

Health Savings Account

IMPORTANT INFORMATION

Custodial Agreement

This contract sets forth the rights and obligations of both you, as "Account Beneficiary" of the HSA, and Bank of America, as custodian of your HSA.

Disclosure Statement

This disclosure provides a general overview of the requirements for establishing, maintaining and using the HSA from Bank of America, as set forth in the Internal Revenue Code, Section 223.

Schedule of Fees

This schedule of fees is part of the contract for your HSA relationship with Bank of America.

Please keep these documents for your records.

Custodial Agreement

Upon approval of your application for a Health Savings Account (HSA), this document constitutes a contract between you and Bank of America (the Bank) regarding your HSA that you have established with us. You should read it carefully as it sets forth the rights and obligations of both you, as Account Beneficiary of your HSA, and the Bank, as custodian of your HSA. We strongly encourage you to keep this document with your personal papers.

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Health Savings Account Custodial Agreement

Bank of America, N.A. (the Bank or Custodian) has established a Health Savings Account Program (the Program) that enables certain eligible individuals (Account Beneficiary or Account Beneficiaries) to establish the Health Savings Account (HSA), as defined in Internal Revenue Code (Code) Section 223(d), with the Bank as the custodian of such HSA.

This document is the Custodial Agreement (Agreement) and, upon approval of the Health Savings Account Application (HSA Application), is the legal contract between the individual identified on the HSA Application as the Account Beneficiary and the Bank, as Custodian of such HSA. The Account Beneficiary indicates his/her desire to establish an HSA with the Bank in accordance with the terms of this Agreement by completing and submitting the HSA Application to the Bank in accordance with the HSA Application instructions. If the HSA Application is approved by the Bank, the parties understand that they are bound by the terms of this Agreement set forth herein, including any amendments to this Agreement while the HSA remains effective. The HSA Application is incorporated into and made a part of this Agreement by reference.

The rights and obligations of the parties regarding the HSA established by the Account Beneficiary with the Bank are set forth in detail below; however, for your convenience, we have provided a general overview of your rights and obligations under this Agreement as well as a general overview of the legal requirements of Code Section 223 in the Disclosure Statement included with this Agreement. The Disclosure Statement is incorporated into and made a part of this Agreement by reference.

The Disclosure Statement is intended to be a quick reference guide regarding the requirements to establish and maintain a tax-qualified HSA; the Disclosure Statement is not intended to be a substitute for the Agreement itself but is intended to be a supplement to the Agreement. If there is a conflict between the Agreement and the Disclosure Statement, the Agreement will control. If you have any questions concerning your rights and obligations with regard to your HSA or any terms and conditions described in this Agreement, please contact the phone number referenced on your welcome letter.

Since this Agreement constitutes a binding legal contract concerning a Program with particular tax consequences, including potentially unfavorable consequences in the event of the improper or mistaken establishment or use

of an HSA, we recommend that you carefully review the Agreement (and any other documents that you may have received with the HSA Application) with qualified tax or legal counsel.

IMPORTANT: “You” and “your” refer to the Account Beneficiary throughout this Agreement. “We,” “us” and “our” refer to the Bank.

ARTICLE I. ESTABLISHMENT OF THE HSA

1.1. Eligibility for an HSA

- (a) Except where otherwise permitted by applicable law, only Eligible Individuals, as defined in Code Section 223(c)(1), may establish an HSA. The Disclosure Statement provides a general overview of the requirements under Code Section 223(c)(1) to qualify as an Eligible Individual. Contributions made by or on behalf of an Account Beneficiary who is not an Eligible Individual as defined in Code Section 223(c)(1) will result in adverse tax consequences to the Account Beneficiary.
- (b) You are solely responsible for determining if you qualify as an Eligible Individual as defined in Code Section 223(c)(1). We are under no obligation to inquire about or to investigate your status as an Eligible Individual or to verify the accuracy of any of the statements you make on your HSA Application or any other document provided to you by the Bank that relates to your HSA. We assume no responsibility for tax or other consequences to anyone arising from the establishment or use of an HSA with the Bank. You are solely responsible for any taxes, interest, penalties and other expenses which may be payable under applicable law in connection with the establishment and maintenance of your HSA.

1.2. Establishment of HSA and effective date

- (a) You or someone on your behalf may establish an HSA with the Bank. Upon receipt of information necessary to establish an HSA with the Bank, the Bank will commence the approval process. If approved, you will receive a welcome kit that contains this Custodial Agreement, the Disclosure Statement, the Fee Schedule and other documents governing this HSA. You agree to the terms and conditions set forth in this Custodial Agreement by keeping your HSA active.
- (b) Your HSA will be effective as of the date the Bank determines that it is effective. You will be sent notice of your HSA's effective date.

Note: The effective date of your HSA for our purposes may differ from the effective date

for tax related purposes. You should contact qualified tax or legal counsel regarding the effective date of your HSA.

- (c) You agree that the Bank may make any inquiries that we consider appropriate to verify your identity pursuant to the requirements of the USA Patriot Act or otherwise, and to determine whether we, in our sole discretion, will approve the HSA Application and/or subsequently maintain or close your HSA. This may include verification of employment and requesting credit reports or other reports from account information agencies.

1.3. Governing documents

- (a) The rights and obligations of both the Bank and you with regard to your HSA are set forth in this Agreement as it may be amended from time to time, including any attachments, exhibits, and other documents specifically incorporated into and made a part of this Agreement by reference or otherwise. If there is a conflict between this Agreement and any other document provided to you by the Bank or its agents with regard to your HSA or the Program, this Agreement will control.
- (b) You understand that all materials provided by the Bank are designed and distributed to you with the understanding that they do not constitute or include legal, tax, or other professional advice.

1.4. Establishment fees

The Bank reserves the right to impose an establishment fee as set forth in Article VI. Failure to pay such fee could result in rejection of, or a delay in processing your HSA Application and/or the effective date of your HSA.

1.5. Type of account established

Once the Bank has approved your HSA Application, we will establish an interest-bearing custodial deposit account in your name (the Cash Account). You may be able to invest funds in your Cash Account that exceed a minimum balance established by the Bank in a variety of mutual funds offered in conjunction with this HSA (HSA Investment). For more information concerning the interest earned on the funds in your Cash Account and the availability of HSA Investments, please refer to Section 2.4 herein.

1.6. The Bank's role as Custodian

The Bank is a custodian of your HSA. This means that we simply hold the funds in your HSA on your behalf and generally act only in accordance with your instructions except as otherwise set forth herein. You acknowledge and agree that nothing in this Agreement

will be construed to confer fiduciary status upon the Bank for any purpose. We are not required to perform any additional services not set forth in this Agreement unless specifically agreed to by us in a separate document. As such, you authorize the Bank to act without further inquiry in accordance with written or oral instructions from you or any authorized individual including instructions transmitted online or by phone from you or anyone that we have identified and authenticated as having authority to act with respect to your HSA (in accordance with the Bank's internal verification procedures). You agree to indemnify and hold us harmless for any consequences arising from such actions.

1.7. Prohibited transactions

- (a) Neither you nor the Bank will knowingly engage in any prohibited transactions as defined in Code Section 4975 or Section 406 of the Employee Retirement Income Security Act of 1974 (ERISA). You agree not to direct us to engage in an action that is a prohibited transaction or that is otherwise prohibited by this Agreement. Notwithstanding the foregoing, we are under no obligation to investigate or inquire whether action taken pursuant to your instructions constitutes a prohibited transaction as defined in Code Section 4975 or ERISA Section 406. Notwithstanding any obligation of the Bank described in this Agreement, we are under no obligation to act on your instructions with regard to your HSA to the extent that we reasonably believe that such action could result in the Bank engaging in a prohibited transaction as defined in Code Section 4975 and/or ERISA Section 406.
- (b) You understand and agree that you may be subject to adverse tax consequences if you use the funds in your HSA to satisfy debts, contracts, or torts of any person otherwise entitled to distributions under this Agreement.
- (c) You further understand that you may be subject to adverse tax consequences if you use any portion of your HSA as security or collateral for a loan.

1.8. Privacy and confidentiality

The Bank values and carefully safeguards the privacy of its customers. We have established policies and procedures designed to help safeguard the confidentiality and privacy of customer information. For more information regarding the Bank's privacy policy regarding consumer information, please see the Bank of America *Privacy Policy for Consumers*, which you will receive with your welcome kit if your HSA Application is approved.

By submitting your application, you consent to the Bank disclosing certain information regarding your HSA to your employer, if the Bank has agreed with your employer to provide HSA custodial services to its employees.

ARTICLE II. CONTRIBUTIONS AND DEPOSITS

2.1. Contributions generally

- (a) All contributions to your HSA are applied to your Cash Account. If you are eligible and wish to allocate contributions to the HSA Investments, you must take affirmative action to do so. See Section 2.4(f) below for more information regarding HSA Investments. Contributions may be made in any one of the following ways:
 - (i) Direct deposit to the Cash Account made by you or anyone else on your behalf. The welcome kit you receive after your HSA is approved will contain instructions on how to make direct deposits.
 - (ii) You may contribute to your Cash Account with payroll deductions, pursuant to a separate agreement with your employer. The amount that you are allowed to contribute through payroll deductions will be determined solely by agreement between you and your employer and applicable law. The welcome kit that you receive after your HSA is approved will contain instructions on how contributions attributable to payroll deductions should be made.
 - (iii) You are solely responsible for identifying for Bank any deposits to your HSA that you make that are "Rollover Contributions" from another HSA. We may, in our discretion, accept a direct transfer from another HSA or Archer MSA custodian/trustee (Trustee to Trustee Transfer). In addition, the Bank will accept Qualified HSA Distributions from your employer and/or Qualified HSA Funding Distributions from an IRA Trustee/Custodian in accordance with the Bank's standard policies and procedures. See the Disclosure Statement for a more detailed description of Rollover Contributions, Trustee to Trustee Transfers, Qualified HSA Distributions and Qualified HSA Funding Distributions. The Bank has no obligation to verify that any contributions to your HSA comply with applicable law.
- (b) All contributions to your HSA must be in cash. No property or in-kind transfers will be accepted.

There is currently no minimum periodic contribution amount, but the Bank reserves the right to require a minimum periodic contribution in the future upon prior written notice to you.

- (c) All contributions received by us during a calendar year (other than Rollover Contributions, Trustee to Trustee Transfers and Qualified HSA Distributions described in Section 2.1(a)(iii) herein) will be considered made in the calendar year in which they are received. Notwithstanding the foregoing, we may, in our sole discretion, allow contributions made in one calendar year to be allocated to a prior calendar year consistent with the requirements of Code Section 223 and any administrative procedures implemented by the Bank, to the extent that such contributions are made on or before the due date of your tax return (excluding extensions) for the year in which you wish to allocate the contributions.
- (d) We reserve the right to withdraw and return to the sender any funds that should not have been placed in your HSA.

2.2. Maximum contributions to the HSA

- (a) We will not knowingly accept and retain contributions made by you and/or on your behalf during the year in excess of the Custodian Limit. The Custodian Limit equals the sum of:
 - (i) The amount in effect under Code Section 223(b)(2)(B)(ii), which is the statutory maximum annual contribution amount for Account Beneficiaries with family coverage, (without regard to the Account Beneficiary's actual level of coverage), and
 - (ii) To the extent applicable, the "additional contribution" amount set forth in Code Section 223(b)(3)(B), which is the additional amount that may be contributed by an Account Beneficiary who is or will be age 55 or older before the end of the calendar year.

We may accept such contributions and then subsequently return those contributions to the sender if we become aware that the maximum amount that we can accept in accordance with this Agreement has been exceeded. We will not pay interest on any such contributions (see Section 2.4(e) herein for further details). More information regarding the statutory maximum annual contribution amount for family high-deductible health plan (HSA - eligible plan) coverage and the "additional contribution" amount is set forth in the Disclosure Statement provided with this Agreement. You are required to provide certification to us regarding your

age before we will accept and retain the additional contribution amount.

- (b) You understand and agree that you are solely responsible for:
- (i) Determining whether you are an Eligible Individual as defined in Code Section 223(c)(1).
 - (ii) Determining whether the contributions from all sources made to this HSA and all other HSAs that you maintain during the year do not exceed, in the aggregate, the maximum annual contribution amount as set forth in Code Section 223(b). (Account Beneficiary Contribution Limit), which is based on the level of qualifying HSA - eligible plan coverage maintained by the Account Beneficiary (i.e., single or family coverage).
- For more information regarding the Account Beneficiary Contribution Limit, please refer to the Disclosure Statement. Note that the Custodian Limit as set forth in Section 2.2(a) herein may be greater than the Account Beneficiary Contribution Limit amount that is applicable to you. We are not responsible for any adverse tax consequences that may arise with regard to contributions made to your HSA that exceed the Account Beneficiary Contribution Limit applicable to you.
- (iii) You are responsible for notifying us if any Excess Contributions (as defined in Code Section 223(f)(3)(B)) that have been made to your HSA and for requesting the withdrawal of such Excess Contributions and earnings attributable to such Earnings. We will calculate net earnings attributable to such Excess Contributions in accordance with applicable law. We may charge you a fee for processing a return of an excess contribution, which will be listed on your Schedule of Fees. The Bank is not obligated to confirm or verify that any request you make to withdraw Excess Contributions complies with applicable law. See the Disclosure Statement for a more detailed description of Excess Contributions and the associated tax consequences.

2.3. Deposit of HSA contributions with the Bank

- (a) Contributions will be considered made when received by the Bank in accordance with its internal policies and procedures. Contributions

received during nonbusiness hours will be considered made on the next business day (business days exclude Saturdays, Sundays and federal holidays).

- (b) We may refuse, limit or return any contributions received for deposit on your behalf. We reserve the right to correct errors and to return any funds that should not have been contributed to your HSA in accordance with this Agreement; however, we generally have no obligation to monitor the validity of contributions made to your account. We will not accept contributions to the HSA on your behalf if we are notified by you that you are no longer an Eligible Individual as defined in Code Section 223(c)(1); however, you may continue to use the funds in your HSA provided you pay all applicable ongoing administration and/or maintenance fees (described in more detail in Article VI herein).
- (c) This Section 2.3(c) applies to any checks or other items that the Bank may allow you to deposit as contributions to your HSA, including items drawn on the Bank as well as other institutions. If a deposited item is returned to us at any time for any reason, we may accept the return without question and charge the item back against your account, without advance notice to you and without regard to the following:
 - (i) Whether the institution on which it was drawn originally paid the item before subsequently determining it should not have been paid, or
 - (ii) Whether the return was made in a timely manner.
- (d) We may charge you a fee for each returned item, and we may also debit your Cash Account for any interest you may have provisionally earned on the amount of the item. If you have insufficient funds to cover a returned item, your Cash Account may be overdrawn. We will not be liable to you in the event such overdraft causes any subsequent attempted withdrawals to be rejected. You agree to promptly make a contribution which we will apply to the amount of any such overdraft, unless you promptly notify us that you will (and do) separately reimburse us.
- (e) Deposits or contributions to your Cash Account may not be immediately available for withdrawal/distribution. Once they are available, we will use the funds to pay any debit card purchases you make or otherwise to effect withdrawals/distributions pursuant to your instructions by any method permitted under this Agreement.

In determining the availability of certain deposits, every day except Saturdays, Sundays and federal holidays is considered a business day.

- (i) Deposits made by electronic payment, from any source, are available on the day we receive the deposit. If you need to know whether a particular electronic payment has posted to your HSA and is available for withdrawal, please visit the Online Portal referenced on your welcome letter.
- (ii) Our general policy is to make at least the first \$200 of, and in most cases all funds from checks you deposit via mail available by the first business day after the day we receive the deposit. However, there may be cases where we decide not to make all of these funds available by the next business day and, depending on the type of check you deposit, a portion of the funds may not be available until as late as the second business day after we receive the deposit. If we do this, we will mail you a notice by the next business day, telling you when the funds will be available. If you need the funds from a deposit right away, please contact the phone number referenced on your welcome letter.
- (iii) In addition, we may delay the availability of funds you deposit by check for a longer period under the following circumstances:
 1. We believe a check you deposit will not be paid.
 2. You attempt to deposit checks totaling more than \$5,000 on any one day. (Note that this amount may exceed the statutory maximum contribution amount as described in Section 2.2 and result in the Bank's rejecting or subsequently returning the deposit in its entirety.)
 3. You have overdrawn your account repeatedly in the last six months.
 4. There is an emergency, such as failure of communications or computer equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day we receive the deposit.

- (iv) Also, if your HSA has been open less than 30 days, we may delay the availability of funds you deposit by check. Those funds will generally be available by the ninth business day after the day we receive the deposit, unless we elect to place a longer hold for another reason such as described above.

2.4. Earnings on deposits; Investments

- (a) Your HSA Cash Account referenced in Section 1.5 herein is a variable-rate, interest-bearing transaction deposit account that is classified as a negotiable order of withdrawal (NOW) account under federal banking laws.¹ We may change your interest rate and annual percentage yield (APY) at any time in our discretion without notice to you. You may obtain the current rate by contacting the phone number referenced on your welcome letter. The Bank compounds and credits interest on a monthly basis.
- (b) We calculate interest on the Cash Account using the daily-balance method, which applies a daily rate to the collected balance in the account each day. The daily rate is 1/365 (or in a leap year we may use 1/366) of the interest rate. The collected balance is the beginning balance in the account each day, less any portion of deposited funds that are not yet available for withdrawal under the availability schedule we apply to the account (as set forth in Section 2.3(e) above).
- (c) If contributions are deposited to your Cash Account in the form of a non-cash item, such as a check, interest begins to accrue no later than the business day on which we receive credit for the item.
- (d) Although interest accrues daily, it is only credited to your Cash Account once a month, on your statement closing date. You are not entitled to receive any interest until it has been credited. If your HSA is terminated before the crediting date for a given monthly statement cycle, you will not receive any accrued interest for that month.
- (e) As noted in Section 2.2(a) herein, we will not pay interest on any contributions that we may subsequently discover we have inadvertently accepted in excess of the Custodian Limit. If any interest on any such contributions is credited to your account before we become aware that the Custodian Limit has been exceeded, we will reverse such interest payment(s) before returning such contributions as described in Section 2.2(a).
- (f) You may be offered the opportunity to invest all or a portion of your Cash Account balance in excess

of a minimum balance established by the Bank (in its sole discretion) in certain HSA Investments. Information concerning HSA Investments is described in the HSA Investments Terms and Conditions, which can be found on the Online Portal referenced on your welcome letter. The HSA Investments Terms and Conditions are incorporated into and made a part of this Agreement by reference.

¹ For regulatory accounting purposes we may classify your Cash Account as two sub-accounts: a transaction sub-account and a savings sub-account. We calculate and pay interest at the same rate and in the same way on both sub-accounts. We may transfer funds between these sub-accounts. We record the sub-accounts and any transfers on our internal accounting records only.

2.5. Non-forfeiture of deposits

Your balance in your HSA is non-forfeitable. In the event your HSA is terminated in accordance with this Agreement, all deposits allocated to your HSA will be distributed to you or your designated death beneficiary (where applicable), less the applicable account closing fee, as set forth in this Agreement and Code Section 223. Your balance in your HSA is also unaffected in the event you should terminate your employment with your employer with whom you maintain a qualifying HSA-eligible plan; however, if you do not become covered under a qualifying HSA-eligible plan after terminating employment with your employer, you will cease to be an Eligible Individual as described in Code Section 223(c)(1) as of the first day of the first month following the date that coverage under your qualifying HSA-eligible plan offered by your employer ends.

ARTICLE III. WITHDRAWALS AND DISTRIBUTIONS FROM THE HSA

3.1. Withdrawals and distributions generally

- (a) Withdrawals/distributions may only be made from the Cash Account.
- (b) Withdrawals/distributions may be made at any time and by any means established by the Bank, including but not limited to debit card, online fund transfers or bill payments, and/or telephone requests. We are required under federal banking laws to retain the right to require, at our discretion, seven days advance notice of withdrawals from an interest-bearing transaction account such as your Cash Account. However, it is unlikely we would require this notice.
- (c) The Bank reserves the right to limit the frequency of withdrawals/distributions and/or the minimum amount of any withdrawal/distribution. You will be

notified of such limitations, if any, in material sent to you after the HSA has been established.

- (d) You should only request a withdrawal/distribution to the extent there are sufficient funds in your Cash Account. If a requested withdrawal/distribution exceeds the Cash Account balance, we will not liquidate any HSA Investments you may have without your authorization to ensure sufficient funds in your Cash Account to cover the requested withdrawal/distribution. However, if you know that a distribution that you will request exceeds the Cash Account balance, you may liquidate some or all of your HSA Investments in accordance with the HSA Investments Terms and Conditions to ensure that your HSA Cash Account balance is sufficient to cover the distribution request. You acknowledge and understand that the Bank has no obligation to permit any withdrawal or distribution at a time when there are insufficient funds in your Cash Account, and we will normally refuse to accept any such attempted withdrawal/distribution. However, occasionally an overdraft in your Cash Account may occur. Such overdrafts will not be construed as a waiver of our right under this Agreement to reject future requests for payment. In either case, whether the attempted withdrawal is rejected or paid into overdraft, we may charge you a fee (as set forth in the Schedule of Fees). You agree either to promptly make a contribution to the Cash Account by making a direct contribution or liquidating HSA Investments in accordance with the HSA Investments Terms and Conditions, which we will apply to the amount of any overdraft, or to separately reimburse us from your other assets. By entering into this Agreement with the Bank, you authorize us to withdraw future contributions from your HSA to satisfy any overdraft unless you notify us otherwise. Caution: you may not make a contribution directly to your HSA to satisfy the overdraft in the event that you have already reached your Account Beneficiary Contribution Limit. We reserve the right to terminate this Agreement in accordance with the termination provisions set forth herein in the event that you fail to make a prompt contribution to your Cash Account or to promptly reimburse the Bank for the overdraft. When you have insufficient available funds in your Cash Account to pay all attempted withdrawals/distributions that are presented for payment on a given day, we may pay one or more withdrawals/distributions and reject or return others in any order we deem appropriate. Absent unusual circumstances, however, your transactions normally

will be processed in the chronological order in which they occurred.

- (e) When your HSA Application is approved, you will automatically receive one debit card accompanied by a separate cardholder agreement that describes the terms and conditions of use of the card. When you submit the HSA Application, you hereby agree to abide by the terms of the cardholder agreement. We reserve the right to limit debit card transactions to certain merchants or providers as set forth in Section 3.3(b) herein.
- (f) Withdrawals/distributions from the Cash Account pursuant to online fund transfers or bill payments may be subject to additional terms and conditions governing these services which you must accept online before using the service. If you provide your security code(s) to any third parties, you authorize them to make withdrawals/distributions without restriction. To revoke such authority, you must change your security code(s). All telephone requests for withdrawals/distributions from your HSA should be made by calling us at the phone number listed in your welcome kit that you receive after your HSA Application has been approved or on your most recent statement. By making a telephone request for a withdrawal/distribution, you agree that, to the extent applicable, the terms and conditions set forth in our then-current online services agreement concerning withdrawals/distributions made through online instructions shall also apply to any such telephone request. This agreement is available online at any time.

3.2. Withdrawals/distributions by or to third parties

- (a) Only you can authorize withdrawals/distributions from your Cash Account, except as otherwise set forth herein. In the welcome kit that you receive and/or through our online service, you may be provided the means to grant your spouse or other persons the authority to make withdrawals from your account. We may, in our discretion, also honor or refuse to honor withdrawal authority purported to be established by external documentation (such as a financial or health care power of attorney) presented by you or a third party. If we elect to honor such authority, we may establish such conditions or limits on its exercise as we deem appropriate. We may also continue to recognize such authority until we receive written notice of revocation from you and have had a reasonable time to act upon such revocation, or until such time as may otherwise be required by the authorizing document or by law.

- (b) Unless prohibited by applicable law, the Bank may make distributions to third parties without your authorization pursuant to levies, attachments or similar legal process or court orders with which we believe we should or must comply. We will not be liable to you for any such distributions, and you agree to indemnify and hold us harmless against any claims, losses, damages or expenses relating to such distributions.
- (c) We may, in our discretion, make a direct transfer of your HSA balance (including the market value of any HSA Investments that you instruct us to liquidate) at your request to one or more other HSA custodians/trustees. We reserve the right to limit the number of direct custodian/trustee transfers we make.

3.3. Purposes of withdrawals/distributions

- (a) You may make withdrawals/requests for distributions for any purpose. You acknowledge that any amounts distributed from your HSA that are not used exclusively to pay for "qualified medical expenses" (within the meaning of Code Section 213(d)) are includable in your gross income and may also be subject to an additional excise tax imposed by the IRS. You acknowledge that you are solely responsible for reporting such amounts as income on your personal income tax return. You are solely responsible for complying with all laws governing withdrawals, transfers, and taxes on withdrawals and for properly reporting on your income tax return whether such withdrawals/distributions were for qualified medical expenses. You assume full responsibility for determining the tax consequences of any withdrawal or distribution from the HSA, for maintaining adequate records of all distributions for tax purposes, and for paying any taxes arising as a result of any such distribution. We have no responsibility to verify the purpose of your withdrawals or determine whether your withdrawals comply with this Agreement or the Code. Refer to the Disclosure Statement for more information on the definition of "qualified medical expense" and the excise tax applicable to distributions for other than qualified medical expenses.
- (b) Notwithstanding Section 3.3(a), we may limit use of a debit card to specified merchants or providers who provide medical care services as determined by the Bank, provided that we also provide you with one or more alternative means of withdrawal/distribution.

3.4. Mistaken distributions

If there is clear and convincing evidence that any withdrawal/distribution from your Cash Account was made because of a mistake of fact due to reasonable cause, we may, in our sole discretion, allow you to redeposit the mistaken distribution to your Cash Account by no later than April 15 following the year in which you knew or should have known that the distribution was a mistake. Any such repayment of a mistaken distribution into your HSA will not be treated as another contribution for the year. If we allow repayment of a mistaken distribution, we may rely solely on your representation that such distribution was a mistake as defined herein. The Bank is not liable for any adverse tax consequences that may arise from your repayment of a mistaken distribution. In addition, you are not entitled to a credit for any interest or other earnings that might otherwise have accrued prior to the date the mistaken distribution is redeposited in accordance with this Section 3.4.

3.5. Transfer of HSA upon separation, divorce or death; beneficiary designations

- (a) All transfers or distributions made pursuant to a separation instrument (as defined in Code Section 71(b)(2)(A)), divorce decree, or death must be made in accordance with the Code, other applicable law, this Agreement and the Bank's internal policies and procedures.
- (b) You have the right at any time to designate one or more beneficiaries to whom your HSA funds (which includes both your Cash Account and HSA Investments, if applicable) will be distributed upon your death. To be valid, any such beneficiary designation must be delivered to the Bank prior to your death on a form provided by and/or acceptable to us. You make an initial beneficiary designation on the HSA Application when you first request enrollment in our HSA Program. Any such beneficiary designation may be revoked by you at any time by contacting the phone number referenced on your welcome letter. The beneficiary designation shall be automatically revoked upon receipt by the Bank of a subsequent beneficiary designation in valid form bearing a later execution date.
- (c) You represent and warrant that any beneficiary designation submitted to the Bank satisfies all legal requirements under applicable law. You are solely responsible for satisfying all applicable legal requirements. You understand that in some states the consent of your spouse may be

required by law if you wish to name a person other than or in addition to your legal spouse as your death beneficiary or to change an existing death beneficiary designation. Regardless of your state of residence, the Bank reserves the right to require this consent in writing or other acceptable form before accepting any beneficiary designation.

- (d) If you designate your legal spouse as your beneficiary, upon your death, your spouse will become the Account Beneficiary of the HSA (or the portion of the HSA allocated to your surviving spouse). Your surviving spouse must notify the Bank as soon possible of your death. The Bank has sole discretion whether to continue the HSA with the surviving spouse as Account Beneficiary.
- (e) If someone other than your legal spouse is named as beneficiary, the HSA (or the allocable portion of the HSA designated to a non-spouse beneficiary) will cease to be a tax advantaged HSA (as defined in Code Section 223) as of the date of your death. As soon as possible after receiving notice of your death, this Agreement will terminate and we will pay the HSA balance (including the proceeds of any HSA Investments liquidated in accordance with the HSA Investments Terms and Conditions), reduced by all applicable fees, to the designated beneficiary(ies). In accordance with Code Section 223, if you named someone other than your estate or your spouse as beneficiary, your non-spouse beneficiary may be subject to income tax on the fair market value of the HSA (determined as of the date of your death), reduced by any payments made for your qualified medical expenses that are paid by the designated beneficiary within 12 months of your death. If you named your estate as a designated beneficiary upon your death (or the estate is the designated beneficiary by operation of law), the HSA funds paid to the estate must be included in your final income tax return.

Note: You or your beneficiary may also be subject to income and other applicable taxes on any funds held by the Bank from the date of the death until notice of your death is provided.

- (f) We may presume that a beneficiary is legally competent unless and until we receive written notice to the contrary. Whenever any distribution hereunder is payable to a person known by the Bank to be a minor or otherwise under a legal disability, we may, in our sole discretion, authorize all or any part of such distribution to:

- (i) A parent or legal guardian of such person;
- (ii) A representative such as a custodian, conservator or guardian of the estate, who is authorized to manage funds and property belonging to such person under any applicable law; or
- (iii) Such person directly.
- (g) If you fail to properly designate a valid beneficiary, we will pay the funds in your HSA to your estate or as otherwise required by applicable law.
- (h) If you die leaving a negative balance in your HSA, we may submit a claim to recover the debt from your estate.
- (v) The date this Agreement is terminated in accordance with Section 8.2 herein.

Our election to forgo our rights to terminate this Agreement as set forth in (ii), (iii) and (iv) above in any one instance does not waive our rights to terminate this Agreement with regard to any future failures set forth in (ii), (iii) and (iv) above.

4.2. Treatment of account upon termination

The balance in your HSA will be distributed to you (or where applicable, your designated beneficiary) in accordance with the Code and this Agreement, less any applicable fees and outstanding charges, upon termination of this Agreement as set forth in this Article IV. As noted in Section 2.4(d) herein, you will not receive any accrued but uncredited interest on your Cash Account for the monthly statement cycle in which the HSA is terminated. HSA Investments will be liquidated as set forth in the HSA Investments Terms and Conditions. After distribution of all funds, the Bank will have no further duties, obligations, or liabilities to you or anyone, except as may be required by law. Notwithstanding the foregoing, this Agreement will continue to govern any matters that arose or that relate back to activities occurring prior to termination.

ARTICLE IV. TERMINATION OF THIS AGREEMENT AND YOUR HSA

4.1. Termination of this Agreement

- (a) You may terminate this Agreement at any time by notifying the Bank in writing at the address listed in your welcome kit or on your most recent statement. Upon notice of termination, we will distribute the entire HSA balance (including the proceeds of any HSA Investments you may have) to you in accordance with Section 4.2 herein. We may charge an account closing fee, as set forth in our Schedule of Fees. Per federal law governing interest-bearing transaction accounts, we may but are unlikely to require you to give us seven days advance notice before terminating your Cash Account.
- (b) Except as provided in Section 4.1(c) below, we may terminate this Agreement at any time for any reason upon 30 days prior written notice.
- (c) This Agreement will automatically terminate or terminate without 30 days prior written notice on any of the following dates:
 - (i) If you name someone other than your spouse as beneficiary, the date that we receive notice of your death;
 - (ii) The date you fail to pay any ongoing administration, maintenance or other fees when due (including any grace period) as set forth in Article VI herein;
 - (iii) The date you fail to promptly make a contribution equal to or reimburse us for any overdrafts in accordance with notice provided to you by the Bank;
 - (iv) The date we terminate this Agreement pursuant to any provision of Section 8.5 herein; or

ARTICLE V. REPORTS AND INFORMATION REGARDING YOUR HSA

5.1. Reports and information we provide

- (a) We will provide you with periodic reports or statements of contributions made to your HSA, distributions from your HSA, interest earned, investment performance and your HSA balance. We will generally send such statements monthly by mail to your last known address on file with the Bank, or alternatively, in electronic form (if offered). By submitting your application, you may be consenting to receive such documentation in electronic form.

It is within our discretion to determine the information included on these statements. We make no representations or warranties that such information will be sufficient in the event you are required to provide substantiation to the IRS or other applicable authority with regard to the purpose of distributions from your HSA. Nevertheless, we encourage you to keep copies of your statements (and any other supporting documents that you deem appropriate) for possible use in providing substantiation.

- b) We will also provide you with any forms or reports required by the IRS to be provided to Account Beneficiaries by an HSA custodian.
- c) We will file any reports with the IRS or other applicable governmental authority that HSA custodians may be required to file.

5.2. Your obligations to examine statements and report problems; limitations on our liability

IMPORTANT NOTE: THE PROVISIONS OF THIS SECTION 5.2 DO NOT APPLY TO DEBIT CARD TRANSACTIONS OR TO HSA INVESTMENTS. In the event of any unauthorized or fraudulent debit card transactions on your HSA, the respective obligations and liabilities (if any) of you and the Bank are governed by the separate cardholder agreement which you will receive with the card, and this Section 5.2 shall not apply. In the event you have questions about HSA Investments that you have instructed us (or our designee) to make, the respective obligations and liabilities of you, the Bank and any other party involved with HSA Investments are governed by the HSA Investments Terms and Conditions. For all other types of transactions, the following provisions shall apply:

- (a) You agree to examine each statement or other report or notice with reasonable promptness after it is sent to you. If you discover any errors, unauthorized or fraudulent transactions or other discrepancies, you must promptly notify the Bank by contacting the phone number referenced on your welcome letter or such other number as may be listed on your most recent statement or in any other HSA materials you may have received from us. We may subsequently require you to explain the problem in writing and send it to us. YOU HEREBY AGREE THAT 60 DAYS AFTER WE SEND YOUR STATEMENT OR OTHER NOTICE (OR OTHERWISE MAKE IT AVAILABLE TO YOU) IS THE MAXIMUM REASONABLE TIME FOR YOU TO REVIEW IT AND REPORT ANY PROBLEM OR UNAUTHORIZED TRANSACTION REFLECTED THEREON, AND THAT IF YOU FAIL TO NOTIFY US WITHIN THAT TIME PERIOD, YOU MAY BE PRECLUDED FROM MAKING A CLAIM AGAINST THE BANK FOR REIMBURSEMENT RELATING TO SUCH PROBLEM OR TRANSACTION.

On any given occasion, we may elect to waive this 60-day provision and allow you a longer period of time, either for reasonable cause (such as extended travel or illness) or for any other reason in our sole discretion, without

compromising our right to enforce the provision on future occasions.

- (b) If there is suspected unauthorized or fraudulent activity on your account, you agree to fully cooperate with us in the investigation and any criminal prosecution or attempt to recover funds, including sharing with us any information you may have to assist in identifying the suspected wrongdoer(s).
- (c) You agree that we shall have a reasonable period of time to investigate any claimed loss and that we have no obligation to provisionally credit your Cash Account while the investigation is pending. Our maximum liability for any problem that you report promptly (as required by subsection (a) above) shall be the lesser of your actual damages that you are able to prove or the face amount of the error, unauthorized transaction, etc., plus any interest that would have been earned thereon, but reduced in all cases by the amount of the loss, if any, that could have been avoided by your use of ordinary care. In no circumstance shall we be liable to you for any special, incidental or consequential damages, including but not limited to attorneys' fees.
- (d) We have the right to cancel and reissue any security codes or other means of access to your HSA Cash Account, or to close the account and reopen a new one if we deem that necessary, in the event of proven or suspected fraudulent activity.

5.3. Information you provide

- (a) You agree to provide us with any information we deem necessary to prepare reports required by the Code or other laws and regulations. You also agree to promptly notify us of any changes in your address, marital status, name or address of any beneficiary, or other information provided to the Bank that we rely on or otherwise need to maintain your HSA in compliance with any applicable law. If we receive notice from the U.S. Postal Service or its agent that your address has changed, we may change it on our records and begin sending statements and notices to that new address.
- (b) We are entitled to rely upon information we receive from you or other authorized sources with respect to your HSA, including the information contained in the HSA Application, and we have no obligation to make further investigation or inquiry as to the accuracy or currency of such information, except as may be required by law or this Agreement.

ARTICLE VI. FEES

6.1. Establishment and/or application fees

We may, in our discretion, charge an initial fee (Establishment Fee) to process the HSA Application and/or to activate the HSA. If we charge an Establishment Fee, such fee will be identified in the Schedule of Fees, which is incorporated into this document by reference and is enclosed with your HSA Application Kit (that also includes this Custodial Agreement).

6.2. Ongoing fees

- (a) You agree to pay the applicable fees as set forth in the enclosed Schedule of Fees. We may change the fee schedule at any time, and we will give you at least 30 days advance notice of any new or increased fees. We may also establish different fee schedules for various types or categories of accounts established in accordance with this Agreement.
- (b) You authorize the Bank to deduct all such fees from your HSA Cash Account; however, we may, in our sole discretion, allow you to pay such fees from other assets. We may also accept, in our sole discretion, payment of fees by a third party (e.g., your employer). Failure to make prompt payment of any fees when due may result in termination of this Agreement as set forth in Article IV herein.
- (c) To the extent that your HSA Cash Account balance is insufficient to cover any applicable fee, we have the right to overdraw your account if necessary to pay fees properly chargeable against your HSA and will not be liable to you in the event such overdraft causes any subsequent attempted withdrawals to be rejected. You agree to promptly make a contribution which we will apply to the amount of any such overdraft, unless you promptly notify us that you will (and do) separately reimburse us. Failure to promptly make a contribution or reimburse the Bank for the amount of the overdraft may result in termination of your HSA in accordance with Article IV herein.
- (d) There may also be fees associated with HSA Investments. Any fees associated with HSA Investments are set forth in the HSA Investments Terms and Conditions.

ARTICLE VII. HOLD HARMLESS AND LIMITATION OF LIABILITY

7.1. Hold harmless and indemnification

You agree to hold us harmless from and indemnify us against any liability, cost, or expense that may arise in

connection with this Agreement or your HSA, except liabilities, costs, or expenses that may arise from our negligence or material breach of any duty under this Agreement. We are not liable for any special, incidental, consequential, or punitive damages under any circumstance.

7.2. Liability limitation

We shall not be deemed in default of this Agreement, nor held responsible for, any cessation, interruption or delay in the performance of our obligations hereunder due to causes beyond our reasonable control, including, but not limited to, natural disaster, act of God, labor controversy, civil disturbance, disruption of the public markets, terrorism, war or armed conflict, equipment or utility failure, the inability to obtain sufficient materials or services required in the conduct of our business (including Internet access), or any change in or the adoption of any law, judgment or decree.

ARTICLE VIII. MISCELLANEOUS

8.1. Amendment

Except as may otherwise be provided in any document incorporated into and made a part of this Agreement by reference, the rights, duties, and obligations of both you and the Bank with regard to your HSA are governed by the most current version of this Agreement. We may amend this Agreement at any time and will generally send or make available to you notice of any material changes. Any amendment will become effective on the date determined by the Bank, and your continued use of the account after such date constitutes your acceptance of the change. Further, this Agreement will be amended automatically to comply with any change in the Code, or other applicable laws, as of the effective date of such change. If any provision of this Agreement is found to be in conflict with the Code or other laws, the Code or such other laws will supersede that provision.

8.2. Successors, assigns and agents

- (a) If we change our name, reorganize, merge with or are purchased by another organization, or come under the control of any government agency, that entity shall automatically become the custodian or trustee of your HSA, but only if it is qualified under the Code to serve as an HSA custodian or trustee. If the new entity is not qualified to be an HSA custodian or trustee, the HSA will be terminated effective as of the date the new entity takes control and all funds in your HSA will be distributed in accordance with the termination provisions set forth herein.

- (b) Notwithstanding any other provision of this Agreement, we also reserve the right to assign your HSA without your prior consent for any reason in our sole discretion, provided that such assignee is qualified under the Code to be an HSA custodian or trustee.
- (c) We may, without your authorization, engage the services of third parties to assist us with the services provided under this Agreement.
- (d) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Your obligations under this Agreement will also be binding upon your heirs, executors, legal representatives and permitted assigns.

8.3. Notices

Any notice required by this Agreement to be given by us to you will be effective upon our placement of the notice with the U.S. Postal Service with proper postage affixed and directed to the last address you provided us or which we receive from the USPS in accordance with Section 5.3(a) herein. Any notice required by this Agreement to be given by you to us will be effective upon our receipt of the notice at the address set forth in the HSA Application or on your most recent statement. Alternatively, such notices may be sent electronically if both you and we have agreed to that delivery method.

8.4. Resolving disputes

PLEASE READ THIS DISPUTE RESOLUTION PROVISION CAREFULLY.

- (a) Subject to the provisions of the *Limitation* section below, you have the right to compel us at your option, and we have the right to compel you at our option, to determine any individual Claim with a value of less than \$1 Million by arbitration. All other Claims will be resolved in court by a judge without a jury: except those brought in California state court, in which case such Claims will be determined by general reference to a referee under California Code of Civil Procedure (C.C.P.) Section 638. The arbitration, judicial reference or trial by a judge will take place on an individual basis without resort to any form of class or representative action.

SUBJECT TO THE PROVISIONS OF THE LIMITATION SECTION BELOW, WHETHER THE CLAIM IS DECIDED BY ARBITRATION, BY JUDICIAL REFERENCE, OR BY TRIAL BY A JUDGE, YOU AND WE AGREE AND UNDERSTAND, (I) THAT YOU AND WE ARE BOTH GIVING UP THE RIGHT TO TRIAL BY JURY, AND (II) THAT THIS SECTION PRECLUDES YOU AND US FROM PARTICIPATING IN OR BEING REPRESENTED

IN ANY CLASS OR REPRESENTATIVE ACTION OR JOINING OR CONSOLIDATING THE CLAIMS OF OTHER PERSONS (HEREINAFTER REFERRED TO AS THE "CLASS ACTION WAIVER").

"Claim" means any claim, dispute or controversy between you and us that in any way arises from or relates to this Agreement and your deposit relationship with us (including any renewals, extensions or modifications), except provisional or ancillary remedies from a court of competent jurisdiction, the exercise of which will not waive the right to arbitration or reference. Claim does not include any action that is brought in a small claims court or an equivalent court, provided that Claim does include any such action that is transferred, removed or appealed to a different court.

- (b) *Arbitration and Judicial Reference.* Arbitration is a method of resolving disputes in front of one or more neutral individuals, instead of having a trial in court in front of a judge and/or jury. A case sent to judicial reference is also heard by a neutral individual (a "judicial referee"), but remains in the court system subject to the same rules of procedure, discovery and evidence and appeal as any court case. The arbitrator or judicial referee, sitting alone without a jury, will decide all questions of law and fact. The arbitrator or judicial referee will be an active or retired judge or attorney with more than 10 years of experience, chosen by mutual agreement of you and us. If you and we are unable to agree, then you must choose one of the following Administrators within 10 days of our written notice that an agreement cannot be reached, in which case the arbitrator or referee will be selected in accordance with the Administrator's rules:
 - American Arbitration Association (AAA),
335 Madison Avenue
New York, NY 10017
www.adr.org,
800.778.7879
 - National Arbitration Forum (NAF),
P.O. Box 50191
Minneapolis, MN 55405,
www.arb-forum.com,
800.474.2371
- (c) *Limitation.* Regardless of anything else in this *Resolving disputes* section, the validity and effect of the Class Action Waiver may be determined only by a court or judicial referee and not by an arbitrator. You and we both

acknowledge that the Class Action Waiver is material and essential to the arbitration of any disputes between the parties and is non-severable from the agreement to arbitrate Claims. If the Class Action Waiver is limited, voided or found unenforceable, then this agreement to arbitrate (except for this sentence) will be null and void with respect to such proceeding, subject to the right to appeal the limitation or invalidation of the Class Action Waiver. You and we acknowledge and agree that under no circumstances will a class action be arbitrated.

- (d) *Governing Law for Arbitration.* Subject to the provisions of the *Limitation* section above, the arbitration of any matter involves interstate commerce and is governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq. (the FAA). Subject to the provisions of the *Limitation* section above, the arbitrator will follow applicable substantive law to the extent consistent with the FAA. The arbitrator will give effect to the applicable statutes of limitation and may dismiss barred claims. Arbitrations will be governed by the rules of the Administrator, except that either party may submit a written request to the arbitrator to expand the scope of discovery normally allowable. Subject to the provisions of the *Limitation* section above, the arbitrator will award all remedies available in an individual lawsuit under applicable substantive law, provided that (and except as limited by applicable law) under no circumstances will we be liable for any incidental, consequential, special, exemplary or punitive damages. At the timely request of either you or us, the arbitrator must provide a brief written explanation of the basis for the award. Judgment upon the award given by the arbitrator may be entered in any court having jurisdiction. The arbitrator's decision is final and binding, except for any right of appeal provided by the FAA.
- (e) *Governing Law for Judicial Reference.* Judicial reference shall be governed by C.C.P. Section 638 et seq. and the judicial referee will determine all issues in accordance with existing California law and the California rules of evidence. The referee will be empowered to enter equitable as well as legal relief, provide all temporary or provisional remedies, enter equitable orders that will be binding on the parties and rule on any motion which would be authorized in a trial, including without limitation motions for summary judgment or summary adjudication, provided

that (and except as limited by applicable law) under no circumstances will we be liable for any incidental, consequential, special, exemplary or punitive damages. The award that results from the decision of the referee will be entered as a judgment in the court that appointed the referee, in accordance with the provisions of California Code of Civil Procedure Sections 644(a) and 645. You and we both reserve the right to seek appellate review of any judgment or order to the same extent permitted in a court of law.

- (f) *Trial by a Judge without a Jury.* A Claim that is not submitted to arbitration or judicial reference will be decided by a judge without a jury as permitted by law.
- (g) *Rules of Interpretation.* Except as provided in the *Limitation* section above, if any portion of this *Resolving disputes* section is determined to be invalid or unenforceable, it will not invalidate the remaining portions of this section. In the event of a conflict or inconsistency between this *Resolving disputes* section and other terms of the Agreement or the applicable rules of the Administrator, this *Resolving disputes* section will govern. If there is any conflict between this *Resolving disputes* section and any other dispute provision (whether it be for arbitration, reference or any other form of dispute resolution), this *Resolving disputes* section will prevail for Claims arising out of this Agreement or the transaction(s) contemplated by this Agreement.
- (h) *Jurisdiction and Venue.* Any action regarding your account must be brought in the state whose law governs or controls your account. You submit to the personal jurisdiction of that state, unless a Claim is submitted to arbitration and that location is not reasonably convenient for you, in which case you and we will attempt to agree on a location, and if unable to do so, then the location will be determined by the Administrator or arbitrator.

8.5. Conflicting claims about your account

If another person or entity makes a claim against your HSA, or if we are notified of a dispute over matters such as the ownership of the HSA or the authority to withdraw funds, we may take one or more of the following actions without any liability to you:

- (i) Continue to rely on the account documentation we currently have on file;
- (ii) Honor the competing claim (including, if we deem it appropriate in our sole discretion, terminating this Agreement

and your HSA) upon receipt of evidence we deem satisfactory to justify such claim;

- (iii) Freeze all or part of the funds until the dispute is resolved to our satisfaction;
- (iv) Terminate the HSA and either:
 1. Send a check for the balance, payable to you or to you and each claimant; or
 2. Pay the funds into an appropriate court for resolution.

8.6. Unclaimed property

- (a) Unclaimed property laws may require us to turn over abandoned accounts to the applicable state, which is generally the state listed in the address for your account statement. Your account is usually considered abandoned if you have not performed at least one of the following activities for the period of time specified in the applicable state’s unclaimed property law: made a deposit or withdrawal, written to us about the account, or otherwise shown an interest in the account, such as asking us to keep the account active. Please note that you need to perform the activity, so automatic deposits and withdrawals may not be considered under your state’s unclaimed property laws.
- (b) Before we turn over an abandoned account, we may send a notice to the address we currently show for the account statement. If mail we previously sent to this address was returned, we may not send this notice.
- (c) If you have not made a deposit to or withdrawal from, or initiated other activity in your HSA for a period of time that we consider substantial, then (unless prohibited by law) we may charge dormant account fees on the HSA in addition to regular monthly maintenance and other fees and we may stop paying interest on the Cash Account. If you reestablish contact with us, we do not have to reimburse you for these fees, and we are not liable to you for any interest that would otherwise have accrued on your Cash Account. We may also refuse to pay attempted withdrawals from the account unless we can establish that they are being made at the direction of you or another authorized signer. For more information regarding how we handle HSA Investments in an abandoned HSA, see the HSA Investments Terms and Conditions, which can be found by visiting the Online Portal referenced on your welcome letter.

8.7. Recording and Monitoring Telephone Calls

We may record or monitor telephone calls between you and us. We need not remind you of our recording or monitoring before each call unless required to do so by law.

8.8. Miscellaneous and governing law

We can choose not to exercise or choose to delay enforcement of any of our rights under this Agreement without compromising them. If any provision of this Agreement is held invalid or unenforceable, all other provisions of this Agreement shall remain in full force and effect. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina and applicable federal law.

Disclosure Statement

The following is a general overview of the requirements for establishing, maintaining and using a Health Savings Account (HSA) from Bank of America (the Bank), as set forth in Internal Revenue Code (Code) Section 223. For more details concerning the specific terms and conditions of your HSA, please refer to the Custodial Agreement. This Disclosure Statement is incorporated into and made a part of the Custodial Agreement by reference. If there is a conflict between this Disclosure Statement and the Custodial Agreement, the Custodial Agreement will control. We recommend that you consult with qualified legal or tax counsel before establishing an HSA with the Bank. Failure to satisfy the requirements of Code Section 223 could result in adverse tax consequences.

OVERVIEW AND ELIGIBILITY REQUIREMENTS

What is an HSA? An HSA is a tax-exempt trust or custodial account created for the purpose of saving and paying for qualified medical expenses in connection with a qualifying high-deductible health plan. HSAs are governed primarily by Internal Revenue Code Section 223. Your HSA with the Bank is a “custodial” account. This means that the Bank merely holds funds on your behalf and we generally act only on your instructions, as set forth in the documents governing your HSA and/or as required by law. The specific terms and conditions of your HSA with the Bank are set forth in the Custodial Agreement.

Who is eligible for an HSA? Except where otherwise permitted by applicable law, only an “Eligible Individual” may establish an HSA and make/receive tax-favored contributions to an HSA. The requirements to be an Eligible Individual are set forth in Code Section 223. An individual is an “Eligible Individual” during any month that he/she satisfies all of the following conditions on the first day of the month: (i) he/she is covered under a HSA - eligible plan (ii) he/ she is not also covered by any other health plan that is not a qualifying HSA - eligible plan (with certain exceptions for certain types of permitted coverage, as discussed more fully below), (iii) he/she is not entitled to Medicare benefits, and (iv) he/she may not be claimed as a dependent on another person’s tax return. You may be subject to an excise tax on contributions attributable to months that you are not an Eligible Individual. If you meet these requirements on the first day of the month, you are considered an Eligible Individual for the entire month even if you cease to satisfy the requirements at any point during the month. On the other hand, if you satisfy all of these requirements on any day other than the first day of the month, you will not be considered an Eligible Individual until the first day of the next month (assuming you still satisfy the requirements). You are solely responsible for determining if you are an Eligible Individual.

What is a qualifying HSA - eligible plan? A qualifying HSA-eligible plan is a health plan that has an annual deductible of at least the statutory minimum deductible amount for self-only coverage or for family coverage, whichever is applicable. Family coverage is any coverage other than self-only coverage. In addition, the annual out-of-pocket expenses required to be paid under the plan cannot exceed the statutory maximum out-of-pocket expense amount. Out-of-pocket expenses include the deductible, co-payments, and other amounts the participant must pay for otherwise covered benefits, but do not include premiums or amounts that exceed the reasonable and customary limit (as determined by the health plan) or amounts not paid by the HSA-eligible plan due to lack of medical necessity. The statutory minimum deductible amount and the statutory maximum out-of-pocket expense amounts are subject to annual cost of living adjustments. You can find the applicable statutory minimum deductible and statutory out of pocket maximum amounts at www.treas.gov/offices/public-affairs/hsa.

Can the HSA - eligible plan offer any coverage below the deductible? Only coverage consisting of one or more of the “3 Ps” may be offered before the statutory minimum deductible has been satisfied.

What are the “3 Ps”? Coverage that is limited to the “3 Ps” will consist solely of one or more of the following types of coverage:

1. Permitted Coverage – coverage limited to dental, vision, long-term care, and/or accident coverage.
2. Permitted Insurance – coverage substantially all of which relates to liabilities for worker’s compensation, torts, or property use/ownership. Permitted Insurance also includes insurance for a specified disease, or hospital indemnity insurance.
3. Preventive Care – services or treatments for something other than existing conditions. See

IRS Notice 2004-23 and Notice 2004-50 for more information on what services or treatments constitute preventive care.

Who can offer an HSA-eligible plan?

An HSA-eligible plan may be offered by a variety of entities, including insurance companies and health maintenance organizations (HMOs). In addition, an HSA-eligible plan may be an individual policy or a group plan (self-insured or fully-insured) sponsored by your or your spouse's employer.

Can you be covered by another health plan and still be an Eligible Individual?

Except as provided below, you do not qualify as an Eligible Individual if you are covered under another health plan (whether as an individual, spouse or dependent) that is not a qualifying HSA-eligible plan unless the scope of coverage under the other health plan is limited to one or more of the "3 Ps."

Are HSAs allowed under a cafeteria plan?

If your employer maintains a Code Section 125 cafeteria plan and has amended it to allow employees to make HSA contributions through it (i.e., pre-tax salary reductions), you may be able to contribute to your HSA with pre-tax salary reductions.

ESTABLISHING AN HSA

How do you establish an HSA? If you are eligible for an HSA (as described above), you can establish an HSA with a qualified HSA trustee or custodian such as the Bank. No permission or authorization from the Internal Revenue Service (IRS) is necessary; however, you are solely responsible for determining if you satisfy the eligibility requirements set forth in Code Section 223. The Bank has furnished you with a welcome kit that includes the Custodial Agreement, this Disclosure Statement and a Schedule of Fees that together set forth the terms and conditions of your HSA with the Bank. If you have questions about establishing your HSA with Bank of America please contact the phone number referenced on your welcome letter.

Note: You agree to the terms and conditions of the HSA Custodial Agreement and other governing documents received in the welcome kit (or otherwise referenced in the welcome kit) by keeping the HSA with Bank of America active. Any HSA that is established by you or on your behalf may be terminated in accordance with the terms of the Custodial Agreement.

What type of account is established when your HSA is approved?

When your HSA Application is approved, an interest-bearing custodial deposit account (Cash Account) is established with the Bank in your name. See the Custodial Agreement for more details

on the type of account that is established. Once your Cash Account balance reaches a specified minimum balance, you may elect to invest the balance of your Cash Account in excess of this specified minimum balance in one or more of the mutual funds offered to HSA accountholders (HSA Investments). Information relating to the HSA Investments will be provided to you separately. **Investments in mutual funds are not FDIC insured, not bank issued or guaranteed, and may lose value.**

Can a husband and wife establish a joint HSA?

No, an HSA is an individual account. However, the qualified medical expenses of the Account Beneficiary's legal spouse (or any other qualified dependents, as defined in Code Section 223) may be reimbursed from the Account Beneficiary's HSA on a tax-free basis to the extent such expenses have not been reimbursed from any other source, including the spouse's HSA. See below for special contribution rules for married couples who have each established an HSA.

CONTRIBUTIONS TO HSAs

Who may contribute to an HSA? Anyone may contribute to your HSA, including yourself, your employer and/or any other person (including, but not limited to, your family members).

What is the tax status of contributions made to your HSA?

Contributions made by you or on your behalf (e.g., from family members) are generally deductible "above the line" by you on your federal income tax return. This means that your contributions are deductible whether or not you itemize deductions on your federal income tax return. Contributions made by your employer are generally tax-free. Contributions are tax-favored only to the extent that you are an Eligible Individual and the total contributions to all HSAs you have established from all sources do not exceed the maximum annual contribution amount (discussed in more detail below).

What are the sources/origins of contributions to an HSA?

HSA contributions may come from anybody, including, but not limited to, the Eligible Individual's employer and/or the Eligible Individual; so long as the contributions are made by or on behalf of an Eligible Individual and do not, in the aggregate, exceed the applicable Statutory Maximum Annual Contribution amount. In addition, the Bank will only accept contributions in cash.

Eligible Individuals may contribute with after-tax contributions or, if the employer's cafeteria plan permits, with pre-tax contributions. Employer contributions are excluded from income while contributions by Eligible

Individuals and other persons on their behalf are deductible by the Eligible Individual above the line to the extent the contributions from all sources (other than rollover contributions) do not exceed the Statutory Maximum Annual Contribution amount. Since the deduction is an above the line deduction, the Eligible Individual may deduct the contribution without regard to whether he/she itemizes on his/her tax return.

In addition, HSA contributions may come in the following forms:

- Rollover Contributions and Trustee to Trustee Transfers
- Qualified HSA Distributions (i.e., rollovers from Health FSAs and/or HRAs to HSAs if allowed by your employer)
- Qualified HSA Funding Distributions (i.e., trustee to trustee transfers from an IRA to an HSA)

What is a Rollover Contribution? An eligible individual may make "rollover contributions" to his/her HSA from another HSA or Archer Medical Savings Account (Archer MSA). Rollover contributions are generally not counted toward the Maximum Annual Contribution Amount (as defined below). Any distribution from an HSA or an Archer MSA that is not for reimbursement/payment of qualified medical expenses is not subject to the applicable income or excise tax so long as it "rolled over" to another HSA within 60 days of receiving the distribution in cash from the other HSA or MSA. An Archer MSA and/or HSA accountholder may request the MSA or HSA trustee or custodian to make a direct "trustee to trustee" transfer to another HSA. Generally, rollover contributions may be made once every 12 months — measured from the date of the cash distribution to the accountholder from the other HSA or MSA. However, direct trustee to trustee transfers are not subject to the 12 month limitation.

Note: Trustees/custodians are not required to accept rollover contributions. The Bank accepts rollovers from other Archer MSA and/or HSA trustees/custodians in accordance with the terms of the Custodial Agreement.

What is a Qualified HSA Distribution? The Health Opportunity Patient Empowerment Act of 2006 (HOPE Act) enables employers to permit Health Flexible Spending Arrangement (Health FSA) and/or Health Reimbursement Arrangement (HRA) participants to make a once in a lifetime, tax free rollover of unused Health FSA and/or HRA funds to an HSA, provided certain conditions are satisfied. This is known as a "Qualified HSA Distribution", and must be completed prior to January 1, 2012. The

Qualified HSA Distribution is treated as a rollover contribution for HSA contribution purposes; therefore, it does not count towards the Maximum Annual Contribution Amount for the year.

In order for a rollover from a Health FSA and/or HRA to an HSA to be a Qualified HSA Distribution (i.e., tax free), the following conditions must be satisfied:

- The accountholder's employer amends the written Health FSA or HRA plan by the last day of the plan year to allow Qualified HSA Distributions;
- If the rollover is with respect to a Health FSA, the Health FSA has a grace period;
- The accountholder has not previously made a Qualified HSA Distribution for the Health FSA or HRA (remember, the Qualified HSA Distribution is a once in a lifetime transfer);
- The accountholder elects to make a Qualified HSA Distribution by the last day of the plan year;
- No reimbursements from the Health FSA or HRA are made after the last day of the plan year unless the employer may amend the plan to restrict reimbursements to vision, dental, and preventive care expenses (i.e., a limited purpose Health FSA or HRA);
- The accountholder's employer makes the distribution directly to the HSA trustee by the 15th day of the third calendar month following the end of the immediately preceding plan year (but after the employee becomes an Eligible Individual);
- The distribution from the Health FSA and/or HRA does not exceed the lesser of the "balance" of the Health FSA or HRA on (i) September 21, 2006, and (ii) the last day of the plan year in which the Qualified HSA Distribution is elected. An individual who was not a participant in the Health FSA/HRA sponsored by the same employer on both September 21, 2006 and the last day of the plan year in which the distribution is elected is not eligible to make a Qualified HSA Distribution;
- The accountholder is not an Eligible Individual unless either of the following apply: (i) the distribution from the Health FSA and/or HRA results in a zero balance in the Health FSA and/or HRA (whichever is applicable) and the employee is no longer a participant in any non-HSA compatible health plan or (ii) the Health FSA/HRA is converted to a limited purpose arrangement effective on or before the date of the first qualified HSA distribution for all participants; and

The account holder remains an Eligible Individual during the "Qualified HSA Distribution Testing Period."

The Qualified HSA Distribution Testing Period begins in the month in which the distribution is made and ends on the last day of the 12 month period following such month (e.g., if the Qualified HSA Distribution is made on March 15, 2011, the Qualified HSA Distribution Testing Period ends March 31, 2012). If the account holder ceases to be an Eligible Individual during the Qualified HSA Distribution Testing Period (for any reason), then the distribution from the Health FSA and/or HRA is taxable and is subject to an additional 20% excise tax.

What is a Qualified HSA Funding Distribution?

The HOPE Act also permits a once in a lifetime tax free trustee-to-trustee transfer of IRA funds to an HSA. Unlike Qualified HSA Distributions discussed above, the Qualified HSA Funding Distribution is not treated as a rollover contribution. Thus, the Qualified HSA Funding Distribution counts towards the Statutory Maximum Annual Contribution. The amounts transferred from the IRA to the HSA are included in income and subject to a 20% excise tax if the individual ceases to be an Eligible Individual (except for failure to maintain Eligible Individual status due to death or disability) during the Qualified HSA Funding Distribution Testing Period, which begins in the month in which the Qualified HSA Funding Distribution is made and ends on the last day of the 12th month following such month (e.g., if the IRA funds are transferred to the HSA on June 1, 2011, the testing period ends June 30, 2012).

Note: an account holder who changes from single to family coverage during the year and after making a Qualified HSA Funding Distribution may actually make a second Qualified HSA Funding Distribution during the year to account for the differences between the Statutory Maximum Annual Contribution amounts for single and family coverage.

How much may an account holder contribute during the year on a tax favored basis?

maximum annual contribution amount? The maximum amount of contributions that may be made by or on behalf of an individual on a tax favored basis during a calendar year is the sum of the monthly limit for each month that the individual is an Eligible Individual (the Maximum Annual Contribution Amount). The monthly limit for any month is 1/12th of the statutorily established limit (Statutory Limit) for the applicable level of coverage. This is referred to as the Pro Rata Rule. The Statutory Limits are subject to annual cost of living adjustments. You can find the applicable Statutory Limits for the year at bankofamerica.com/benefitslogin, from the Tools and Resources section, click on the HSA Current Interest Rate.

You should consult with your tax advisor before making contributions to your HSA.

The Statutory Maximum Annual Contribution amount is increased for account holders who will attain age 55 by the end of the taxable year. This additional annual contribution amount has remained unchanged at \$1,000 for taxable years beginning 2009 and thereafter. Under this rule, the individual is entitled to the pro-rata portion of the additional contribution amount for the months that he or she is an eligible individual during the year so long as the individual turns age 55 before the close of the year.

What happens if the contributions for the year exceed the amount permitted under the Pro-Rata Rule?

Any amount that exceeds the Maximum Annual Contribution Amount under the Pro-Rata Rule is called an excess contribution. Excess contributions are subject to a 6% excise tax unless the excess contributions (and any net earnings attributable to the excess contributions) are returned to the account holder before the last day of the period for filing the individual's tax return (including any extensions).

Are there any exceptions to the Pro-Rata rule?

Yes, the HOPE Act established an exception to the Pro-Rata Rule. An individual who first becomes an Eligible Individual any time after the first month of the year and is an Eligible Individual on the first day of December of that same year is treated as though he/she is an Eligible Individual for each month during that year (the Pro-Rata Exception Rule) for purposes of determining the Maximum Annual Contribution Amount. However, any contributions attributable to months during which the account holder is treated as an Eligible Individual solely as a result of the Pro-Rata Exception Rule are included in income and subject to a 20% excise tax if the account holder ceases to be an Eligible Individual (for any reason) during the Pro-Rata Exception Testing Period. The Pro-Rata Exception Testing Period begins in December of the year in which the individual became an Eligible Individual and ends on December 31st of the following calendar year.

Note: The amounts included in income under the Pro-Rata Exception Rule are not treated as excess contributions, which means that the account holder cannot avoid the 20% excise tax by withdrawing the amounts that are otherwise included in income as a result of ceasing to be an Eligible Individual during the Pro-Rata Exception Rule Testing Period in the same manner that the account holder might otherwise withdraw an excess contribution.

Who is responsible for determining the maximum amount of contributions you may make? You are solely responsible for determining your eligibility for an HSA and the amount of tax

favored contributions you may make during any year. You are encouraged to speak with your tax advisor about these matters. As custodian, the Bank has no responsibility for determining or advising you whether any contribution complies with the requirements and limitations of the Code. Note that the Bank will accept all cash contributions equal to or less than the statutory maximum annual contribution amount for family coverage without regard to the actual level of HSA - eligible plan coverage you have. This amount may be different than your actual maximum annual contribution amount.

ROLLOVERS AND TRANSFERS

What are the rules regarding rollovers and transfers of HSAs? You may withdraw any portion or all of the funds from one HSA or MSA and roll (i.e., deposit) them into an HSA with another custodian or trustee (including an HSA with the Bank). However, you are required to roll the funds into a new HSA within 60 calendar days of your receipt of the funds. You may make one tax-free rollover contribution each 12-month period ending on the date you receive the distribution from the other HSA or MSA. In addition, you may be able to transfer your HSA or MSA funds directly from one custodian or trustee to another without ever having direct control or custody of the funds. Trustee/custodian to trustee/custodian transfers are not subject to the 12-month limitation. Rollover and transfer contributions do not count against the maximum annual contribution amount discussed earlier in this Disclosure Statement. The Bank may, in its discretion, limit the amount of rollovers that it will accept during the year and it may, in its discretion, refuse to accept trustee/custodian to trustee/custodian transfers.

EARNINGS ON HSA BALANCE

Will you earn interest on amounts contributed to your HSA? Your HSA is initially established as an interest-bearing custodial deposit account only (Cash Account). See the Custodial Agreement concerning the type of account that is established once your application is approved and the manner in which interest is calculated. Once your Cash Account balance reaches a specified minimum balance, you may elect to invest amounts in excess of this specified minimum balance in one or more of the mutual funds available to HSA account holders (HSA Investments). Information relating to the HSA Investments will be provided to you separately.

DISTRIBUTIONS FROM HSAs

When may you receive distributions from an HSA? You may take a distribution from your HSA at

any time after your HSA is deemed established by the IRS. However, distributions may only be made from your Cash Account. If you have HSA Investments and you wish to take a distribution in excess of your Cash Account balance, you may instruct the Bank to liquidate one or more of your HSA Investments. The proceeds will be reallocated to your Cash Account.

Note: Only otherwise eligible medical expenses incurred after your HSA is deemed established by the IRS may be paid/reimbursed on a tax free basis. The IRS deems your HSA to be established in accordance with applicable state trust law. Accordingly, a contribution to the HSA may be required in order to establish the HSA for IRS purposes. Also, the date the HSA is established for Bank purposes may differ from the date the HSA is established for IRS purposes. You should consult with a qualified tax or legal advisor if you have questions about the tax status of distributions from your HSA.

In what form may distributions be made? Once your HSA with the Bank is approved, you will receive a debit card. You may use the card to take distributions from your HSA in the form of purchases from merchants or payments to health care providers. When you submit your application to the Bank, you agree to use the card in accordance with the cardholder's agreement that accompanies the card. You may request a distribution from your account via the Online Portal referenced on your welcome letter. This distribution can be a payment to a medical provider for services rendered, or a reimbursement directly to the Account Beneficiary (or another authorized signer).

How are distributions from an HSA taxed?

Distributions from an HSA for Qualified Medical Expenses are generally excludable from income to the extent not reimbursed by insurance or otherwise. Distributions used for any other purpose are includable in income and may also be subject to an additional 20% excise tax.

When are distributions subject to the 20% excise tax? Distributions for other than qualified medical expenses are generally subject to an additional 20% excise tax. This 20% excise tax does not apply to distributions made after your death (see below regarding post-death transfers), disability or attainment of age 65.

What medical expenses are eligible for tax-free distributions from your HSA? The term Qualified Medical Expenses means amounts paid for the medical care, as defined in Code Section 213(d), of yourself, your legal spouse, or your qualified dependents (as defined in Code Section 223), but only to the extent such amounts are not compensated by insurance or otherwise and are incurred after the date the HSA is deemed established by the IRS. This

includes amounts paid for the diagnosis, cure, mitigation, treatment or prevention of disease or for the purpose of affecting any structure or function of the body, as well as for transportation primarily for and essential to such care. Qualified medical expenses do not include insurance premiums other than premiums for long-term care insurance, premiums on a health plan during any period of continuation coverage required by federal law (e.g., COBRA coverage), premiums for health care coverage while an individual receives unemployment compensation, or premiums paid for any health coverage that you maintain once you attain age 65 (including Medicare Part B premiums) other than premiums for Medicare supplemental insurance (Medigap).

Who is responsible for determining whether HSA distributions are used for qualified medical expenses? It is your sole responsibility to determine the tax consequences of any distributions from your HSA, maintain adequate records for tax purposes, and pay any taxes and penalties arising as a result of any such distribution. You are encouraged to consult with your legal or tax advisor concerning any questions you may have. The Bank has no responsibility for determining whether distributions from your HSA are used for qualified medical expenses.

DIVORCE (OR SEPARATION) OR DEATH OF HSA ACCOUNTHOLDER

What rules apply if your HSA is transferred pursuant to a divorce decree or separation agreement? The transfer of your HSA to your spouse pursuant to a divorce decree or separation agreement is not considered a taxable transfer. After such transfer, the former spouse will be treated as the accountholder of the HSA (if approved by the Bank), but you or your former spouse must request the Bank to transfer the account to his or her name and perform any other actions required by the Bank as set forth in the Custodial Agreement or as required by law.

What happens to your HSA upon your death? You have the right at any time to designate one or more beneficiaries to whom distribution of your HSA will be made upon your death. You also have the right to revoke a prior beneficiary designation and, if desired, designate different individuals as beneficiaries. Your rights and obligations regarding designation of a death beneficiary are set forth in the Custodial Agreement.

If you designate your spouse as a beneficiary, your spouse will become the accountholder upon your death subject to the terms of the Custodial Agreement (and any other applicable requirements of the Bank). Your spouse must notify the Bank of your death as soon as possible. The Bank has sole discretion to determine

whether to continue the HSA with your surviving spouse as the Account Beneficiary.

If you designate someone other than your surviving spouse to be your death beneficiary, the HSA terminates upon the Bank's receipt of notice of the death, and the balance of the HSA (including the proceeds of any HSA Investments), reduced by all applicable fees, will be paid to the designated beneficiary(ies) as soon as possible following notice of death. The account ceases to be an HSA (as defined in Code Section 223) as of the date of the death, and thus the non-spouse beneficiary (other than your estate) is required to include the fair market value of the HSA assets as of the date of death in his or her gross income for the taxable year that includes the date of death. The amount included in income is reduced by amounts distributed within one year of your death to pay for qualified medical expenses incurred prior to your death. If your estate is the beneficiary, the HSA ceases to be an HSA as of the date of your death, and the fair market value of the HSA assets as of the date of death is includible in your gross income for the year of the death.

TAX TREATMENT OF HSAs

What is the tax treatment of earnings on amounts in your HSA? Earnings on amounts in an HSA are generally not taxable. They may be taxable to the extent that they are used for amounts not attributable to qualified medical expenses or they are attributable to excess contributions that are withdrawn from your HSA (both as described in more detail above).

What are the tax consequences of a prohibited transaction? If you or your representative engages in a prohibited transaction as described in Code Section 4975 with respect to your HSA, the HSA will cease to be a tax qualified HSA as of the first day of the year in which the prohibited transaction occurs, and its fair market value on that date will be added to your gross income for the year in which the prohibited transaction occurs. In addition to any regular income tax that may be payable, the 20% excise tax will apply.

Can you pledge your HSA as security for a loan? You will be subject to adverse tax consequences if you use any portion of your HSA as security for a loan. Any portion of your HSA that you pledge as security for a loan will be treated as being distributed to you in that year and will be included in your gross income and subject to the 20% excise tax.

Will your custodian provide any tax advice in connection with your HSA? As custodian, the Bank will provide no tax advice concerning your HSA. The tax

consequences of your HSA, including all contributions to and distributions from your HSA, are your sole responsibility. You are encouraged to discuss any questions with your own tax or legal advisor.

Are the amounts in your HSA FDIC-insured? Amounts maintained in the Cash Account are covered by FDIC insurance to the maximum provided by law. **Any amounts you have invested in one or more HSA Investments are not FDIC insured, not bank issued or guaranteed and may lose value.**

FEES

What are the Bank's fees for serving as HSA custodian? The Bank will charge fees for serving as custodian of your HSA in amounts set forth in its written Schedule of Fees in effect from time to time. The Schedule of Fees is incorporated by reference into the Custodial Agreement and it will be included with your Application.

How are HSA fees paid? The Bank may deduct the fees associated with your HSA from your HSA or it may, in its discretion, allow you to pay such fees

directly. Fees paid directly to the Bank do not impact your maximum annual contribution amount (i.e., they are not considered to be contributions to your HSA); however, your maximum contribution amount cannot be adjusted to reflect fees withdrawn directly from your HSA (i.e., if your maximum annual contribution amount is \$1,200 and fees for the year total \$50, you cannot contribute more than \$1,200 to your HSA even if the Bank withdraws the \$50 in fees directly from your HSA). See the Custodial Agreement for more information on the payment of fees.

STATEMENTS AND FILING REQUIREMENTS

What information must be filed with the IRS? Each year, the Bank, as custodian, will send to the IRS and to you a form showing a valuation of your HSA as of December 31 of the prior year, and a report of the contributions to your HSA for the prior year. Distributions will be reported by the Bank on Form 1099-SA.

**HSA Statutory Limitations
Annual Cost of Living Adjustments**

Statutory Minimum Deductible Amount	2011 Calendar Year	2012 Calendar Year
· Single Coverage	\$1,200	\$1,200
· Family Coverage (all coverage other than self-only)	\$2,400	\$2,400
Statutory Maximum Out of Pocket Amount		
· Single Coverage	\$5,950	\$6,050
· Family Coverage	\$11,900	\$12,100
Maximum Annual Contribution Amount		
· Single Coverage	\$3,050	\$3,100
· Family Coverage	\$6,150	\$6,250
Catch-Up Contribution (age 55 or older)	\$1,000	\$1,000

Health Savings Account

Schedule of Fees

This schedule of fees is part of the contract for your Health Savings Account with Bank of America. For other terms and conditions governing your account, please see the Custodial Agreement for the Health Savings Account from Bank of America.

Monthly maintenance fee*	\$4.50
*If you signed up for a Health Savings Account from Bank of America through your employer or health plan, this fee may not apply to your account as long as your employer or health plan membership remains the same.	
Account closure/rollover	\$25.00
Deposited item returned, per item	\$5.00
Contribution deposit slip re-orders, per 15 slips	\$5.00
Legal process fee (e.g., attachment, levy or garnishment), per occurrence	\$75.00*
Overdraft fee, per transaction	\$25.00
Stop payment, each	\$25.00
Excess contribution, per return	\$25.00
Copy of account statement, each	\$5.00
Copy of deposited item, each	\$3.00
Copy of tax statement, each	\$5.00

*Or such amount as may be established by law.

Fee schedule effective as of 9/01/10. Refer to the Custodial Agreement (Article VI) in the Health Savings Account welcome kit for additional information.

FOR MORE INFORMATION

Contact the phone number referenced on your welcome letter.

