

PER THE USA PATRIOT ACT: To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. When you open the account, we will ask for your name, street address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

Form of Identification (check one): Driver's License State ID Passport **ID #:** _____ **State of Issuance:** _____

HSA CUSTODIAN INFORMATION

SelectAccount • P.O. Box 64193, St. Paul, MN 55164-0193
(651) 662-5065 or 1-800-859-2144
Fax (651) 662-7247 or 1-866-231-0214

HEALTH SAVINGS ACCOUNT CUSTODIAL AGREEMENT

The Account Holder and the Custodian make the following agreements. "You" and "your" mean the Account Holder and "us", "we", and "our" mean the Custodian. "HDHP" means the high deductible health plan used in conjunction with this health savings account, and "IRC" means the Internal Revenue Code as currently enacted or later amended.

ARTICLE I

1. We will accept your cash contributions for the tax year made by you or on your behalf (by an employer, family member or any other person). We will not accept contributions in excess of the maximum amount for an account owner with family coverage plus the catch-up contribution.
2. Contributions for any tax year may be made at any time before the deadline for filing your federal income tax return for that year (without extensions).
3. Rollover contributions from another HSA or an Archer Medical Savings Account (Archer MSA) (if permitted under this agreement) need not be in cash and are not subject to the maximum annual contribution limit set forth in Article II.
4. Rollover contributions from an IRA may be permitted on a one time (tax free) basis and are subject to the maximum annual contribution limit set forth in Article II.
5. Flexible Spending Account and Health Reimbursement Account holders may be eligible for a one time (tax free) rollover of unused FSA and/or HRA funds to a Health Savings Account. Eligibility to rollover HRA and/or FSA funds is based on qualifying HDHP coverage and must be made directly by the employer to the HSA. Rollover contributions from an FSA or HRA are not subject to the maximum annual contribution limit set forth in Article II.

ARTICLE II

1. For calendar year 2007 the indexed amount for single HDHP coverage is \$2,850. The indexed amount for family HDHP coverage is \$5,650. For calendar year 2008 the indexed amount for single HDHP coverage is \$2,900. The indexed amount for family HDHP coverage is \$5,800. The amount you can contribute for a calendar year is based on HDHP coverage type (Single or Family).
2. Contributions to Archer MSAs or other HSAs count toward the maximum annual contribution limit to this HSA.
3. For calendar year 2007, an additional \$800 catch-up contribution may be made for an Account Owner who is at least age 55 and less than age 65. The catch-up contribution increases to \$900 in 2008, and \$1,000 in 2009 and later years.
4. 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 your responsibility to determine whether contributions to this HSA have exceeded the maximum annual contribution limit described in Article II. If contributions to this HSA exceed the maximum annual contribution limit, you must notify us that there are excess contributions to the HSA. It is your responsibility to request the withdrawal of the excess contribution and any net income attributable to such excess contribution.

ARTICLE IV

Your interest in the balance in this HSA is not forfeitable.

ARTICLE V

1. No part of the custodial funds in this account may be invested in life insurance contracts or in collectibles as defined in IRC section 408(m).
2. The assets of this account may not be commingled with other property except in a common trust fund or common investment fund.
3. Neither you nor we 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 IRC section 4975).

ARTICLE VI

1. Distribution of funds from this HSA may be made at any time upon your direction.
2. Distributions from this HSA that are used exclusively to pay or reimburse qualified medical expenses of you, your spouse, or your dependents are tax-free. However, distributions that are not used for qualified medical expenses are included in your gross income and are subject to an additional 10 percent tax on that amount. The additional 10 percent tax does not apply if the distribution is made after you die, become disabled, or reach age 65.
3. We are not required to determine whether the distribution is for the payment or reimbursement of qualified medical expenses. Only you are responsible for substantiating that the distribution is for qualified medical expenses and must maintain records sufficient to show that the distribution is tax-free.

HEALTH SAVINGS ACCOUNT CUSTODIAL AGREEMENT (Continued)

ARTICLE VII

If you die before the entire interest in the account is distributed, the entire account will be disposed of as follows:

1. If the beneficiary is your spouse, the HSA will become your spouse's HSA as of the date of death.
2. If the beneficiary is not your spouse, the HSA will cease to be an HSA as of the date of death and the fair market value of the account will be taxable to the beneficiary (or your estate if there is no beneficiary) in the tax year that includes such date.

ARTICLE VIII

1. You agree to provide us with information necessary for us to prepare any report or return required by the Internal Revenue Service.
2. We agree to prepare and submit any report or return as prescribed by the Internal Revenue Service.

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 IRC section 223 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 IRC or IRS published guidance. Other amendments may be made with the consent of the persons whose signatures appear above.

ARTICLE XI

1. *Fees.* We assume and agree only to provide custodial and administrative services under section 223(a) and applicable regulations. You agree to pay the fees we charge for providing custodial and related administrative services in connection with your HSA, as set forth in the attached HSA Fee Schedule. We may change the fees we charge by giving you at least 30 days written notice before the fees change. If the IRS permits, and we agree, you may pay these fees directly upon receipt of our bill. Otherwise, we will deduct these fees from your HSA. You agree to pay fees for all services we provide through the date your HSA ends. If you pay our fees in advance, we will prorate the fees to the termination date and refund to you, or credit your HSA, the unearned fees. You agree that we may keep, as additional compensation for the custodial and related administrative services we provide, any credit, interest or other earnings we receive on your HSA account balances in excess of the amount of interest that we may credit to your HSA from time to time.
2. *HSA Account Balance.* We hold all HSA cash contributions you deliver to us as a deposit fund item in our general account. We guarantee the payment of HSA account balances we hold. We guarantee all interest we credit to your HSA account balance. You are not exposed to any investment risk on HSA account balances we hold. You have no right to share in any investment income, gains or losses we may experience in our general account assets. As a life insurance company regulated under Minnesota law, our general account is subject to review at all times by the Minnesota Department of Commerce. The guarantees we provide are based on our continued claims paying ability. We are not a bank. HSA account balances we hold are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any government agency. We reserve the right in our sole discretion to change the rate of interest we credit on HSA account balances we hold at any time and to establish and apply different rates of interest depending on the amount of balance.

3. *Investment of HSA Account Balance.* You authorize us to enter into one or more arrangements with unaffiliated trust companies, broker-dealers, investment advisers and record-keepers (collectively, "Investment Providers") to give you access to a variety of self-directed and self-managed investments for your HSA. As long as your HSA account balance exceeds any threshold we may establish from time to time, you may choose to use any of these available investment options by agreeing to additional terms and conditions relating to the use of the investment options, including but not limited to approving the additional fees and compensation the Investment Providers may charge or receive in connection with your use of these arrangements. You agree that you have the sole and exclusive right to direct the investment of your HSA account balance in excess of any threshold we may establish from time to time in the available investment options. You agree that we have no investment discretion to act on your behalf. We will not provide you with any investment advice. If you invest, we are not responsible or liable for any investment decision you make or any investment loss you may suffer. We are not responsible to question any investment decision you make. We are not responsible for any loss that results when we do not act because you did not direct us to take an action. If we receive an investment instruction from you that we do not understand, we will make reasonable efforts to contact you promptly in order to clarify your instruction, however, pending clarification, we will hold your contribution uninvested without liability for loss of income or appreciation and without liability for interest or dividends or for market losses.
4. *Distributions.* You can direct a distribution of funds from your HSA at any time using any of the methods that we then make available. We always fund a distribution request from amounts you have not invested, i.e., amounts which we hold as part of our general account assets. If the amount of your distribution request is greater, and you have contributions invested through the Investment Providers, you must liquidate enough of your investments to complete the funding of the distribution.
5. *Hold Harmless.* You agree to hold us harmless and to indemnify and defend us against any and all claims arising from and liabilities incurred by reason of any action we take in good faith under this agreement.
6. *Rollover Contributions.* We generally accept transfers from another HSA of Archer MSA, however, we reserve the right to refuse to accept any transfer.
7. *Termination.* You may transfer all or a portion of your HSA balance to another HSA custodian or trustee at any time by giving us written notice and instructions. We may resign as Custodian of your HSA at any time by giving you 30 days written notice before the resignation becomes effective. If we resign, you may elect to transfer the balance of your HSA to another custodian or trustee. If you do not request that we transfer your HSA to a successor custodian or trustee by the 60th day after we send you our resignation notice, or we have not received a written acceptance of appointment from the successor custodian, we will pay the balance of your HSA to you.
8. *Amendments and Governing Law.* We may amend this HSA Custodial Agreement at any time. We will provide you with a copy of any amendment at least 30 days before the amendment becomes effective. This agreement shall be construed and interpreted in accordance with the laws of the state of Minnesota, except to the extent federal law applies.
9. *Responsibility.* You are responsible to provide us with complete and accurate information. We are responsible to not accept any contributions, other than rollover contributions, that exceed the maximum family annual contribution limit. We are not responsible for any taxes or losses that you incur in connection with your HSA.

HEALTH SAVINGS CUSTODIAL ACCOUNT FEE SCHEDULE AND INTEREST CREDITING

Monthly Account Maintenance Fee

You pay a Monthly Account Maintenance Fee only if your Basic Balance is less than \$750. The fee is \$2.25 if the Base Balance is zero. The fee reduces to \$0.00 for Base Balances of \$750 or more. The Base Balance is the amount of your HSA that is not invested in the Investment Accounts.

This fee compensates SelectAccount for services it provides as custodian and administrator of the Health Savings Custodial Account. These services include, but are not limited to account set-up, processing contributions and distributions, handling inquiries regarding account balances and general HSA questions, providing quarterly statements, Filing form 5498 (or a substitute form) with the IRS and providing you and the IRS with Form 1099-SA to reflect your distributions for the year.

Interest Crediting to the Base Balance

The Base Balance is the amount of your HSA that is not invested in the Investment Accounts. As of January 1, 2007, interest is credited to the Base Balance on a monthly basis. The interest rate for a given month is determined by the Base Balance at the beginning of that month. The current annual effective crediting rate for Base Balances of \$1,000 or less is 0.50%. The interest crediting is subject to change at any time without notice. The following table illustrates the crediting rate for various Base Balance amounts:

| Base Balance At the beginning of the month | Annual Effective Crediting Rate |
|---|------------------------------------|
| \$0 to \$1,499 | 0.50% |
| \$1,500 to \$2,499 | 1.00% |
| \$2,500 to \$4,999 | 1.40% |
| \$5,000 to \$9,999 | 1.95% |
| \$10,000 to \$24,999 | 2.53% |
| \$25,000 to \$49,999 | 3.41% |
| \$50,000 or greater | 3.71% |

Investment Related Fees

You pay the following fees only if you use the self-directed investment account options; these fees are in addition to the Monthly Account Maintenance Fee described above.

Basic Investment Account

The self-directed Basic Investment Account consists of only mutual funds and is available when your Base Balance exceeds \$1,000. When you activate the Basic Investment Account, you pay a **monthly investment account service fee** of \$1.50 per month (\$18/year).

The monthly investment account service fee will be deducted from your investment account balance.

Brokerage Investment Account:

When you activate a self-directed Brokerage Investment Account, you pay a **monthly investment account service fee** of \$1.50 per month, regardless of your investment account balance.

The monthly investment account service fee will be deducted from your investment account balance.

The monthly investment account service fee is used to pay The Charles Schwab Trust Company for custodial services it provides in connection with the investment options and to offset investment recordkeeping expenses.

Schwab's standard brokerage commission schedule applies to transactions in the self-directed Brokerage Investment Account; applicable commissions and execution fees will be deducted from your investment account balance.