IMPOUNDMENT AGREEMENT

NORTH DAKOTA SECURITIES DEPARTMENT
SFN 51951 (10-2014)

FORM S - 9
Securities Department
600 E Boulevard Ave Dept 414
Bismarck ND 58505
(701) 328-2910
www.nd.gov/securities

THE IMPOUNDING OF THE PROCEEDS FROM THE SALE OF A SECURITY PURSUANT TO CHAPTER 10-04 OF THE NORTH DAKOTA CENTURY CODE

Date Impoundment Agreement is Entered Into by the Issuer and a Financial Institution
Name of Issuer
Located At
Name of Impoundment Agent (a financial institution)
Principal Office Located At

WITNESS THAT:

WHEREAS, said Issuer proposes to issue to the residents of the State of North Dakota _____ _____ at an offering price of $ _____ per _____; and

WHEREAS, as a condition of such offering the North Dakota Securities Commissioner (hereinafter called the Commissioner) requires that the Issuer provide for the impoundment of $_____ to be received from such offering of securities; and

WHEREAS, the Issuer and the Impoundment Agent desire to enter into an agreement with respect to the said impoundment of proceeds;

NOW THEREFORE, in consideration of the premises and agreements set forth herein, the parties agree as follows:

1. All proceeds received from the sale of the securities subject to this Impoundment Agreement shall be promptly delivered to the Impoundment Agent for deposit in an escrow account. During the term of this Impoundment Agreement, the Issuer shall cause all checks received by them, in payment of such securities, to be payable to the Impoundment Agent.

2. The Issuer shall furnish the Impoundment Agent simultaneously with each deposit the names, addresses, and respective amounts paid by each subscriber whose funds comprise each deposit. The Impoundment Agent shall issue a report to the Issuer upon the close of each three month period commencing with the date of the Impoundment Agreement, showing the total amount on deposit in the escrow account at the end of each such period.

3. The Impoundment Agent shall accept said deposits upon the terms set forth herein and shall treat the funds so deposited as funds in escrow. All proceeds so deposited shall remain the property of the subscribers and shall not be subject to any liens or charges by the Impoundment Agent or judgments or creditors' claims against the Issuer until released to the Issuer as hereinafter provided.

4. The impoundment period shall begin on the date of the offering disclosure document or prospectus and shall terminate on the earliest of the following dates:
   a. When the total amount deposited in the escrow account shall be at least $ _____;
   b. The Commissioner has by order or regulation suspended or revoked the exemption or registration; or
   c. When twelve months shall have expired since the date of the offering disclosure document or prospectus.

5. Whenever the impoundment period, as defined above, shall terminate, the Impoundment Agent will promptly give written notice to the Commissioner of:
   a. The amount on deposit in the escrow account; and
   b. The name and address of each subscriber and amount paid by each subscriber.

   Upon receipt of written notice from the Impoundment Agent that the total amount specified in paragraph four is on deposit, the Commissioner may order the Impoundment Agent to pay over all impounded funds to the Issuer.

   If the specified minimum amount of proceeds have not been impounded during the term of impoundment, then within three business days after the last day of the term of impoundment, the Impoundment Agent shall:
   a. Notify the Commissioner in writing that the conditions of impoundment have not been satisfied;
   b. Within a reasonable time, but in no event not more than thirty days after the last day of the term of impoundment, refund to each subscriber at the address appearing on the list of subscribers, all sums paid by him or her pursuant to his or her subscription with/without interest: and
   c. Notify the Commissioner in writing of such refund.

6. The Issuer agrees to pay the Impoundment Agent a reasonable fee for its services under this agreement, which fee may be fixed by a separate agreement, but the agreement herein to pay such reasonable fee is deemed to be full and valid consideration to the Impoundment Agent for its services hereunder. No such fee, reimbursement for costs, or indemnification for any damages incurred by the Impoundment Agent shall be paid out of or chargeable to the funds on deposit in the escrow account.

7. The Commissioner may, at any time, inspect the records of the Impoundment Agent, insofar as they relate to this Impoundment Agreement, for the purpose of determining compliance with and conformance to the provisions of the Impoundment Agreement.

8. The Impoundment Agent may invest the funds from time to time in United States government obligations as a prudent person, in similar circumstances would do.

9. Until the terms of this agreement have been met and the funds hereunder released to the Issuer, the Issuer may not issue any certificates or other evidences of ownership of the securities, except subscription agreements.

THE ISSUER AND IMPOUNDMENT AGENT HAVE ENTERED INTO THIS IMPOUNDMENT AGREEMENT ON THE DAY, MONTH AND YEAR ABOVE WRITTEN.

Issuer:	
Printed Name of Signatory:	
Signature:	Title:

Impoundment Agent:	
Printed Name of Signatory:	
Signature:	Title:

Accepted for filing:

Securities Commissioner:	Date: