

## I. Personal Information All information is required.

Legal Name \_\_\_\_\_

IRA Innovations Account # & Type: \_\_\_\_\_

Name of Entity for Investment: \_\_\_\_\_

Name of Administrator or Record keeper: \_\_\_\_\_

Name of Custodian: \_\_\_\_\_

## 2. Please complete the following information

Within the above named entity I personally am (select one):

- Manager, managing member or partner, officer, director, trustee or a person with similar duties
- Member, shareholder, partner or beneficiary (with no management duties)
- None of the Above

IRA Innovations, L.L.C. ("Administrator") performs record keeping and administration duties in connection with Account Owner's self directed retirement account (the "Account") on behalf of the custodian ("Custodian") as set forth in Account Owner's account application (the "Account Application"). The terms and conditions of this document are incorporated into the Account Application, and the terms and conditions of the Account Application are incorporated herein.

This Disclaimer and Indemnity Agreement ("the Agreement") will confirm the mutual understanding and agreement between Administrator and the Account Owner ("you") regarding the proposed investment by your Account in the above named entity (the "Entity"). Your account is referred to in this document as the "Account", regardless of whether it is a retirement account under Internal Revenue Code (the "IRC") §401, §408 or §408A, a Coverdell Education Savings Account under IRC §530, or a Health Savings Account under IRC §223. You must sign this agreement and return it to us prior to making the investment in the Entity.

- 1) You understand and agree that neither Custodian nor Administrator approve investments or actions you take or direct Custodian or Administrator to take on behalf of your Account. Custodian and Administrator are limited in their responsibilities under your Account as set forth in your Account Application, and their responsibilities do not include investment advice or selection of any kind.
- 2) You understand and agree neither Custodian nor Administrator do not review or approve any subscription agreement, operating agreement, by-laws, limited or general partnership agreement, or any other similar agreement regarding the purchase or operation of the Entity and has no obligation to you in this regard.
- 3) You understand and agree that you are solely responsible for making sure that the Entity was not formed and will not operate in a way that does or may lead to a Prohibited Transaction as that term is defined in IRC §4975.
- 4) You understand and agree that if the Entity becomes a "disqualified person" (as that term is defined in IRC §4975) upon funding (this may occur, for example, if your Account and other disqualified persons, including you personally, own more than 50% of the Entity), then any future mandatory capital calls may be considered to be a Prohibited Transaction. As with any Prohibited Transaction, if this occurs, your Account may be deemed to be distributed to you as of January 1 of the year in which your Account contributes the additional capital, and penalties may apply. Therefore, you indemnify and hold harmless Administrator, its officers, directors, shareholders, and employees against any liability associated with funding a capital call which is or may be a Prohibited Transaction.
- 5) By signing this Agreement, you agree to indemnify and hold harmless Custodian and Administrator and their respective officers, directors, shareholders, and employees against any liability associated with investing in the Entity, including funding a capital call, and including any liability that arises because the investment is or may be a Prohibited Transaction.

# Private Placement Disclaimer & Indemnity Agreement

*This is a PDF fillable form. To complete the form, click in an area and type.*

- 6) You understand and agree that neither Custodian nor Administrator have given you any tax advice regarding the possibility that your Account may be subject to Unrelated Business Income Tax ("UBIT") as a result of its investment in the Entity. If your Account owes UBIT on its profits from the Entity, you agree to prepare or cause to be prepared and filed a IRS Form 990T, and any similar filing required under applicable state laws, for each year with respect to which any such form is required, and to cause your Account to pay any UBIT that is reported in such forms. You understand and agree that any UBIT owed must come from funds belonging to the Account. Your agreement to indemnify and hold harmless, as above, includes liability of the parties named therein with respect to UBIT and the preparation and filing of IRS Form 990T and similar state tax filings.
- 7) You agree and understand that Administrator is required to report the fair market value of the Account to the Internal Revenue Service each year. You agree to obtain a fair market value for the Account's investment in the Entity as of December 31 each year and report this information to Administrator on a form approved by Administrator no later than January 15 of the following year. You understand and agree that Administrator is entitled to rely on the valuation provided by you for reporting purposes and bears no responsibility as to the accuracy of the information provided. You understand and agree that until a different valuation is reported to Administrator, the value of the investment in the Entity will be reported based on the Account's total investment in the Entity. You understand and agree that if you fail to provide a fair market value to Administrator as required, Administrator may withdraw as administrator of your Account and distribute any assets to you or to a successor custodian.
- 8) You represent that you understand that with some types of Accounts there are rules for required minimum distributions from the Account. If you are now subject to the required minimum distribution rules for your Account, or if you will become subject to those rules during the term of the investment, you represent that you have verified either that the Entity provides distributions that will be sufficient to cover each required minimum distribution, or that there are other assets in your Account, or in other accounts that you may access for this purpose, that are sufficiently liquid (including cash) from which you will be able to withdraw your required minimum distributions as they become required.
- 9) You represent that you have completed all required due diligence on the Entity.
- 10) You understand and agree that neither Custodian nor Administrator makes any attempt to evaluate the Entity. For example, they make no attempt to: check the financial strength of the Entity; check with the Secretary of State to see if the Entity is in good standing; or check with the Securities and Exchange Commission, the Better Business Bureau, or any other governmental or non-governmental agency regarding any complaints filed against the Entity. You, as the owner of the Account, are 100% responsible for evaluating the Entity, its operations, and the investment potential of the Entity, including taking the steps described in the preceding sentence.
- 11) You understand and agree that you are also responsible for confirming that none of the "disqualified persons" with respect to your Account are associated in any way with the Entity.
- 12) You understand and agree that Custodian and Administrator, and their officers, directors, shareholders, or employees have not given you any investment, legal, or tax advice pertaining to this investment or the Entity.
- 13) You understand and agree that if the Plan Asset Regulations issued by the U.S. Department of Labor (29 C.F.R. § 2510.3-101) apply, the Entity is disregarded for purposes of the Prohibited Transaction rules of IRC § 4975. In that case, the underlying assets of the Entity are considered to be the assets in which your Account is investing, and each of the statements above regarding the Entity must be true with regard to each of the assets that the Entity invests in. You represent that you either understand the Plan Asset Regulations and Interpretive Bulletin 75-2 or that you have sought competent legal counsel regarding the Plan Asset Regulations and Interpretive Bulletin 75-2 (29 C.F.R. § 209.75-2) and their potential application to the Entity, prior to making your investment decision.

To signify your agreement with all of the above paragraphs, please sign below and return this agreement to us by fax or email, with the original being followed up by mail. PLEASE SIGN AND MAIL THIS FORM TO THE ADMINISTRATOR'S OFFICE.

Thank you for your cooperation. We look forward to continuing to serve your retirement account needs.

ACCEPTED, UNDERSTOOD, AND AGREED TO:

Account holder's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

RECEIVED:

Administrator's Authorized Agent Signature: \_\_\_\_\_ Date: \_\_\_\_\_