



**HEALTH SAVINGS ACCOUNT
DISCLOSURE STATEMENT
AND
CUSTODIAL ACCOUNT AGREEMENT**



Health Savings Account (HSA) Disclosure Statement

This Disclosure Statement provides information, as set forth by federal tax regulations, regarding health savings accounts. You should read this Disclosure Statement, the Custodial Account Agreement, the Fee Schedule, and the prospectus (es) for the fund (s) available in the PNC HSA.

WHO IS ELIGIBLE TO ESTABLISH AN HSA?

Contributions can be made to an HSA for any taxable year if the individual is an “Eligible Individual.” The account owner is responsible for determining whether he or she is an Eligible Individual, whether the health plan is a High Deductible Health Plan (HDHP) and the permissible amount of the annual HSA contributions. The HSA custodian or trustee may, but is not required to, require proof or certifications that the account owner is an Eligible Individual, including that the individual is covered by a health plan that meets all of the requirements of an HDHP.

HSA BENEFITS (IRS Publication 969)

You can claim a tax deduction for contributions you, or someone other than your employer, make to your HSA even if you do not itemize your deductions on Form 1040.

Contributions to your HSA made by your employer may be excluded from your gross income.

The contributions remain in your account from year to year until you use them.

The interest or other earnings on the assets in the account are tax free.

Distributions may be tax free if there are used pay qualified medical expenses. See Qualified Medical Expenses, later.

An HSA is “portable” so it stays with you if you change employers or leave the work force.

DEFINITIONS

Code

Code refers to the Internal Revenue Code of 1986, as amended.

Custodial Account

Custodial Account refers to the health savings account (“HSA” or “Account”), which is a tax-exempt custodial account exclusively for the purpose of paying or reimbursing qualified medical expenses of the account owner, his or her spouse, and dependents.

Custodian

References to the “Custodian” means PNC Bank, National Association

Account Owner

An account owner is the individual (person or applicant) who establishes an HSA Account under the HSA program and who is also considered an “Eligible Individual”.

Eligible Individual

The term “Eligible Individual” means, with respect to any month, any individual who:

- (a) is covered under a high deductible health plan (HDHP) as of the first day of such month;
- (b) is not also covered under any other health plan that is not a high deductible health plan while being covered by the high deductible health plan;
- (c) is not enrolled in Medicare; and
- (d) cannot be claimed as a dependent on another person’s income tax return.



The rule that requires that the employee not be covered under any other health plans does not include:
(a) coverage for any benefit provided by “permitted insurance” (see below for definition); and
(b) coverage (whether through insurance or otherwise) for accidents, disability, dental care, vision care, or long-term care.

Employer

Employers include the individual’s employer, the spouse’s employer, or a self-employed individual. Employers that are members of a controlled group under Section 414 of the Code are considered a single employer for purposes of these rules.

High Deductible Health Plan (HDHP)

An HDHP is a health plan that has a higher annual deductible than typical health plans, and a maximum limit on the sum of the annual deductible and out-of-pocket medical expenses that you must pay for covered expenses. Out-of-pocket expenses include copayments and other amounts, but do not include premiums. In addition, an HDHP may provide preventive care benefits without a deductible or with a deductible below the minimum annual deductible. See *High Deductible Health Plan and Preventive Care Safe Harbor*, later.

Designated Beneficiary

The person or persons named by the account owner that will become entitled to the HSA balance upon the account owner’s death.

Archer MSA

An Archer MSA is a Medical Savings Account described in Section 220 of the Code.

IMPORTANT INFORMATION ABOUT U.S. GOVERNMENT REQUIREMENTS THAT MAY AFFECT YOUR ACCOUNT

PNC Bank, National Association, (“PNC”, “we”, or “us”) provides custodial, directed trustee and administrative services for health savings account programs (“HSA Program”). As a result of that role, persons who open a health savings account in an HSA Program (“Account”) are considered ‘customers’ of PNC Bank (“you” or “your”).

To help the U.S. Government fight the funding of terrorism and money laundering activities, Federal Law requires PNC Bank, as a financial institution, to obtain, verify, and record information that identifies each person who opens an HSA.

What this means for you

When establishing an HSA, you are required to provide your full legal name, address, government issued identification number (e.g. social security number), date of birth, and other information within your account-opening application that will allow us to identify you. We may also request a copy of your driver’s license or other identifying documents and may consult third-party databases to help verify your identity.

If you fail to provide any requested identifying information or documentation when opening your account, your new account application may be rejected.

If we open your account and you subsequently fail to provide all identification materials we request or if we are subsequently unable to adequately verify your identity as required by government regulations, we reserve the right to take any one or more of the following actions:

- We may place restrictions on your account, including, without limitation, restrictions on payroll and other contributions, debit card restrictions and restrictions which eliminate your ability to receive claim withdrawals and to execute fund orders.



- We may close your account, sell the assets in your account in the prevailing market at the time, and send you a check representing the cash proceeds of your account.

STATE UNCLAIMED PROPERTY LAW DISCLOSURE

The assets in your custody account are subject to state unclaimed property laws which provide that if no activity occurs in your account within the time period specified by the particular state law, your assets must be transferred to the appropriate state. We are required by law to advise you that your assets may be transferred to an appropriate state in compliance with these state laws.

You May Incur Losses. Despite being opened as a conditional account, your account will be invested as you instructed and you will be subject to all market risks during the period between account opening and any liquidation necessitated by your failure to furnish requested identifying information or by an inability to adequately verify your identity. You will also be subject to market risks during any period between the placement of restrictions on your account and any such liquidation of your account.

You Assume All Responsibility for these Losses.

The Custodian expressly disclaims any responsibility or liability for losses you incur as result of your failure to furnish identification materials we request, including investment losses and any other loss or damage (including but not limited to lost opportunities). If you proceed with the account opening process, you accept all risks of loss resulting from any failure of yours to furnish the identification materials we request for from subsequent failure to adequately verify your identity.

GENERAL INFORMATION

High Deductible Health Plan (HDHP)

In the case of self-only coverage for 2013 and 2014, the High Deductible Health Plan's annual deductible cannot be less than \$1,250, as indexed for inflation. In the case of any other coverage (family coverage), the annual deductible cannot be less than \$2,500, as indexed for inflation.

The sum of the annual deductible and other annual out-of-pocket expenses required to be paid under the plan (other than for premiums) for covered benefits may not exceed \$6,250 (2013) and \$6,350 (2014) for self-only coverage, and \$12,500 (2013) and \$12,700 (2014) for family coverage, as indexed for inflation.

In the case of family coverage, a plan is an HDHP only if, under the terms of the plan and without regard to which family member or members incur expenses, no amounts are payable from the HDHP until the family has incurred annual covered medical expenses in excess of the minimum annual deductible. A plan does not fail to be an HDHP merely because it does not have a deductible (or has a small deductible) for certain preventive care (see below). Except for certain preventive care, a plan may not provide benefits for any year until the deductible for that year is met.

An HDHP shall not include a plan where substantially all of the coverage is for accidents, disability, dental care, vision care, or long-term care. Also an HDHP shall not fail to be treated as an HDHP merely because the individual has coverage for any benefit provided by "permitted insurance" (see below).



Generally, an HDHP cannot provide any benefits for any year until the deductible for that year is satisfied.

Permitted Insurance

Permitted Insurance is insurance under which substantially all of the coverage provided relates to liabilities incurred under workers' compensation laws, tort liabilities, liabilities relating to ownership or use of property (e.g., automobile insurance), insurance for a specified disease or illness, and insurance that pays a fixed amount per day (or other period) of hospitalization.

Preventive Care Safe Harbor

IRS Notice 2004-23 provided a "safe harbor" for preventive care benefits allowed to be provided by an HDHP without satisfying the minimum deductible requirements. An HDHP may provide preventive care benefits without a deductible or with a deductible below the minimum annual deductible. Preventive care includes, but is not limited to, the following:

- Periodic health evaluations, including tests and diagnostic procedures ordered in connection with routine examinations, such as annual physicals.
- Routine prenatal and well-child care.
- Child and adult immunizations.
- Tobacco cessation programs.
- Obesity weight-loss programs.
- Screening services that are more fully described in the Appendix of Notice 2004-23

However, preventive care does not generally include any service or benefit intended to treat an existing illness, injury, or condition. Also, the determination of whether health care that is required by State law to be provided by an HDHP without regard to a deductible is "preventive" for purposes of the exception for preventive care under Section 223(c)(2)(C) of the Code will be based on the standards set forth in Notice 2004-23 and other IRS guidance, rather than on how that care is characterized by State law.

Special Rules for Network Plans

In the case of a plan using a network of providers, special rules apply. A network plan is a plan that generally provides more favorable benefits for services provided by its network of providers than for services provided outside of the network. In the case of a plan using a network of providers, the plan does not fail to be an HDHP solely because the out-of-pocket expense limits for services provided outside of the network exceeds the maximum annual out-of-pocket expense limits allowed for an HDHP. In addition, the plan's annual deductible for out-of-network services is not taken into account in determining the annual contribution limit. Rather, the annual contribution limit is determined by reference to the deductible for services within the network.

Qualified Medical Expenses

Qualified medical expenses include amounts paid with respect to the account owner, the account owner's spouse, and the account owner's dependents, for medical care defined under Section 213(d) of the Code that is not compensated for by insurance or otherwise.

To be "qualified medical expenses", such expenses must be incurred only after the HSA has been established.

Generally, qualified medical expenses shall not include payment for insurance. Exceptions to this rule include any expense for coverage under:

- (a) a health plan during any period of continuation coverage required under Federal law (COBRA)
- (b) a qualified long-term care insurance contract (as defined in Section 7702B(b) of the Code); or



(c) a health plan during a period in which the individual is receiving unemployment compensation under any Federal or State law.

For individuals over age 65, premiums for the following health insurance may also be paid from the HSA:

- (a) Medicare Part A
- (b) Medicare Part B
- (c) Medicare HMO
- (d) Employees' share of employer-sponsored health insurance
- (e) Employer-sponsored retiree health insurance; however, premiums for Medigap policies are not qualified medical expenses.

Over the Counter Non-Prescription Exclusion

Non-prescription medicines (other than insulin) are not considered qualified medical expenses for HSA purposes. A medicine or drug will be a qualified medical expense for HSA purposes only if the medicine or drug:

- 1. Requires a prescription,
- 2. Is available without a prescription (an over-the-counter medicine or drug) and you get a prescription for it, or
- 3. Is insulin.

Medical Care

Amounts for medical care that can be paid from an HSA include:

- (a) the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body;
- (b) for transportation primarily for and essential to medical care referred to above; or
- (c) amounts paid for certain lodging while away from home primarily for and essential to medical care, if such medical care is provided by a physician in a licensed hospital or medical care facility and there is no significant element of personal pleasure, recreation, or vacation in the travel away from home. The amount is limited to \$50 per night per individual.

The term medical care does not include cosmetic surgery.

Compensation

Compensation shall not include amounts paid to an HSA, if it is reasonable to believe that such contributions can be excludable from income under Section 106(b) of the Code.

Dependent

Dependent includes any of the following individuals who receive over half of their support for the calendar year from the taxpayer and is not being claimed as a dependent on another taxpayer's return:

- (a) Son or daughter, or a descendent of either;
- (b) Stepson or stepdaughter;
- (c) Brother, sister, stepbrother, or stepsister;
- (d) Father or mother, an ancestor of either;
- (e) Stepfather or stepmother;
- (f) Son or daughter of a brother or sister;
- (g) Brother or sister of the father or mother;
- (h) Son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law; or
- (i) An individual (other than an individual who at anytime during the year was the taxpayer's spouse) who, for the taxable year of the taxpayer, has as his/her principal place of residence, the home of the taxpayer and is a member of the taxpayer's household.



The terms brothers and sisters include half-blood relatives. A child shall include a legally adopted child, a child who is placed in the taxpayer's home by an authorized placement agency for legal adoption, and a foster child.

A dependent does not include an individual who is not a citizen of the U.S. or of a country contiguous to the U.S. This does not include a child who is legally adopted by a U.S. taxpayer.

CONTRIBUTIONS

Source of Annual Contributions

Cash contributions can either be made by an eligible individual, by a family member on behalf of an eligible individual, or by the employer of an employee who is an eligible individual. Unlike Archer MSAs, contributions to an HSA can be made by any of the above during the same year. Contributions made by another family member are treated as if made by the account owner. HSA contributions are contributions other than rollover contributions or transfers from another HSA or Archer MSA or a mistake of fact reimbursement.

Contribution Limits

Your annual contribution may not exceed the specified dollar limit depending upon the HDHP's coverage for self only or family (adjusted for cost-of-living), see "Maximum Dollar Limit" below. HSA contributions must be reduced by aggregate contributions to an Archer MSA and contributions made by someone on behalf of the eligible individual. The same annual contribution limit applies regardless of whether the contributions are made by the individual, the individual's employer or a family member. If an individual has more than one HSA, the aggregate annual contributions to all of the individual's HSAs are subject to the limit. After an individual has reached age 65, contributions can be made as long as the individual does not enroll in Medicare.

Maximum Dollar Limit

For an eligible individual with self-only coverage, the maximum annual dollar limit is \$3,250 for 2013 and \$3,300 for 2014. For an eligible individual with family coverage, the maximum annual dollar limit is \$6,450 for 2013 and \$6,550 for 2014. These dollar limits may be adjusted each calendar year for cost-of-living rounded to the nearest multiple of \$50.

Partial Year Coverage under Qualifying HDHP

Beginning with contributions made for 2007 and thereafter, if an eligible individual is covered under the HDHP during the last month of the year, the individual is eligible to make the full HSA contribution, depending upon the type of coverage under the HDHP (self-only or family). This provision, therefore, "deems" that the individual was covered under the HDHP for the entire year and thus permits the individual to make the full contribution regardless of the actual number of months he was covered under the HDHP. Please see IRS Publication 969 for examples.

However, in order to use this rule, the individual must continue coverage under the HDHP during the "testing period". Otherwise, the amount contributed in excess of the amount that could have been contributed under the monthly-limitation rule is subject to tax, plus an additional tax. This tax applies for the year when the individual ceases to be eligible to make HSA contributions, except due to death or becoming disabled. The testing period begins the last month of the taxable year and ends on the last day of the 12th month following such month.

Prorating Still Applies in Some Cases

Prorating the contribution limit in accordance with the monthly-limitation rule still applies if the eligible individual does not remain covered under the HDHP for the entire year. Please see IRS Publication 969 for examples.



Catch-up Contributions

For the account owner (and spouse who is covered under the HDHP) who reaches age 55 before the end of a taxable year, an additional cash contribution may be made each year as follows:

2009 and thereafter: \$1,000 (not subject to cost-of-living adjustments).

Catch-up contributions are computed on a monthly basis.

Qualified HSA Funding Distribution

Annual HSA contributions must be made in cash (except as noted below) and may be made by an eligible individual, any other person on behalf of an eligible individual, or the employer of an eligible individual during any given year. Rollover and/or transfer contributions may be made in cash.

Beginning with contributions made for 2007 and thereafter, a special one-time, tax-free transfer from an IRA to an HSA is permitted. This one-time transfer counts toward the eligible individual's HSA contribution limit for the year of the transfer.

Beginning with annual HSA contributions made for 2007 or thereafter, an HSA-eligible individual may make an irrevocable once-in-a-lifetime, tax-free "Qualified HSA Funding Distribution" from an IRA to an HSA, subject, however, to strict requirements. The amount of the HSA funding distribution must be made in the form of a trustee-to-trustee transfer from the IRA to the HSA. The amount of the transfer cannot exceed the maximum HSA contribution limit for the year that the amount is transferred.

Consequently, this one-time transfer from an IRA to an HSA counts toward the individual's total HSA contribution limit for the year depending upon the type of coverage under the HDHP (self-only or family).

However, a special rule applies in the year of the initial transfer. If the individual has self-only coverage under the HDHP and makes a transfer under this rule from an IRA to an HSA, and then changes to family coverage under the HDHP in that same year, an additional transfer can be made to bring the individual up to the amount of the family coverage contribution limit, but the individual must do so in the same year.

Also, the IRA from which the transfer is made cannot be a SEP or SIMPLE.

This one-time transfer is different from the one-time transfer from an FSA or HRA discussed later.

Whereas the FSA or HRA transfer does not count against the individual's HSA contribution limit for the year, a transfer from the individual's IRA does count toward the HSA contribution limit. Also, the amount transferred cannot be deducted as an HSA contribution because the amount transferred is not a taxable distribution from the IRA. There is no deadline to make this one-time transfer from an IRA to an HSA. The amount transferred from the IRA to the HSA will be treated as coming first from the taxable portion of the IRA. Thus, this will be an exception to the normal pro-rata taxation rules applicable to traditional IRAs.

However, if the individual ceases to be an HSA-eligible individual during the "testing period," the amount transferred is taxable and subject to the additional tax if the individual is under the age of 59 ½ unless the individual dies or becomes disabled. For this purpose, the testing period begins with the month in which the qualified HSA funding distribution is contributed to an HSA and ends on the last day of the 12th month following such month.

Other General Rules

HSA contributions may be made regardless of whether the eligible individual has compensation. The HSA contribution limit is reduced by any contributions for the year to an Archer MSA. If the account beneficiary has more than one HSA, the aggregate of all contributions are subject to the contribution limit.



The taxpayer reports all contributions and distributions by submitting Form 8889 with his or her income tax return. If a penalty is due because of an excess contribution, Form 5329 must be completed in addition to Form 8889.

Married Individuals

Jointly-owned HSAs are not permitted; an HSA is established by or on behalf of an eligible individual. In the case of eligible individuals who are married to each other, if either spouse has family coverage, both are treated as having family coverage. If each spouse has family coverage under a separate health plan, both spouses are treated as covered under the plan with the lowest deductible. The total contribution limit for the spouses is divided equally between the spouses, unless they agree on a different division. The family coverage limit is reduced by any contribution to an Archer MSA. However, both spouses may make the catch-up contributions for individuals age 55 or over without exceeding the family coverage limit. There is no formal method specified for how a married couple agrees on a different division of the total contribution amount. If only one spouse is an eligible individual, only that spouse may contribute to an HSA.

Timing of HSA Contributions

HSA contributions must be made for a calendar year no later than the due date for filing the taxpayer's Federal income tax return, not including extensions. Contributions for the taxable year can be made in one or more payments. Although the annual contribution limit is determined monthly, the maximum contributions may be made on the first day of the year.

Deduction Permitted If Contribution Made by Eligible Individual or Family Member

If an eligible individual makes a contribution to an HSA, or another individual makes a contribution on behalf of an eligible individual, an "above - the - line" deduction is permitted by the eligible individual for the taxable year equal to an amount which is the aggregate amount paid in cash during such taxable year to an HSA, subject to the contribution limit. However, if the HSA eligible individual makes the one-time, tax-free transfer from an IRA to fund the HSA for the year, no deduction is permitted with respect to the amount transferred. Contributions made by an employer within the contribution limits of the HSA are not deductible by the eligible individual, but rather treated as employer-provided coverage for medical expenses and are excluded from income. HSA contributions are deductible whether or not the eligible individual itemized deductions. An individual who may be claimed as a dependent on another person's tax return is not an eligible individual and may not deduct contributions to an HSA. HSA rules are applied without regard to community property laws.

Employer Contributions to HSA

Employer contributions to an HSA are not included in the compensation of the employee. The employer treats the HSA contributions as employer-provided coverage for medical expenses under an accident or health plan. The employer must report the amount of the HSA contribution on the employee's W-2 Form in accordance with IRS instructions for that form. Employer contributions to an HSA are not subject to withholding from wages for income tax purposes or subject to FICA, FUTA or the Railroad Retirement Tax Act. Contributions to an employee's HSA through a cafeteria plan are treated as employer contributions. The employee cannot deduct employer HSA contributions on his or her Federal income tax return as HSA contributions or as medical expense deductions under Section 213 of the Code.

If the employer chooses to make HSA contributions, then the employer is required to make comparable HSA contributions for all participating employees (i.e., eligible employees with comparable coverage) during the same period. A comparable HSA employer contribution is (1) the same dollar amount or (2) the same percentage of the annual deductible under the high deductible health plan covering the employees divided into groups of "comparable coverage."



Comparable coverage can vary between self-only coverage, family coverage and part-time employees. A part-time employee means an employee who customarily works less than 30 hours per week. The comparability rule does not apply to amounts rolled over from an employee's HSA or Archer MSA, or to contributions made through a cafeteria plan.

If employer contributions do not comply with the comparability rule during a period, then the employer is subject to an excise tax equal to 35% of the aggregate amount contributed by the employer to HSAs for that period.

EXCESS CONTRIBUTIONS

Generally an excess HSA contribution is any contribution made for a taxable year that exceeds the contribution limits, and such excess contribution is subject to a 6% excise tax on the principal amount of the excess each year until the excess is corrected. Excess HSA contributions are not deductible by the individual if made by or on behalf of the individual. Excess HSA contributions made by the individual's employer are included in the gross income of the employee.

Withdrawing Excess By Tax Filing Due Date – This 6% excise tax may be avoided if the excess amount plus the earnings attributable to the excess are distributed by the individual's tax filing deadline, including extensions for the year for which the excess contribution was made, and no deduction is taken for such excess amount. If the excess is corrected in this manner, the principal amount of the excess returned is not taxable; however, the earnings attributable to the excess are taxable in the year in which the distribution is received. Such earnings are also subject to the additional tax, unless another exception applies.

Excess contributions made for one taxable year can be carried over to subsequent years, in order of time, subject to the subsequent year's contribution limit. The 6% excise tax is applied each year on the uncorrected excess amount as of the end of each taxable year.

ROLLOVERS

A rollover contribution is not included in your income, is not deductible, and does not reduce your contribution limit.

Archer MSAs and other HSAs You can roll over amounts from Archer MSAs and other HSAs into an HSA. You do not have to be an eligible individual to make a rollover contribution from your existing HSA to a new HSA. Rollover contributions do not need to be in cash. Rollovers are not subject to the annual contribution limits.

You must rollover the amount within 60 days after the date of receipt. You can make only one rollover contribution to an HSA during a 1-year period.

Note If you instruct the trustee or custodian of your HSA to transfer funds directly to the trustee or custodian of another HSA, the transfer is not considered a rollover. There is no limit on the number of these transfers. Do not include the amount transferred in income, deduct it as a contribution, or include it as a distribution on Form 8889, line 14a.

If an HSA is inherited by another person due to the death of the account owner, no rollover is permitted unless the spouse of the decedent is the designated beneficiary.



TRANSFERS

A direct transfer of all or a portion of funds is permitted from this HSA to another HSA or from another HSA to this HSA. Transfers do not constitute a distribution since the funds are not treated as received. The monies are transferred directly to the new custodian or trustee. Direct transfers are not subject to the 60-day period or the 12-month rule described above under “Rollover HSAs”. Transfer contributions for your HSA must be made in cash (that is, in kind transfer contributions are not permitted).

If all or a portion of an HSA is transferred to a former spouse’s HSA under a divorce decree (or under a written instrument incident to divorce) or separation instrument, the HSA account owner will not be deemed to have made a taxable distribution, by merely a transfer. The portion so transferred will be treated at the time of the transfer as the HSA of the account owner’s spouse or former spouse.

Special rules apply to a one-time transfer from an FSA or HRA to an HSA. Such transfer is treated as a rollover as described under “Rollovers”.

Special rules apply to a one-time transfer from an IRA to an HSA. Such transfer is treated as a contribution for the year of the transfer as described earlier under “Contributions”.

DISTRIBUTIONS

Distributions – In General

Distributions from an HSA are permitted at any time. The custodian or trustee may, in its own discretion, permit payments from this HSA through any of the following:

1. Payments made directly to the account owner
2. Payments made directly to the medical service provider
3. Debit, credit or stored-value cards

The account owner may request a distribution from the HSA as qualified medical expenses are incurred, or may periodically reimburse himself or herself from the HSA for qualified medical expenses that have been incurred and paid by the individual.

Taxation of Distributions

Additional tax - There is an additional 20% tax on the part of your distributions not used for qualified medical expenses. Figure the tax on Form 8889 and file it with your Form 1040 or Form 1040NR. Report the additional tax in the total on Form 1040, line 60, or Form 1040NR, line 59, and enter “HSA” and the amount on the dotted line next to that line. Any amounts distributed from an HSA for qualified medical expenses of the account owner, his or her spouse, or dependents are not included in the account owner’s gross income for the year and are not subject to the additional excise tax. Amounts in an HSA can be used for qualified medical expenses and will be excludable from gross income even if the individual is not currently eligible for contributions to the HSA.

Any amounts distributed from an HSA that are not used to exclusively pay for qualified medical expenses of the account owner, his or her spouse, or dependents are included in the gross income of the account owner. Also, such distribution will be subject to an additional excise tax, unless another exception applies. The account owner is solely responsible for determining the taxability or non-taxability of any distribution from an HSA. IRS Form 8889 is filed by the taxpayer to report contributions to an HSA, distribution from an HSA, or an acquisition of interest in an HSA because of the death of the account owner.

Exceptions - There is no additional tax on distributions made after the date you are disabled, reach age 65, or die.



Death of the Account Owner

Upon the account owner's death, any balance remaining in the HSA becomes the property of the designated beneficiary named in the HSA instrument as the designated beneficiary of the account. If the account owner designated his or her spouse as the designated beneficiary, the surviving spouse shall be treated as the account owner of the HSA after the original account owner's death. This means that when the account owner dies, if the surviving spouse is the designated beneficiary, then such account is assumed automatically by the surviving spouse as his or her own HSA and will then be treated as the account owner for whom the HSA is maintained. The surviving spouse is subject to income tax only to the extent distributions from the HSA are not used for qualified medical expenses. If any other person is the designated beneficiary, then the HSA ceases to be an HSA on the date of the account owner's death. If the designated beneficiary is a non-spouse, the fair market value of the HSA on the date of death is includible in such non-spouse beneficiary's gross income for such taxable year. If the account owner's estate is the designated beneficiary, then the fair market value of the HSA on the decedent's date of death is includible in the decedent's gross income on the last tax return files on behalf of the decedent. For such a person (except the decedent's estate), the includable amount is reduced by any payments from the HSA made for the decedent's qualified medical expenses, if paid within one year of death.

An appropriate deduction is allowed under Section 691(c) of the Code to any person (other than the decedent or the decedent's spouse) with respect to amounts included in gross income by such person.

Other Distributions

Distributions from an HSA that are not used to pay qualified medical expenses are included in gross income for the year and may also be subject to an additional income tax, unless the distribution is received due to death; disability; a qualifying rollover distribution; or the timely withdrawal of the principal amount of an excess contribution.

Coordination of Medical Expense Deduction

For purposes of determining the amount of the medical expense deduction on the taxpayer's Federal income tax return under Section 213 of the Code, any payment or distribution from an HSA for qualified medical expenses shall not be treated as an expense paid for medical care. Tax-free HSA distributions used for qualified medical expenses reduce the taxpayer's medical expense deduction for Federal income tax purposes.

Availability of Contributions

The availability of your HSA funds for withdrawal or distribution will vary depending upon the type of contribution. For payroll deductions, your funds will generally become available one business day after your employer's payroll is received by the trustee or custodian and either deposited into the interest-bearing bank portion or invested in mutual fund shares. Contributions by ACH generally will be available one business day after the trustee or custodian's receipts of such funds. Contributions by check generally will be available one business day after the check is received by the trustee or custodian. In certain circumstances, however, longer delays in availability may apply.

PROHIBITED TRANSACTIONS

If the account owner or designated beneficiary engages in a prohibited transaction (as defined under Section 4975 of the Code) with the HSA, it will lose its tax exemption and the value of the account is included in gross income for that taxable year. If any portion of an HSA is pledged as collateral for a loan, the amount so pledged will be treated as a distribution and will be included in gross income for that year.



PENALTIES

If a distribution is made for non-medical reasons from an HSA, an additional 20% (effective 2011) income tax will apply on the taxable amount of the distribution, unless another exception applies as discussed earlier. If an excess contribution is made to an HSA and it is not corrected on a timely basis, an excise tax of 6% is imposed on the excess amount. This tax will apply each year to any part or all of the excess that remains in the account. IRS Form 5329 must be filed with the Internal Revenue Services for any year an additional tax is due.

FEDERAL STATE AND GIFT TAXES

Generally, there is no specific exclusion for HSAs under the Federal estate tax rules. Therefore, in the event of death, the HSA balance will be includible in the account owner's gross estate for Federal estate tax purposes. However, if the surviving spouse is the beneficiary of the HSA, the amount in the HSA may qualify for the marital deduction available under Section 2056 of the Internal Revenue Code. A transfer of property for Federal gift tax purposes does not include an amount that a beneficiary receives from an HSA plan.

INVESTMENT INFORMATION

The account currently offers the following options for account owners: (i) FDIC-insured, interest bearing bank account and (ii) an investment option consisting of a menu of mutual funds. Initial contributions are limited to the portion of the HSA held in the bank option (as defined below) (referred to as the "Bank Portion") until the account balance reaches the amount determined by the custodian. Thereafter, the account owner may transfer money from the Bank Portion into any of the mutual funds available in the HSA or may direct new contributions to these mutual funds.

Bank Option: The HSA bank option is an FDIC-insured interest-bearing bank account with PNC Bank, National Association ("Bank"). Interest begins to accrue no later than the business day that the funds received by the custodian or trustee are deposited into the Bank Portion. The daily balance method is used to calculate interest on the account. Interest is compounded monthly and credited to the account monthly. The interest rates are subject to change at any time at the discretion of the Bank without further notice to you. In addition, the Bank reserves the right to establish (and change) balance levels on which different rates of interest may be paid. Additional details are contained in the Bank Disclosure Form.

Investment Option: The HSA investment option consists of a menu of mutual funds that have been designated by the custodian as eligible for investment.

Mutual funds are not FDIC insured, not bank issued or guaranteed, and are subject to investment risks, including fluctuations in value and the possible loss of the principal amount invested. In addition, growth in the value of your account is neither guaranteed nor projected due to the characteristics of a mutual fund investment. Detailed information about the shares of each mutual fund available for investment by your HSA must be furnished to you in the form of a prospectus. The method for computing and allocating annual earnings is set forth in the prospectus. If you made an initial contribution on the first day of a calendar year and no further investment during that year, your contribution would also be subject to certain costs and expenses which would reduce any investment return or yield you might obtain from the investment. For future information regarding expenses, earnings, and distributions, see the mutual fund's financial statements, prospectus and/or statement of additional information.

The trustee or custodian has the right to change the menu of mutual funds made available for investment in the HSA by providing the account owner at least 30 days' notice (if practical under the circumstances).



In the event a portion of your HSA is invested in a mutual fund(s) that is removed from the program, in the absence of contrary instructions, the trustee or custodian will cause your holdings in that fund to be liquidated and the assets transferred to the FDIC-insured, interest bearing Bank Portion.

FEES AND CHARGES

The trustee or custodian will charge administrative and other fees (and may be reimbursed for reasonable expenses) for maintaining your HSA. The trustee or custodian will notify you, or your employer if your employer has arranged to pay fees of the HSA fees. The trustee or custodian will also notify you (or your employer) in advance of any changes to the fees or the trustee or custodian may deduct the amount of the fees or expenses from the assets in the bank portion of the HSA, at its discretion.

Monthly account fees may be paid partially or fully paid on your behalf. If you terminate employment or change insurance carriers, the applicable monthly fee will be withdrawn from your account each calendar month following such circumstance.



Articles I through X of this Health Savings Account Custodial Account Agreement are from IRS Form **5305-C**, a model custodial account agreement that has been approved by the IRS. Do not file this Agreement with the IRS. Instead, keep it with your records. For more information on HSAs, see Notice 2004-2, 2004-2 I.R.B. 269, Notice 2004-50 2004-33 I.R.B. 196, Publication 969, and other IRS published guidance.

Health Savings Account Custodial Account Agreement

This Custodial Account Agreement, (hereinafter “Agreement”), is made between PNC Bank, National Association, (hereinafter referred to as “we”, “us” or the “Custodian”) and the individual person, (hereinafter referred to as “you”, “your” or the “Account Owner”), **whose name appears in the accompanying Application & Adoption Agreement for the purpose of establishing a Health Savings Account (HSA) under Section 223(a) of the Internal Revenue Code, (hereinafter the “Account”), exclusively for the purpose of paying or reimbursing qualified medical expenses of the Account Owner, his or her spouse, and dependents. The Custodian has given the Account Owner the required Disclosure Statement. The Account Owner and the Custodian make the following agreement:**

The Account Owner is establishing this Account exclusively for the purpose of paying or reimbursing qualified medical expenses of the Account Owner, his or her spouse, and dependents. The Account Owner represents that, unless this Account is used solely to make rollover contributions, he or she is eligible to contribute to this Account; specifically, that he or she: (1) is covered under a high deductible health plan (HDHP); (2) is not also covered by any other health plan that is not an HDHP (with certain exceptions for plans providing preventive care and limited types of permitted insurance and permitted coverage); (3) is not enrolled in Medicare; and (4) cannot be claimed as a dependent on another person’s tax return.

The Account Owner and the Custodian make the following Agreement:

ARTICLE I

1. 01 The Custodian will accept additional cash contributions for the tax year made by the Account Owner or on behalf of the Account Owner (by an employer, family member or any other person). No contributions will be accepted by the Custodian for any Account Owner that exceeds the maximum amount for family coverage plus any applicable catch-up contribution.

1.02. Contributions for any tax year may be made at any time before the deadline for filing the Account Owner’s federal income tax return for that year (without extensions).



1.03. Rollover contributions from an HSA or an Archer Medical Savings Account (Archer MSA) (unless prohibited under this Agreement) need not be in cash and are not subject to the maximum annual contribution limit set forth in Article II.

1.04. Qualified HSA distributions from a health flexible spending arrangement or health reimbursement arrangement must be completed in a trustee-to-trustee transfer and are not subject to the maximum annual contribution limit set forth in Article II.

1.05. Qualified HSA funding distributions from an individual retirement account must be completed in a trustee-to-trustee transfer and are subject to the maximum annual contribution limit set forth in Article II.

ARTICLE II

2.01. For calendar year 2011, the maximum annual contribution limit for an account owner with single coverage is \$3,050. This amount increases to \$3,100 in 2012. For calendar year 2014, the maximum annual contribution limit for an account owner with family coverage is \$6,150. This amount increases to \$6,250 in 2012. These limits are subject to cost-of-living adjustments after 2012.

2.02. Contributions to Archer MSAs or other HSAs count toward the maximum annual contribution limit to this Account

2.03. For calendar year 2009 and later years, an additional \$1,000 catch-up contribution may be made for an Account Owner who is at least age 55 or older and not enrolled in Medicare.

2.04. Contributions in excess of the maximum annual contribution limit are subject to an excise tax. However, the catch-up contributions are not subject to an excise tax.

ARTICLE III

It is the responsibility of the Account Owner to determine whether contributions to the Account have exceeded the maximum annual contribution limit described in Article II. If contributions to this Account exceed the maximum annual contribution limit, the Account Owner shall notify the Custodian that there exist excess contributions to the Account. It is the responsibility of the Account Owner to request the withdrawal of the excess contribution and any net income attributable to such excess contribution.

ARTICLE IV

The Account Owner's interest in the balance in the Account is nonforfeitable.

ARTICLE V

5.01. No part of the custodial funds in the Account may be invested in life insurance contracts or in collectibles as defined in Section 408(m) of the Code.

5.02. The assets of this Account may not be commingled with other property except in a common trust fund or common investment fund.

5.03. Neither the Account Owner nor the Custodian will engage in any prohibited transaction with respect to this Account (such as borrowing or pledging the account or engaging in any other prohibited transaction as defined in section 4975 of the Code).

ARTICLE VI

6.01. Distributions of funds from this Account may be made upon the direction of the Account Owner.



6.02. Distributions from this Account that are used exclusively to pay or reimburse qualified medical expenses of the Account Owner, his or her spouse, or dependents are tax-free. However, distributions that are not used for qualified medical expenses are included in the Account Owner's gross income and are subject to an additional twenty percent (20%) tax on that amount. The additional twenty percent (20%) tax does not apply if the distribution is made after the Account Owner's death, disability, or reaching age 65.

6.03. The Custodian is not required to determine whether the distribution is for the payment or reimbursement of qualified medical expenses. Only the Account Owner is responsible for substantiating that the distribution is for qualified medical expenses and must maintain records sufficient to show, if required, that the distribution is tax-free.

ARTICLE VII

If the Account Owner dies before the entire interest in the Account is distributed, the remaining interest in the Account will be disposed of as follows:

7.01. If the beneficiary is the Account Owner's spouse, the Account will become the spouse's Account as of the date of death.

7.02. If the beneficiary is not the Account Owner's spouse, the Account will cease to be an HSA as of the date of death. If the beneficiary is the Account Owner's estate, the fair market value of the Account as of the date of death is taxable on the Account Owner's final return. For other beneficiaries, the fair market value of the Account is taxable to that person in the tax year that includes such date.

ARTICLE VIII

8.01. The Account Owner agrees to provide the Custodian with information necessary for us to prepare any report or return required by the IRS.

8.02. The Custodian agrees to prepare and submit any report or return as prescribed by the IRS.

ARTICLE IX

Notwithstanding any other article that may be added or incorporated in this Agreement, the provisions of Articles I through VIII and this sentence are controlling. Any additional article in this Agreement that is inconsistent with Section 223 of the Code or IRS published guidance will be void.

ARTICLE X

This Agreement will be amended from time to time to comply with the provisions of the Code or IRS published guidance. Other amendments may be made with the consent of the persons whose signatures appear on the Adoption Agreement.

ARTICLE XI - APPLICABLE LAW; WAIVER OF JURY TRIAL

Except to the extent superseded by federal law, this Agreement shall be governed by, and construed, administered and enforced according to, the laws of the Commonwealth of Pennsylvania, and all contributions shall be deemed made in Pennsylvania.

BOTH PARTIES AGREE TO WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN THE RESOLUTION OF THE DISPUTE OR CLAIM, WHETHER SOUNDING IN CONTRACT,



**TORT OR OTHERWISE, BETWEEN THE PARTIES ARISING OUT OF,
CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THIS
CUSTODIAL AGREEMENT OR THE HSA.**

ARTICLE XII-ADDITIONAL PROVISIONS

12.01. Investment:

All funds in your Account (including earnings) will be deposited into an FDIC-insured, interest-bearing account held in the name of the Custodian at an FDIC-insured financial institution, or invested in shares of one or more of the registered investment companies ("mutual funds"), or portfolios thereof, which have been designated by the Custodian as eligible for investment by the Account Owner. The bank account shall be referred to herein as the "Bank Portion." The mutual funds and portfolios shall be collectively referred to herein as the "Funds" and the shares of the Funds shall be collectively referred to as "Fund Shares." Fund Shares shall be purchased at the public offering price for Fund Shares next to be determined after receipt of the contribution by the Custodian or its agent. The Custodian has the right to change the menu of Funds made available for investment in the HSA by providing the Account Owner at least thirty (30) days' notice (if practical under the circumstances). Initial contributions are limited to the Bank Portion. Once the Account Owner's balance reaches a minimum balance established by the Custodian, the Account Owner may transfer money from the Bank Portion into any of the Funds available in the HSA or may direct new contributions to these Funds. You have exclusive responsibility for and control over the investments in your Account.

12.02. Contributions and Availability:

(a) Contributions to your Account will typically be posted and made available for withdrawal one (1) business day after the day the contributions is received, depending upon the method of the contribution. Contributions by electronic funds transfer will generally be available on the day the custodian determines the contribution was made. Automated Clearinghouse (ACH) credits to your Account will be available on the day of receipt by the Custodian. ACH debits from other accounts to your Account will generally be available two (2) banking days after the request is submitted to the ACH system. ACH credits to your Account will be treated as a current year contribution and ACH debits to your Account will be treated as current year withdrawals from your Account for tax purposes. Contributions by check will generally be available no earlier than three (3) banking days after the day of the contribution. **In certain circumstances, longer delays in availability may apply.**

(b) If funds are being credited to your Account through payroll deduction, please check with your employer regarding the timing and application of the payroll deposits to the Custodian's system. The amount that you contribute through payroll deductions or other funding sources and how much your employer or any other person or entity contributes on your behalf will be determined solely by agreement between you and your employer or you and such other contributors. The Custodian reserves the right to make adjustments to your Account balances to correct funding errors on contributions to your Account and to withdraw any funds that should not have been placed in your Account.

Your Account is an individual custodial account established by you pursuant to federal tax law, and it is neither endorsed nor sponsored by your employer or any other third party. **The Account is not part of an ERISA benefit plan, even if your employer contributes to your Account or pays your custodial fees, or you make pre-tax contributions under a cafeteria plan.**



(c) The Custodian may refuse, limit or return any contributions received for your Account. In particular, the Custodian reserves the right to limit the first time on-line contribution from your newly linked bank account to a maximum of \$100.00. In addition, we may return contributions deposited on your behalf.

12.03. Notices and Statements:

(a) The Custodian agrees to forward, or to cause to be forwarded, to the Account Owner the Bank Disclosure Form and the then-current prospectuses for the Funds selected by the Account Owner for investment, and thereafter shall forward, or cause to be forwarded, to the Account Owner all notices, proxies and related proxy soliciting materials applicable to said Fund Shares received by the Custodian. All notices to be given by the Custodian to the Account Owner shall be deemed to have been given when delivered electronically (if applicable) or mailed to the address of the Account Owner indicated by the Custodian's records. The Account Owner must promptly notify the Custodian of any change of address.

(b) In addition, the Custodian shall periodically cause to be mailed or delivered electronically (if applicable) to the Account Owner an account statement that identifies all transactions affecting the Account during the relevant period and the account holdings as of the end of such period. If, within sixty (60) days after such mailing, the Account Owner has not given the Custodian written notice of any exception or objection thereto, the account statement shall be deemed to have been approved and, in such case or upon the written approval of the Account Owner, the Custodian and the Funds shall be released, relieved and discharged with respect to all matters and statements set forth in such accounting as though the account had been settled by judgment or decree of a court of competent jurisdiction.

12.04. Amendments:

The Custodian has the right to amend this agreement at any time. Any amendment the Custodian makes to comply with the Code and related regulations do not require the Account Owner's consent. Except as hereafter provided, the Custodian will give the Account Owner thirty (30) days' prior written notice of any amendment. In case of an amendment, including a retroactive amendment required by law, the Custodian will provide written notice to the Account Owner of the amendment within thirty (30) days after the amendment is made, or if later, by the time that notice of the amendment is required to be given under regulations or other guidance provided by the IRS. The Account Owner (or designated beneficiary, if applicable) shall be deemed to have consented to any such amendment unless the Account Owner (or designated beneficiary) notifies the Custodian to the contrary within thirty (30) days after notice to the Account Owner and requests a distribution or transfer of the balance in the Account.

12.05. Resignation, Assignment and Removal of Custodian:

(a) The Custodian may resign at any time by giving at least thirty (30) days' written notice to the Account Owner. The Custodian may resign and appoint a successor custodian or trustee to serve under this Agreement or under another governing instrument selected by the successor custodian or trustee by giving the Account Owner written notice at least thirty (30) days prior to the effective date of such resignation and appointment, which notice shall also include a copy of such other governing instrument, if applicable, and the related disclosure statement. The Account Owner shall then have thirty (30) days from the date of such notice to either request a complete distribution of the Account balance or designate a different successor custodian or trustee. If the Account Owner does not request distribution of the Account or designate a different successor within such thirty (30) days, the Account Owner shall be deemed to have consented to the appointment of the successor custodian or trustee and the terms of any new governing instrument, and neither the Account Owner nor the successor shall be required to execute any written



document to complete the transfer of the Account to the successor custodian or trustee. The successor custodian or trustee may rely on any information, including beneficiary designations, previously provided by the Account Owner. The Custodian may, in its sole discretion, resign as Custodian of this Account in accordance with the first sentence of this paragraph, and in lieu of appointing a successor custodian or trustee; distribute the assets of the Account to the Account Owner (or to the designated beneficiary if the Account Owner has died). The Custodian shall not be liable for any actions or failures to act on the part of any successor custodian or trustee, nor for any tax consequences the Account Owner may incur that result from the transfer or distribution of the assets in the Account pursuant to this section.

(b) The Account Owner may at any time remove the Custodian and replace the Custodian with a successor custodian or trustee of the Account Owner's choice by giving thirty (30) days' written notice to the Custodian. In such event, the Custodian shall then deliver the assets of the Account as directed by the Account Owner. However, the Custodian may retain a portion of the assets of the Account as a reserve for payment of any anticipated remaining fees and expenses, ("Reserve") and shall pay over any remainder of this Reserve to the successor custodian or trustee upon satisfaction of such fees and expenses.

(c) The Custodian reserves the right to assign your Account without your prior consent provided that such assignee is qualified under the Code to be an HSA custodian or trustee. The Custodian will notify you if your Account is assigned to another custodian or trustee.

(d) Successors, Assigns and Agents. If the Custodian changes its name, reorganizes, merges with another organization (or comes under the control of any Federal or State agency), or if the Custodian is bought by another organization, that organization or agency shall automatically become the trustee or custodian of your Account, but only if it is the type of organization authorized to serve as an HSA custodian or trustee under the Code. If the new entity is not qualified to be an HSA custodian or trustee, the Account will be terminated effective as of the date the new entity takes control and all funds in your Account will be distributed in accordance with the termination provisions set forth herein.

12.06. Custodian's Fees and Expenses:

(a) The Account Owner agrees to pay the Custodian any and all fees specified in the Custodian's current Fee Schedule. The Custodian may change the fee schedule, in its entirety or any part thereof, at any time by giving the Account Owner thirty (30) days' prior written notice. The most recent Fee Schedule is attached to this Agreement.

(b) The Account Owner agrees to pay any expenses incurred by the Custodian in the performance of its duties in connection with the Account. Such expenses include, but are not limited to, administrative expenses, such as legal and accounting fees, and any taxes of any kind whatsoever that may be levied or assessed with respect to such Account.

(c) All such fees, taxes, and other administrative expenses will be paid from the Account if not paid by the Account Owner or your employer, and you hereby authorize us to do so.

(d) In the event that for any reason the Custodian is not certain as to who is entitled to receive all or part of the Account, the Custodian reserves the right to withhold any payment from the Account, to request a court ruling to determine the disposition of the Account, and to charge the Account for any expenses incurred in obtaining such legal determination.

(e) The Custodian's fees and its expenses are in addition to the investment management fees and other expenses associated with the underlying Funds, which are described in the applicable prospectuses. The Account Owner should read the prospectus carefully before sending or contributing any money.

(f) The Custodian and its affiliates may earn additional fees in connection with the issuance of debit cards or any services (including transfer agency or sub-transfer agency services) they provide to the underlying Funds.



(g) The Account Owner understands and agrees that the Custodian or its affiliates may benefit directly or indirectly from any credit, interest or earnings ("float") accrued on un-invested cash during a period of time in which a distribution check is outstanding, an investment transaction is pending, or any similar transaction is in progress.

(h) The Custodian may receive interest earnings on balances in the Bank Portion of your Account.

(i) The Custodian or its affiliates may receive interchange fees for the use of the debit cards. The fees may vary and are subject to change, but in all cases will be equal to or less than the highest possible fee allowed for all card transactions generally.

12.07. Rollovers and Transfers:

The Custodian shall have the right to receive rollover and transfer contributions as described in Article I of this Custodial Agreement. The Custodian will accept rollover or eligible transfer contributions only in the form of cash (*e.g.*, check, ACH). In-kind rollover contributions are not permitted. The Custodian may also accept amounts transferred to your Account from the custodian or trustee of another HSA. However, the Custodian reserves the right not to accept any transfer in its sole discretion. Any amounts received or transferred by the Custodian under this paragraph shall be accompanied by such records and other documents, as the Custodian deems necessary to establish the nature, value and extent of the assets and of the various interests therein.

12.08. Distributions and Withdrawals:

(a) Distributions from your Account may be made at any time upon your direction. Only your balance in the Bank Portion of your Account is eligible for withdrawal or distribution. Any assets invested in the Funds must be transferred to the Bank Portion before such assets are eligible for withdrawal or distribution. The Custodian is not responsible for determining whether the distributions for the Account Owner, spouse and dependents are for qualified medical expenses as defined in Section 213(d) of the Code. In situations where the requested withdrawal of funds is greater than the available balance in the Bank Portion, the Custodian will not permit the withdrawal or transfer. If your Account becomes overdrawn for any reason, you agree to make an immediate deposit of funds sufficient to cover the overdraft. In such cases where your balance in the Bank Portion becomes overdrawn, we may charge a fee for such overdrafts.

(b) The Custodian reserves the right to limit the frequency and minimum dollar amount of withdrawals. The Custodian may request any withdrawals or transfers must be in writing on the form provided by the Custodian. The Account Owner is responsible for making all withdrawals in accordance with the Code and applicable regulations. Distributions shall be made in accordance with this Agreement and applicable law in the event of the Account Owner's death. The Custodian shall not be liable for any penalties or taxes related to withdrawals or distributions from the Account.

(c) Each Account Owner will be issued a debit card(s) to access the funds available in the Bank Portion. The debit card and accompanying cardholder agreement which describes the terms and conditions governing use of the card (including all limitations of liability) will arrive under separate cover and are incorporated into and made part of this Agreement.

(d) The Custodian may permit you to appoint, through written notice acceptable to the Custodian, an authorized agent to act on your behalf with respect to this Agreement (*e.g.*, attorney-in-fact); however, the Custodian has no duty to determine the validity of such appointment or any power of attorney or other instrument appointing such authorized agent. The Custodian shall not be responsible for losses of any kind that may result from direction, actions or failures to act by your authorized agent, and you agree to reimburse the Custodian for any loss the Custodian may incur as a result of such directions, actions or failures to act by your authorized agent. You will have sixty (60) calendar days after you receive any



documents, statements or other information to notify the Custodian in writing of any errors or inaccuracies reflected in these documents, statements or other information. If you do not notify the Custodian within sixty (60) calendar days, the documents, statements or other information shall be deemed correct and accurate, and the Custodian shall have no further liability or obligation for such documents, statements, other information or the transactions described therein.

(e) You acknowledge that you may only take a distribution to the extent there are sufficient funds in your Account. You acknowledge and understand that the Custodian has no obligation to honor a distribution when there are insufficient funds in your Account. The Custodian reserves the right to pay distributions you make from your Account in any order it determines without regard to the method of withdrawal. The order in which you take distributions may not be the same as the order in which the Custodian posts those transactions to your Account.

(f) If the Custodian fails to receive directions from the Account Owner regarding any transaction or if the Custodian receives ambiguous directions regarding any transaction, or the Custodian in good faith believes that any transaction requested is in dispute, the Custodian reserves the right to take no action until further clarification acceptable to the Custodian is received from the Account Owner or the appropriate government or judicial authority. The Custodian shall not be responsible for losses of any kind that may result from the Account Owner's directions to the Custodian or the Account Owner's actions or failures to act. And the Account Owner agrees to reimburse the Custodian for any losses it may incur as a result of such directions, actions or failures to act. The Custodian shall not be responsible for any penalties, taxes, judgments or expenses you incur in connection with the Account. In no event shall the Custodian be responsible to determine if contributions made by your employer to your Account meet the requirements for comparable contributions, the rules of which are set forth in the Code and IRS published guidance.

12.09. Representations and Responsibilities:

(a) The Custodian is entitled to rely upon information and instructions received with respect to your Account, and has no obligation to make further investigation or inquiry except as required by law. The Account Owner represents and warrants that all information and instructions given to the Custodian by the Account Owner are complete and accurate and that the Custodian shall not be responsible for any incomplete or inaccurate information provided by the Account Owner or Account Owner's designated beneficiary(ies). The Account Owner agrees to be responsible for all tax consequences arising from contributions to and distributions from the Account and acknowledges that no tax or legal advice has been provided by the Custodian. You are solely responsible for determining your eligibility to participate in the HSA, more specifically this Account, including the amount and deductibility of contributions to or for distributions from your Account for federal and/or state income tax purposes. You are solely responsible for determining whether or not the health plan meets the requirements of a HDHP and whether any payments from your Account are used for qualified medical expenses.

(b) Neither, the Custodian, its affiliates, or the Funds shall be responsible for any losses, penalties or other consequences to the Account Owner, designated beneficiary or any other person arising out of the making of, or the failure to make, any contribution or withdrawal.

(c) Neither the Custodian, its affiliates, or the Funds shall be liable (and neither assumes any responsibility) for the collection of contributions of the propriety of any contributions under this Agreement, or the purpose or propriety of any distribution made in accordance with the Account Owner's written instructions, which matters are the sole responsibility of the Account Owner. For clarification, the Account Owner is also solely responsible for any tax consequences of distributions initiated through checks or debit card transactions.



(d) By performing services under this Agreement, the Custodian is acting as your agent and is not acting in a discretionary or fiduciary capacity. You acknowledge and agree that nothing in this Agreement shall be construed to confer fiduciary status upon the Custodian for any purpose. Neither the Custodian nor any of its affiliates or other service providers shall provide any investment advice to you in connection with your Account nor do we or our service providers have any duty to review and monitor any Fund investments you hold in your Account. Although the Custodian reserves the right to replace any investment option at its sole discretion, the Custodian will have no duty to monitor or replace the Funds made available to the Account Owner as Account investments and the Custodian makes no representation as to the quality or performance of any investment options. The Custodian will have no liability or responsibility for the investment decisions made by you and shall not be liable for any loss with results from your exercise of investment control over your Account. You shall have and exercise exclusive responsibility and control over the investment of any funds within your Account, and the Custodian has no duty to question the investment directives provided by the Account Owner.

(e) The Account Owner, designated beneficiary, and their successors, heirs and assigns, including any executor or administrator of the beneficiary, shall, to the extent permitted by law, indemnify and hold the Custodian and the Funds and their successors and assigns harmless from any and all claims, actions or liabilities of the Custodian, except such as may arise from the Custodian's own bad faith, negligence, nonfeasance, or willful misconduct.

12.10. Limitations of Liability:

(a) The Custodian shall not be liable for any losses, damages, costs, penalties or expenses the Account Owner incurs as a result of the Account Owner's or any third party's failure to make contributions to the Account. The Custodian cannot enforce a third party's requirement to make contributions to the Account or notify the Account Owner regarding the same. Any agreement between the Account Owner and any third party, including the Account Owner's employer, is outside the scope of this Agreement. As such, the Account Owners are responsible for contacting any third party regarding its contributions and monitoring those contributions. The Custodian shall not be liable for any statements, representation, actions or inactions of any insurance agent or agency that sold the Account Owner an insurance plan in connection with the Account. Subject to the limitations of applicable laws and regulations, the Account Owner agrees to indemnify and hold the Custodian harmless from any and all liability, damage or cost (including attorney's fees) it may incur in connection with any check or debit card transaction; unless such liability is caused by the Custodian's gross negligence or willful misconduct.

(b) The Custodian shall not be deemed in default of this Agreement nor held responsible for any cessation, interruption or delay in the performance of 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.

(c) Disputes Involving Your Account. To the fullest extent permitted by law, the Account Owner shall be liable to the Custodian for any loss, costs, or expenses, including reasonable attorney's fees that the Custodian or its affiliates may incur as a result of any dispute involving your Account (including, without limitation, checks and debit cards). To the fullest extent permitted by law, you authorize the Custodian to deduct any such loss, costs or expenses from your Account without prior notice to you. This obligation includes disputes between the Custodian and the Account Owner involving the Account and situations where the Custodian becomes involved in disputes between the Account Owner and someone the Account Owner authorized to access the Account (including via debit card or check) or a third party claiming an



interest in the Account, including without limitation any action which causes the custodian to seek the advice of counsel, even though the Custodian does not actually become involved in the dispute.

(d) Limitation of Liability for Failure to Complete Transactions. For the avoidance of doubt, neither the Custodian nor its affiliates will be liable to you or anyone claiming through you for failure to complete a particular distribution or withdrawal transaction (“Transaction”) if:

- Through no fault of ours, you do not have a sufficient available balance in the Bank Portion to make the Transaction;
- Any device, card or computer system was not working properly and you knew about the breakdown when you started the transaction;
- Your Account is frozen (for example, because of a court order or other similar reason) and we are not permitted to make the Transaction;
- Circumstances beyond our control (such as fire or flood) prevent the transaction, despite the reasonable precautions that we have taken;
- You have failed to enter your correct PIN (for debit cards) after the maximum number of attempts permitted;
- You failed to use the device, card or computer system in accordance with instructions;
- We have limited or refused to complete the particular type of Transaction for security reasons; or
- We have reason to believe that the requested Transaction is unauthorized. There may be additional exceptions or limitations stated elsewhere in this Agreement or other agreements or as otherwise notified to you by the Custodian.

(e) Timing of Error Resolution process. If your Account statement shows transactions that you did not make, tell the Custodian at once. Similarly, tell the Custodian immediately if you think your account statement or transaction record is wrong or if you need more information about your transaction listed on the Account statement or transaction record. If you do not tell the Custodian within thirty (30) days after the Account statement was FIRST mailed to you, you may not get any money back. If you notify the Custodian about transactions you did not make, the Custodian or its agents will promptly investigate your claim. If you timely report the loss or theft of a debit card or other transaction you did not make and, if applicable, timely send your complaint or question in writing, and the Custodian or its agent determines there was an error or unauthorized transaction(s). In contrast, if (a) you fail to timely report the loss or theft of a debit card or other transaction you did not make or fail to timely send your complaint or question or (b) if the Custodian or its agent determines that there was no error or unauthorized transaction(s), you will not be reimbursed for the amounts claimed and, if applicable, we will reverse any applicable credit that may have been provided to your Account.

(f) THE CUSTODIAN SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR SPECIAL DAMAGES, LOSSES, COSTS OR EXPENSES OF ANY TYPE OF NATURE, REGARDLESS OF THE FORM OF THE ACTION OR THEORY OF RECOVERY, EVEN IF THE CUSTODIAN HAS BEEN ADVISED OF THE POSSIBILITY OF ANY OF THE FOREGOING. EXCEPT AS SET FORTH IN THIS AGREEMENT, THE CUSTODIAN DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES WHETHER EXPRESS, STATUTORY OR IMPLIED.

12.11. Designated Beneficiary:

Except as may be otherwise required by state law, in the event of the Account Owner's death, the balance in the Account shall be paid to the beneficiary or beneficiaries designated by the Account Owner on a beneficiary designation form acceptable to and filed with the Custodian. The Account Owner may change the designated beneficiary or beneficiaries at any time by filing a new beneficiary designation with the



Custodian. If no beneficiary designation is in effect, if none of the named beneficiaries survive the Account Owner, or if the Custodian cannot locate any of the named beneficiaries after reasonable search, any balance in the Account will be payable to the Account Owner's spouse, and if the spouse has predeceased the Account Owner or the Account Owner has no spouse, the benefit will be payable to the Account Owner's estate. If the Account Owner's designated beneficiary is his or her spouse, the spouse may elect to treat this Account as the spouse's own HSA.

12.12. Return of Mistaken Distributions:

An Account Owner may repay to his or her Account distributions made on account of a reasonable mistaken belief that an expense paid or reimbursed by the Account was a qualified medical expense no later than April 15th of the year following the year the Account Owner knew or should have known that the distribution was a mistake but in no event later than June 30th of the year following the year the distribution was made. The Custodian may rely on the Account Owner's representation that the distribution was a mistaken distribution that qualifies for a return as provided herein.

12.13. Liquidation of Assets:

The Custodian reserves the right to liquidate the assets in the Account if necessary to make distributions or to pay fees, expenses or taxes properly chargeable against the Account. If an Account Owner fails to direct the Custodian as to which assets to liquidate, the Custodian will decide in its complete and sole discretion and the Account Owner agrees not to hold the Custodian or its affiliates liable for any adverse consequences that result from that decision.

12.14. Investment Provisions:

All contributions to the Account unless otherwise required by this HSA program shall be invested and reinvested by the Custodian as directed by the Account Owner.

12.15. Nominee:

The shareholder of record of all Fund shares, as reflected on the books and records of each Fund, shall be the Custodian or its nominee.

12.16. Termination:

This Agreement shall terminate coincident with the complete distribution of the assets of the Account.

12.17. Agents:

The Custodian is authorized to hire agents (including any transfer agent for Fund Shares) to perform any of its duties under this Agreement.

12.18. Income Taxes:

The Custodian shall be responsible solely for the performance of those duties expressly assigned to it in this Agreement and by operation of law. In determining the taxable amount of a distribution, the Account Owner shall rely only on his or her federal tax records.

12.19. Information:

If your employer has made this product available to you, you hereby authorize the Custodian to provide information about your Account, including your Account Number, to your employer (if applicable) and those acting on behalf of your employer or the Custodian (if applicable), in connection with the establishment and maintenance of your Account. You acknowledge that your employer and all other acting on behalf of your employer (if applicable), may also provide information to the Custodian on your behalf to establish and maintain your Account.

12.20. Inactivity:

Your Account is deemed to be "inactive" during that period of time in which you have not made any contributions or withdrawals from the Account. Your Account will be classified as "dormant" when your Account has been inactive and we have had no contact with you for one year (12 months) and your



Account statement has been returned by the post office as undeliverable for any reason. In accordance with governing state law, accounts which have been inactive or dormant for the statutory number of years will be transferred to the state or other governmental agency.

ARTICLE XIII-PRIVACY

The Custodian shall maintain the confidentiality of your information in accordance to with applicable laws. In addition, non-public personal information shall only be disclosed: (i) as necessary to provide services related to your Account under this Agreement; (ii) as required by law; and (iii) as requested by the Account Owner. A copy of the Custodian's Privacy Policy is provided as part of the account opening process. You may also view the Custodian's Privacy Policy at www.smart-hsa.com/pnc/.

ARTICLE XIV-GLOSSARY OF TERMS

14.01 Account Owner:

Generally, the individual on whose behalf the HSA is established and who meets the definition of an Eligible Individual.

14.02 Adoption Agreement:

The application furnished by the Custodian used to establish the Account. The Adoption Agreement is deemed to be a part of this Agreement.

14.03 Archer MSA or Medical Savings Account:

A medical savings account described in Section 220 of the Code.

14.04 Bank Option:

The HSA Bank Option is an FDIC-insured, interest-bearing bank account with an FDIC member bank. Interest begins to accrue no later than the business day that the funds received by the Custodian are deposited into the Bank Portion. The daily balance method is used to calculate interest on the Account. Interest is compounded monthly and credited to the Account monthly. The interest rates are subject to change at any time. Additional details are contained in the Bank Disclosure Form.

14.05 Code:

The Internal Revenue Code of 1986, as amended.

14.06 Dependents:

Dependents include any individuals who receive over half of their support for the calendar year from the taxpayer as defined in Section 152 of the Code.

14.07 Designate Beneficiary:

The term "designated beneficiary" means the person or persons named by the Account Owner as beneficiary of the Account upon the death of the Account Owner.

14.08 Employer:

The employer includes the Account Owner's employer, the employer of the Account Owner's spouse, or a self-employed individual. All employers that are members of a controlled group under Section 414 of the Code are considered a single employer for purposes of these rules.

14.09 Eligible Individual:

The term "Eligible Individual" means with respect to any month, any individual who:

- (a) is covered under a HDHP as of the first day of such month;
- (b) is not also covered under any other health plan that is not a HDHP while being covered by the high deductible health plan;
- (c) is not enrolled in benefits under Medicare; and



(d) cannot be claimed as a dependent on another person's income tax return.

The rule that requires that the eligible individual not be covered under any other health plan does not include:

(a) coverage for any benefit provided by "permitted insurance"; and

(b) coverage (whether through insurance or otherwise) for accidents, disability, dental care, vision care, or long-term care.

14.10 Flexible Spending Arrangement/Account (FSA):

A flexible spending plan described in Section 125 of the Code.

14.11 Health Reimbursement Arrangement (HRA):

A Health Reimbursement Arrangement described in Sections 105 or 106 of the Code.

14.12 Health Savings Account (HSA):

A health savings account described in Section 223 of the Code.

14.13 High Deductible Health Plan (HDHP):

Generally, an HDHP is a health plan that satisfies certain requirements with respect to deductibles and out-of-pocket expenses. In the case of self-only coverage, the High Deductible Health Plan's 2013 and 2014 annual deductible cannot be less than \$1,250. In the case of any other coverage (family coverage), the 2013 and 2014 annual deductible cannot be less than \$2,500. The sum of the annual deductible and the other annual out-of-pocket expenses required to be paid under the plan (other than for premiums) for covered benefits may not exceed \$6,250 for 2013 and \$6,350 for 2014 for self-only coverage, and \$12,500 for 2013 and \$12,700 for 2014 for family coverage. In the case of family coverage, a plan is an HDHP only if, under the terms of the plan and without regard to which family member or members incur expenses, no amounts are payable from the HDHP until the family has incurred annual covered medical expenses in excess of the minimum annual deductible. A plan does not fail to be an HDHP merely because it does not have a deductible (or has a small deductible) for certain preventive care. Except for certain preventive care, a plan may not provide benefits for any year until the deductible for that year is met.

An HDHP shall not include a plan where substantially all of the coverage is for accidents, disability, dental care, vision care, or long-term care. Also, an HDHP shall not fail to be treated as an HDHP merely because the individual has coverage for any benefit provided by "permitted insurance". Permitted insurance is insurance under which substantially all of the coverage provided relates to liabilities incurred under workers' compensation laws, tort liabilities, liabilities relating to ownership or use of property (e.g., automobile insurance), insurance for a specified disease or illness, and insurance that pays a fixed amount per day (or other period) of hospitalization.

14.14 Medical Care:

Medical Care includes amounts paid for the types of medical care described in Section 213(d) of the Code.

14.15 Permitted Insurance:

Permitted Insurance shall include the types of insurance described in Section 223(c)(3) of the Code.

14.16 Qualified Medical Expenses:

Qualified medical expenses include amounts paid with respect to the individual, the individual's spouse, and the individual's dependents, for medical care defined under Section 213(d) of the Code if such amounts are not compensated for by insurance or otherwise. Qualified medical expenses do not include any payment for insurance, except in the following cases:

(a) a health plan during any period of continuation coverage required under any Federal law;

(b) a qualified long-term care insurance contract (as defined in Section 7702B(b) of the Code);



(c) a health plan during a period in which the individual is receiving unemployment compensation under any federal or state law; or

(d) in the case of an Account Owner who has attained the age specified in section 1811 of the Social Security Act, any health insurance other than a Medicare supplemental policy (as defined in section 1882 of the Social Security Act).

14.17 Custodial Account:

The term custodial account means the account established under the terms of this Agreement.

14.18. Custodian:

PNC Bank, National Association.

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Health Saving Account Fee Schedule

There are fees associated with maintaining your Account. The following is a list of the administrative and other related fees that may be charged to your Account by the Custodian.

- We will notify you or your employer if your employer has arranged to pay fees, of the HSA fees.
- We will also notify you (or your employer) in advance of any changes to the fees.
- We may charge you (or your employer) separately for any fees or expenses, or we may deduct the amount of the fees or expenses from the assets in the Bank Portion of your Account, at our discretion.
- Your monthly Account fees may be paid partially or fully on your behalf.
- If you terminate employment or change insurance carriers, the then applicable monthly fee will be withdrawn from your Account each calendar month following such change in circumstances.

We reserves the right to change any of the fees set forth below or charge any additional fee(s) upon thirty (30) days prior notice to you that the fee(s) will be effective.

FEES – EFFECTIVE January 1, 2015

| | |
|--|---------|
| Monthly Administrative Fee | \$3.95 |
| Checkbook Order | \$12.74 |
| Stop Check Fee | \$30.00 |
| Non-Sufficient Funds Fee | \$30.00 |
| Copy of Check Fee | \$2.50 |
| Quarterly Paper Statement Fee (Charged to customers who elect to receive their HSA statement and other written communication via U.S. mail) | \$2.00 |