

## CROWDFUNDING PORTAL MASTER ESCROW AGREEMENT

AGREEMENT made \_\_\_\_\_, 2017, between Prime Trust, LLC (“Prime Trust”), and \_\_\_\_\_ (“Portal”):

### RECITALS

WHEREAS, Portal is FINRA member firm authorized to conduct Reg CF business;

WHEREAS, Prime Trust is a chartered, regulated financial institution authorized to hold funds and act as a Qualified Third Party (“QTP”);

AND WHEREAS, Prime Trust and Portal desire to enter into an agreement for the provisioning of escrow services for issuers raising capital pursuant to Reg CF (“Offering”).

### AGREEMENT

NOW THEREFORE, for and in consideration of the foregoing and of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, the parties hereto, intending to be legally bound hereby, do undertake, promise, covenant and agree as follows:

1. *Obligations of the Parties.*

a. Portal Obligations:

- (i) Portal shall at all times operate its business in a manner that complies with all rules and regulations to which it is subject;
- (ii) Portal shall maintain its Customer Identification Program (“CIP”), Know Your Customer (“KYC”) and Anti-Money Laundering (“AML”) requirements in compliance with and as required by FINRA, the SEC and any state securities regulations to which it is subject;
- (iii) Portal will pay Prime Trust a non-refundable one-time set up fee of \$1,500 upon execution of this Agreement;
- (iv) Portal will immediately notify Prime Trust of any breach(es) of its systems and/or data, as well as any regulatory or other sanctions, disciplinary actions, cease & desist orders, or suspensions; and,
- (v) Portal will use the tools and technology of Prime Trust and its authorized vendors for providing data, accessing the services, and managing information.

b. Prime Trust’s Obligations:

- (i) Prime Trust will provide issuers, either directly or as integrated by Portal, with a tri-party escrow agreement that includes Portal as an authorized third party.
- (ii) Prime Trust will at all times open, maintain and oversee escrow accounts in compliance with regulations;
- (iii) Prime Trust will reconcile all open escrow accounts daily;
- (iv) Prime Trust will provide daily reports of cash received and disbursed, cleared and pending funds, and exceptions thereto. Such reports will be available via online dashboards and via API integration.

c. Prime agrees to hold the funds for the benefit of, and to promptly transmit or return the funds to, the persons entitled to them -- the issuer or investors, *as designated by the*

*Portal. The Portal will direct Prime when to release the funds to either the issuer or investors as follows:*

(a) release of funds to the issuer - which portal warrants it will direct Prime to do only when the aggregate amount of investment commitments from all investors is equal to or greater than the target amount of the offering and the investor cancellation period has elapsed, provided that in no event may the Portal direct this transmission of funds earlier than 21 days after the date on which Portal makes publicly available on its platform the information required to be provided by the issuer; or

(b) Return funds to [an] investor(s) -- which Portal warrants it will direct Prime to do when an investment commitment has been cancelled (including for failure to obtain effective reconfirmation from an investor), when an issuer does not complete the offering or in order to protect investors.

2. *Term.* The term of this Agreement shall be from the date set forth above and continue indefinitely unless and until terminated by either party as provided hereinafter.
  - (a) Either party may terminate this Agreement without cause upon providing 30 days' notice to the non-terminating party.
  - (b) Additionally, either party may terminate this Agreement immediately "for cause" in the event of either party's regulatory suspension or restrictions on its business which negatively affect its ability to conduct Reg CF activities.
  - (c) Upon cancellation of this agreement, Prime will be discharged of all of its duties except to hold all the funds in escrow until the appointment of a successor escrow agent, who agrees in writing to act as escrow agent for the issuer on the offering, and in accordance with the requirements of Regulation CF.
3. *Acceptance of Issuer Escrow Agreements.* The terms and provisions of this Agreement shall not be construed in a manner to obligate Prime Trust to accept any particular Offering nor enter into any escrow agreement with any issuer. Prime Trust shall have a sole, absolute and discretionary right to accept or reject any Offering, with no reason required.
4. *Entire Agreement.* This Agreement supersedes all prior agreements, conversations and/or communications between the Parties, and constitutes the entire agreement between the Parties hereto with respect to escrow services.
5. *Amendment.* This Agreement may be amended or modified only if both Parties agree to such amendment or modification in writing.
6. *Independent Contractors.* Performance by the parties under this Agreement will be as independent contractors. This Agreement is not intended and shall not be construed as creating a joint venture or partnership, or as causing either party to be treated as the agent of the other party for any purpose or in any sense whatsoever or to create any fiduciary duty or relationship or any other obligations other than those expressly imposed by this Agreement.
7. *Notices.* All notices permitted or required by this Agreement will be via email, and will be deemed to have been delivered and received upon sending via any nationally recognized and trusted SMTP delivery service. Notices shall be delivered to the addresses on record which, if to Prime Trust shall be to portals@primetrust.com, if to Portal shall be to \_\_\_\_\_.
8. *Binding Arbitration, Applicable Law and Venue, Attorneys Fees.* This Agreement is governed by, and will be interpreted and enforced in accordance with the laws of the State of Nevada without regard to principles of conflict of laws. Any claim or dispute arising under this



Agreement may only be brought in arbitration, with venue in Clark County, Nevada, and will be pursuant to the rules of the American Arbitration Association. Portal and Prime Trust each consent to this method of dispute resolution, as well as jurisdiction, and consent to this being a convenient forum for any such claim or dispute and waives any right it may have to object to either the method or jurisdiction for such claim or dispute. In the event of any dispute among the parties, the prevailing party shall be entitled to recover damages plus reasonable costs and attorney's fees and the decision of the arbitrator shall be final, binding and enforceable in any court.

Prime Trust: \_\_\_\_\_ Portal: \_\_\_\_\_  
Name, Title: Scott Purcell, CEO Name, Title:

### Schedule A Fees for Services

The following fees are applicable to all Reg CF offerings and charged directly to the issuer of an offering.

	<b><u>Fees:</u></b>
Escrow Setup	\$500
Bank Account	\$25/mo
ACH	\$0.50
Wire (domestic)	\$15
Wire (international)	\$35
Check	\$10
Credit Cards	\$0 (no fee when the portal is the merchant)
Non-USD Conversion	2% fee on funds received or sent
Accounting	\$5/transaction
Bad Actor Verification:	
- domestic	\$45/pp
- International	\$100/pp
AML – domestic	\$2 (optional)
AML – domestic entity	\$45 (optional)
AML – int'l person	\$5/UK, \$60/all (optional)
AML – int'l entity	\$100 (optional)
Custodial (issuer)	25bps annual fee
Bank Surcharges	as incurred
Trust Services	as requested
Prime IRA's	\$0.00
Investor Custody	\$0.00