COVERDELL ESA

SPECIALIZED TRUST COMPANY

Coverdell ESA Application

PART 1: DESIGNATED BENEFICIARY

NAME *FIRST/MI/LAST*		SSN	DATE OF BIRTH
ADDRESS	CITY	STATE	ZIP
PRIMARY PHONE NUMBER	EMAIL		
ACCOUNT NUMBER *(FOR INTERNAL USE ONLY)*			

PART 2: DEPOSITOR *THE INDIVIDUAL ESTABLISHING THIS ACCOUNT*

NAME *FIRST/MI/LAST*		SSN	DATE OF BIRTH
ADDRESS	CITY	STATE	ZIP
PRIMARY PHONE NUMBER	EMAIL		

PART 3: RESPONSIBLE INDIVIDUAL *INDIVIDUAL RESPONSIBLE FOR MANAGING THIS ACCOUNT*

NAME *FIRST/MI/LAST*		SSN	DATE OF BIRTH
PHYSICAL ADDRESS	CITY	STATE	ZIP
MAILING ADDRESS	CITY	STATE	ZIP
PRIMARY PHONE NUMBER	EMAIL		
RELATIONSHIP TO DESIGNATED BENEFICIARY			

ELECTIONS

Select an answer to each of the following questions. If a box is not checked for a question, "No" will apply.

Select an answer to each of the following questions. If a box is not checked for a question, "No" will apply.

☐ Yes ☐ No

Will the responsible individual continue to serve as the responsible individual for the custodial account after the designated beneficiary attains the age of majority under state law and until such time as all assets have been distributed from the custodial account and the custodial account terminates? (See Article V of the agreement for additional information.)

If the responsible individual becomes incapacitated or dies after the designated beneficiary reaches the age of majority under state law, the responsible individual shall be the designated beneficiary.

☐ Yes ☐ No

May the responsible individual change the beneficiary designated under this agreement to another member of the designated beneficiary's family described in Code section 529(e)(2) in accordance with the custodian's procedures?

PART 4: SUCCESSOR RESPONSIBLE INDIVIDUAL

In the event of the death or legal incapacity of the responsible individual while the designated beneficiary is a minor under state law, the individual named below is designated as the Successor Responsible Individual.

☐ **No successor responsible individual will be named at this time. The responsible individual may designate a successor responsible individual at a later date.**

NAME *FIRST/MI/LAST*			DATE OF BIRTH
ADDRESS	CITY	STATE	ZIP

PRIMARY PHONE NUMBER	EMAIL
SSN	RELATIONSHIP TO DESIGNATED BENEFICIARY

PART 5: FUNDING

FUNDING METHOD *SELECT ONE*

☐ **1. Regular**	*An annual contribution subject to IRS income eligibility and contribution limits.*		
	CONTRIBUTION AMOUNT $	TAX YEAR	CONTRIBUTION DATE
☐ **2. Rollover**	*Distribution from a Coverdell ESA that is being deposited into this Coverdell ESA.* ***By selecting this transaction, I irrevocably designate this contribution as a rollover.***		
	ROLLOVER AMOUNT $		CONTRIBUTION DATE
☐ **3. Transfer**	*Direct movement of assets from a Coverdell ESA into this Coverdell ESA.*		
	TRANSFER AMOUNT $		CONTRIBUTION DATE

CONTRIBUTION INFORMATION

☐ **CREDIT CARD CONTRIBUTION**
I authorize the custodian to charge the listed contribution amount to the credit card provided.

☐ **PERSONAL CHECK CONTRIBUTION**
I acknowledge that any activation fees must be paid by credit card.

MAKE CHECKS PAYABLE TO:
Specialized Trust Company Custodian FBO “Your Name”, CESA

PART 6: IRA CUSTODIAN INFORMATION

NAME	TOLL-FREE PHONE NUMBER	LOCAL PHONE NUMBER	EMAIL ADDRESS
SPECIALIZED TRUST COMPANY	1-800-529-3951	505-514-0539	HELP@IRASTC.COM

PHYSICAL ADDRESS	CITY	STATE	ZIP
6100 INDIAN SCHOOL NE, SUITE 215	ALBUQUERQUE	NEW MEXICO	87110
MAILING ADDRESS	**CITY**	**STATE**	**ZIP**
P.O. BOX 3587	ALBUQUERQUE	NEW MEXICO	87190

PART 7: BENEFICIARY DESIGNATION

Upon the designated beneficiary's death, the assets in this account will be paid to the death beneficiaries named below. The interest of any death beneficiary that predeceases the designated beneficiary terminates completely. If all primary death beneficiaries predecease the designated beneficiary, the balance in the account will be payable to the contingent death beneficiaries. If no death beneficiaries are named, the designated beneficiary's estate will be the death beneficiary.

☐ **No death beneficiaries are designated at this time. The responsible individual may designate death beneficiaries at a later date.**

PRIMARY BENEFICIARIES *The total percentage designated must equal 100%.*

NAME		
ADDRESS		
CITY	STATE	ZIP
DATE OF BIRTH	RELATIONSHIP	
TAX ID (SSN/TIN)	PERCENT DESIGNATED	

NAME		
ADDRESS		
CITY	STATE	ZIP
DATE OF BIRTH	RELATIONSHIP	
TAX ID (SSN/TIN)	PERCENT DESIGNATED	

NAME		
ADDRESS		
CITY	STATE	ZIP
DATE OF BIRTH	RELATIONSHIP	
TAX ID (SSN/TIN)	PERCENT DESIGNATED	

NAME		
ADDRESS		
CITY	STATE	ZIP
DATE OF BIRTH	RELATIONSHIP	
TAX ID (SSN/TIN)	PERCENT DESIGNATED	

CONTINGENT BENEFICIARIES *The total percentage designated must equal 100%. The balance in the account will be payable to these beneficiaries if all primary beneficiaries have predeceased the IRA owner.*

NAME		
ADDRESS		
CITY	STATE	ZIP
DATE OF BIRTH	RELATIONSHIP	
TAX ID (SSN/TIN)	PERCENT DESIGNATED	

NAME		
ADDRESS		
CITY	STATE	ZIP
DATE OF BIRTH	RELATIONSHIP	
TAX ID (SSN/TIN)	PERCENT DESIGNATED	

NAME		
ADDRESS		
CITY	STATE	ZIP
DATE OF BIRTH	RELATIONSHIP	
TAX ID (SSN/TIN)	PERCENT DESIGNATED	

NAME		
ADDRESS		
CITY	STATE	ZIP
DATE OF BIRTH	RELATIONSHIP	
TAX ID (SSN/TIN)	PERCENT DESIGNATED	

☐ **Check here if additional death beneficiaries are listed on an attached addendum. Total number of addendums attached to this Coverdell ESA:** ______

PART 8: FEE ELECTIONS

INITIAL	I have reviewed the STC Fee Schedule

ANNUAL FEE:
STANDARD ANNUAL FEE IS THE DEFAULT IF NO ELECTION IS MADE

☐ Standard ☐ Specialized Black

ACTIVATION FEE:
STANDARD ACTIVATION IS THE DEFAULT IF NO ELECTION IS MADE

☐ Standard Activation ☐ Concierge Activation ***(Recommended)***

TOTAL FEES DUE	REFERRAL CODE *(FOR INTERNAL USE ONLY)*	TRACKING CODE *(FOR INTERNAL USE ONLY)*
$		

☐ One Time Set Up Fee on Credit Card ☐ All Establishment Fees on Credit Card

PART 9: PAYMENT INFORMATION

Please submit your payment information. Account activation fees must be paid by credit card.

☐ I have read and understand the Self-Directed Account Agreement regarding the credit card charge and I authorize the credit card payment by Specialized Trust Company (STC) for fees to establish the IRA account, not limited to but including Activation Fee, Annual Fee, Service Fees, and Account Termination Fee.

Card Type: ☐ Master Card ☐ Visa ☐ Discover ☐ American Express

NAME ON CARD	CARD NUMBER	EXPIRATION DATE	CSC

BILLING ADDRESS	CITY	STATE	ZIP

Select your preferred payment method for all subsequent fees: ☐ Deduct from my account ☐ Charge the credit card on file

SIGNATURE OF ACCOUNT HOLDER	DATE
X	

PART 10: REFERRAL SOURCE (OPTIONAL)

How did you find out about Specialized Trust Company?

☐ Social Media ____________________
☐ Event ____________________
☐ Digital Advertisement ____________________
☐ Personal/Professional Referral ____________________
☐ Search Engine ____________________
☐ Other *(Please Specify)* ____________________

PART 11: ACCOUNT SECURITY CODE

Please create a 4-digit security code for your account.

4-DIGIT SECURITY CODE: ____ ____ ____ ____

THE ACCOUNT OWNER AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE SPECIALIZED TRUST COMPANY SELF-DIRECTED CUSTODIAL ACCOUNT AGREEMENT. THE ACCOUNT OWNER AGREES TO KEEP THE REQUESTED SECURITY CODE CONFIDENTIAL.

PART 12: SIGNATURES

IMPORTANT
PLEASE READ BEFORE SIGNING.

The depositor and responsible individual have received a copy of the Coverdell ESA Application, the 5305-EA Coverdell ESA Custodial Account Agreement, and the Disclosure Statement. The depositor and responsible individual understand that the terms and conditions that apply to this Coverdell ESA are contained in this Application and the Coverdell ESA Custodial Account Agreement, and agree to be bound by those terms and conditions. The depositor assumes responsibility for determining that he or she is eligible to make this contribution and that the contribution is within the limits set forth by the tax laws. I understand that I have the right to revoke this Coverdell ESA within seven days of its establishment, without penalty, by submitting a signed and dated notice of revocation to the custodian. Such notice may be delivered electronically via email to help@irastc.com.

The responsible individual assumes responsibility for:

- **Ensuring that all future contributions are within the limits set forth by the tax laws,**
- **Certifying that he or she is qualified to assume the responsibilities of the responsible individual as set forth in the Coverdell ESA Custodial Account Agreement, and**
- **Managing and administering the Coverdell ESA and authorizing transactions involving contributions (including rollover contributions) and distributions.**

SIGNATURE OF COVERDELL ESA DEPOSITOR	DATE
X	
PRINTED NAME OF COVERDELL ESA RESPONSIBLE INDIVIDUAL	DATE
SIGNATURE OF COVERDELL ESA RESPONSIBLE INDIVIDUAL X	DATE
SIGNATURE OF WITNESS (OPTIONAL) X	DATE
SIGNATURE OF CUSTODIAN X	DATE

COVERDELL ESA CUSTODIAL ACCOUNT AGREEMENT

Form 5305-EA under section 530 of the Internal Revenue Code. FORM (Rev. October 2016)

The depositor whose name appears on the application is establishing a Coverdell Education Savings Account under section 530 for the benefit of the designated beneficiary whose name appears on the application exclusively to pay for the qualified elementary, secondary, and higher education expenses, within the meaning of section 530(b)(2), of such designated beneficiary.

The depositor has assigned the custodial account the sum indicated on the application.

The depositor and the custodian make the following agreement:

ARTICLE I

The custodian may accept additional cash contributions provided the designated beneficiary has not attained the age of 18 as of the date such contributions are made. Contributions by an individual contributor may be made for the tax year of the designated beneficiary by the due date of the beneficiary's tax return for that year (excluding extensions). Total contributions that are not rollover contributions described in section 530(d)(5) are limited to $2,000 for the tax year. In the case of an individual contributor, the $2,000 limitation for any year is phased out between modified adjusted gross income (AGI) of $95,000 and $110,000. For married individuals filing jointly, the phase-out occurs between modified AGI of $190,000 and $220,000. Modified AGI is defined in section 530(c)(2).

ARTICLE II

No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or a common investment fund (within the meaning of section 530(b)(1)(D)).

ARTICLE III

1. Any balance to the credit of the designated beneficiary on the date on which he or she attains age 30 shall be distributed to him or her within 30 days of such date.
2. Any balance to the credit of the designated beneficiary shall be distributed within 30 days of his or her death **unless** the designated death beneficiary is a family member of the designated beneficiary and is under the age of 30 on the date of death. In such case, that family member shall become the designated beneficiary as of the date of death.

ARTICLE IV

The depositor shall have the power to direct the custodian regarding the investment of the amount listed on the application assigned to the custodial account (including earnings thereon) in the investment choices offered by the custodian. The responsible individual, however, shall have the power to redirect the custodian regarding the investment of such amounts, as well as the power to direct the custodian regarding the investment of all additional contributions (including earnings thereon) to the custodial account. In the event that the responsible individual does not direct the custodian regarding the investment of additional contributions (including earnings thereon), the initial investment direction of the depositor also will govern all additional contributions made to the custodial account until such time as the responsible individual otherwise directs the custodian. Unless otherwise provided in this agreement, the responsible individual also shall have the power to direct the custodian regarding the administration, management, and distribution of the account.

ARTICLE V

The "responsible individual" named by the depositor shall be a parent or guardian of the designated beneficiary. The custodial account shall have only one responsible individual at any time. If the responsible individual becomes incapacitated or dies while the designated beneficiary is a minor under state law, the successor responsible individual shall be the person named to succeed in that capacity by the preceding responsible individual in a witnessed writing or, if no successor is so named, the successor responsible individual shall be the designated beneficiary's other parent or successor guardian. Unless otherwise directed by checking the option on the application, at the time that the designated beneficiary attains the age of majority under state law, the designated beneficiary becomes the responsible individual. If a family member under the age of majority under state law becomes the designated beneficiary by reason of being a named death beneficiary, the responsible individual shall be such designated beneficiary's parent or guardian.

ARTICLE VI

(See the application and section 10.06 of this agreement for information regarding the responsible individual's ability to change the designated beneficiary named by the depositor.)

ARTICLE VII

1. The depositor agrees to provide the custodian with all information necessary to prepare any reports required by section 530(h).
2. The custodian agrees to submit to the Internal Revenue Service (IRS) and responsible individual the reports prescribed by the IRS.

ARTICLE VIII

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III will be controlling. Any additional articles inconsistent with section 530 and the related regulations will be invalid.

ARTICLE IX

This agreement will be amended as necessary to comply with the provisions of the Code and the related regulations. Other amendments may be made with the consent of the depositor and custodian whose signatures appear on the application.

SELF DIRECTED ACCOUNT AGREEMENT

9.01 **Appointment of Custodian and Acceptance –** The undersigned account owner (the "Depositor" or "you") hereby appoints Specialized Trust Company ("STC" or the "Custodian"), a New Mexico corporation, as the custodian of the account. The Depositor's account is established for the exclusive benefit of the Depositor and/or the Depositor's beneficiaries and is governed by the terms of this Self-Directed Account Custodial Agreement (the "Agreement") and the Depositor's application. By opening or maintaining the account, you agree to be bound by the terms of this Agreement and any applicable laws and regulations. After the Depositor's death, the designated beneficiary(ies) will have the right to direct investments of the account assets, subject to the same conditions that applied to the original account holder.

9.02 **Governing Law and Dispute Resolution**

Governing Law and Venue – This Agreement shall be governed by the laws of the State of New Mexico, except to the extent preempted by federal law. The parties agree that the courts of New Mexico have exclusive jurisdiction over any legal action involving the Custodian or this Agreement. Any lawsuit filed by or against the Custodian by the Depositor shall be brought only in the state courts of Bernalillo County, New Mexico, where STC's principal office is located. The Depositor consents to personal jurisdiction in New Mexico for all such proceedings.

9.03 **Amendments and Binding Effect –** The Depositor agrees to be bound by the most current version of this Custodial Agreement, as it may be amended from time to time by STC. Amendments may be made unilaterally by the Custodian to comply with law or for other business reasons; such amendments will become effective after notice to the Depositor or as otherwise required by law. This obligation to abide by the Agreement (and any amendments) continues from the inception of the account and survives the termination or closure of the account. In the event the Depositor initiates any claim or legal action after the account has been closed, the version of this Agreement in effect at the time of such action shall govern the dispute. This Agreement shall be binding upon the Depositor and the Custodian, as well as their respective heirs, successors, and permitted assigns.

9.04 **Depositor Representations and Responsibilities –** By entering into this Agreement, the Depositor acknowledges and accepts the following responsibilities and representations:

- **Accuracy of Information –** The Depositor represents and warrants that all information provided to STC in connection with the account (including information in the account application and any subsequent instructions or communications) is true, correct, and complete. The Depositor agrees to promptly notify STC of any changes to such information.
- **Compliance with Laws –** All transactions and investments in the account shall comply with all applicable federal and state laws and regulations, including but not limited to the Internal Revenue Code and relevant securities laws. All transactions are also subject to any restrictions in STC's charter, articles of incorporation, bylaws, or internal policies, and to the customs and usages of any exchange or market where they are executed. It is the Depositor's responsibility to ensure that contributions, distributions, and investments comply with applicable legal requirements.
- **Direction of Investments –** The Depositor has exclusive responsibility for directing the investment of the account assets. Except as otherwise expressly provided in this Agreement, STC will act solely at the direction of the Depositor (or, after the Depositor's death, at the direction of the designated beneficiary) with respect to investment and reinvestment of the account. If the Depositor fails to provide investment instructions, or if instructions are incomplete, unclear, or in dispute, STC reserves the right to take no action (other than depositing uninvested funds in accordance with Section 9.07 below) until proper instructions are received from the Depositor or a person authorized to act on the Depositor's behalf. STC has no duty to question or investigate any investment directions received from the Depositor or the Depositor's authorized agent.
- **Beneficiary Rights –** After the Depositor's death, the beneficiary(ies) named for the account have the right to direct investments and otherwise exercise the rights of the Depositor under this Agreement, subject to the same terms and conditions that applied to the original Depositor. Any beneficiary directing the account will be bound by this Agreement just as the original Depositor.
- **No Advice or Due Diligence by Custodian –** The Depositor is solely responsible for evaluating and understanding the risks of any investment. The Depositor acknowledges that STC is not an investment advisor or fiduciary and will not provide investment, legal, or tax advice regarding the account (see Section 9.05 below). The Depositor is strongly encouraged to seek independent professional advice as needed. STC does not conduct due diligence or verify the legitimacy, appropriateness, or suitability of any investment in the account (including the background or financial status of any issuer, sponsor, or third party involved in any investment). Any review or approval of an investment by STC is solely for its own internal purposes (such as determining administrative feasibility) and shall not be construed as a recommendation or endorsement of the investment.
- **Responsible for Tax Consequences –** The Depositor acknowledges that certain transactions or distributions may have tax consequences or may result in penalties under the Internal Revenue Code (for example, early distribution penalties, required minimum distribution rules, prohibited transaction excise taxes, Unrelated Business Income Tax, etc.). STC has no duty to monitor or ensure the Depositor's compliance with such tax requirements. The Depositor is solely responsible for consulting with tax advisors and for adhering to all tax laws and IRS regulations applicable to the account. STC shall not be responsible for any taxes, penalties, or other consequences that result from the Depositor's investment choices or failure to comply with applicable law.
- **Ambiguous or Disputed Instructions –** If STC receives ambiguous or conflicting instructions, or if there is any dispute or uncertainty regarding a transaction or the ownership of account assets, STC may refrain from taking any action until the ambiguity or dispute is resolved to its satisfaction. STC may also decline to execute any instruction that, in its reasonable judgment, is incomplete, could violate applicable law or this Agreement, or cannot feasibly be executed.

9.05 **Role of Custodian (Passive Custodian – No Fiduciary Duties) –** STC is a passive, non-discretionary custodian of the account. This means that STC's role is strictly limited to holding assets and performing certain administrative tasks on behalf of the Depositor as directed, without any duty to review or recommend investments. The Depositor acknowledges and agrees that nothing in this Agreement, and no action by STC, shall be construed as conferring any fiduciary status or obligation upon STC. STC has no discretionary authority, control, or responsibility with respect to management or disposition of the account assets, and no duty to perform any investigation or oversight of investments. In particular:

- **No Investment Advice or Endorsement –** STC does not provide investment advice, legal advice, or tax advice to the Depositor, nor does STC endorse or recommend any investment product, sponsor, or strategy. The decision to buy, sell, or hold any investment rests exclusively with the Depositor. Execution of the Depositor's investment instructions (or STC's refusal to execute an instruction for administrative or legal reasons) does not constitute investment advice or a determination of the investment's merit.
- **No Fiduciary Duty –** The Depositor acknowledges that STC's services are ministerial and administrative in nature. STC is not a trustee and does not have a fiduciary duty to the Depositor or the account. By performing services and carrying out instructions under this Agreement, STC is acting as the agent of the Depositor and not exercising discretion or control over the assets. The Depositor and STC agree that STC is not a "fiduciary" for purposes of any federal or state law governing custodial or trust accounts.
- **Limited Duties; No Monitoring –** STC shall not be required to perform any services except those specified in this Agreement or required by applicable law. STC will not monitor the

performance of investments, the actions of any investment sponsor or promoter, or the ongoing suitability of any investment in the account. STC will not monitor or enforce any investment-specific requirements (such as payment of interest, dividends, maturities, or borrower obligations on a promissory note). Furthermore, STC will not monitor or notify the Depositor of any legal deadlines or requirements, such as required minimum distributions, beneficiary age limitations for Coverdell ESA accounts, or plan contribution deadlines – these remain the sole responsibility of the Depositor. For example, STC is not responsible for tracking the 5-year or 10-year distribution rules for inherited IRAs or monitoring when a Coverdell ESA beneficiary reaches the age where a distribution or transfer is required; the Depositor or beneficiary must ensure compliance with such rules. Doing so out of service, does not bind us to be required.

- **Use of Agents –** STC may employ third-party agents or affiliates to perform certain administrative or custodial services on its behalf, such as recordkeeping or asset servicing. Any such agent shall have the same rights and limitations as STC has under this Agreement. Any limitations of liability or obligations stated in this Agreement for the benefit of STC (including in Sections 9.05, 9.11 and 9.12) shall apply equally to any officers, directors, employees, and agents of STC and any third-party service providers assisting STC.
- **No Extension of Credit –** The Custodian has no obligation to extend credit, lend funds, or advance cash to the Depositor or the account. STC shall not be subject to margin calls and will not disburse payments beyond the cash balance available in the account for any reason whatsoever.
- **Exclusive Benefit –** The account and its assets shall be held for the exclusive benefit of the Depositor (and after death, the beneficiaries). STC shall not use the account assets for any purpose other than as directed by the Depositor, except as authorized by this Agreement or required by law (such as deducting fees or expenses).

9.06 **Investment Direction and Permitted Assets**

Depositor's Exclusive Control – The Depositor shall have sole authority and responsibility to select and direct the investment of all assets in the account. STC will act only upon the Depositor's (or the Depositor's authorized agent's) specific instructions to execute purchases, sales, transfers, or other transactions. All contributions to the account, and any earnings thereon, shall be invested and reinvested as directed by the Depositor in any investment permitted under this Agreement that STC is capable of holding in its custodial capacity.

Permissible Investments – The Depositor may direct investments in a wide range of alternative and traditional assets, to the extent not prohibited by law and administratively feasible for STC to hold. Permissible investments include, but are not limited to: publicly traded securities (stocks, bonds, mutual funds, ETFs, options, etc.); privately offered securities and equity or debt interests in privately held businesses or ventures; real estate properties or interests; mortgages, deeds of trust, promissory notes and other debt instruments (secured or unsecured); tax liens or tax certificates; certain precious metals and coins (to the extent allowed by law); shares or units of common trust funds or pooled investment funds that qualify under IRC §408(b)(5); certificates of deposit and other bank deposit instruments; and any other investment asset or instrument that the Custodian determines it can administer and that is not prohibited by Section 408 or 4975 of the Internal Revenue Code. STC does not impose an investment diversification requirement; assets may be non-diversified, risky, and illiquid – those are choices made by the Depositor.

Administrative Feasibility – Not all legally permissible investments are administratively feasible for STC to hold. STC, in its sole discretion, reserves the right to refuse to accept or hold any investment or asset in the account if holding such asset would be illegal, violate STC's internal policies, or would impose burdens or potential liabilities on STC that it is unwilling to assume. The Custodian is not required to communicate the reasons for any such decision to refuse an investment direction. The Depositor agrees to provide any and all documentation or information that STC may request in connection with an investment to determine its administrative feasibility or to satisfy compliance requirements. STC may decline to process any investment or transaction until all required documents are received in a form acceptable to the Custodian.

No Review of Legality or Merit – STC will not determine whether any investment is "appropriate" or prudent for the account, or whether it is permissible under ERISA, the Internal Revenue Code, securities laws, or any other applicable law (except that STC may refuse prohibited transactions it actually recognizes as such). The Depositor is responsible for confirming that any investment does not constitute a prohibited transaction and does not require special governmental approval or licensing. If any investment in the account is of a type that is or may be considered a "security" under federal or state securities laws, the Depositor represents and warrants that either (a) the investment is registered under applicable securities laws, or (b) the investment is exempt from registration. The Depositor acknowledges that STC is relying on this representation and expressly releases and waives any claims against STC for carrying out a purchase or funding an investment that may violate securities laws or any other laws. The Depositor further agrees to indemnify and hold STC harmless from any and all claims, liabilities, fines, or penalties that may arise from any investment's non-compliance with law or failure to meet regulatory requirements (indemnification is more fully set forth in Section 9.10).

Investment Documentation – The Depositor is responsible for ensuring that all supporting documents relating to any investment (e.g., subscription agreements, promissory notes, real estate deeds, operating agreements, etc.) are properly executed and delivered to STC in a timely manner. STC is not responsible for the sufficiency or enforceability of any documents prepared by or on behalf of the Depositor. STC will execute documents on behalf of the account as directed, solely in a custodial capacity (e.g., signing as "[Specialized Trust Company Custodian FBO (Depositor Name), Account Type]"). STC shall not incur personal liability by executing any document as custodian for the Depositor's account.

Follow-up on Investments – After an investment is made, STC's duties are limited to holding the asset and processing assets or payments that are received by it in the normal course. STC does not actively monitor whether the Depositor's investments are performing as expected or whether any party to an investment is fulfilling their obligations. For example, STC is not obligated to monitor a borrower's payments on a promissory note, to initiate collection or legal action against any party, or to exercise any rights with respect to an investment unless and until it is instructed to do so by the Depositor and has agreed to such instruction. Any costs or expenses associated with maintaining or enforcing an investment (such as property taxes, insurance, HOA fees, note collection costs, etc.) are the sole responsibility of the Depositor; STC will only pay such expenses from the account upon explicit written direction from the Depositor, and the Depositor must ensure sufficient cash is available for such purposes.

Insurance and Asset Maintenance – STC has no responsibility to secure or maintain insurance coverage on any asset held in the account or as collateral for an investment (for example, casualty insurance on real property or liability insurance for an activity) – that responsibility lies exclusively with the Depositor. Similarly, STC is not responsible for ensuring that any taxes, assessments, or other charges related to any investment are paid. The Depositor must direct STC if the Depositor wishes a bill or expense to be paid from the account, and STC may require an acceptable form or written direction for each such payment. While STC may, in its discretion, advance payment for taxes or other urgent expenses to protect an asset, STC is not obligated to do so; and if it does, the Depositor agrees that STC may promptly reimburse itself from the account (or the Depositor personally) for any such advanced amounts.

Outside or Linked Brokerage Accounts – In some cases, the Depositor may desire to hold publicly traded securities or other assets through a third-party brokerage account linked to the custodial account. With the Custodian's prior consent, the Depositor may open an outside brokerage or trading account in the name of the Custodian (Specialized Trust Company) for the benefit of the Depositor's IRA or other custodial account. Any such outside brokerage account shall be titled in the name of the Custodian (or its nominee) as custodian for the Depositor's account. The Depositor may then direct a designated broker-dealer to execute trades or investments within that account, consistent with the scope that the Custodian has agreed to. STC will not be responsible for the execution, quality, or timing of any orders placed with an outside broker. The broker will act on the Depositor's instructions (which may be given directly by the Depositor to the broker, if permitted), and STC's role is limited to opening the account and, if required, transferring funds to the brokerage account or receiving funds from it.

- **No Duty to Monitor Broker or Investments –** STC bears no liability for any actions or omissions of the chosen broker-dealer. STC is not responsible for reviewing the transactions executed in the brokerage account, and STC will not verify whether each individual trade was authorized by the Depositor. Any cash or assets held in the brokerage account are considered part of the custodial account, but STC will not demand or receive any cash from the broker unless and until directed by the Depositor. It is the Depositor's sole responsibility to review statements from the broker and to instruct STC if any cash or securities should be moved between the brokerage account and the Custodian.
- **Indemnity for Broker-Directed Trades –** The Depositor agrees to indemnify and hold harmless STC for any claims, losses, or expenses arising from activities in any such outside brokerage account. This includes, but is not limited to, any claim that an order was not authorized, any errors or misconduct by the broker in executing trades, any loss of value in the assets, or any failure of the broker to follow the Depositor's instructions. The Depositor's indemnification of the Custodian covers any legal fees or costs incurred by STC in connection with such claims (as further detailed in Section 9.10).
- **Provision of Statements –** The Depositor agrees to ensure that STC is provided (at least annually) with copies of statements from the outside brokerage account, or to grant the Custodian electronic access to view the account. This is necessary for proper recordkeeping and asset valuation. STC is not responsible for tracking the performance or value fluctuations of assets in the outside account in real time; valuations will typically be recorded based on periodic statements or other available market data.

9.07 **Uninvested Cash & Cash Management –** This section describes how uninvested cash in the account (i.e., any cash contributions, income, or liquidation proceeds that the Depositor has not yet directed into a specific investment) will be handled by the Custodian, and the terms and limitations related to such cash management.

Pooled Custodial Deposit Accounts – By entering into this Agreement, the Depositor directs and authorizes STC to deposit all uninvested cash from the account into one or more pooled custodial accounts or omnibus deposit accounts held at third-party financial institutions. These custodial deposit accounts will typically be maintained at FDIC-insured banks or savings institutions selected by STC, or in other interest-bearing instruments that are insured or guaranteed by the federal government (for example, U.S. Treasury bills or other U.S. government-backed obligations). STC may commingle the uninvested cash of the Depositor's account with the uninvested cash from other clients' custodial accounts for the purpose of efficient administration and deposit insurance coverage. Records will be maintained (through sub-accounting) to show the Depositor's share of the pooled account at all times.

Permitted Cash Investment Vehicles – Uninvested cash from the account may be placed by STC into any of the following types of vehicles, at STC's discretion, in order to earn a return of interest or yield: (a) deposit accounts at federally insured banks or credit unions (including demand accounts, savings accounts, or money market deposit accounts) which are eligible for FDIC or NCUA insurance; (b) brokered certificates of deposit (CDs) or time deposits issued by FDIC-insured institutions; (c) U.S. Treasury bills, bonds, or notes or other obligations that carry the full faith and credit guarantee of the United States; (d) interest-bearing savings bonds or government-backed securities; or (e) such other short-term, high-quality, and liquid instruments that are insured or guaranteed by the U.S. government or an agency thereof. STC will select such investments with a primary emphasis on preserving principal and maintaining liquidity, rather than maximizing yield. The Depositor understands that STC may sweep the cash into these vehicles without further specific direction from the Depositor.

Hold-To-Maturity Policy – STC's general policy is to select short- to medium-term fixed income instruments (such as CDs or Treasury bills) for uninvested cash and to hold such instruments to their maturity. By holding instruments to maturity, STC seeks to avoid market price fluctuations and ensure that full principal (and any accrued interest) is available at maturity to credit back to the respective accounts. However, the Depositor retains the right to withdraw or direct the use of uninvested cash at any time, and STC will make reasonable efforts to accommodate withdrawals even if it requires early liquidation of a term investment. In most cases, if STC must liquidate a pooled time deposit or security before maturity to fulfill the Depositor's (or other depositors') withdrawal requests, STC will bear any associated early withdrawal fee or penalty, so that the Depositor's requested principal amount can be made available without reduction for such penalties. The Depositor should be aware that frequent or large withdrawals of uninvested cash by many account holders may necessitate unplanned liquidations of instruments by STC.

Liquidity and Access to Funds – STC strives to honor all requests for withdrawals or transfers of uninvested cash promptly. Under normal circumstances, withdrawal requests are processed, and cash is made available without delay (typically within a few business days, subject to standard funds availability for incoming deposits or sale settlements). In rare circumstances, such as unusually large or concurrent withdrawals by multiple account holders, or in the event of market disruptions that affect the liquidity of normally liquid instruments, STC may require additional time to coordinate and fulfill requests. If such a scenario occurs, STC will take all reasonable steps to minimize delays and will communicate with affected Depositors regarding the status. The

Depositor acknowledges and accepts that temporary delays or restrictions on access to uninvested cash may occur in extraordinary circumstances beyond STC's control (for example, if a bank holding a pooled deposit fails or if the U.S. Treasury market closes unexpectedly).

Limitations of Liability for Liquidity Delays – While STC will make commercially reasonable efforts to provide timely access to uninvested funds, the Depositor agrees that: (i) Occasional timing or coordination challenges may occur (e.g., needing to break a CD early or wait for a large redemption), which could result in short-term delays in satisfying withdrawal requests; (ii) STC is not liable for any such delays or temporary access restrictions when they result from extraordinary circumstances or market conditions beyond its control; and (iii) STC will ensure that, notwithstanding any delay, the Depositor's funds remain protected (by FDIC insurance, U.S. government guarantee, or otherwise by the terms of the investment) such that the Depositor's principal and any due interest are ultimately secure and available once the underlying instrument matures or is redeemed.

Interest on Uninvested Cash; Custodial Interest Retention – Uninvested cash in the account may earn interest or yield from the financial institutions or instruments in which it is placed. STC may, but is not required to, credit a portion of such interest to the Depositor's account as interest on the uninvested cash balance. The rate of any interest that STC chooses to credit to the account is determined by STC in its sole discretion and is not fixed; it may be adjusted by STC from time to time without prior notice to the Depositor. (Currently, STC's policy is to credit 0.0% interest to uninvested cash balances, meaning that since 2015 no interest has been paid to depositors on uninvested cash, but this rate is subject to change at any time without notice.) Any interest or earnings on uninvested cash that exceed the amount (if any) that STC credits to the Depositor's account will be retained by STC as part of its compensation for providing custodial services. The Depositor acknowledges and agrees that STC may receive such excess interest or other benefits from the pooled deposit investments.

Original Issue Discount and Custodial Earnings – In certain cases, STC may invest uninvested cash in instruments that do not pay periodic interest but are issued at a discount and pay a higher value at maturity (for example, U.S. Treasury bills or zero-coupon bonds). STC may economically realize interest income or original issue discount ("OID") on such instruments at or near the time of placement or during the term of the investment, even if the instrument's full payment or maturity occurs at a later date.

For the avoidance of doubt, the Depositor acknowledges that certain U.S. Treasury or other government-backed instruments purchased by STC for pooled custodial accounts may be acquired at a discount to face or maturity value. The difference between the purchase price and the stated maturity value (original issue discount or "OID") represents custodial compensation to STC and is not an asset of the Depositor.

The Depositor further acknowledges and agrees that while OID legally accrues over the term of the instrument and is payable only at maturity, STC may economically realize, receive, advance, or otherwise settle anticipated OID compensation at or near the time the instrument is purchased, based on prevailing market pricing and broker execution. Any such early realization, advancement, or settlement of expected OID compensation by STC shall not reduce, impair, encumber, or otherwise affect any Depositor's contractual entitlement to principal, the contractual maturity value, or the maturity proceeds payable to the Depositor.

The Depositor understands and agrees that STC may retain any such interest or OID earnings as part of its custodial compensation, and that these retained earnings will not be credited to the Depositor's account. However, no Depositor's entitlement to principal or maturity proceeds shall be reduced or impaired by STC's retention, early realization, advancement, or settlement of such earnings; the Depositor's principal (and any contractually payable interest on the instrument, if applicable) will be available to the account at the instrument's maturity or redemption.

The Depositor further understands that the full face or maturity value of such instruments will be remitted by the executing broker, issuer, or paying agent (including the U.S. Treasury, if applicable) directly to the pooled custodial account at maturity, and that such maturity proceeds are not dependent upon STC retaining, not retaining, advancing, realizing, or settling any OID amount.

The Depositor acknowledges that the interim market value of certain U.S. Treasury securities, certificates of deposit, or similar hold-to-maturity instruments may fluctuate prior to maturity due to interest rate movements or market conditions. Such interim pricing fluctuations are not indicative of realized losses and do not affect the contractual maturity value payable to the Depositor. STC has no obligation to monitor, report, or act upon such interim market value changes.

The Depositor acknowledges that there may be a timing difference insofar as STC may derive economic benefit from an investment (such as through OID accrued or custodial compensation realized, advanced, or settled prior to maturity), while the Depositor's contractual entitlement to principal and any stated interest is realized only at maturity. Such timing differences, to the extent they occur, do not affect the amount due to the Depositor under the terms of the investment, nor do they impose any cost, loss, or risk on the Depositor's account; such amounts are fully absorbed by STC as part of its custodial business model.

Retention, early realization, advancement, or settlement of OID by STC constitutes custodial compensation only and does not create any obligation on STC to accrue, segregate, reserve, or prefund such amounts, or to guarantee or advance liquidity prior to maturity. STC will provide any disclosures or IRS reporting required by law in connection with interest or OID earned on pooled custodial investments.

Changes to Fees – STC may change its fee schedule from time to time. In general, STC will provide at least 30 days' advance written or electronic notice to the Depositor of any changes to the basic fee schedule. Fee changes will become effective at the next billing cycle or as stated in the notice. If the Depositor continues to maintain the account after the effective date of a fee change, the Depositor will be deemed to have agreed to the new fees. Current fees may also be obtained by contacting STC or visiting its website. STC's failure to charge a fee or enforce any fee provision in any instance shall not be deemed a waiver of its right to do so subsequently.

Out-of-Pocket Expenses – The Depositor may elect in some cases to pay certain expenses related to the account or its investments from non-account funds (out-of-pocket) in order to avoid depletion of the account. STC may permit this to the extent allowed by IRS rules without treating such payments as additional contributions. Guidance from IRS Revenue Rulings (e.g., 84-146) and any applicable Private Letter Rulings may be followed in determining which fees can be paid out-of-pocket without adverse tax consequences. The Depositor should consult a tax advisor if uncertain. STC is not responsible for monitoring how such payments are treated for tax purposes.

Insufficient Cash – The Depositor is responsible for ensuring that the account has adequate liquid funds to pay fees and any known expenses. STC recommends keeping a minimum cash balance (for example, $1,000) in the account for fees and unforeseen costs. If the account has insufficient cash to cover outstanding fees or expenses, STC may liquidate assets as described in Section 9.09. STC is not obligated to advance or loan funds to cover fees.

9.09 **Collection and Enforcement Rights –** To the fullest extent permitted by law and this Agreement, STC has the right to take action to collect any unpaid fees, costs, or other amounts owed by the Depositor in connection with the account or this Agreement.

Security Interest and Lien – The Depositor hereby grants to STC a security interest and lien in the custodial account and all assets held therein as security for the payment of all fees, expenses, indemnified amounts, or other obligations owed to STC under this Agreement. STC may take any action permitted by law to enforce this security interest, including, but not limited to, freezing the account or liquidating assets within the account if needed to satisfy the outstanding obligations. STC's lien is superior to the interest of the Depositor and any beneficiary, successor, or creditor in the account, to the extent of any fees or other amounts due.

Set-Off and Cross-Account Recovery – In addition to the lien rights described above, the Depositor expressly authorizes STC to deduct from or set off against any other account the Depositor maintains with STC (or any affiliate of STC) any outstanding fees, charges, or obligations owed by the Depositor. This means that STC may, without further consent, take funds from any other account in the Depositor's name to cover amounts owed in this account. This authorization extends to any accounts held at STC by the Depositor's spouse or any of the Depositor's children, to the extent the Depositor has legal authority over or beneficial interest in those accounts and such accounts contain available funds. The Depositor acknowledges that this cross-account recovery provision is a material condition of custodial services – it remains effective even after the closure of the account and until all outstanding obligations to STC are fully satisfied. STC will make a reasonable effort to notify the Depositor of any such inter-account transfer after it occurs.

Asset Liquidation – If any fee, expense, or other amount owing to STC is not paid when due, STC has the right, after 30 days' notice of delinquency (or without notice if notice has been given and the amount remains unpaid), to liquidate any assets in the account as necessary to pay the amount owed, to the extent permitted by law. STC may choose which asset(s) to liquidate and may liquidate enough assets to cover the unpaid amount plus any applicable fees or commissions associated with the liquidation. Such liquidation may be carried out without further notice to the Depositor (the Depositor's prior acknowledgement of this Agreement constitutes any required consent to such sale). Any asset may be sold by STC in its discretion, and STC shall not be responsible for any loss of investment value, loss of potential profit, or tax consequences resulting from the liquidation. If the liquidation of assets results in proceeds that exceed the amount owed, the excess will be returned to the account. If the liquidation does not cover the full amount owed (for example, due to market fluctuation or fees), the Depositor remains liable for the deficiency. STC will notify the Depositor if a deficiency remains, and the Depositor shall promptly pay it.

Suspension or Closure of Account – In the event of significant delinquency or breach by the Depositor, STC reserves the right to take protective action, including suspending account transactions (other than necessary liquidations) or terminating the custodial account. If fees remain unpaid for more than 30 days, STC may, in its discretion, terminate (force close) the account. Upon termination for non-payment, all assets will be distributed or delivered to the Depositor (after liquidating assets that cannot be transferred in kind), and the account will be closed. Any such distribution upon account closure will be reported to the IRS as a taxable distribution (in the case of a tax-advantaged account) and may have adverse tax consequences for which the Depositor is solely responsible. The Depositor agrees that STC shall not be liable for any tax or penalty incurred due to a distribution that occurs as a result of account termination under this section.

If STC decides to terminate the account, it will send written notice to the Depositor (to the last known address or email on file) of the termination. The Depositor will be given a short period (typically 30 days) to pay any outstanding amounts or make other arrangements, but if the Depositor fails to cure the default, STC may proceed with closing the account and liquidating or distributing assets as described.

Minimum Cash Balance Requirement – STC may require that the account maintain a minimum liquid cash balance (for example, $1,000) to cover fees and unexpected expenses. If the account balance falls below the required minimum (due to investment losses or withdrawals) and the Depositor does not restore the minimum or provide an alternative funding source, STC may, after notice, distribute the remaining assets to the Depositor and close the account. Such a distribution could be treated as a taxable event (or a distribution subject to penalty) in the year of distribution, and all resulting tax consequences or penalties are the responsibility of the Depositor. STC will not be liable for any losses or tax implications arising from enforcing the minimum balance policy.

Other Remedies – The rights enumerated in this section are in addition to, and do not limit, any other rights or remedies available to STC under this Agreement or applicable law. STC's decision to delay or refrain from exercising any remedy in one instance does not waive its right to do so in another instance or to exercise any other remedy. The Depositor agrees to pay any costs (including reasonable attorneys' fees) incurred by STC in collecting amounts owed by the Depositor or in enforcing its rights under this Agreement.

9.10 **Indemnification** – Depositor's Indemnity Obligation – To the fullest extent permitted by law, the Depositor agrees to indemnify, defend, and hold harmless STC, along with its officers, directors, managers, members, employees, agents, affiliates, successors and assigns (each an "Indemnified Party"), from and against any and all losses, claims, demands, damages, liabilities, penalties, fines, judgments, settlements, costs, and expenses (including reasonable attorneys' fees and legal costs) of any kind that arise out of or are related to: (a) this Agreement or the administration of the account; (b) any investment, transaction, or activity in the account (including without limitation any claim arising from a decline in value of an asset, or any dispute with or involving an issuer, borrower, or other counterparty to an investment); (c) any breach of the Depositor's representations, warranties, or obligations under this Agreement; (d) STC's following or attempting to follow any instruction or direction from the Depositor or the Depositor's authorized agent; (e) STC's refusal to act in the absence of proper instructions or as otherwise contemplated by this Agreement; or (f) any act or omission of the Depositor (including the Depositor's agents, investment advisors, or appointed representatives).

This indemnification means that, if any Indemnified Party incurs any expense, loss, or liability in connection with the account or this Agreement due to one of the above-listed causes, the Depositor will reimburse those amounts and will also cover the Indemnified Party's costs of defense (e.g., attorney's fees) if applicable. The Depositor's obligation to indemnify applies regardless of whether the claim against the Indemnified Party is brought by the Depositor, a beneficiary, a third party, or any governmental or regulatory authority.

Scope of Indemnity – The Depositor's indemnity obligation includes, but is not limited to: claims asserting some liability or theory of recovery against STC because of actions taken in good faith by STC (or its agents) in reliance upon instructions from the Depositor; claims arising from any good-faith error or omission by STC in executing instructions (except to the extent such error is adjudicated to result from STC's gross negligence or willful misconduct, in which case this indemnity shall not apply to the portion of losses attributable thereto); any claim of a prohibited or improper transaction, or disqualification of the account's tax-advantaged status, due to the Depositor's actions; and any claim arising from the Depositor's investment being deemed to violate any law (including securities laws or IRS rules) or the rights of any third party. The Depositor further agrees to hold Indemnified Parties harmless from any and all liability for the actions or inactions of any third party (such as any broker, investment sponsor, or property manager) selected by the Depositor to provide services or investments for the account.

Advancement and Reimbursement of Costs – The Depositor agrees to pay, or to reimburse on demand, all expenses and costs (including attorneys' fees) incurred by an Indemnified Party in defending or resolving any claim or proceeding covered by the above indemnity, even if such claim is made by the Depositor themself. At the election of STC, the Depositor shall, upon notice, advance to STC funds to cover anticipated legal fees or other costs relating to any such claim. STC shall have the right to deduct any such indemnified amounts or advance funding from the account without prior notice if the Depositor fails to pay promptly. If STC is asked to provide evidence of its authority or actions as Custodian (for example, if the account's assets are involved in a legal dispute or garnishment), STC shall be entitled to reimbursement from the Depositor for all related costs and fees (including legal fees) it incurs.

The Depositor's indemnification obligations shall survive the termination of this Agreement and the resignation or removal of the Custodian.

9.11 **Legal Proceedings Involving the Account –** Depositor's Responsibility in Litigation – If the account or any asset thereof becomes involved in any litigation, lawsuit, arbitration, or legal proceeding (collectively, "Legal Proceedings"), the Depositor is solely responsible for prosecuting or defending such Legal Proceedings, including retaining legal counsel and paying all associated costs. This includes situations where the Depositor initiates a lawsuit on behalf of the account (for example, to enforce a promissory note or to make a claim concerning an investment), as well as situations where the account's asset or STC's role as Custodian is brought into a dispute by third parties.

Notification and Custodian Named as Party – The Depositor must promptly notify STC if the account or any asset is involved in any Legal Proceedings. If STC (or any of its officers or agents) is named as a defendant or party in any Legal Proceedings related to the account or an investment, the Depositor must take steps to have STC removed as a named party if possible and shall indemnify and hold STC harmless from any costs or liabilities as a result of being named. STC may, in its discretion, require the Depositor to retain counsel on STC's behalf (subject to STC's approval of the counsel) to defend STC's interests in the proceeding. Alternatively, STC may choose to engage its own counsel to defend or represent it, and the Depositor agrees that any and all attorneys' fees and costs incurred by STC shall be borne by the Depositor or the account (and may be deducted from the account assets). Before using account assets to pay such costs, STC will notify the Depositor if feasible to do so.

Cooperation and Information – The Depositor agrees to fully cooperate with any effort by STC to contest, defend, or resolve any Legal Proceedings involving the account. This includes promptly providing documents, sworn statements, or declarations, and/or attending proceedings, as necessary. If the Depositor initiates a Legal Proceeding on behalf of the account, the Depositor agrees to name the Custodian in its representative capacity (and not individually) as a necessary party. For example, if the Depositor's IRA is the plaintiff in a lawsuit, the proper designation might be "Specialized Trust Company, Custodian FBO [Depositor's Name], Account Type." STC can provide guidance on the required titling, and the Depositor agrees to follow such guidance. The Depositor shall also provide STC with copies of all pertinent legal documents filed or issued in such proceedings upon request.

No Obligation of Custodian to Act – The Depositor understands that STC will not initiate legal action on behalf of the account, and STC will not independently defend or pursue any claim (except to protect its own interests as Custodian) unless absolutely required by law. STC's involvement in any legal matter is passive and at the direction of the Depositor. If the Depositor fails to direct and adequately protect the account's interests in a dispute, STC is not obligated to step in. However, if STC is exposed to potential liability or expense due to the Depositor's lack of action, STC may, after notice to the Depositor when practicable, take necessary steps to protect itself (for example, paying taxes or responding to court orders) and charge any costs to the account or the Depositor personally.

Indemnification for Legal Proceedings – In addition to the general indemnity in Section 9.10, the Depositor specifically agrees to indemnify and hold STC (and its officers, directors, and employees) harmless from any legal expenses, judgments, or liabilities that STC incurs in any Legal Proceedings involving the account. If the Depositor does not provide for STC's legal defense or separate counsel is deemed necessary by STC, STC may hire its own counsel and recover all associated costs from the Depositor or the account. STC may also place a lien on account assets or liquidate assets as needed to ensure recovery of such costs (as described in Sections 9.09 and 9.10).

9.12 **Limitation of Liability of Custodian**

No Custodian Liability for Investment Results – The Depositor acknowledges that all investment decisions are made at the Depositor's sole risk. STC shall not be liable for any loss, depreciation, or expense which arises from the Depositor's exercise of investment control over the account. The Custodian is not responsible for losses resulting from a decline in value of any asset or for any unrealized profit. STC has no duty to question any investment direction, and therefore STC is not liable for any consequences stemming from executing such directions (including, but not limited to, taxes or penalties resulting from an investment). The Depositor bears complete responsibility for the success or failure of any investment.

No Liability for Internal Revenue Service or Legal Compliance – STC does not warrant or guarantee that any investment or transaction will be deemed permissible or compliant by the IRS or any other regulatory authority. STC shall not be responsible for any tax consequences, penalties, or other damages that may arise from the Depositor's actions or investments, including but not limited to prohibited transactions, UBIT (Unrelated Business Income Tax) liabilities, reportable transactions, or the loss of the account's tax-deferred or tax-exempt status. Any such consequences shall be borne solely by the Depositor.

Consequential Damages – To the maximum extent permitted by law, STC (and its officers, directors, employees, and agents) shall not be liable for any indirect, special, incidental, punitive, or consequential damages (including lost profits or loss of opportunity) arising out of or related to this Agreement or the account, even if STC has been advised of the possibility of such damages. In any claim or dispute arising under this Agreement, the liability of STC shall be limited to the amount of fees paid by the Depositor to STC for the particular service or transaction at issue, or the actual direct loss to the account (if any) caused by STC's error, gross negligence, or willful misconduct, whichever is less. The Depositor agrees that this limitation of liability is reasonable and appropriate given the purely custodial nature of STC's services.

Force Majeure – STC shall not be liable for any failure or delay in performing its obligations if such failure or delay is caused by circumstances beyond its reasonable control, including but not limited to: natural disasters, wars, acts of terrorism, strikes or labor disputes, electrical or telecommunications outages, hacker or cyber-attacks, government restrictions, court orders, or market suspensions. In the event of such force majeure, STC will resume performance as soon as practicable and will take reasonable steps to minimize disruption.

No Duty Beyond Agreement – The Depositor agrees that STC's duties and responsibilities are strictly limited to those expressly stated in this Agreement. STC has no implied duties or obligations and is not acting as a trustee, fiduciary, investment manager, or tax advisor. STC is not responsible for any information or representations that may have been made by any third party concerning STC or the account that are not contained in this Agreement or written communications from STC.

Reliance on Documents and Instructions – STC may rely conclusively upon and shall incur no liability in acting or refraining from acting upon, any written or oral instruction or any document believed by it in good faith to be genuine and properly authorized. STC is not responsible for discovering any falsity, forgery, or irregularity in any such instruction or document. For example, if a fraudulent instruction is given by someone impersonating the Depositor or the Depositor's agent, STC is not liable for any resulting loss provided it acted in good faith in executing that instruction.

Limitation on Actions – Any claim or cause of action by the Depositor which arises out of this Agreement or the services provided by STC shall be commenced within one (1) year after the Depositor knew or should reasonably have known of the facts giving rise to the claim, and in any event no later than three (3) years after the cause of action accrued. This limitation period shall apply to the fullest extent permitted by law.

Officers, Directors, and Agents Protected – It is expressly understood and agreed that the officers, directors, employees, agents, and affiliates of STC shall not be personally liable for any obligations or liabilities of STC as Custodian under this Agreement. The Depositor waives any right to sue or recover from the individuals associated with STC for acts or omissions taken in connection with the account. If any officer or employee of STC is named in litigation in connection with the account, it shall be deemed solely in their capacity as an agent for STC. The provisions of this Section (and the indemnification in Section 9.10) are intended to protect and inure to the benefit of such individuals, who are considered third-party beneficiaries of these terms.

Exculpation – To the extent permitted by law, STC shall not be liable for any action taken or not taken in good faith pursuant to this Agreement. STC shall not be liable for any default or misconduct of any third parties, such as issuers of securities, depositories holding assets, brokers executing trades, or any other service providers not employed by STC. However, nothing in this Agreement shall be construed to relieve STC from responsibility for its own gross negligence or willful misconduct. In any situation where STC is found liable for failing to carry out its duties in accordance with this Agreement, the Depositor's remedy shall be limited to restoring the account to the position it would have been in had the error or breach not occurred, subject to the limitations on damages noted above.

9.13 **No Investment Advice; Communications and Marketing**

No Advice or Recommendations – The Depositor acknowledges that STC does not provide investment, legal, or tax advice or recommendations. Any information provided by STC, whether in written materials, on its website, in webinars, workshops, podcasts, or through representatives of STC, is intended for educational and general informational purposes only. The Depositor is solely responsible for evaluating investment opportunities and should consult independent financial or legal professionals before making decisions. No communication from STC (or from any third-party presenters at STC events) will be construed as advice or an endorsement of any particular investment. STC's employees and agents are instructed not to provide advice; any opinions expressed by such persons are their personal opinions and not to be relied upon as advice from the Custodian.

Educational Materials and Seminars – From time to time, STC may make available newsletters, articles, webinars, seminars, or other educational content about self-directed IRAs, real estate investing, precious metals, cryptocurrency, or other investment topics. These educational and marketing materials are for illustrative or explanatory purposes only. While STC strives to provide accurate and useful information, it does not guarantee the accuracy or completeness of any information presented. None of these materials modify or supersede the terms of this Agreement. In the event of any contradiction between something stated in a marketing or educational piece and this Agreement, the terms of this Agreement shall govern. The Depositor should always refer to this Agreement and official STC communications for the rules governing the account.

No Amendment by Communications – The Depositor should not rely on any oral statements made by any STC representatives or any written promotional materials as altering the rights and obligations set forth in this Agreement. Changes to the Agreement can only be made through a written amendment or revision issued by STC (as described in Section 9.03). If the Depositor believes that any staff member or agent of STC has offered advice or made a commitment inconsistent with this Agreement, the Depositor must bring it to STC's attention promptly, and the Depositor should not act in reliance on such information unless and until it is confirmed in writing by an authorized officer of STC.

Third-Party Relationships and Compensation – The Depositor understands that STC may have business relationships with certain third-party investment providers, educators, or referral sources. STC may pay or receive fees, sponsorships, or other compensation to or from third parties in connection with educational events, referrals of account holders, or other business arrangements. For example, STC might host a seminar where outside experts present, and STC could receive a portion of event proceeds or a marketing fee. Any such relationships will be disclosed as required by law. The Depositor acknowledges this disclosure that STC might benefit financially from such arrangements but also affirms that STC does not endorse or recommend any specific investment, sponsor, or provider, regardless of any such relationship. The Depositor must perform their own due diligence on any investment opportunity or provider, even if it was mentioned in an STC-sponsored event or communication.

No Endorsement or Due Diligence – References to third-party products, services, or websites in STC's materials are provided for the Depositor's convenience and should not be interpreted as approval or endorsement by STC. STC does not investigate or verify the reputation, licensing, or financial standing of any investment sponsor, promoter, or other third party that the Depositor may learn about through STC or hold an investment with through the account. For example, if STC allows an investment in a private fund or a precious metals dealer is mentioned in an STC seminar, that should not be taken as STC's recommendation of that fund or dealer. The Depositor agrees that STC is not responsible for, and shall be held harmless from, any losses or problems arising from the Depositor's interactions with any third parties, even if the Depositor learned of those parties through STC.

Self-Directed Nature of Account – All accounts administered by STC are self-directed. STC encourages each Depositor to consult with their own financial advisor, attorney, and/or CPA prior to making investment decisions. The Depositor should consider their own risk tolerance and investment objectives. STC will not evaluate whether an investment is prudent, suitable, or diversified. The Depositor understands that any investment can lose value, and some or all of the account's investments may be illiquid, speculative, or subject to substantial risks. STC will not warn or prevent the Depositor from entering into a risky or bad investment, as that is not STC's role. The Depositor must exercise caution and judgment in all account dealings.

Communications Not Guaranteed – STC may communicate important information to the Depositor through mail, email, or via online account portals. The Depositor is responsible for reading all communications from STC and for keeping STC apprised of current contact information. STC is not liable for any consequences that result from the Depositor's failure to receive or act upon communications, provided STC sent the communication to the address or contact on file. Additionally, if STC provides any alerts or notices as a courtesy (for example, reminding of a required minimum distribution or alerting to a potential scam in the industry), this does not create an ongoing obligation for STC to provide such alerts.

Entire Agreement & Client Acknowledgment – The Depositor acknowledges that he/she has read and understands this Agreement. This Agreement, along with the executed application, any associated plan documents incorporated by reference (such as IRS Form 5305 or other required IRA plan language, if applicable), and the prevailing Fee Schedule, constitutes the entire agreement between the Depositor and STC regarding the custodial account. The Depositor is not relying on any oral or written representation or statement that is not expressly set forth in this Agreement. In choosing to open or continue a self-directed account with STC, the Depositor accepts and agrees to these terms and the allocation of responsibilities described herein. The Depositor further understands that use of any educational products or services provided by STC, even prior to formally opening an account, constitutes agreement to the disclaimers and terms of this Section 9.13 and the relevant portions of this Agreement.

9.14 **Resignation or Replacement of Custodian**

Voluntary Resignation by STC – STC may resign as Custodian at any time upon at least 30 days' prior written notice to the Depositor. In connection with such resignation, STC may appoint a qualified successor custodian or trustee to take over administration of the account. The notice of resignation will include the effective date and, if a successor has been identified, the name and contact information of the successor custodian/trustee. If the Depositor does not respond to the notice of resignation, then on the effective date, the Depositor shall be deemed to have consented to the transfer of the account to the successor custodian and to the successor's governing account agreement (which will be provided to the Depositor). The successor custodian will succeed to all of the rights, powers, and responsibilities of the Custodian under this Agreement or under a new agreement that is provided. The Depositor may alternatively choose to direct a complete distribution of the account or a transfer/rollover of the account to a different custodian of the Depositor's choice within the notice period. If the Depositor fails to do so within 30 days of the notice, STC may proceed with transferring the account to the successor it appointed, and the Depositor will be bound by any new custodial agreement from that successor.

Automatic Succession in Corporate Transactions – If STC sells all or part of its custodial business, merges with another organization, or is acquired by another company, the purchaser or successor organization shall automatically become the custodian or trustee of the account without interruption, provided the successor is authorized to serve as a custodian or trustee under applicable law. The Depositor's consent to such assignment is presumed by acceptance of this Agreement. STC will notify the Depositor of any such change in control or assignment of custodial duties. The Depositor has the right, if they do not wish to keep the account with the successor, to transfer the account to another custodian or request a distribution (subject to taxes/penalties if applicable) as permitted by law.

Removal or Replacement by Depositor – The Depositor may remove STC as Custodian and/or appoint a replacement custodian or trustee at any time by giving at least 30 days' written notice to STC (or such shorter period as STC may agree to). In such event, the Depositor is responsible for making arrangements to transfer the account assets to the new custodian or for distributing the assets (which may have tax consequences). STC will cooperate, after receiving all required paperwork and any outstanding fees, in transferring assets to the new custodian or releasing assets for distribution. The Depositor remains liable for payment of any accrued fees or expenses owing to STC, and STC may retain sufficient assets or funds until those are settled.

Custodian of Last Resort – If STC resigns and no qualified successor is willing to assume custody of the account, STC may distribute the assets to the Depositor (or beneficiaries) outright. Such a distribution will be subject to any taxes or penalties applicable, and STC will not be responsible for those. STC will endeavor to give the Depositor an opportunity to find another custodian, but if none is found, the account may be closed and paid out.

Final Accounting – After resignation or removal of STC, STC shall have no further duties with respect to the account, except to account for the assets and deliver them to the successor or the Depositor as directed. STC will provide a closing statement or accounting up to the date of transfer. The Depositor agrees to release and hold STC harmless for any actions or omissions by successor custodians or trustees.

9.15 **Account Statements and Notices –** STC will furnish the Depositor with an account statement at least annually (or more frequently, at STC's discretion or if required by law). The statement may be provided by mail or electronically, and will reflect the assets held in the account, contributions, distributions, fees charged, and transactions made during the statement period. The Depositor is responsible for reviewing each account statement or report promptly upon receipt.

If the Depositor believes there is any error or discrepancy in a statement (or any report or notice from STC), the Depositor must notify STC in writing within 60 days of the date the statement or notice was sent. This includes any errors in reporting of contributions, withdrawals, asset values, or transactions. If the Depositor does not report an error or inconsistency within 60 days, the statement and STC's records shall be deemed accurate and conclusive, and STC shall be released from any liability for matters covered by that statement or notice. After such 60-day period, no adjustments will be made for the period reflected in that statement (absent manifest error that STC in its sole discretion chooses to correct).

For purposes of this Agreement, any communication or notice required to be given by STC is considered effective when mailed to the Depositor's address of record or when sent electronically (if the Depositor has consented to electronic delivery) to the email address or online account provided. The Depositor is responsible for keeping contact information up to date and for notifying STC of any changes in address, email, or phone number. STC may also post general notices on its website or online portal when applicable.

Notices to STC: The Depositor must send any written notices or instructions for STC to the designated address or electronic portal provided by STC. Certain requests (such as distributions, transfers, or beneficiary changes) must be on STC's prescribed forms and signed by the Depositor (with a medallion guarantee or notary if required by STC). STC shall not be bound by any notices or instructions that do not comply with its reasonable requirements for form and delivery.

9.16 **Miscellaneous Provisions**

Severability – If any provision of this Agreement is found to be illegal, invalid, or unenforceable under present or future laws, that provision will be enforced to the maximum extent permissible, and the legality and enforceability of the remaining provisions shall not be affected.

No Waiver – The failure of STC to enforce any provision of this Agreement or to exercise any right or remedy provided by this Agreement or by law shall not be deemed a waiver of such provision, right, or remedy. A waiver on any one occasion shall not be construed as a bar or waiver of any right or remedy on any future occasion.

Headings – Section titles or headings in this Agreement are for convenience of reference only and are not intended to construe the terms or to affect the interpretation of the Agreement.

Applicable Code and Regulations – This Agreement is intended to comply with the applicable requirements of the Internal Revenue Code and IRS regulations governing the specific type of account (e.g., Traditional IRA, Roth IRA, HSA, etc.). If any part of this Agreement is found to be inconsistent with mandatory provisions of the Code or IRS regulations, the Code and regulations shall govern. STC may amend the Agreement to maintain compliance without the consent of the Depositor as described in Section 9.03.

IRS Approved Form (if applicable) – For IRA accounts, an Internal Revenue Service model custodial account agreement (such as Form 5305 series) or other IRS-approved prototype plan document may form a part of this Agreement. If so, that document is incorporated herein and in the event of a conflict between that IRS model language and this Agreement, the IRS-required language shall prevail to the extent necessary to comply with the law.

Execution and Counterparts – This Agreement may be accepted by the Depositor through electronic or written means. The Depositor's submission of an application or contribution to the account, or the Depositor's continued use of the account after receipt of this Agreement, shall be deemed acceptance of the terms herein. The Agreement may be executed in multiple counterparts (including by electronic acceptance or acknowledgment), which together will constitute one and the same instrument.

Acknowledgment – By using the services of STC as Custodian, the Depositor acknowledges that he/she has read and agrees to the terms of this Custodial Agreement. The Depositor understands the roles and responsibilities of both the Depositor and the Custodian, and releases STC from liability in accordance with the provisions above. The Depositor also affirms that no tax, legal, or investment advice has been given by STC, and that all investment decisions are made at the Depositor's sole discretion and risk.

ARTICLE X

10.01 **Notices and Change of Address –** Any required notice regarding this Coverdell ESA will be considered effective when the custodian sends it to the intended recipient at the last address that the custodian has in its records. Any notice to be given to the custodian will be considered effective when the custodian actually receives it. The responsible individual must notify the custodian of any change of address.

10.02 **Representations and Responsibilities –** The depositor and the responsible individual represent and warrant to the custodian that any information the depositor and responsible individual have given or will give the custodian with respect to this agreement is complete and accurate. Further, the depositor and the responsible individual agree that any directions they give the custodian, or action they take will be proper under this agreement, and that the custodian is entitled to rely upon any such information or directions. If the custodian fails to receive directions regarding any transaction, receives ambiguous directions regarding any transaction, or if the custodian, in good faith, believes that any transaction requested is in dispute, the custodian reserves the right to take no action until further clarification acceptable to the custodian is received from the responsible individual or the appropriate government or judicial authority. The custodian will not be liable for acting upon any instructions given by the responsible individual named on the application prior to the time the custodian receives appropriate written notice that the designated beneficiary has met the requirements for assuming control of the Coverdell ESA, or that a new responsible individual has been appointed. The custodian will not be responsible for losses of any kind that may result from the depositor's and responsible individual's directions to it or the depositor's and responsible individual's actions, or failures to act. The depositor and responsible individual agree to reimburse the custodian for any loss the custodian may incur as a result of such directions, actions or failures to act. The custodian will not be responsible for any penalties, taxes, judgments, or expenses incurred in connection with this Coverdell ESA. The custodian has no duty to determine whether the contributions or distributions comply with the Code, regulations, rulings, or this agreement.

The responsible individual will have 60 days after receiving any documents, statements, or other information from the custodian to notify the custodian in writing of any errors or inaccuracies reflected in these documents, statements, or other information. If the custodian is not notified within 60 days, the documents, statements, or other information will be deemed correct and accurate, and the custodian will have no further liability or obligation for such documents, statements, other information, or the transactions described therein.

By performing services under this agreement the custodian is acting as the responsible individual's agent. The depositor, responsible individual, and designated beneficiary acknowledge and agree that nothing in this agreement will be construed as conferring fiduciary status upon the custodian. The custodian will not be required to perform any additional services unless specifically agreed to under the terms and conditions of this agreement, or as required under the Code and the regulations promulgated thereunder with respect to Coverdell ESAs. The designated beneficiary, depositor, and responsible individual agree to indemnify and hold the custodian harmless for any and all claims, actions, proceedings, damages, judgments, liabilities, costs, and expenses, including attorney's fees arising from or in connection with this agreement.

Notwithstanding anything in this agreement to the contrary, the custodian may establish a policy permitting someone other than the designated beneficiary's parent or legal guardian to serve as responsible individual, provided the individual is not prohibited by law from serving in that capacity and fulfilling his or her obligations under this agreement.

To the extent written instructions or notices are required under this agreement, the custodian may accept or provide such information in any other form permitted by the Code or applicable regulations including, but not limited to, electronic communication.

10.03 **Disclosure of Account Information –** The custodian may use agents and/or subcontractors to assist in administering this Coverdell ESA. The custodian may release nonpublic personal information regarding this Coverdell ESA to such providers as necessary to provide the products and services made available under this agreement, and to evaluate its business operations and analyze potential product, service, or process improvements.

10.04 **Service Fees –** The custodian has the right to charge an annual service fee or other designated fees (e.g., a transfer, rollover, or termination fee) for maintaining this Coverdell ESA. In addition, the custodian has the right to be reimbursed for all reasonable expenses, including legal expenses, incurred in connection with the administration of this Coverdell ESA. The custodian may charge the depositor or responsible individual separately for any fees or expenses, or may deduct the amount of the fees or expenses from the assets in this Coverdell ESA at the custodian's discretion. The custodian reserves the right to charge any additional fee after giving the responsible individual 30 days' notice. Fees such as subtransfer agent fees or commissions may be paid to the custodian by third parties for assistance in performing certain transactions with respect to this Coverdell ESA.

Any brokerage commissions attributable to the assets in the Coverdell ESA will be charged to the Coverdell ESA. The responsible individual, depositor or designated beneficiary cannot reimburse the Coverdell ESA for those commissions.

10.05 **Investment of Amounts in the Coverdell ESA –** The responsible individual has exclusive responsibility for and control over the investment of the assets of this Coverdell ESA. All transactions will be subject to any and all restrictions or limitations, direct or indirect, that are imposed by the custodian's charter, articles of incorporation, or bylaws; any and all applicable federal and state laws and regulations; the rules, regulations, customs, and usages of any exchange, market, or clearinghouse where the transaction is executed; the custodian's policies and practices; and this agreement. The custodian will have no discretion to direct any investment in this Coverdell ESA. The custodian assumes no responsibility for rendering investment advice with respect to this Coverdell ESA, nor will the custodian offer any opinion or judgment to the responsible individual or depositor on matters concerning the value or suitability of any investment or proposed investment for this Coverdell ESA. In the absence of instructions from the responsible individual or depositor, or if the instructions are not in a form acceptable to the custodian, the custodian will have the right to hold any uninvested amounts in cash, and the custodian will have no responsibility to invest uninvested cash unless and until directed by the responsible individual. The custodian will not exercise the voting rights and other shareholder rights with respect to investments in this Coverdell ESA unless timely, written directions are provided and are acceptable to the custodian.

The responsible individual will select the investment for the Coverdell ESA assets from those investments that the custodian is authorized by its charter, articles of incorporation, or bylaws to offer and does in fact offer for Coverdell ESAs (e.g., term share accounts, passbook accounts, certificates of deposit, money market accounts).

10.06 **Beneficiaries –** Unless indicated otherwise on the application, the responsible individual may not change the designated beneficiary. If the depositor has indicated on the application that the responsible individual may change the beneficiary designated under this agreement and the responsible individual chooses to do so, the responsible individual must designate a member of the family (as defined in IRC Section 529(e)(2)) of the existing designated beneficiary. This designation can only be made on a form prescribed by the custodian.

The depositor or responsible individual may designate one or more persons or entities as death beneficiaries of this Coverdell ESA. This designation can only be made on a form provided by or acceptable to the custodian, and it will only be effective when it is filed with the custodian during the lifetime of the designated beneficiary. Each beneficiary designation filed with the custodian will cancel all previous designations. The consent of a death beneficiary will not be required in order to revoke a death beneficiary designation. If both primary and contingent death beneficiaries have been named, and no primary death beneficiary survives the designated beneficiary, the contingent death beneficiaries will acquire the designated share of this Coverdell ESA. If a death beneficiary is not designated with respect to this Coverdell ESA, or if all of the primary and contingent death beneficiaries predecease the designated beneficiary, the designated beneficiary's estate will be the death beneficiary.

If the designated beneficiary dies before receiving all of the amounts in this Coverdell ESA, the custodian will have no obligation to pay to the death beneficiaries until such time the custodian is notified of the designated beneficiary's death by receiving a valid death certificate. Any balance remaining in the Coverdell ESA upon the death of the designated beneficiary will be distributed within 30 days of the designated beneficiary's death, unless a qualified family member under age 30 is named as a death beneficiary. If the death beneficiary is a qualified family member under age 30, that individual will become the designated beneficiary as of the original designated beneficiary's date of death. Qualified family members are defined in IRC Section 529(e)(2).

The custodian may, for any reason (e.g., due to limitations of its charter or bylaws), require a qualified family member who becomes the designated beneficiary to take a total distribution of the Coverdell ESA by December 31 of the year following the year of the original designated beneficiary's death.

10.07 **Termination of Agreement, Resignation, or Removal of Custodian –** Either the custodian or the responsible individual may terminate this agreement at any time by giving written notice to the other. The custodian can resign as custodian at any time effective 30 days after sending written notice of its resignation to the responsible individual. Upon receipt of that notice, the responsible individual must make arrangements to transfer the Coverdell ESA to another financial organization. If the responsible individual does not complete a transfer of the Coverdell ESA within 30 days from the date the custodian sends the notice to the responsible individual, the custodian has the right to transfer the Coverdell ESA assets to a successor Coverdell ESA trustee or custodian that the custodian chooses in its sole discretion, or the custodian may pay the Coverdell ESA balance to the designated beneficiary in a single sum. The custodian will not be liable for any actions or failures to act on the part of any successor trustee or custodian, nor for any tax consequences the designated beneficiary may incur that result from the transfer or distribution of the Coverdell ESA assets pursuant to this section.

If this agreement is terminated, the custodian may charge the Coverdell ESA a reasonable amount of money that it believes is necessary to cover any associated costs, including but not limited to one or more of the following.

- Any fees, expenses, or taxes chargeable against the Coverdell ESA
- Any penalties or surrender charges associated with the early withdrawal of any savings instrument or other investment in the Coverdell ESA

If the custodian is a nonbank custodian required to comply with Regulations section 1.408-2(e) and fails to do so or the custodian is not keeping the records, making the returns or sending the statements as are required by forms or regulations, the IRS may require the custodian to substitute another trustee or custodian.

The custodian may establish a policy requiring distribution of the entire balance of this Coverdell ESA to the designated beneficiary in cash or property if the balance of this Coverdell ESA drops below the minimum balance required under the applicable investment or policy established.

10.08 **Successor Custodian –** If the custodian's organization changes its name, reorganizes, merges with another organization (or comes under the control of any federal or state agency), or if the entire organization (or any portion that includes this Coverdell ESA) is bought by another organization, that organization (or agency) will automatically become the trustee or custodian of this Coverdell ESA, but only if it is the type of organization authorized to serve as a Coverdell ESA trustee or custodian.

10.09 **Amendments –** The custodian has the right to amend this agreement at any time. Any amendment the custodian makes to comply with the Internal Revenue Code and related regulations does not require the consent of either the responsible individual or the depositor. The responsible individual will be deemed to have consented to any other amendment unless, within 30 days from the date the custodian sends the amendment, the responsible individual notifies the custodian in writing that the responsible individual does not consent.

10.10 **Withdrawals or Transfers –** All requests for withdrawal or transfer will be in writing on a form provided by or acceptable to the custodian. The method of distribution must be specified in writing or in any other method acceptable to the custodian. The tax identification number of the designated beneficiary or death beneficiary must be provided to the custodian before the custodian is obligated to make a distribution. Withdrawals will be subject to all applicable tax and other laws and regulations, including but not limited to possible early distribution penalty taxes, surrender charges, and withholding requirements.

10.11 **Transfers From Other Plans –** The custodian can receive amounts transferred to the Coverdell ESA from the trustee or custodian of another Coverdell ESA.

10.12 **Liquidation of Assets –** The custodian has the right to liquidate assets in the Coverdell ESA if necessary to make distributions or to pay fees, expenses, taxes, penalties, or surrender charges properly chargeable against the Coverdell ESA. If the responsible individual fails to direct the custodian as to which assets to liquidate, the custodian will decide, in its complete and sole discretion, and the responsible individual agrees not to hold the custodian liable for any adverse consequences that result from the custodian's decision.

10.13 **Restrictions on the Fund –** Neither the responsible individual, the designated beneficiary (nor anyone acting on behalf of the designated beneficiary), the depositor nor any contributor may sell, transfer or pledge any interest in the Coverdell ESA in any manner whatsoever, except as provided by law or this agreement.

The assets in the Coverdell ESA will not be responsible for the debts, contracts, or torts of the responsible individual, the designated beneficiary, the depositor, or any person entitled to distributions under this agreement.

10.14 **What Law Applies –** This agreement is subject to all applicable federal and state laws and regulations. If it is necessary to apply any state law to interpret and administer this agreement, the law of the custodian's domicile will govern.

If any part of this agreement is held to be illegal or invalid, the remaining parts will not be affected. Neither the responsible individual's nor the custodian's failure to enforce at any time or for any period of time any of the provisions of this agreement will be construed as a waiver of such provisions, or the parties' right thereafter to enforce each and every such provision.

GENERAL INSTRUCTIONS

Section references are to the Internal Revenue Code unless otherwise noted.

WHAT'S NEW

Military death gratuity – Families of soldiers who receive military death benefits may contribute, subject to certain limitations, up to 100 percent of such benefits into an educational savings account. Publication 970, *Tax Benefits for Education*, explains the rules for rolling over the military death gratuity and lists eligible family members.

PURPOSE OF FORM

Form 5305-EA is a model custodial account agreement that meets the requirements of section 530(b)(1) and has been pre-approved by the IRS. A Coverdell education savings account (ESA) is established after the form is fully executed by both the depositor and the custodian. This account must be created in the United States for the exclusive purpose of paying the qualified elementary, secondary, and higher education expenses of the designated beneficiary.

If the model account is a trust account, see **Form 5305-E**, Coverdell Education Savings Trust Account.

Do not file Form 5305-EA with the IRS. Instead, the depositor must keep the completed form in its records.

DEFINITIONS

Custodian – The custodian must be a bank or savings and loan association, as defined in section 408(n), or any person who has the approval of the IRS to act as custodian. Any person who may serve as a custodian of a Traditional IRA may serve as the custodian of a Coverdell ESA.

Depositor – The depositor is the person who establishes the custodial account.

Designated Beneficiary – The designated beneficiary is the individual on whose behalf the custodial account has been established.

Family Member – Family members of the designated beneficiary include his or her spouse, child, grandchild, sibling, parent, niece or nephew, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law, and the spouse of any such individual. A first cousin, but not his or her spouse, is also a "family member."

Responsible Individual – The responsible individual, generally, is a parent or guardian of the designated beneficiary. However, under certain circumstances, the responsible individual may be the designated beneficiary.

IDENTIFICATION NUMBERS

The depositor and designated beneficiary's social security numbers will serve as their identification numbers. If the depositor is a nonresident alien and does not have an identification number, write "Foreign" on the return for which is filed to report the depositor's information. The designated beneficiary's social security number is the identification number of his or her Coverdell ESA. If the designated beneficiary is a nonresident alien, the designated beneficiary's individual taxpayer identification number is the identification number of his or her Coverdell ESA. An employer identification number (EIN) is required only for a Coverdell ESA for which a return is filed to report unrelated business income. An EIN is required for a common fund created for Coverdell ESAs.

SPECIFIC INSTRUCTIONS

Note: *The age limitation restricting contributions, distributions, rollover contributions, and change of beneficiary are waived for a designated beneficiary with special needs.*

Article X – Article X and any that follow may incorporate additional provisions that are agreed to by the depositor and custodian to complete the agreement. They may include, for example, provisions relating to: definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the custodian, custodian's fees, state law requirements, treatment of excess contributions, and prohibited transactions with the depositor, designated beneficiary, or responsible individual, etc. Attach additional pages as necessary.

Optional Provisions in Article V and Article VI – Form 5305-EA may be reproduced in a manner that provides only those optional provisions offered by the custodian.

DISCLOSURE STATEMENT

REQUIREMENTS OF A COVERDELL ESA

A. **Cash Contributions –** A Coverdell ESA contribution must be in cash.

B. **Maximum Contribution –** The total amount that may be contributed to any and all Coverdell ESAs on behalf of a designated beneficiary is $2,000 per year, excluding rollover and transfer contributions.

   Contributions may not be made to a Coverdell ESA after the designated beneficiary's 18th birthday, except in the case of a special needs beneficiary.

   The Coverdell ESA contribution that may be made by a depositor is further limited if the depositor's modified adjusted gross income (MAGI) exceeds $190,000 and he or she is a married individual filing jointly ($95,000 for single taxpayers). Married individuals filing jointly with MAGI exceeding $220,000 may not fund a Coverdell ESA. Single individuals with MAGI exceeding $110,000 may not fund a Coverdell ESA. The MAGI limits apply only to depositors that are individuals.

   If the depositor is married filing jointly with MAGI between $190,000 and $220,000, the maximum Coverdell ESA contribution is determined as follows: (1) subtract the depositor's MAGI from $220,000, (2) divide the difference by $30,000, and (3) multiply the result in step (2) by $2,000. For example, if the depositor's MAGI is $205,000, the maximum Coverdell ESA contribution that may be made by such depositor is $1,000. This amount is determined as follows: [($220,000 minus $205,000) divided by $30,000] multiplied by $2,000.

   If the depositor is a single tax filer with MAGI between $95,000 and $110,000, the maximum Coverdell ESA contribution is determined as follows: (1) subtract the depositor's MAGI from $110,000, (2) divide the difference by $15,000, and (3) multiply the result in step (2) by $2,000. For example, if the depositor's MAGI is $98,000, the maximum Coverdell ESA contribution that may be made by such depositor is $1,600. This amount is determined as follows: [($110,000 minus $98,000) divided by $15,000] multiplied by $2,000.

   The Coverdell ESA contribution that may be made by a depositor is not limited by contributions made by the depositor to Traditional or Roth IRAs. In addition, there is no earned income requirement to be eligible to contribute to a Coverdell ESA. There is no requirement that the depositor be related to the designated beneficiary in order to make contributions. In addition, the designated beneficiary may contribute to his or her own Coverdell ESA.

C. **Eligible Custodians –** The custodian of the Coverdell ESA must be a bank, savings and loan association, credit union, or person or entity approved by the Secretary of the Treasury.

D. **Commingling Assets –** The assets of the Coverdell ESA cannot be commingled with other property except in a common trust fund or common investment fund.

E. **Life Insurance –** No portion of the Coverdell ESA may be invested in life insurance contracts.

F. **Collectibles –** The assets of the Coverdell ESA may not be invested in collectibles (within the meaning of Internal Revenue Code (IRC) Sec. 408(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service (IRS). However, specially minted United States gold and silver coins, and certain state-issued coins are permissible investments. Platinum coins and certain gold, silver, platinum or palladium bullion (as described in IRC Sec. 408(m)(3)) are also permitted as Coverdell ESA investments.

G. **Required Distributions –** Except in the case of a special needs beneficiary, the assets of the Coverdell ESA are required to be distributed to the designated beneficiary within 30 days of the designated beneficiary's attainment of age 30. The designated beneficiary will be subject to both income tax and an additional 10 percent penalty tax on the portion of the distribution that represents earnings, if the designated beneficiary does not have any qualified education expenses in that year.

   Any balance remaining in the Coverdell ESA upon the death of the designated beneficiary will be distributed within 30 days of the designated beneficiary's death, unless a death beneficiary is named and the death beneficiary is a qualified family member under age 30. If the death beneficiary is a qualified family member under age 30, that individual will become the designated beneficiary as of the date of death. Qualified family members include the designated beneficiary's child, grandchild, or stepchild, brother, sister, stepbrother, or stepsister, nephew or niece, parents, stepparents, or grandparents, uncle or aunt, spouses of all the family members listed above, cousin, and the designated beneficiary's spouse.

   If a qualified family member becomes the designated beneficiary, the custodian, if it so chooses for any reason (e.g., due to limitations of its charter or bylaws), may require a total distribution of the Coverdell ESA by December 31 of the year following the year of the original designated beneficiary's death.

H. **Responsible Individual –** The responsible individual is generally the parent or guardian of the designated beneficiary. However, the financial organization may establish a policy that permits someone other than the designated beneficiary's parent or legal guardian to serve as the responsible individual. Unless otherwise indicated on the application, the responsible individual may not change the designated beneficiary. If the depositor has indicated on the application that the responsible individual may change the designated beneficiary, the responsible individual may change the designated beneficiary to another member of the designated beneficiary's family. The responsible individual will perform the following duties.

   1. Receive a copy of the plan agreement and disclosure statement,
   2. Direct the custodian regarding the investment of contributions, including the ability to redirect the investment of the initial contribution,
   3. Direct the custodian regarding the administration, management and distribution of the account, unless the plan agreement indicates otherwise,
   4. Name a successor responsible individual if the need arises,
   5. Notify the custodian of any address change for the individuals identified on the plan agreement,
   6. Remove excess contributions made to the Coverdell ESA.

INCOME TAX CONSEQUENCES OF ESTABLISHING A COVERDELL ESA

A. **Contributions Not Deducted –** No deduction is allowed for Coverdell ESA contributions, including transfer and rollover contributions.

B. **Contribution Deadline –** The deadline for making a Coverdell ESA contribution is the depositor's tax return due date (not including extensions).The depositor may designate a contribution as a contribution for the preceding taxable year in a manner acceptable to the custodian. For example, if the depositor is a calendar-year filer and makes a Coverdell ESA contribution on or before the tax filing deadline, the contribution is considered to have been made for the previous tax year if the depositor designates it as such.

C. **Excess Contributions –** An excess contribution is any amount that is contributed to the Coverdell ESA that exceeds the eligible contribution limit. If the excess is not corrected timely, an additional penalty tax of six percent will be imposed on the excess amount. The procedure for correcting the excess is determined by the timeliness of the correction as identified below.

   1. **Removal Before the Deadline.** The responsible individual should remove the excess contribution along with the earnings attributable to the excess, before June 1 of the year following the year for which the excess was made. An excess withdrawn by this deadline is not taxable upon distribution, but the designated beneficiary must include the earnings attributable to the excess in his or her taxable income for the year in which the excess contribution was made. The six percent excess contribution penalty tax will be avoided.

   2. **Failure to Remove Before the Deadline.** Excess Coverdell ESA contributions that are not removed before June 1 of the year following the year for which the excess was made, are treated as contributions for the next calendar year. If, however, additional contributions are made for that year and the total amount results in an excess, the excess amount will be subject to a six percent penalty tax if not removed timely.

      If additional contributions have been made for the next year, the amount of the excess equals the excess contribution for the current year, plus the excess contributions remaining from the preceding year, reduced by any distributions made during the current year.

   The designated beneficiary must file IRS form 5329 to report and remit any additional penalty taxes to the IRS.

D. **Tax-Deferred Earnings –** The investment earnings of the Coverdell ESA are not subject to federal income tax as they accumulate in the Coverdell ESA. In addition, distributions of the Coverdell ESA earnings will be free from federal income tax if the distributions are taken to pay for qualified education expenses, as discussed below.

E. **Taxation of Distributions –** The taxation of distributions from the Coverdell ESA depends on whether or not the distributions are used for qualified education expenses.

   1. **Qualified Education Expenses.** The designated beneficiary may take tax-free distributions from a Coverdell ESA to pay for elementary, secondary or post-secondary education expenses at an eligible educational institution. Such expenses include tuition, fees, books, supplies, special needs services, room and board, uniforms, transportation, academic tutoring and supplementary items or services (including extended day programs). Also qualifying are expenses for the purchase of computer technology or equipment, Internet access and related services, if such technology, equipment or services are to be used by the designated beneficiary or designated beneficiary's family during any of the years the designated beneficiary is in school. Qualified expenses may also include amounts contributed to a qualified tuition program.

   2. **Nonqualifying Distributions.** If a designated beneficiary withdraws amounts from a Coverdell ESA that exceed the qualified education expenses for the same year, or the distributions are not used for qualified education expenses, a portion of the distributions will be taxable. The amount in excess of the qualified education expenses is taxable pro rata, based on the earnings and the basis in the account.

      In most cases of a nonqualified distribution, the taxable portion of a Coverdell ESA distribution is also subject to an additional 10 percent penalty tax. There are several exceptions to the 10 percent penalty tax including distributions made payable

      a. to a designated death beneficiary of the Coverdell ESA or to the estate of the designated beneficiary following the death of the designated beneficiary;

      b. to the designated beneficiary if the designated beneficiary is disabled;

      c. to the designated beneficiary if the designated beneficiary received a qualified scholarship, an educational assistance allowance or an excludable payment exception, but only to the extent the distribution is not more than the amount of the scholarship, allowance or excludable payment, and

      d. to the designated beneficiary as a removal of excess along with the net income attributable.

   3. **American Opportunity or Lifetime Learning Credits.** A designated beneficiary may claim the American Opportunity Credit (formerly the Hope Credit) or Lifetime Learning Credit on his or her federal income tax return in the same taxable year that a tax-free distribution from a Coverdell ESA is claimed, as long as the distribution(s) does not cover the same expenses claimed for the American Opportunity or Lifetime Learning Credit.

F. **Income Tax Withholding –** Any withdrawal from the Coverdell ESA is not subject to federal income tax withholding.

G. **Rollovers –** Coverdell ESA amounts may be rolled over to another Coverdell ESA of the same designated beneficiary or that of a qualified family member, provided that all of the applicable rollover rules are followed. Rollover is a term used to describe a tax-free movement of cash to a Coverdell ESA from another Coverdell ESA. The rollover rules are generally summarized below. These transactions are often complex. For questions regarding a rollover, please see a competent tax advisor.

   1. **Coverdell ESA-to-Coverdell ESA Rollovers.** Assets distributed from a Coverdell ESA may be rolled over to another Coverdell ESA of the same designated beneficiary or that of a qualifying family member if the requirements of IRC Sec. 530(d)(5) are met. A proper Coverdell ESA-to-Coverdell ESA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received.

      Effective for distributions occurring on or after January 1, 2015, the responsible individual is permitted to roll over only one distribution from a Coverdell ESA in a 12-month period, regardless of the number of Coverdell ESAs owned by the designated beneficiary. A distribution may be rolled over to the same Coverdell ESA or to another Coverdell ESA that is eligible to receive the rollover. For more information on rollover limitations, you may wish to obtain IRS Publication 970, *Tax Benefits for Education*, from the IRS or refer to the IRS website at www.irs.gov.

   2. **Qualified Family Member.** A Coverdell ESA may be rolled to another Coverdell ESA of the same designated beneficiary or to a Coverdell ESA maintained for the benefit of a qualified family member of the designated beneficiary, who is under the age of 30. The age 30 limitation does not apply to qualified family members who are special needs beneficiaries. Qualified family members of the designated beneficiary include the designated beneficiary's child, grandchild, or stepchild, brother, sister, stepbrother, or stepsister, nephew or niece, parents, stepparents, or grandparents, uncle or aunt, spouses of all the family members listed above, cousin, and designated beneficiary's spouse.

3. **Rollover of Military Death Benefits.** If a designated beneficiary receives or has received a military death gratuity or a payment from the Servicemembers' Group Life Insurance (SGLI) program, the designated beneficiary may be able to roll over the proceeds to the Coverdell ESA. The rollover contribution amount is limited to the sum of the death benefits or SGLI payment received, less any such amount that was rolled over to a Roth IRA. Proceeds must be rolled over within one year of receipt of the gratuity or SGLI payment for deaths occurring on or after June 17, 2008. Any amount that is rolled over under this provision is considered nontaxable basis in the Coverdell ESA.

LIMITATIONS AND RESTRICTIONS

A. **Gift Tax –** Transfers of Coverdell ESA assets to a death designated beneficiary made during the designated beneficiary's life and at his or her request or because of the designated beneficiary's failure to instruct otherwise, may be subject to federal gift tax under IRC Sec. 2501.

B. **Prohibited Transactions –** If the responsible individual engages in a prohibited transaction with the Coverdell ESA as described in IRC Sec. 4975, the Coverdell ESA will lose its tax-deferred status and the designated beneficiary must include the value of the earnings in his or her account in his or her gross income for the year.

C. **Pledging –** If the responsible individual pledges any portion of the Coverdell ESA as collateral for a loan, the amount so pledged will be treated as a distribution and may be included in the designated beneficiary's gross income for that year to the extent that it represents earnings.

OTHER

A. **IRS Plan Approval –** The agreement used to establish this Coverdell ESA has been approved by the IRS. The IRS approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.

B. **Additional Information –** Additional information on Coverdell ESAs may be obtained from the District Office of the IRS. In particular IRS Publication 970, *Tax Benefits for Education*, may be obtained by calling 1-800-TAX-FORM, or by visiting www.irs.gov on the Internet.

C. **Important Information About Procedures for Opening a New Account –** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial organizations to obtain, verify, and record information that identifies each person who opens an account. Therefore, when the depositor opens an account, he or she is required to provide his or her name, residential address, date of birth, and identification number. The custodian may require other information that will allow them to identify the depositor.

Specialized Trust Company Privacy Policy

EFFECTIVE DATE: JANUARY 2026

INTRODUCTION

Specialized Trust Company ("Company," "we," "our," or "us") is committed to protecting the privacy and confidentiality of personal information entrusted to us. This Privacy Policy describes how we collect, use, disclose, retain, and safeguard personal information in connection with our custodial and trust services.

This Privacy Policy applies to clients, prospective clients, and individuals who interact with the Company through our websites, applications, communications, or services.

SCOPE OF SERVICES

The Company provides custodial and trust services, including services related to individual retirement accounts ("IRAs") and other qualified plans, subject to eligibility, regulatory requirements, and approval. The Company does not provide investment, legal, or tax advice except as expressly set forth in a written agreement.

INFORMATION WE COLLECT

We may collect personal information as reasonably necessary to evaluate eligibility, establish and service accounts, comply with legal and regulatory obligations, and operate our business. This information may include:

- Identifying information (such as name, address, email address, telephone number, and date of birth)
- Government-issued identification information
- Social Security number or taxpayer identification number
- Account, transaction, and custodial records
- Beneficiary and authorized party information
- Communications and correspondence
- Website, portal, and system usage information

Information may be collected directly from individuals, from authorized representatives, and from third parties as permitted by law.

HOW WE USE INFORMATION

The Company uses personal information for legitimate business, operational, and compliance purposes, including to:

- Establish, administer, and service accounts
- Verify identity and eligibility
- Comply with legal, regulatory, tax, and reporting requirements
- Communicate with clients and prospective clients
- Prevent fraud and manage risk
- Maintain records and internal controls
- Improve services, systems, and operations

ELECTRONIC COMMUNICATIONS & STATEMENT DELIVERY

The Company may communicate electronically and may deliver account statements, confirmations, notices, and other information by electronic means when authorized or permitted by law.

While the Company uses reasonable safeguards, electronic communications and transmissions are not guaranteed to be secure. By electing or accepting electronic delivery, you acknowledge and accept the risks associated with electronic communications, including interception, delay, or unauthorized access beyond the Company's reasonable control.

THIRD-PARTY SERVICE PROVIDERS

The Company may engage affiliated or unaffiliated third-party service providers to perform services on its behalf, including but not limited to:

- Statement processing and mailing services
- Information technology, hosting, and data storage
- Compliance, audit, and professional services
- Marketing support and lead generation

Service providers may access personal information only as necessary to perform services for the Company and are contractually obligated to maintain confidentiality and security. Except as disclosed in this Privacy Policy or authorized by the client, service providers are prohibited from using personal information for their own independent purposes.

PROSPECTIVE CLIENT INFORMATION & MARKETING REFERRALS

The Company may receive limited contact information for prospective clients from third-party marketing or educational partners at the individual's request. Upon receipt, such information is treated as prospective client information and governed by this Privacy Policy.

The Company does not share client, applicant, or account holder information with marketing partners for list development or independent marketing purposes.

AFFILIATED COMPANIES & RELATED SERVICES

The Company may share limited personal information with affiliated or commonly controlled companies that offer financial or insurance-related products or services that may be of interest to clients or prospective clients. These affiliated companies may use such information to contact individuals regarding their offerings.

Communications from affiliated companies are optional and are not required to obtain or maintain an account with the Company. Individuals may opt out of receiving marketing communications from the Company or any affiliated company at any time by following the opt-out or unsubscribe instructions provided in the communication.

CLIENT-AUTHORIZED SHARING OF ACCOUNT INFORMATION

The Company may disclose personal or account information, including account balance information, when specifically directed or authorized by the client, or when the client requests that such information be shared with an affiliated or designated service provider.

Any such disclosure is limited to the scope, purpose, and duration authorized by the client and may be revoked by the client at any time, subject to applicable law and Company policies. The Company does not share account balances for unrelated marketing, profiling, or independent commercial purposes.

GEOGRAPHIC SCOPE

The Company provides custodial and trust services to eligible individuals residing in any U.S. state and, in certain circumstances, to individuals residing outside the United States, provided all legal, regulatory, and identification requirements are satisfied, including possession of a valid U.S. Social Security number and approval to establish an account. Personal information may be processed and stored in the United States regardless of an individual's place of residence.

DATA SECURITY

The Company maintains reasonable administrative, technical, and physical safeguards designed to protect personal information from unauthorized access, use, or disclosure. However, no system of safeguards can be guaranteed to be completely secure.

In the event of a data security incident involving personal information, the Company will comply with applicable notification and regulatory requirements.

DATA RETENTION

The Company retains personal information only for as long as it determines, in its discretion, to be reasonably necessary to provide services, comply with applicable legal or regulatory obligations, resolve disputes, enforce agreements, or for legitimate business and risk-management purposes.

The Company may delete, anonymize, or aggregate personal information when it is no longer reasonably necessary for these purposes, subject to applicable legal or regulatory requirements.

NO EXPANSION OF FIDUCIARY OR ADVISORY RELATIONSHIP

This Privacy Policy and the Company's collection and use of personal information do not create or expand any fiduciary, advisory, or professional relationship beyond the custodial services expressly provided by the Company pursuant to applicable agreements.

POLICY UPDATES

The Company may update this Privacy Policy from time to time. Any updates will be effective upon posting with a revised effective date.

CONTACT INFORMATION

Questions regarding this Privacy Policy may be directed to:

Specialized Trust Company
215 Indian School Rd NE Suite 215
Albuquerque, New Mexico 87110
help@irastc.com
1-800-529-3951