



Coverdell Education Savings Account (ESA) Adoption Agreement

Thank you for your interest in Self-Directing your ESA through Midland Trust.

For processing, return via: **Mail:** Midland Trust
PO Box 07520
Fort Myers, FL 33919

Fax: (239) 466-5496

Online Upload: www.midlandtrust.com/secure-upload

IMPORTANT NOTICE

Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. During the account opening process, we may ask for additional documentation or other identifying documents.

1 DESIGNATED BENEFICIARY INFORMATION

Designated Beneficiary's (Child's) Name		
Address		City, State, Zip
Telephone Number	Social Security Number	Date of Birth

2 RESPONSIBLE INDIVIDUAL INFORMATION

Responsible Individual's Name		
Address (if different from above)		City, State, Zip
Telephone Number	Social Security Number	Date of Birth

Relationship to Designated Beneficiary: _____

The Responsible Individual shall shall not continue to serve as the Responsible Individual after the Designated Beneficiary attains the age of majority pursuant to section 5.02 of the Custodial Agreement.

The Responsible Individual may may not change the beneficiary designated under this Custodial Agreement pursuant to section 6.01 of the Custodial Agreement.

Note: The Responsible Individual may be the Depositor, but generally must be a parent or legal guardian of the Designated Beneficiary.

Email Address	Request for online access to view statements and receive account email notifications: <input type="checkbox"/> Yes <input type="checkbox"/> No	Is the Responsible Individual the Depositor? If no, please complete Section 3. <input type="checkbox"/> Yes <input type="checkbox"/> No
Marital Status <input type="checkbox"/> Single <input type="checkbox"/> Married (see Consent of Spouse) <input type="checkbox"/> Widowed or Divorced	Occupation	Referred By
ID Type* <input type="checkbox"/> Driver's License <input type="checkbox"/> Passport <input type="checkbox"/> Other: _____	Issued By	ID Number
		Expiration Date

3 DEPOSITOR INFORMATION (To be completed if Responsible Individual is not the Depositor)

Depositor's Name		
Address		City, State, Zip
Telephone Number	Social Security Number	Date of Birth

Signature: _____ Date: _____



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4 NOTIFICATIONS

How would you like to receive statements?

Online (Free) Monthly (\$60/year) Quarterly (\$20/year) Annually (\$5/year)

Statement charges are \$5 per occurrence, billed at the time of the occurrence.

*For client online access, Midland Trust requires that you provide an email address in section 1 (above). Midland is required to provide account holder statements, so failure to input an email in section 1 or failure to select an option above will default the account to quarterly statements at an annual cost of \$20.

5 ACCOUNT FUNDING (Check all that apply)

<input type="checkbox"/> Annual Contribution Year contribution for: _____ Amount: _____	<input type="checkbox"/> Transfer Contribution Transfer from existing ESA or Employer Sponsored Plan.	<input type="checkbox"/> Rollover Contribution Take receipt of the assets for up to 60 days before reinvesting in a new ESA plan.	<input type="checkbox"/> Direct Rollover Contribution Rollover from ESA Plan.
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6 BENEFICIARIES

• Please designate at least one Primary beneficiary.
• If beneficiary is a Trust, please supply copy of Trust.

Select Beneficiary Type: Primary Contingent

Name	Social Security Number	Relationship	Date of Birth	Share %
Address		City	State	Zip

Select Beneficiary Type: Primary Contingent

Name	Social Security Number	Relationship	Date of Birth	Share %
Address		City	State	Zip

Select Beneficiary Type: Primary Contingent

Name	Social Security Number	Relationship	Date of Birth	Share %
Address		City	State	Zip

Select Beneficiary Type: Primary Contingent

Name	Social Security Number	Relationship	Date of Birth	Share %
Address		City	State	Zip

Responsible Party Signature

In the event of my death, the balance in the account shall be paid to the Primary Beneficiaries who survive me in equal shares (or in the specified shares, if indicated). If the Primary or Contingent Beneficiary box is not checked for a beneficiary, the beneficiary will be deemed to be a Primary Beneficiary. If none of the Primary Beneficiaries survive me, the balance in the account shall be paid to the Contingent Beneficiaries who survive me in equal shares (or in the specified shares, if indicated). If I named a beneficiary which is a Trust, I understand I must provide certain information concerning such Trust to the Custodian.

I understand that I may change or add beneficiaries at any time by completing and delivering the proper form to the Administrator.

Signature of Responsible Party: _____ Date: _____

**7 SIGNATURE AND ACKNOWLEDGEMENT**

Custodian and Administrator: The Custodian for my account will be **Midland Trust** and the Administrator for my account will be **Midland IRA**. I understand that the Custodian and the Administrator may resign by giving me written notice at least 30 days prior to the effective date of such resignation. I understand that if I fail to notify the Administrator of the appointment of a successor trustee or custodian within such 30- day period, then the assets held by the Custodian in my account (whether in cash or personal or real property, wherever located, and regardless of value) will be distributed to me, outright and free of trust, and I will be wholly responsible for the tax consequences of such distribution.

No Tax, Legal or Investment Advice: I acknowledge and agree that the Custodian and the Administrator do not provide or assume responsibility for any tax, legal or investment advice with respect to the investments and assets in my account, and will not be liable for any loss which results from my exercise of control over my account. I understand that my account is self-directed, and I take complete responsibility for any investments I choose for my account. I further understand and agree that neither the Custodian nor the Administrator sells or endorses any investment products. If the services of the Custodian and the Administrator were marketed, suggested or otherwise recommended by any person or entity, such as a financial representative or investment promoter, I understand that such persons are not in any way agents, employees, representatives, affiliates, partners, independent contractors, consultants, or subsidiaries of the Custodian or the Administrator, and that the Custodian and Administrator are not responsible for and are not bound by any statements, representations, warranties or agreements made by any such person or entity. The Custodian and Administrator shall have no duty or responsibility to conduct any review as to the acquisition, retention, or disposition of any investment. I agree to consult with my own CPA, attorney, financial planner, or other professional prior to directing the Administrator to make any investment in my account.

Prohibited Transactions: I understand that my account is subject to the provisions of Internal Revenue Code (IRC) Section 4975, which defines certain prohibited transactions. I acknowledge and agree that neither the Custodian nor the Administrator will make any determination as to whether any transaction or investment in my account is prohibited under sections 4975, 408(e) or 408A, or under any other state or federal law. I accept full responsibility to ensure that none of the investments in my account will constitute a prohibited transaction and that the investments in my account comply with all applicable federal and state laws, regulations and requirements.

Unrelated Business Income Tax: I understand that my account is subject to the provisions of IRC Sections 511-514 relating to Unrelated Business Taxable Income (UBTI) of tax- exempt organizations. I agree that if I direct the Administrator to make an investment in my account which generates UBTI, I will be responsible for preparing or having prepared the required IRS Form 990-T tax return, an application for an Employer Identification Number (EIN) for my account, and any other documents that may be required, and to submit them to the Administrator for filing with the Internal Revenue Service at least ten (10) days prior to the date on which the return is due, along with an appropriate directive authorizing the Administrator to execute the forms on behalf of my account and to pay the applicable tax from the assets in my account. I understand that the Custodian and the Administrator do not make any determination of whether or not investments in my account generate UBTI; have no duty to and do not monitor whether or not my account has incurred UBTI; and do not prepare Form 990-T on behalf of my account.

Valuations: I understand that the assets in my account are required to be valued annually at the end of each calendar year in accordance with IRC Section 408(i) or 223(h) and other guidance provided by the IRS, and that the total value of my account will be reported to the IRS on Form 5498 each year. I agree to provide the year end value of any illiquid and/or non-publicly traded investments, which may include without limitation limited partnerships, limited liability companies, privately held stock, real estate investment trusts, hedge funds, real estate, secured and unsecured promissory notes, and any other investments as the Custodian shall designate, by no later than January 10th of each year, with substantiation attached to support the value provided. The Custodian and Administrator does not conduct appraisals and does not verify any values provided to it by the IRA Holder or any investment representative. A value listed in an account statement is deemed accepted by the IRA Holder if not disputed by the IRA Holder in writing within 60 days of the statement being issued.

I agree to indemnify and hold harmless the Custodian and the Administrator from any and all losses, expenses, settlements, or claims with regard to investment decisions, distribution values, tax reporting or any other financial impact or consequence relating to or arising from the valuation of assets in my account.

Indemnification: I agree that the Custodian and the Administrator have no duty other than to follow my written instructions, and will be under no duty to question my instructions and will not be liable for any investment losses sustained by me or my account under any circumstances. I understand that the Custodian and the Administrator are acting only as my agent, and nothing will be construed as conferring fiduciary status on the Custodian or the Administrator.

I agree to indemnify and hold harmless the Custodian and the Administrator 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 (or omitted to be taken) pursuant to and/or in connection with any investment transaction directed by me or my investment advisor or resulting from serving as the Custodian or the Administrator, including, without limitation, claims, damages, liability, actions and losses asserted by me.

Electronic Communications, Signatures, and Records: I acknowledge and agree that my account will be subject to the provisions of the Uniform Electronic Transactions Act, as passed in the state where the Custodian is organized (South Dakota Codified Law Sections 53-12 et. seq.), and the federal Electronic Signature in Global and National Commerce Act (ESIGN Act, as contained in 15 U.S.C. 7001), as those laws pertain to electronic communication, electronic signatures, and electronic storage of Custodial Account records. I understand that, in lieu of the retention of the original records, the Administrator and Custodian may cause any, or all, of their records, and records at any time in their custody, to be photographed or otherwise reproduced to permanent form, and any such photograph or reproduction shall have the same force and effect as the original thereof and may be admitted in evidence equally with the original if permitted by law.

Responsibility for determining eligibility and tax consequences: I assume complete responsibility for 1) determining that I am eligible to make a contribution to my account; 2) ensuring that all contributions I make are within the limits set forth by the relevant sections of the Internal Revenue Code; and 3) the tax consequences of any contribution (including a rollover contribution) and distributions.

No FDIC Insurance for Investments: I recognize that investments purchased and/or held within my account: 1) are not insured by the Federal Deposit Insurance Corporation (FDIC); 2) are not a deposit or other obligation of, or guaranteed by, either the Custodian or the Administrator; and 3) are subject to investment risks, including possible loss of the principal amount invested.

Our Privacy Policy: You have chosen to do business with the Custodian and the Administrator. As our client, the privacy of your personal non-public information is very important. We value our customer relationships and we want you to understand the protections we provide in regard to your accounts with us.

Information We May Collect: We collect non-public personal information about you from the following sources to conduct business with you:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, or others;

Non-public personal information is non-public information about you that we may obtain in connection with providing financial products or services to you. This could include information you give us from account applications, account balances, and account history.

Information We May Share: We do not sell or disclose any non-public information about you to anyone, except as permitted by law, or as necessary to facilitate your investment transactions, or as specifically authorized by you. We do not share non-public personal information with our affiliates or other providers without prior approval by you. Federal law allows us to share information with providers that process and service your accounts. All providers of services in connection with the Custodian and Administrator have agreed to the Custodian's and the Administrator's confidentiality and security policies.

CONTINUED ON NEXT PAGE



8 SIGNATURE AND ACKNOWLEDGEMENT (CONTINUED)

If you decide to close your account or become an inactive customer, we will adhere to the privacy policies and practices as described in this notice.

Confidentiality and Security: We restrict access to non-public personal information to those employees who need to know that information to provide products and services to you. We maintain physical, electronic, and procedural guidelines that comply with federal standards to guard your non-public personal information. The Custodian and the Administrator reserve the right to revise this notice and will notify you of any changes in advance.

If you have any questions regarding this policy, please contact us at the address and or telephone number listed on this Adoption Agreement.

Attorney's Fees: In the event of a dispute between the parties to this Agreement, the prevailing party shall be entitled to attorney's fees and costs by any court or arbitrator adjudicating the dispute.

Governing Law: Except to the extent governed by or subject to the requirements of the Code or other applicable federal law, or preempted by federal law, the Agreement shall be governed by and construed under the laws of the State of South Dakota, without giving effect to any state's choice of law provisions.

Integration: This IRA Application and the 5305 Custodial Agreement and Disclosure Statement encompass the entire agreement of the parties with respect to the subject matter of this Agreement, and supersedes all prior negotiations, agreements and understandings between the parties, whether written or oral, with respect thereto. The parties hereby acknowledge and agree that they have not relied on any representation, assertion, guarantee, warranty, other contract or other assurance, except as set forth herein, made by or on behalf of any other party or any other person or entity whatsoever, prior to the execution of this Agreement.

(Initial) By initialing or typing my initials, I acknowledge that I have received and read the 5305 Custodial Agreement, and per the 5305 Custodial Agreement, the Depositor acknowledges and agrees that the Custodian and the Administrator do not provide or assume responsibility for any tax, legal or investment advice with respect to the investments and assets in the Custodial Account and shall not be liable for any loss which results from the Depositor's exercise of control over the Custodial Account. The Depositor and the Depositor's beneficiary(ies) release, indemnify and agree to hold the Custodian and the Administrator harmless in the event that any investment or sale of the assets in the Custodial Account pursuant to a direction by the Depositor or the Depositor's Investment Advisor violates any federal or state law or regulation or otherwise results in a disqualification, penalty, tax or fine imposed upon the Custodian, Administrator, Depositor or the Custodial Account.

(Initial) By initialing or typing my initials, I acknowledge that I have received and read the 5305 Custodial Agreement, and per the 5305 Custodial Agreement, the assets in the Custodial Account shall be valued annually at the end of each calendar year in accordance with section 408(i) and other guidance provided by the IRS, but Custodian retains the right to value the assets in the Custodial Account more frequently. In valuing the assets of the Custodial Account for record keeping and government reporting purposes, Custodian will ascertain the fair market value of each investment through utilizing various third-party pricing sources and designated valuation agents. However, Custodian does not guarantee the accuracy of prices obtained from these sources. Where assets are illiquid or their value is not readily ascertainable on either an established exchange or generally recognized market, the valuation is by necessity not a true market value and is merely an estimate of value, and Depositor agrees not to rely on any such valuation for any other purposes. Depositor agrees to provide the year end value of any illiquid and/or non-publicly traded investments, which may include without limitation limited partnerships, limited liability companies, privately held stock, real estate investment trusts, hedge funds, real estate, secured and unsecured promissory notes, and any other investments as Custodian shall designate, by no later than the following January 10th. If Custodian does not receive a current year end fair market value by the following January 10th for any such investment, the Custodian shall take appropriate actions to receive the fair market value from an independent third party that specializes in valuations, paying the cost of such valuation from the liquid assets held in the Custodial Account, or in the alternative after having first received the cost of the valuation from Depositor or Depositor's beneficiary(ies) if liquid investments in the Custodial Account are otherwise insufficient. Unless Custodian has received a written fair market valuation to the contrary, promissory notes and privately offered corporate debt will have valuations reflected at the face value shown on the original note or debt instrument, or if the note is subject to an amortization schedule and the amortization schedule has been provided to Custodian by Depositor, valuation may be shown at the principal amount shown on the amortization schedule as of the end of the previous year. Depositor, and upon Depositor's death Depositor's beneficiary(ies), agree to indemnify and hold harmless Custodian from any and all losses, expenses, settlements, or claims with regard to investment decisions, distribution values, tax reporting or any other financial impact or consequence relating to or arising from the valuation of assets in the Custodial Account.

(Initial) BY INITIALING OR TYPING MY INITIALS, I ACKNOWLEDGE THAT I HAVE READ AND RECEIVED THE 5305 CUSTODIAL AGREEMENT, AND THAT ALL CLAIMS AND DISPUTES ARISING UNDER OR RELATING TO THIS AGREEMENT ARE TO BE SETTLED BY BINDING ARBITRATION. SOUTH DAKOTA LAW WILL APPLY WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES WITH VENUE EXCLUSIVELY IN SIOUX FALLS, SOUTH DAKOTA. AN AWARD OF ARBITRATION MAY BE CONFIRMED IN A COURT OF COMPETENT JURISDICTION. PLEASE REFER TO THE 5305 CUSTODIAL AGREEMENT FOR THE COMPLETE DISCLOSURE REGARDING ARBITRATION.

(Initial) By initialing or typing my initials, I acknowledge that I have read the Integration clause included in this application. I acknowledge that the Custodian and/or Administrator may require a verbal confirmation with me prior to disbursing funds for an investment.

THIS IS A CONTRACTUAL AGREEMENT. DO NOT SIGN UNTIL YOU HAVE READ THIS APPLICATION AND THE CUSTODIAL AGREEMENT CAREFULLY.

ACCOUNT HOLDER
IRA Holder Signature:
Print Name: Date:

Account Acceptance - For Office Use Only
Custodian (or Authorized Representative) Signature:
Print Name: Date:



MIDLAND FEE SCHEDULE

Effective Nov 6, 2019

ANNUAL FEES: Choose ONE of the following options:

OPTION 1: FEE BASED ON NUMBER OF ASSETS

\$295 Per Asset such as Real Estate, LLCs, Private Placements, Notes/Mortgages, Futures/Forex (per FCM).

\$125 Precious Metals Holdings, per Depository

\$100 Traditional Brokerage or Bank Account

\$100 Mortgage Payable (Liability)

OPTION 2: FEE BASED ON TOTAL ACCOUNT VALUE

***OPTION 2 NOT AVAILABLE FOR FUTURES/FOREX ACCOUNTS**

***IF NO SELECTION IS MADE, THE OPTION WILL DEFAULT TO OPTION 1**

Total Account Value is between:		Annual Fee
\$0	\$14,999.99	\$225
\$15,000	\$29,999.99	\$295
\$30,000	\$44,999.99	\$345
\$45,000	\$59,999.99	\$425
\$60,000	\$89,999.99	\$500
\$90,000	\$124,999.99	\$700
\$125,000	\$249,999.99	\$950
\$250,000	\$499,999.99	\$1,250
\$500,000	\$749,999.99	\$1,650
\$750,000 and up		\$1,850

STANDARD SERVICES

Account Setup:	\$50 one-time (non-refundable).
Transaction Fee:	\$95 Applies to each Purchase/Sale/Re-Registration of an Asset. Exceptions: \$145 Real Estate, \$50 Precious Metals/Trading/Bank Accounts. \$50 Additional Purchase of Existing Account Holdings. \$25 Trading Account Withdrawal (if submitted online), \$50 if not submitted online.
ACH or Trust Checks:	\$5 if submitted Online. \$10 per Bill Pay not submitted online, such as mailed, faxed, or emailed requests.
Wire Transfers:	\$15 Incoming Wires; \$30 Domestic Outgoing (included at no charge for initial futures/forex funding); International Outgoing: \$50
Cash Distributions:	Free if submitted online or if recurring. \$25 processing fee if submitted manually by paper form. Check/ACH/Wire fee applies where applicable.
Partial Transfer Out:	\$50 per Outgoing IRA-to-IRA Transfer, plus asset re-registration fees for In-Kind transfers (if applicable).
Full Termination:	\$150 if account held for 2+ years; \$250 if under 2 years. Plus, asset re-registration fees for In-Kind Transfers or In-Kind Distributions (if Applicable).

SPECIAL SERVICES

Overnight Mail, Official Check, Returned Deposit, Stop Payment, Credit Card/ACH Return: \$30 per occurrence.
Same-Day Rush Transaction: Documents must be in good order and received by 11am Eastern Time: \$100
Deposits Missing Detail: Related account/CUSIP not clearly identified, such as rental, note, and dividend income deposits: \$10 per deposit with missing information.
Special Notification/Research Fees: Matured Notes, Late Fair Market Valuation, Valuation Research: \$50 each (No charge for 1 st notice. Fee begins with 2 nd notice).
Paper Mailed Account Statements: \$5 per mailed account statement (Quarterly statements are provided online at no cost).
Cash only accounts: \$100 Annually (only applicable for asset based fee accounts with no assets and no buy/sell activity for previous 12 mo).
The current Midland fee schedule can be found at www.midlandtrust.com/fee-schedule/
Midland also offers Individual 401(k) Plans for self-employed Individuals. Please contact our office for more information or to obtain a 401(k) fee schedule.

PAYMENT INFORMATION: Select how you would like to pay your Midland IRA administrative fees

OPTION 1: DEDUCT MY ACCOUNT (Default option if no payment selection is made)

OPTION 2: CHARGE MY CREDIT CARD (VISA, MasterCard, Discover, AMEX. Card must be in the account holder's name.)

NAME ON CARD _____ CARD NUMBER _____ - _____ - _____ EXP DATE ____/____ BILLING ZIP _____

OPTION 3: DEBIT MY CHECKING ACCOUNT (Your name must be on the bank account as an owner)

BANK NAME _____ ROUTING/ABA _____ ACCOUNT # _____

MINIMUM BALANCES: Accounts must keep a minimum of \$250 undirected cash at all times. Midland reserves the right to not process transactions that will result in a cash balance below \$250.

BILLING CYCLE: Administration fees will be assessed and due upon initial account opening, initial asset acquisition and annually on the 1st day of your billing cycle. Your billing cycle is defined as a 12-month period from day 1 of the month of your initial account opening. For example, if your account was initially opened on February 14th, your billing cycle would be February 1 through January 31. Fees for asset purchases made after the first quarter of your billing cycle may be pro-rated on a quarterly basis. For example, if you purchase an asset in May, there are 3 quarters left in your normal billing cycle (May-Jan), so your pro-rated asset holding fee of \$295 would be \$295 x 3/4 = \$221.25. Fees for assets sold, transferred or otherwise removed prior to the end of your billing cycle will not be pro-rated and/or refunded. Fees paid from your account will be reflected on your account statement.

PAST DUE FEES: Fees that remain unpaid for more than 30 calendar days are considered past due. A late charge of \$20 per month will apply. Past due fees will be deducted from your Undirected Cash. In accordance with your Plan Agreement and Disclosures, if there is insufficient undirected cash in your account, we may liquidate other assets in your account to pay for such fees after 30 day notification. Accounts with past due fees will be closed. Any remaining assets in the account will be a taxable event to the account holder and will be reported on IRS Form 1099-R. Account reinstatement eligibility will be determined at Midland's sole discretion. All past due fees, late charges, and a \$150 account reinstatement fee must be paid prior to account reinstatement.

CUSTODIAN'S FEES: Midland Trust Company may use and earn income on your uninvested cash, as permitted by law. As the Custodian, Midland Trust Company reserves the right to change all or part of the Custodial Fee Schedule at its discretion with 30 days advance notice. Please Refer to the 5305 for the complete disclosure of the uninvested cash policy. A copy of your plan agreement can be found online at www.midlandtrust.com/5305 or by calling our office.

PRINT, SIGN, AND RETURN FORM TO MIDLAND TRUST COMPANY

Signature _____ Printed Name _____ Date _____

FOR PROCESSING, RETURN TO: Midland Trust ♦ P.O. Box 07520 ♦ Fort Myers, Florida 33919 ♦ 239.333.1032 ♦ 239.466.5496 Fax ♦ midlandtrust.com/secure-upload