

7 SIGNATURE AND ACKNOWLEDGEMENT

I confirm that I am directing Midland IRA, Administrator, to complete this transaction as specified above. I understand that my account is self-directed, and I take complete responsibility for any investment I choose for my account, including the investment specified in this Purchase Authorization. I understand that neither the Administrator nor the Custodian (Midland Trust) sells or endorses any investment products, and that they are not affiliated in any way with any investment provider. I understand that the roles of the Administrator and the Custodian are limited, and their responsibilities do not include investment selection for my account. I acknowledge that neither the Administrator nor the Custodian has provided or assumed responsibility for any tax, legal or investment advice with respect to this investment, and I agree that they will not be liable for any loss which results from my decision to purchase the investment. I understand that neither the Administrator nor the Custodian has reviewed or will review the merits, legitimacy, appropriateness or suitability of this investment, and I certify that I have done my own due diligence investigation prior to instructing the Administrator to make this investment for my account. I understand that neither the Administrator nor the Custodian determines whether this investment is acceptable under the Employee Retirement Income Securities Act (ERISA), the Internal Revenue Code (IRC), or any applicable federal, state, or local laws, including securities laws. I understand that it is my responsibility to review any investments to ensure compliance with these requirements.

I understand that in processing this transaction the Administrator and the Custodian are only acting as my agent, and nothing will be construed as conferring fiduciary status on either the Administrator or the Custodian. I agree that the Administrator and the Custodian will not be liable for any investment losses sustained by me or my account as a result of this transaction. I agree to indemnify and hold harmless the Administrator and the Custodian from any and all claims, damages, liability, actions, costs, expenses (including reasonable attorneys' fees) and any loss to my account as a result of any action taken in connection with this investment transaction or resulting from serving as the Administrator or the Custodian for this investment, including, without limitation, claims, damages, liability, actions and losses asserted by me.

I understand that if this Purchase Authorization and any accompanying documentation are not received as required, or, if received, are unclear in the opinion of the Administrator, or if there is insufficient Undirected Cash in my account to fully comply with my instructions to purchase the investment and to pay all fees, the Administrator may not process this transaction until proper documentation and/or clarification is received, and the Administrator will have no liability for loss of income or appreciation.

I understand that my account is subject to the provisions of Internal Revenue Code (IRC) §4975, which defines certain prohibited transactions. I acknowledge that neither the Administrator nor the Custodian has made or will make any determination as to whether this investment is prohibited under §4975 or under any other federal, state or local law. I certify that making this investment will not constitute a prohibited transaction and that it complies with all applicable federal, state, and local laws, regulations and requirements.

I understand that my account is subject to the provisions of IRC §§511-514 relating to Unrelated Business Taxable Income (UBTI) of tax-exempt organizations.

If this investment generates UBTI, I understand that I will be responsible for preparing or having prepared the required IRS Form 990-T tax return and any other documents that may be required. I understand that neither the Administrator nor the Custodian makes any determination of whether or not investments in my account generate UBTI.

Print Name: _____

Signature: _____

I understand that the assets in my account are required by the IRS to be valued annually as of the end of each calendar year. I agree to provide the prior year end value of this investment by no later than January 10th of each year on a form provided by the Administrator, with substantiation attached to support the value provided.

I understand that with some types of accounts there are rules for Required Minimum Distributions (RMDs) from the account. If I am now subject to the RMD rules in my account, or if I will become subject to those rules during the term of this investment, I represent that I have verified either that the investment will provide income or distributions sufficient to cover each RMD, or that there are other assets in my account or in other accounts that are sufficiently liquid (including cash) from which I will be able to withdraw my RMDs. I understand that failure to take RMDs may result in a tax penalty of 50% of the amount I should have withdrawn.

I understand that all communication regarding this transaction must be in writing and must be signed by me or by my authorized agent on my behalf, and that no oral modification of my instructions will be valid.

I understand and agree that neither the Administrator nor the Custodian bears or assumes any responsibility to notify me or to secure or maintain any fire, casualty, liability or other insurance coverage, including but not limited to title insurance coverage, on this investment or on any property which serves as collateral for this investment. I acknowledge and agree that it is my sole responsibility to decide what insurance is necessary or appropriate for investments in my account, and to direct the Administrator in writing (on a form prescribed by the Administrator) to pay the premiums for any such insurance.

I further understand and agree that neither the Administrator nor the Custodian is responsible for notification or payments of any real estate taxes, homeowners association dues, utilities or other charges with respect to this investment unless I specifically direct the Administrator to pay these amounts in writing (on a form prescribed by the Administrator), and sufficient funds are available to pay these amounts from my account. I acknowledge that it is my responsibility to provide to the Administrator or to ensure that the Administrator has received any and all bills for insurance, taxes, homeowners dues, utilities or other amounts due for this investment. Furthermore, I agree that it is my responsibility to determine that payments have been made by reviewing my account statements.

I understand that no person at the office of the Administrator or the Custodian has the authority to modify any of the foregoing provisions. I certify that I have examined this Purchase Authorization and any accompanying documents or information, and to the best of my knowledge and belief, it is all true, correct and complete.

Date: _____



PRIVATE INVESTMENT DISCLAIMER & INDEMNITY AGREEMENT

Client Name _____

Midland Account # _____

Asset Name _____

This Disclaimer and Indemnity Agreement will confirm our mutual understanding and agreement regarding your proposed investment in the above mentioned investment or entity. Please sign this agreement and return it to us.

- 1) **NON-RELIANCE CLAUSE** – AS THE IRA OWNER AND INVESTOR, YOU AGREE THAT MIDLAND IRA, INC (or its subsidiaries or continuing entities) (further known as Midland IRA in this document) HAS NOT GIVEN ANY ADVICE ON THIS INVESTMENT OR ASSET. AS THE INVESTOR YOU HAVE NOT RECEIVED ANY ADVICE FROM MIDLAND IRA ON THIS ASSET/INVESTMENT AND MOST IMPORTANTLY YOU HAVE NOT RELIED ON ANY STATEMENTS MADE BY MIDLAND IRA IN MAKING YOUR INVESTMENT DECISION.
- 2) You understand and agree that Midland IRA, Inc. (or its subsidiaries or continuing entities) (further known as Midland IRA in this document) does not approve investments or actions you personally take or direct Midland IRA to take on behalf for your Account. Midland IRA is strictly a neutral administrator of your Account's assets.
- 3) You understand and agree that Midland IRA does not review and approve the subscription agreement, operating agreement, by-laws, limited or general partnership agreement, or any other similar agreement regarding the purchase or operation of the entity or individual you want to invest with. You are solely responsible for making sure that your investment or entity was not formed or will not operate in a way that does or may lead to a prohibited transaction under Internal Revenue Code Section 4975.
- 4) You understand and agree that it is your responsibility to comply with state usury laws when lending funds from your IRA or an entity in which your IRA is invested. For a complete list of state usury laws, go to: www.usurylaw.com/state
- 5) You understand that IRA assets are not FDIC insured except for un-invested cash held by Midland IRA up to the current regulator amount. You understand IRA assets and investments can lose value.
- 6) You represent that you have done your own due diligence on the individual investment or company you want to invest in. You are acknowledging that there is risk in any investment and that you may lose all or a portion of your principal. Midland IRA is not responsible for the collection of IRA asset income or payments or recovery.
- 7) You understand and agree that neither Midland IRA nor any of its officers, directors, shareholders or employees are associated in any way with the asset you are investing in. Neither Midland IRA nor any of its officers, directors, shareholders or employees have given you any investment, legal or tax advice pertaining to this investment. Midland IRA will never receive a commission from any investment. It can be industry practice for a promoter or organizer to pay standard IRA administrative fees for their clients.
- 8) You agree to indemnify and hold harmless Midland IRA, its officers, directors, shareholders and employees against any liability associated with your Account's investment in this asset or company.

We recommend that you read the most recent Alert from the SEC regarding investment risks in Self-Directed IRAs. www.sec.gov/investor/alerts/sdira.pdf

To signify your agreement with all of the above paragraphs, please sign below, date and return to our office by mail, fax or email. Thank you for your cooperation. We look forward to continuing to serve your retirement account needs.

Accepted, Understood and Agreed to:

Client Signature

Date Signed

This Disclaimer is to help the lender of an unsecured promissory note understand the risks of this type of investment. As a Self-Directed Investor you assume the risk associated with any investment. Midland IRA would like you to understand some of the particular risks of unsecured promissory notes. An unsecured promissory note is a form of debt, similar to a loan, in which the borrower promises to repay the debt, as specified by the terms detailed in the note agreement. There is no collateral for an unsecured promissory note in the event of default.

General Information About the Anatomy of Fraudulent promissory Notes

1. Companies or individuals selling promissory notes can tout unrealistic, high, fixed-rate of returns. Many fraudulent promissory notes contractually promise rates of return higher than the market average.
2. Companies or individuals selling fraudulent promissory notes may claim that the notes are guaranteed or insured. There is no collateral on an unsecured note as the note is not secured by the issuer's assets. Due to the higher risk involved, you may lose all of your money in this investment.
3. Many times, the agents selling promissory notes are not licensed with any state or federal regulating entity. As the Investor, it is your responsibility to do your own due diligence on the investment and the vendor selling the investment. You can verify if the agent is licensed by checking out the SEC and FINRA databases. A popular website to check is www.brokercheck.com.
4. The types of notes that are involved in promissory note scams may be securities that must be registered with the SEC or a state regulator, or must fall under an exemption. However, many times the notes sold by companies are not registered, even though the notes could be securities. Midland IRA does not sell securities and is not a licensed securities broker. Midland IRA is not required to verify if the note is a registered security.
5. If a note claims to be secured by an interest in an LLC, please note that it is not the same as having a direct interest in the asset itself and that this type of note may still be considered unsecured. If the note is marked as a convertible or participation loan, this note may also be considered unsecured as there is no collateral backing the note.
6. In order to avoid paying back investors, companies or individuals selling fraudulent promissory notes will often try and convince investors to "roll-over" their note(s) upon maturity in order to avoid paying back investors. These investors may continue to receive interest payments, but rarely will they receive a return of principal.
7. Unsecured Promissory Notes have been the primary investment type sold by many fraudsters engaging in Ponzi schemes.
8. If it sounds too good to be true, it often is.

Midland IRA recommends that you read the Investor Publication from the SEC regarding Promissory Note Fraud at:
<https://www.sec.gov/investor/pubs/promise.htm>

Midland IRA's role as the administrator of your account is non-discretionary and administrative in nature. Midland does not review or endorse any investment. We encourage you to consider the items listed above making such an investment as unsecured promissory note because of the opportunity for fraud.

Read and Acknowledged:

Client (LENDER) Printed Name: _____

Client (LENDER) Signature: _____ **Date Signed:** _____