution (Authorized Agent)

By: _____
Signature of the Principal

By: _____
Signature of Financial Institution

Printed Name and Title of Principal

Printed Name of Authorized Agent and Title

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

Department of Financial and Professional Regulation, Division of Professional Regulation
555 W. Monroe, 8th floor
Chicago, IL 60661

FPR.MedicalCannabis@Illinois.gov

Acknowledged and Approved by the Division:

By: _____ Name and Title: _____

Date: _____