



Merrill Lynch
Bank of America Corporation

Health Savings Account

A New Way to Look at
Health Care Expenses

Disclosures and Account Agreement

Funding Your Health care Costs	
With a Merrill Lynch HSA	2
Merrill Lynch Health Savings Account	
Disclosure Statement	3
Opening an Account	4
Your Right to Revoke Within Seven days	5
I. Ways to Contribute to your HSA	5
II. Who Can Make Annual HSA Contributions	
A. General Eligibility	6
B. High-Deductible Health Plans	7
III. Annual Contribution Restrictions and Limits	
A. Contribution Limits and Restrictions	7
B. Contributions if you are Married	8
C. Deductible Contributions and Income Exclusion Limits	8
D. Deadlines for HSA Contributions	9
E. Reports of Contributions	9
F. Your Right to Your HSA	9
IV. Transfer and Rollover Contributions	
A. Transfer of Assets to or From Your HSA	9
B. Rollover Contributions to or From Your HSA	9
C. Special Direct Rollovers From Your IRA to Your HSA	10
V. HSA Services	
A. Three Services	10
B. Securities Account	10
C. Money Account available through the Sweep Program	11
• Investing	
• Cash Management	
• Primary money account-Merrill Lynch Bank Deposit Program	
D. Debit Card/Check Account	13
• Check Writing	
• Charges made abroad	
E. Overdrafts	14
• Billing rights and overdrafts	
F. Prohibited Transactions	15
G. Investor Protection	15
H. Altering or Waiving Conditions of the HSA Services	15
VI. Rules Governing Distributions	15
A. General Rules	
B. Distributions to Pay “Qualified” Medical Expenses	
C. Distributions Before and After Age 65, Disability or Death	
D. Distributions Due to Your Death	
E. Federal Estate and Gift Tax Considerations	
F. Mistaken Distributions	
VII. Excess Contributions	18
VIII. Fees	19
IX. Disclosures about the HSA Debit Card and Electronic Transfers	19
A. General Rules	
B. Liability for Unauthorized HSA Debit Card Use	
C. Types of Electronic Transfers	
D. Limitations on Electronic Transfers	
E. Right to Receive Documentation	
F. Liability for Unauthorized Electronic Transfers	
G. Charges	
H. Finding Out About a Recurring Electronic Transfer	
I. Stopping Electronic Payments	
J. Liability for Failure to Make Electronic Transfers	
K. In Case of Errors or Questions About Electronic Transfers	
L. Disclosing Information About Your HSA	
M. Changing These Rights and Responsibilities	
N. Account Information	
O. About Optional Services	
• Historical Pricing and Valuation Service	
• Account Statement Linking	
• Automated Investing	
• Direct Deposit	
• Direct Reinvestment	
• Funds Transfer Service	
• MyMerrill.com	
• Inter-company Transfer of Funds	
• Additional Notes on Electronic Transfers	
• Electronic Transfers Include	
• Your Liability	
• Limits on Electronic Transfers	
• Transaction Information	
• Recurring Transfers	
• Reporting Errors or Questions	
X. IRS Approval	25
XI. IRS Can Provide More Information	25
Merrill Lynch Health Savings Account Custodial Agreement	25
Section 1: Establishing Your HSA	26
1.1 When Your HSA is Established	
1.2 Your Legal Responsibility	
Section 2: Contributions to Your HSA	26
2.1 Types of Contributions Accepted	
2.2 Annual HSA Contributions	
2.3 Rollovers and Transfers from Other HSAs or Archer MSA	

2.4 Special Direct Rollovers from IRAs

2.5 Employer Contributions

2.6 Method of Making Contributions

2.7 Maximum Contributions

2.8 Timing of Contributions

Section 3: Integrated Financial Service 27

3.1 Description of Your HSA

3.2 Securities Account

3.3 Debit Cards and Checks

3.4 Purchasing Power

3.5 Account Inquiries

3.6 Your Right to Distribution

3.7 Directing a Distribution

3.8 Mistaken Distributions

Section 4: Death and Beneficiaries 30

4.1 Effect of Death on HSA

4.2 Naming a Beneficiary

Section 5: Your and Our Rights and Responsibilities . . . 31

5.1 Fees and Other Expenses

5.2 Records and Reports

5.3 Taxes

5.4 Limits on Our Responsibility as Custodian

5.5 Termination of HSA Services and Resignation of Custodian

Section 6: Other Rules Governing Your HSA 32

6.1 Your Right to Your HSA Balance

6.2 Restrictions on the Sale or Transfer of Your HSA

6.3 Presumption of Receipt of Communications

6.4 Credit Information

6.5 Indemnification and Lawsuits Involving Your HSA

6.6 Account Inquiries

6.7 Applicable Rules and Regulations

6.8 Arbitration

6.9 Governing Law

6.10 Headings are Descriptive

6.11 Separability and Right to Amend

6.12 Extraordinary Events

6.13 Binding Effect on Successors

6.14 Investments in non-US securities

6.15 Referral Policy

About the Merrill Lynch Bank Deposit Program

Eligibility 35

How the Program Works 35

- Deposits for single account holders
- Important deposit insurance considerations
- Transfers and Withdrawals
- Interest
- Account statements and information

- Your relationship with Merrill Lynch
- Benefits to Merrill Lynch

About Deposit Insurance 38

- FDIC Insurance
- Health Savings Account
- Individual customer accounts
- Joint accounts
- Revocable trust accounts
- Irrevocable trust accounts.
- Certain Retirement Accounts.
- Employee Benefit Plans
- Other Employee Benefit Plans
- Treatment of accounts upon death of owner
- Payments under adverse circumstances
- Additional information from the FDIC

Funding Your Health Care Costs With a Merrill Lynch HSA

A Health Savings Account (HSA) enables you to save for payment of qualified unreimbursed health care expenses on a tax-advantaged basis.

An HSA can be an attractive means of accumulating tax-advantaged assets for the payment of unreimbursed health care expenses. Today, more than ever, budgeting for your health care is critical to your health care coverage planning. Here's why:

- You may incur expenses for health care that are not covered by your health plan, or you may find yourself in the future without any health care coverage at all.
- As the cost of health care increases, coverage may be less predictable. Employers are shifting from plans that provide full coverage without deductibles to those that provide partial coverage with higher deductibles and higher out-of-pocket expenses.
- Your own resources may fund a majority of your health care expenses. Medicare today comprises only a fraction of the total health care coverage of retired individuals, and the role of Medicare may change in the years to come.

In fact, today your health care expenses could consume a large portion of your budget, particularly if you do not have employer sponsored health coverage. Investing through an

HSA may help you to significantly strengthen your long-term health care security, enhance your retirement security and decrease your current tax liabilities.¹

If you make eligible contributions to your HSA (whether as an employee or as a self-employed individual), the contributions may be deductible on your federal income tax return, depending on your overall tax situation. If your employer makes contributions for you or if you make pre-tax contributions through your employer's cafeteria plan, your employer's contributions and your pre-tax contributions are made before taxes are withheld. If you use your HSA funds to pay "qualified" medical expenses, they will not be taxed when you make withdrawals. That means you have the opportunity to reduce your current taxes, you have the potential to achieve earnings on your contributions and you pay no taxes on amounts withdrawn to pay qualified medical expenses.

If you take a distribution from your HSA and do not use it to pay qualified medical expenses, you will be responsible for taxes on the withdrawn amounts and may be subject to an additional 20% tax. Amounts invested in an HSA may be withdrawn on a taxable basis, without the 20% additional tax, after you reach the age required to be eligible for Medicare (usually age 65), become disabled or die.

Merrill Lynch offers access to a broad range of investment options for your HSA—including certain bond types, mutual funds, and ETFs. This gives you the flexibility to shift your assets to meet changing goals or economic conditions considering your short-term and/or long-term medical needs. Also, to allow you to make prompt withdrawals for qualified medical expenses from your HSA, Merrill Lynch offers you access to your liquid assets with your HSA Checks and a Visa Debit Card. So, not only can you pay your health care provider directly from your HSA, but you'll also have a record of the medical expenses.

No matter what your current or future health care needs are or will be, or what income sources you foresee, a Merrill Lynch HSA can complement your high-deductible health plan and help to design a health care coverage plan to fit your needs. Start early, make regular contributions, invest wisely and your HSA can help with your health care

coverage planning.

Investing involves risk. For more complete information on any mutual fund or exchange-traded fund, please request a prospectus and/or, if available, a summary prospectus from your Merrill Lynch Financial Advisor and read it carefully. Before investing, carefully consider the investment objectives, risks, and charges and expenses of the fund. This and other information can be found in the fund's prospectus and/or, if available, summary prospectus.

An investment in a money market fund is not a bank deposit, and is not insured or guaranteed by Bank of America, N. A., Merrill Lynch or any bank or affiliate of Merrill Lynch, the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although a money market fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund. Yields may vary daily.

Upon your purchase of any security, including a money market mutual fund, Merrill Lynch and your Financial Advisor will receive compensation in accordance with the particular instrument(s) you purchased.

Merrill Lynch Health Savings Account Disclosure Statement

The basic rules and benefits of your Merrill Lynch HSA, as well as important legal and tax information, are provided in this Disclosure Statement. However, the HSA Adoption Agreement, which you must complete to open a Merrill Lynch HSA, and the Merrill Lynch Health Savings Account Custodial Agreement are the primary documents governing your Merrill Lynch HSA and will govern in the case of any difference between these documents.

Definitions:

- Throughout this Disclosure Statement, the words **you** and **your** refer to the person for whom your HSA is established or maintained. **Merrill Lynch, we, us** and **our** refers to Merrill

¹ Merrill Lynch does not provide tax, legal, investment or benefits consulting advice. Any tax statements contained herein were not intended or written to be used, and cannot be used, for the purpose of avoiding U.S. federal, state or local tax penalties. This material should be regarded as general information on health care considerations and is not intended to provide specific health care advice.

Lynch, Pierce, Fenner & Smith Incorporated, a registered broker-dealer and wholly owned subsidiary of Bank of America Corporation. Merrill Lynch is the custodian of your HSA. Merrill Lynch is not a bank and is separate from its FDIC-insured affiliates, which include Bank of America California, N.A. (BA-CA), Bank of America, N.A. (BANA), or other depository institutions.

- Bank of America California, N.A., and Bank of America, N.A. are referred to as the “**Merrill Lynch Affiliated Banks**”. **Securities Account** refers to the Merrill Lynch cash securities account established when you establish your HSA.
- **Debit Card/Check Account** refers to the account(s) established for you by the Banks.
- **Checks** and **HSA Checks** refer to checks issued to you by Bank of America, N.A. for use with your Debit Card/Check account.
- **Debit Card** or **Debit Cards** refer to one or more Visa debit cards issued to you by BANA for use with your Debit Card/Check account.
- **Money Account** or **Money Accounts** refer to any FDIC-insured deposit accounts opened on your behalf through the Merrill Lynch Bank Deposit Program (MLBDP). (This does not refer to a money market mutual fund)
- **Sweep Program** refers to the automatic deposit of available cash balances into the Money Account(s).
- **Tax Code** refers to the Internal Revenue Code of 1986 and the regulations adopted under it, both as amended at any applicable time.
- **IRS** refers to the Internal Revenue Service.
- **HSA** and **account** refer to a Health Savings Account, which is a Merrill Lynch HSA or an HSA with another financial institution.

Merrill Lynch does not act as your tax or legal advisor with respect to your HSA. We recommend that you consult your lawyer, accountant or other tax advisor if you have questions beyond the scope of the information contained in this Disclosure Statement, especially in regard to how your HSA affects your estate or tax planning. You should also consult your tax advisor regarding the tax consequences involving your HSA for the laws of a particular state, locality or foreign country where you live, as this Disclosure Statement

covers only U. S. federal tax matters; certain states, localities and foreign countries may have significantly different tax rules. You may also refer to the appropriate year’s edition of IRS Publication 969 “Health Savings Accounts and Other Tax-Favored Health Plans” (or any replacement publication). To obtain more information on the services your Merrill Lynch HSA provides to you, please contact your Merrill Lynch Financial Advisor or Service Representative.

Merrill Lynch does not offer high-deductible health plans. By establishing an HSA, you are not purchasing health insurance. As outlined in this Disclosure Statement, you must be covered by a qualifying high-deductible health plan in order to make annual HSA contributions, make annual pre-tax contributions through your employer’s cafeteria plan or have annual contributions made on your behalf by your employer or any other person.

With the Merrill Lynch Bank Deposit Program (MLBDP), Merrill Lynch opens deposit accounts on behalf of HSA clients at two Merrill Lynch Affiliated Banks which are FDIC-insured institutions, Bank of America, N.A. and Bank of America California, N.A.

For current yields on the Merrill Lynch Bank Deposit Program, call your Financial Advisor or visit MyMerrill.com

Merrill Lynch, Pierce, Fenner & Smith Incorporated is not a bank and is separate from these FDIC insured affiliates. Except where indicated, securities sold, offered or recommended by Merrill Lynch are not insured by the Federal Deposit Insurance Corporation (FDIC), may fluctuate in or lose value, and are not obligations of, or endorsed or guaranteed in any way by, any bank. Merrill Lynch is solely responsible for its own contractual obligations and commitments.

All Securities and Other Property will be treated as financial assets under Article 8 of the New York Uniform Commercial Code.

Opening an Account

To open an HSA account, you must provide certain information about yourself and other account holders.

Merrill Lynch, like all U. S. financial institutions, is

required to follow federal regulations to assist the government in its efforts to fight money laundering and other financial crimes, and to counter terrorist financing efforts in the U. S. and globally. Merrill Lynch obtains specific personal information from you in order to verify your identity, and you may be required to present documentary evidence of your identity in the form of government-issued identification. Merrill Lynch also uses third-party vendors to verify customer information. Foreign nationals who are permanent legal residents of the U.S. may be required to present a Permanent Resident Card (i. e. "green card") and a Social Security number to open an account in a U.S. -based Merrill Lynch office. Non-individuals (e.g. a business, trust or estate) must submit sufficient evidence of legal status.

In addition to verifying the identity of our customers, Merrill Lynch captures personal information on all customers and related authorized parties who have the ability to transact, control, influence or manage an account, whether directly or indirectly. Merrill Lynch, at its discretion, may elect not to accept an account, or to terminate the account agreement and the account agreements of any related parties.

Once you have provided this information and completed an Adoption Agreement, you may be eligible to open or activate new accounts or certain services without completing additional documentation. If you need a copy of our HSA Adoption Agreement, call your Financial Advisor or (800) MERRILL (637-7455), or visit your nearest Merrill Lynch branch office.

Your Right to Revoke Within Seven Days

You have the right to cancel your Merrill Lynch HSA and receive a full refund of any amounts given to us for your HSA within seven days after you first open a Merrill Lynch HSA and receive a Merrill Lynch HSA Disclosure Statement, or 14 days from the mailing date of the Disclosure Statement and Custodial Agreement. If you cancel your HSA within this period, the amount returned to you would not include an adjustment for any sales commissions, administrative expenses or other fees or fluctuations in market value.

To cancel, you must send us a signed written notice stating that you wish to cancel your HSA. Mail your cancellation notice to us, postmarked (or certified or registered, if sent by certified or registered mail) no later than the seventh day of the cancellation period.

Mail your notice to:

Manager, Retirement Plan New Accounts
Merrill Lynch, Pierce, Fenner & Smith Incorporated
1400 American Boulevard MSC 0401
Pennington, NJ 08534-4128

If you have any questions about canceling, please contact your Merrill Lynch Financial Advisor or Service Representative.

I. WAYS TO CONTRIBUTE TO YOUR HSA

Your HSA will accept the following types of contributions:

- Contributions from you that are intended to be deductible contributions made by check, money order or electronic funds transfer acceptable to us (securities will not be accepted).
- Contributions made by you through your employer's cafeteria plan or made by your employer on your behalf that are intended to be excludable from your gross income as employer-provided coverage for medical expenses made by check, money order or electronic funds transfer acceptable to us (securities will not be accepted).
- Contributions on your behalf by any other person that are intended to be deductible contributions made by check, money order or electronic funds transfer acceptable to us (securities will not be accepted).
- Transfers or rollovers of cash, securities or other assets from another HSA, in accordance with the requirements of the Tax Code.
- Transfers or rollovers of cash, securities or other assets from an Archer MSA, in accordance with the requirements of the Tax Code.
- A once in a lifetime direct rollover of cash, securities or other assets up to your annual contribution limit from your Traditional IRA or Roth IRA in accordance with the requirements of the Tax Code.

Your HSA will not accept transfers or rollovers

from a qualified employer retirement plan (such as a pension, profit-sharing or 401(k) plan), tax sheltered annuity contract or deferred compensation plan of a state or an agency, instrumentality or political subdivision of a state.

II. WHO CAN MAKE ANNUAL HSA CONTRIBUTIONS

A. General Eligibility

You are eligible to have new contributions (as opposed to rollover contributions discussed in Part IV) made to your HSA, as long as you meet each of the requirements listed below.

You and your spouse may not have a joint HSA to which you both contribute, even if you are both eligible individuals. You must open separate HSAs, thus only one person may be the account owner of an HSA.

You may establish more than one HSA and may contribute to more than one HSA. The same rules governing HSAs apply (e. g. maximum contribution limit), regardless of the number of HSAs you have established.

Except as provided below, you must meet each of the following requirements as of the first day of a calendar month to be eligible to have new contributions made to your HSA for that calendar month:

1. You are covered under a “high-deductible health plan” as an employee or self-employed individual, spouse or dependent. (Except as provided below, if you begin coverage under the high-deductible health plan after the first day of a month (for example, coverage begins on the first day of a biweekly payroll period), you will have to wait until the first day of the next month to satisfy this requirement.)
2. You are not enrolled in Medicare Part A or B.
3. You may not be claimed as a dependent on another person’s federal income tax return.
4. If you are also covered under another health plan that is not a high-deductible health plan (whether as an individual, spouse or dependent), that plan does not provide coverage for benefits (other than “permitted coverage”) already covered under the high-deductible health plan.

Certain permitted coverage can overlap coverage provided in the high-deductible health plan

without affecting HSA eligibility. For this purpose, permitted coverage includes the following:

- Coverage (whether through insurance or otherwise) for accidents, disability, dental care, vision care or long-term care
- Insurance where substantially all the coverage relates to liabilities incurred under workers’ compensation laws (if workers’ compensation benefits are required by statute, coverage may also be self insured), tort liabilities or liabilities relating to ownership or use of property (such as auto insurance) and any resulting benefits from medical care are secondary or incidental to other benefits
- Insurance for a specific disease or illness (such as cancer, diabetes, asthma, or congestive heart failure) as long as the principal health coverage is provided by the high-deductible health plan
- Insurance providing a fixed amount per day (or other period) for hospitalization
- Coverage for preventive care. The IRS has identified the following types of coverage for preventive care: 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; and drugs or medications when taken by a person who has developed risk factors for a disease that has not yet manifested itself or not yet become clinically apparent (but not services, benefits, drugs or medication intended to treat an existing illness, injury or condition). This list is not intended to be exhaustive but is intended to give examples of the types of coverage that would constitute preventive care coverage.
 - Discount cards for discounts on health care services or products at managed care market rates, if you are required to pay the costs of the health care (taking into account the discount) until the deductible of the high-deductible health plan is satisfied
 - Coverage under an Employee Assistance Program (EAP), disease management program or wellness program if the program

does not provide significant benefits in the nature of medical care or treatment

- Coverage under an employer self-insured medical reimbursement plan with a qualifying high-deductible plan

“Permitted coverage” includes medical coverage through the Department of Veterans Affairs (VA), as long as you have not received any benefits through the VA during the last three months. “Permitted coverage” does not include coverage under TRICARE (the health care program for active duty and retired members of the uniformed services, their families and survivors).

If you are covered under a health flexible spending arrangement (“Health FSA”) or a health reimbursement arrangement (“HRA”), you generally will not be eligible to make HSA contributions. However, certain types of health FSA coverage or HRA coverage—including limited scope, post-deductible, suspended or retiree-only coverage—will not make you ineligible. Please consult your tax advisor for more details.

You may make the maximum HSA contribution for a tax year even if you do not meet the eligibility requirements described above for each month during the year, as long as you meet the eligibility requirements during the last month of the tax year.

However, if you do not meet the eligibility requirements described above at any time during the 13-month period beginning with the last month of that tax year, HSA contributions made under this special eligibility rule will become taxable in the tax year you first do not meet the eligibility requirements and will also become subject to a 20% additional tax.

If you fail to meet the eligibility requirements during the 13-month period on account of your disability or death, the contributions will not become taxable or subject to the additional 20% tax. Please consult your tax advisor for more details about this special new rule, including the meaning of “disability” and any future guidance from the IRS.

B. High-Deductible Health Plans

Generally, a “high-deductible health plan” is a health plan that meets the following deductible and out-of-pocket expense requirements:

Self-only coverage:

- The annual deductible is at least \$1,300 for 2015 (\$1,300 for 2016)
- The annual out-of-pocket expense requirement is not more than \$6,450 for 2015 (\$6,550 for 2016)

Family coverage:

- The annual deductible is at least \$2,600 for 2015 (\$2,600 for 2016)
- The annual out-of-pocket expense requirement is not more than \$12,900 for 2015 (\$13,100 for 2016)

Dollar limits may be adjusted in subsequent years to reflect cost-of-living adjustments announced by the IRS. Any adjustments may be applied as of the renewal date of the high-deductible health plan in cases where the renewal date is after the beginning of the calendar year, but in no event longer than a 12-month period ending on the renewal date. Thus, a fiscal year plan that satisfies the minimum annual deductible on the first day of the first month of its fiscal year may apply that deductible for the entire fiscal year, even if the minimum annual deductible increases on January 1 of the next calendar year.

Out-of-pocket expenses include deductibles, co-payments and other amounts you must pay for covered benefits, but do not include premiums, financial penalties or amounts paid for noncovered benefits.

Besides the general rules outlined above, the IRS has issued various special rules for determining whether a health plan is a high-deductible health plan. These special rules cover areas such as embedded deductibles, annual deductibles covering more than 12 months, FSA participation during a grace period, annual and lifetime limits and transitional rules. If you are not sure whether your health plan coverage is considered to be provided under a high-deductible health plan or would like additional information about high-deductible health plans, we suggest you contact your insurance provider, employer or tax advisor for more details before setting up and contributing to an HSA.

III. ANNUAL CONTRIBUTION RESTRICTIONS AND LIMITS

A. Contribution Limits and Restrictions

Each tax year any person (you, your employer, a family member or any other person) may make contributions (up to the maximum amount described below) to your HSA. Contributions may

be made to your HSA even if you do not have any compensation. The maximum amount is calculated on a monthly basis so that your contribution for a tax year is equal to the total monthly amounts you have accrued throughout the tax year. Although the annual limitation is calculated using monthly data, the contribution for a year can be made in one or more payments, at your convenience or the convenience of your employer.

You are entitled to contribute a monthly amount for each month that you satisfy the eligibility requirements for making contributions to an HSA, as described in Part II, as of the first day of the month. You may also be treated as satisfying the eligibility requirements for the entire tax year if you satisfy the requirements during the last month of the tax year. See Part II or speak to your tax advisor for more information about this special rule. The monthly amount for any month is determined according to the rules described below. Dollar limits will be adjusted in subsequent years to reflect cost-of-living adjustments announced by the IRS.

Your monthly contribution amount is a flat dollar limit set by the IRS.

- **Self-only coverage:** you have single coverage as of the first day of the month, the monthly amount is 1/12 of \$3,350 for 2015 (\$3,350 for 2016).
- **Family coverage:** If you have family coverage as of the first day of the month, the monthly amount is 1/12 of \$6,650 for 2015 (\$6,750 for 2016).
- **Catch-up contribution:** If you are age 55 or older and have not enrolled in Medicare Part A or B, the catch-up contribution limit is \$1,000 in 2015 (\$1,000 in 2016). The catch-up contribution is also calculated on a monthly basis. Once you enroll in Medicare Part A or B, no more contributions, including catch-up contributions, may be made to your HSA.

You must have your HSA eligible high-deductible health plan coverage established by the first day of the month in order to make a qualified contribution for that month. If you are treated as satisfying the eligibility requirements for the entire tax year under the special rule described above, you will be treated as if you had timely established HSA eligible high-deductible health plan coverage.

The maximum amount of contributions made to your HSA is reduced by any other contributions (other than rollover contributions, tax-free transfers and catch-up contributions) made for the same tax year to any other HSA or Archer MSA that you maintain.

The once in a lifetime direct rollover of funds from your Traditional IRA or Roth IRA to your HSA also reduces the maximum amount of contribution to your HSA for a tax year.

B. Contributions if You Are Married

If you are married and both you and your spouse are covered under separate HDHPs and you or your spouse has family coverage under a high-deductible health plan, both of you will be treated as having only family coverage.

The amount you and your spouse may each contribute to an HSA is divided evenly, unless you both agree to divide your contributions differently. You may choose any split including allocating nothing to one spouse. The amount you can contribute to an HSA is reduced by contributions (other than rollover contributions, tax-free transfers and catch-up contributions) made to you or your spouse's Archer MSA. The once in a lifetime direct rollover of funds from your IRA to your HSA also reduces the maximum amount of contribution to your HSA for a tax year. Consult your tax advisor about the effect of the once in a lifetime IRA direct rollover on your spouse's HSA. Both you and your spouse may make catch-up contributions if you are both age 55 or over without exceeding the family coverage limit.

If your spouse is not an eligible individual as well, he or she may not contribute to an HSA (notwithstanding that the Tax Code treats you both as having only family coverage). If you are otherwise eligible to make HSA contributions and your spouse is covered under a non HDHP, you will still be able to make HSA contributions, as long as you are not covered by your spouse's non HDHP.

C. Deductible Contributions and Income Exclusion Limits

For federal income tax purposes, you may deduct HSA contributions from your adjusted gross income (i. e., "above-the-line") that meet the requirements set forth above, whether made by you or by someone on your behalf, (but not by your employer) for the tax year with respect to which the contributions are made. These contributions are deductible whether or not you itemize deductions. You cannot, however, also deduct the

contributions as medical expense deductions under section 213 of the Tax Code.

Pre-tax contributions made under your employer's cafeteria plan or by your employer during the tax year to your HSA will generally be excluded from your gross income for the tax year, are not subject to withholding for income tax and are not subject to Social Security, Medicare or the Railroad Retirement Tax Act taxes. You cannot deduct your pre-tax contributions to your employer's cafeteria plan or employer contributions to your HSA on your federal income tax return as HSA contributions or as medical expense deductions under section 213 of the Tax Code. Special rules may apply if you are a partner in a partnership or a shareholder in an S corporation. Consult your tax advisor for more information. State income tax treatment may differ from the federal tax rules.

D. Deadlines for HSA Contributions

You can make contributions to your HSA for a tax year at any time during the year and up until your federal income tax return deadline (generally April 15 of the following year), not including extensions. Although the annual limitation is calculated using monthly data, the contribution for a year can be made in one or more payments, at your convenience or the convenience of your employer. For example, this means that any individual who expects to be covered under a high-deductible health plan for all of 2014 may make an HSA contribution for that year on January 1, 2014, or on any later date through the due date of the individual's 2014 income tax return (generally, April 15, 2015). Section VII discusses the return of excess contributions if your expectations of full-year coverage are not fulfilled.

Contributions made during a calendar year are generally treated as contributions for that calendar year. However, if you make a contribution between January 1 and April 15 and designate in written instructions that it is for the prior year, Merrill Lynch will treat the contribution as being for the prior year.

E. Reports of Contributions

You are responsible for reporting your and your employer's contributions to your HSA to the IRS on IRS Form 8889, "Health Savings Accounts (HSAs)." You file IRS Form 8889 along with your IRS Form 1040. Rollover contributions, distributions and your allowable deductions are also reported on IRS Form 8889.

We will record and report all HSA contributions as tax-deductible contributions, unless we receive a certification from your employer that contributions are excludable for income-tax purposes or you certify to us that a contribution is a rollover or transfer contribution.

Each year we will send to you (or to your spouse beneficiary after your death) and to the IRS an IRS Form 5498-SA, "HSA, Archer MSA, or Medicare Advantage MSA Information" reporting your year-end market value and any contributions and rollover contributions that you have made for the applicable tax year. If you did not make any contributions for the applicable tax year, Form 5498-SA will only be sent to the IRS. You may refer to your Merrill Lynch year-end account statement for the market value that was reported to the IRS.

F. Your Right to Your HSA

Your right to the balance of your HSA cannot be forfeited at any time.

IV. TRANSFERS AND ROLLOVER CONTRIBUTIONS

A. Transfers of Assets to or from your HSA

You may authorize a direct "transfer" of money or securities from any other HSA or Archer MSA you maintain to a Merrill Lynch HSA on a tax-free basis. The rules regarding direct transfers of HSA assets also apply to direct transfer from your Merrill Lynch HSA into another HSA.

A direct transfer of assets between HSA custodians or trustees, where you do not receive the assets in your name, is to be distinguished from a "rollover." A rollover is a distribution of cash, securities or other property that you physically receive from another HSA or Archer MSA that you deposit into your HSA. There is not a limit on the number of transfers allowed during a year.

B. Rollover Contributions to or from your HSA

You can roll over to your Merrill Lynch HSA all or part of the assets you withdraw from another HSA or Archer MSA. Rollovers are permitted even if you are not covered by a high-deductible health plan. By following these Tax Code rules, you can continue to preserve the tax-favored status of the assets you roll over to you Merrill Lynch HSA:

- You must complete the rollover within 60 days of the initial withdrawal or distribution.

- You can roll over assets received from an Archer MSA or an HSA to another HSA only once within any one-year period beginning on the date you receive the money or assets.
- Rollovers need not be in cash and are not subject to the annual contribution limits.

You are required to report rollovers from one HSA to another HSA or from an Archer MSA to an HSA on a form specified by the IRS and file it with your IRS Form 1040 for the year in which the rolled-over distribution was made.

The rules regarding rollovers from other HSAs also apply if you roll over assets from your Merrill Lynch HSA into another HSA. You may not roll over assets from an HSA to an Archer MSA.

C. Special Direct Rollovers From Your IRA to Your HSA

If you are otherwise eligible to make HSA contributions (as described in Section II) you may elect to make a once in a lifetime direct rollover from your Traditional IRA or Roth IRA to your HSA on a tax-free basis, if permitted by your IRA. The direct rollover election is irrevocable.

This special direct rollover only applies to amounts in your IRA that would otherwise be taxable if distributed. Special rules apply to determine the amount that may be transferred. Special direct rollovers from SEP IRAs and SIMPLE IRAs to HSAs are not permitted.

The special direct rollover amount is limited to the maximum HSA contribution amount for the tax year for your type of HDHP coverage (i.e., self only or family coverage) and reduces the amount of HSA contributions that you may make for the same tax year. In the year in which you make a special direct rollover from your Traditional IRA or Roth IRA, you may make a second special direct rollover, but only if the second special direct rollover is a result of converting from single to family coverage under the HDHP.

This special direct rollover of cash from your IRA to your HSA is accomplished through a direct transfer of cash from your IRA custodian or trustee to your HSA custodian or trustee. Unlike a regular rollover of cash between your HSAs, you are not permitted to receive the cash (or a check made out in your name) from your IRA and later roll it over to your HSA within a 60-day period. Your IRA custodian or trustee must transfer the cash directly to your HSA custodian or trustee to make a special direct rollover contribution from

your IRA to your HSA.

You must remain eligible to make HSA contributions (as described in Section II above) for the 13-month period beginning with the month in which the transfer is made to your HSA to avoid income tax and a 20% additional tax on the amount transferred. The income tax and 20% additional tax is waived if your loss of coverage under the high-deductible health plan is due to your death or disability. Please consult your tax advisor for more details about this special rule, including the timing rules for special direct rollovers found in IRS Notice 2007-22, the meaning of "disability," determining the amount that may be rolled over and any future guidance from the IRS.

V. HSA SERVICES

A. Three Services

The HSA services consist of three parts: (1) the Securities Account, which is a cash securities account through which you can buy, sell and hold securities; (2) the Money Account, available through the Sweep Program, which is any bank deposit account(s) established through the Merrill Lynch Bank Deposit Program; and (3) the Debit Card/ Check Account through which Bank of America, N.A. processes your Checks and BANA processes your Visa Debit Card transactions.

You will receive a monthly transaction statement (the "HSA Monthly Statement") detailing all HSA activity during the preceding month. The HSA Monthly Statement will describe (i) securities bought and sold in the Securities Account; (ii) other types of transactions effected in the Securities Account; (iii) Money Account transactions, including interest earned for the period at each bank; and (iv) purchases of merchandise or services made with the Debit Card and Checks.

B. Securities Account

The Securities Account is self-directed, which means you have the responsibility of managing the investments in your account. While your Merrill Lynch Financial Advisor or a Service Representative can provide information on the investment alternatives currently available to you, the decision is ultimately yours, and you must make an independent decision as to whether an investment is consistent with your personal savings goals and investment objectives, considering various factors such as investment risk and your short-term and/or long-term medical needs. Since you may purchase for the Securities

Account investments that fluctuate in market value and have varying rates of return, the value of the Securities Account can neither be guaranteed nor projected. We will invest and reinvest the contributions and earnings in your Securities Account only after receiving proper instructions from you or, as appropriate, your beneficiary, your estate's legal representative or any other person authorized to give such directions.

If we cannot locate you or your beneficiary, Merrill Lynch can, with no responsibility for the consequences, sell any or all the assets in your HSA. We may then, if not already invested or deposited through a sweep option in effect for your account, invest in a money market fund or deposit the proceeds in an interest-bearing account. We will do so only after waiting at least two months from the date we attempt to locate you or your beneficiary by sending a written notice to the last address shown for you or your beneficiary in our records.

In no event may the assets in your account be invested in life insurance contracts, in collectibles (e. g. any work of art, antique, metal, gem, stamp, alcoholic beverage or other tangible personal property specified in section 408(m) of the Tax Code), or commingled with other property except in a common trust fund or a common investment fund. If you have any questions regarding investment alternatives, please contact your Merrill Lynch Financial Advisor or a Service Representative.

A very important feature of the Securities Account component of your HSA is the broad range of investments available. With this flexibility you may structure your account to best suit your particular needs. Through the Securities Account, you may acquire any allowable investment obtainable through Merrill Lynch and its affiliates, including securities traded on recognized exchanges or "over the counter," shares of selected mutual funds, government securities and exchange traded funds. You can also write listed covered call options and buy put options against long positions.

All investments must, however, be compatible with Merrill Lynch's administrative and operational requirements and procedures of the account system through which your Securities Account is administered. For more information about permissible investments for your Securities

Account, contact your Merrill Lynch Financial Advisor or a Service Representative.

The following are examples of investments and transactions that are not generally permitted in your Securities Account: investments acquired on margin, commodities transactions (including the purchase or sale of futures contracts), options strategies not described above, and investments in Series E and Series EE U. S. savings bonds, foreign currency, chattel paper, notarial stock, most shares of "restricted" stock, and one ounce American Gold or Silver Eagle Coins issued by the United States.

Careful consideration should be given to tax advantaged investments held in your HSA. You may find it preferable to hold tax-exempt or foreign investments in a taxable investment portfolio, should you have one, instead of your HSA. Please consult your tax advisor if you have questions regarding tax advantaged investments and your specific tax situation.

Except where indicated, securities offered or recommended by us are not insured by the FDIC, may fluctuate in value, and are not obligations of, or endorsed or guaranteed in any way by, any bank. Merrill Lynch is solely responsible for its own contractual obligations and commitments.

C. Money Account available through the Sweep Program

Once you complete and return the HSA Adoption Agreement to us, available cash balances in the Securities Account (such as interest, dividends and contributions received in your account) of \$1 or more will be automatically deposited in one or more interest bearing bank deposit accounts insured by the FDIC and opened through the Merrill Lynch Bank Deposit Program. You agree that Merrill Lynch may, from time to time and at its discretion, change the products or choices available as Money Account options through the Sweep Program upon prior notice.

Investing

Your account is used to buy, sell and hold securities. Trades are made through your Financial Advisor.

Please note that your account is debited on the settlement date of a securities transaction and not on the trade date.

Trades must be conducted on a “fully paid basis,” meaning they must be paid in full on the settlement date.

Cash Management

Available cash balances in your account are automatically swept into bank deposit accounts with Bank of America, N.A. and/or Bank of America California, N.A. (under the Merrill Lynch Bank Deposit Program).

We reserve the right not to affect redemptions or withdrawals of Money Account balances within 15 days of the receipt of checks and, subject to applicable law, within six days of the receipt of funds credited to your account electronically. However, funds from electronic fund transfers, other than debits to third party bank accounts originated through Merrill Lynch, and funds from deposits of many types of checks frequently can be withdrawn the next business day following their receipt by Merrill Lynch. Longer delays generally apply, among other things, to larger dollar deposits and deposits to new accounts. You can request more specific information about availability by calling your Financial Advisor or (800) MERRILL. A business day is defined as one in which both the New York Stock Exchange and New York banks are open for business.

If we cease to offer a particular Money Account, we are authorized (but not obligated) to place cash balances automatically in another comparable Money Account. .

Primary money account—Merrill Lynch Bank Deposit Program

The Money Account available through the Sweep Program is the Merrill Lynch Bank Deposit Program (MLBDP).

The MLBDP sweeps available cash balances to separate deposit accounts at Bank of America, N.A. and Bank of America California, N.A. (Members FDIC). Funds held in these accounts are protected by FDIC insurance for up to \$250,000 per depositor holder, per ownership category, per bank.

Since there are two banks in the MLBD Program, each individual depositor receives up to twice the Standard Maximum Deposit Insurance Amount (SMDIA) of FDIC insurance, and each joint account with two depositors receives up to four times the SMDIA of FDIC insurance.

Interest rates on bank deposit accounts maintained through the MLBD Program are tiered based on the value of those accounts. In general, accounts assigned to higher asset tiers will earn higher interest rates on their MLBD Program balances than those assigned to lower tiers (although accounts enrolled in the Merrill Lynch Consults[®], Merrill Lynch Strategic Portfolio Advisor[®] and Merrill Lynch Personal Investment Advisory[®] programs are entitled to the same interest rate paid to accounts in Tier 4).

The current asset tiers appear below. We may change the current asset tiers or add additional asset tiers at any time, which may result in higher or lower interest rates for your deposit balances.

- Tier 4: \$10 million or more
- Tier 3: \$1,000,000–\$9,999,999
- Tier 2: \$250,000–\$999,999
- Tier 1: Less than \$250,000

Your account will automatically default to Tier 2 in the first month and will be changed accordingly starting in month 2.

The asset tier for any of your accounts will not change between valuation dates, even if you open new accounts or link accounts. New accounts are not used to determine asset tiers until the next applicable valuation date.

For regulatory or other reasons, the following accounts are not included when determining your asset tier, even if linked for statement delivery purposes:

- Working Capital Management Account
- Medical Savings Accounts
- Retirement Cash Management AccountSM
- BasicSM Accounts
- 401(k) Accounts (including SIMPLE 401(k) accounts)
- Retirement Selector Accounts (403(b) accounts)

Interest rates for the MLBDP accounts are determined at the discretion of BANA and BA-CA based on economic and business conditions and are subject to change. Your Financial Advisor will be available to discuss alternatives for your cash or bank deposit account balances. However, neither your Financial Advisor nor Merrill Lynch undertakes

any obligation to ensure you receive any particular rate of interest or to advise you to invest your cash or bank deposit balances in higher yielding cash alternatives. The interest rates for the bank deposit accounts will be different from (and may be lower than) yields on money market funds and other cash alternatives. For current yields on bank deposit balances, call your Financial Advisor or visit MyMerrill.com (see the “Deposit Account & Money Fund Rates” link at the bottom of each page).

Interest on bank deposit accounts maintained through the MLBDP will be compounded on a daily basis and credited monthly.

For additional information about the MLBDP, including information about FDIC insurance and the way bank deposits benefit Merrill Lynch and the Merrill Lynch Affiliated Banks, see “About the Merrill Lynch Bank Deposit Program.”

D. Debit Card/Check Account

You will be issued HSA Checks and a Debit Card or Debit Cards, which are intended to be used to pay the qualified medical expenses of you, your spouse or dependents (or, to the extent permitted by section 223 of the Tax Code, to reimburse yourself for such expenses).

Check writing

Checks should be written in U.S. dollars only. Checks may not be used to purchase securities in the Securities Account or to make deposits to the Money Account. The Visa debit card cannot be used to purchase over the counter medication without a prescription.

The amount available (the “Purchasing Power”) for Visa Debit Card and Check transactions at any time is the total of (i) any available free credit balances in the Securities Account and (ii) the available Money Account balances. Your Purchasing Power is instantaneously reduced at the time BANA is notified of the use of the Debit Card, not at the time the applicable sales draft or cash advance is paid. However, Money Account amounts are not withdrawn until the item is presented to BANA for payment. Securities transactions in the Securities Account reduce the Purchasing Power on the trade date, not the settlement date, of such transactions. However, Money Account amounts are not withdrawn until the settlement date of securities purchase transactions.

Your purchasing power may not be increased to reflect the proceeds of checks credited to your HSA for up to 7 days following their receipt and, except as otherwise required by applicable law, for up to four days following the receipt of funds credited electronically to your HSA. The actual time period for holds on check deposits depends on several factors, including check type, age of account, value of check vs. value of the account, etc. During this time period, the investment in the Money Account will not be delayed. All checks received by us must be in U. S. funds and drawn on a U. S. bank or other financial institution, and are subject to final collection.

Unlike standard credit card procedures, where bills are rendered monthly and free credit may be extended for a period of up to 25 days thereafter, we will be notified daily of any charges that are being presented against the Debit Card/Check Account, whether by use of the Debit Card, Checks or other means. We will make payment on behalf of your HSA on the day the charge is presented for payment. Payments for such charges will be made in the following order of priority: first, from available free credit balances, if any, held in the Securities Account and, second, from the proceeds of withdrawals of available Money Account amounts.

Charges made abroad

An international transaction fee equal to 2% applies to the U. S. dollar amount of all transactions that occur outside of the United States, including purchases, and credits. This fee will only apply to transactions submitted to Visa in a currency other than U. S. dollars and will be in addition to any other applicable transaction fees.

Visa transactions in a foreign currency are converted by Visa into a U. S. dollar amount in accordance with Visa’s operating regulations and conversion procedures in effect at the time the transaction is processed. Visa’s regulations and procedures currently provide that the currency conversion rate used is a rate selected by Visa from the range of rates available in wholesale currency markets, which rate may vary from the rate Visa itself receives, or a government-mandated rate. The method of currency conversion is subject to change by Visa without notice.

The currency conversion rate in effect on the processing date may also differ from the rate in effect on the transaction date or posting date.

Transactions made in a foreign currency that are submitted to Visa in U. S. dollars will be posted to your account in that U. S. dollar amount.

You can view, download or print copies of your cancelled checks through MyMerrill.com, or you can request copies by calling your Financial Advisor or (800) MERRILL. Original checks will not be returned to you, although you can obtain an original check by calling your Financial Advisor or (800) MERRILL.

You may request that payment of Checks be stopped. In order to stop payment, you must notify Merrill Lynch of the exact amount of the Check, the number, date and payee of the Check, and your account number. There may be a fee for this service. *If you provide information that is incorrect or untimely, or you do not comply promptly with a request for other reasonable information, neither Merrill Lynch nor the bank through which checks are processed will be responsible if payment cannot be stopped. If, for any reason, Merrill Lynch fails to stop payment on a check, we may without liability delay re-crediting your account while we determine the rights of parties involved. In addition, neither Merrill Lynch nor the bank processing your checks will be liable if, through inadvertent payment contrary to a request to stop payment, other items are returned unpaid.* The bank through which your checks are processed and Merrill Lynch reserve the right to pay post-dated checks, although it and we are not obligated to do so. The bank and we also reserve the right not to pay checks that it or we determine, in our sole discretion, are incomplete or improperly completed. Any checks that exceed your purchasing power or spending limit may also not be honored.

If you request checks be signed with a signature stamp or signature plate, you agree that such requirements are for your internal purposes only, and neither Merrill Lynch or the bank through which your checks are processed shall have any responsibility or liability for the payment of any check signed with a signature stamp/plate.

If you have questions about your account, including your purchasing power, current charges or fees, call the special toll-free number: (800) MERRILL. (This telephone number is not available outside the United States.)

Current charges will be debited to your account on the next business day and new items will be debited on receipt.

E. Overdrafts

You have no borrowing privileges in or through the Debit Card/Check Account. You agree that you will not exceed your Purchasing Power. If you exceed your Purchasing Power, you will be in default. Default may result in, among other things, termination of your subscription to the HSA Services.

Billing rights and overdrafts

YOUR BILLING RIGHTS
KEEP THIS NOTICE FOR FUTURE USE

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

Notify us in case of errors or questions

If you think any transactions on your account statement or a BANA overdraft notice is wrong, or if you need more information about a transaction, you should write to Bank of America, N.A. (BANA) as soon as possible at:

Retirement & Distribution Services
NJ2-140-01-021400
1400 American Boulevard
Pennington NJ 08534 2

In your letter, provide the following information:

- Your name, address and account number;
- The dollar amount of the suspected error;
- A description of the item in question; and
- Why you believe there is an error.

BANA must hear from you no later than 60 days after we send you the first account statement or overdraft notice on which the error or problem appeared. You may also call us at (800) MERRILL (637-7455), but doing so will not preserve your rights. Outside the U.S., call collect (609) 818-8000.

Your rights and our responsibilities after we receive your written notice:

BANA must acknowledge your letter within 30 days unless it has corrected the error by then. Within 90 days, it must either correct the error or explain why it believes the statement or overdraft notice was correct.

After BANA receives your letter, it cannot try to collect an amount you question or report you as delinquent. It can continue to bill you for the amount, including finance charges, and can apply

any unpaid amount against your purchasing power. You do not have to pay any questioned amount while BANA is investigating, but you are still obligated to pay any amount that is not in question.

If it is found that a mistake was made on your overdraft notice, you will not have to pay any related finance charges. If the bank finds that a mistake was not made on your statement or overdraft notice, you will have to pay the questioned amount, including any overdraft finance charges. The bank will notify you through us in writing of the amount owed and due date for payment.

If you fail to pay the amount that BANA thinks that you owe, it may report you as delinquent. However, if BANA's explanation does not satisfy you and you write to it within ten days telling it that you still refuse to pay, it must tell anyone it reports you to that you have a question about your monthly transaction statement or overdraft notice. And, BANA must tell you the name of anyone it reported you to. BANA must tell anyone it reports you to that the matter has been settled with you when it finally is.

If the bank does not follow these rules, it cannot collect the first \$50 of the questioned amount, even if your statement or overdraft notice is correct.

F. Prohibited Transactions

The Tax Code prohibits you from using your HSA to engage in certain transactions under penalty of losing your HSA's tax-favored status. For example, you cannot borrow from your account, sell property to it or buy property from it. If your HSA were to lose its tax-favored status, you would have to include the entire HSA balance in your gross income for the year in which the tax-favored status of your HSA was lost. Further, that distribution may be subject to the 20% additional tax on certain distributions before age 65.

If you were to borrow all or any part of the assets of your HSA, the entire value of your account would be treated as though distributed to you. If you were to pledge all or part of your HSA as security (collateral) for a loan, the part pledged will be considered to have been distributed to you for the year it is pledged. In both cases, you would

have to include those amounts in your gross income and possibly be subject to the 20% additional tax.

G. Investor Protection

SIPC Insurance and additional coverage

The securities and cash we hold in your account are protected by the Securities Investor Protection Corporation (SIPC), for up to \$500,000 (inclusive of up to a maximum of \$250,000 for cash).

In addition, Merrill Lynch has obtained "excess-SIPC" coverage from a Lloyd's of London syndicate. The Lloyd's policy provides further protection for each customer (including up to \$1.9 million for cash), subject to an aggregate loss limit of \$1 billion for all customer claims.

Each account held by a separate customer (as defined by applicable law) is treated separately for purposes of the above protection.

Neither SIPC protection nor the additional "excess-SIPC" coverage applies to deposits made through a bank deposit program or to other assets that are not securities, nor does it protect you against fluctuations in the market value of securities.

You may obtain further information about SIPC, including the SIPC Brochure, via SIPC's website at <http://www.sipc.org> or by calling SIPC at (202) 371-8300.

H. Altering or Waiving Conditions of the HSA Services

We reserve the right to alter or waive the conditions of the HSA Services. We also reserve the right to reject any application to adopt an HSA or to subscribe to any of its features for any reason.

VI. RULES GOVERNING DISTRIBUTIONS

A. General Rules

Amounts in cash, securities or other assets which have been withdrawn from your HSA for you or your beneficiaries, whether by Debit Card, Check or written direction to Merrill Lynch, are called "distributions." Distributions are subject to the rules contained in the Tax Code and to the terms of the Merrill Lynch HSA Custodial Agreement. (The Visa debit card cannot be used to purchase over the counter medication without a prescription or to withdraw cash from an ATM.)

B. Distributions to Pay “Qualified” Medical Expenses

You may take distributions from your HSA at any time and in any amount. Such distributions will be without taxation and without penalties, as long as the entire amount distributed is used to pay (or, to the extent permitted by the Tax Code, to reimburse you for) the “qualified” medical expenses of you, your spouse or dependents, even if you are not currently eligible to make contributions to the HSA. However, any portion of the distribution not used exclusively to pay the qualified medical expenses of you, your spouse or dependents is includable in your gross income and is subject to an additional 20% tax, except in the case of distributions made after your death or disability or after you attain the age required to be eligible for Medicare. The qualified medical expenses must be incurred only after the HSA has been established.

Dependents include individuals you claim as dependents on your federal income tax return, and individuals you could have claimed as dependents on your tax return if they had not received the specified amount of gross income or had not filed a joint return. Dependents also include individuals you could have claimed as dependents on your individual federal tax return, except that you or your spouse, if filing jointly, were claimed as dependents on someone else’s federal tax return. (Please note that certain “adult children” may now be covered under your high-deductible health plan on a tax-free basis but are not considered dependents for purposes of tax-free HSA distributions).

“Qualified” medical expenses are expenses (that have not been compensated or reimbursed by insurance or otherwise) for medical care (generally as defined in section 213(d) of the Tax Code). Examples of qualified medical expenses include hospital costs, doctor’s office visits, prescription drugs, lab tests, eyeglasses, hearing aids, health insurance deductibles and co-payments. Non-prescription (or over the counter) drugs or medicines are qualified medical expenses only if such drugs or medicines are prescribed in accordance with applicable state law.

Premiums for health insurance generally do not constitute “qualified” medical expenses, except for the following: continuation coverage provided

under COBRA, qualified long-term care coverage provided through a qualified long-term care contract under section 7702B (b) of the Tax Code, and health coverage provided while the individual is receiving unemployment compensation under any federal or state law. In addition, for Medicare eligible individuals, premiums for Medicare Part A or B, Medicare HMO, and the employee share of premiums for employer-sponsored health insurance, including premiums for employer-sponsored retiree health insurance, can be paid from an HSA. Premiums for Medigap policies are not qualified medical expenses.

IRS Publication 502, “Medical and Dental Expenses,” which can be found on the IRS website, www.irs.gov, generally describes the types of medical expenses that may be paid or reimbursed with distributions from your HSA, with the exceptions described above. You should note carefully that the range of qualified medical expenses for which tax-favored HSA distributions are allowed may be broader than the expenses that count toward the deductible under your high-deductible health plan. For example, expenses for eyeglasses that are a qualified medical expense under HSA rules may not count toward your high-deductible health insurance policy deductible.

You are responsible for determining if expenses are “qualified” medical expenses and you should maintain records of your medical expenses sufficient to show that the distributions have been made exclusively for qualified medical expenses and are therefore excludable from gross income.

If both you and your spouse have HSAs and one spouse uses distributions for his or her HSA to pay or reimburse a qualified medical expense of the other spouse, such amounts may be excluded from gross income, however both HSAs may not reimburse the same expense amounts.

You may defer to later taxable years’ distributions from HSAs to pay or reimburse qualified medical expenses incurred in the current year as long as the expenses were incurred after the HSA was established. Similarly, a distribution from an HSA in the current year can be used to pay or reimburse expenses incurred in any prior year as long as the expenses were incurred after the HSA was established. There is no time limit on when the distributions must occur. To be excludable from your gross income, however, you must keep

records sufficient to later show that the distributions were exclusively to pay or reimburse qualified medical expenses, that the qualified medical expenses have not been previously paid or reimbursed from another source, and that medical expenses have not been taken as an itemized deduction in any prior year.

You may pay qualified long-term care insurance premiums with distributions from an HSA where you make contributions to the HSA by salary reduction through a cafeteria plan, even though a cafeteria plan is not allowed to cover long-term care insurance as a “qualified benefit” under the cafeteria plan.

Additionally, an HSA distribution used to pay or reimburse qualified long-term care insurance premiums is limited to the annual adjusted amount found in section 213(d) (1) of the Tax Code that also limits the “eligible long-term care premiums” that are deductible medical expenses. Any excess premium reimbursements above this limit are includable in gross income and may also be subject to the 20% additional tax.

You are responsible for properly reporting all distributions on your tax return. You also are responsible for completing IRS Form 8889, “Health Savings Accounts (HSAs),” and submitting it along with your IRS Form 1040 to the IRS. IRS Form 8889 includes information about distributions from your HSA, including rollovers from your HSA to another HSA. Rollovers from your Archer MSA to an HSA should be reported on IRS Form 8853, “Archer MSAs and Long-Term Care Insurance Contracts.” Contact your tax advisor or consult IRS Publication 969, “Health Savings Accounts and Other Tax-Favored Health Plans” for more information on these reporting requirements.

Merrill Lynch is responsible for reporting the amount of distributions from an HSA, but is not responsible for determining whether or not distributions are excludable from income or are subject to the additional 20% tax described below. Merrill Lynch will report any distribution to you and the IRS on IRS Form 1099-SA, “Distributions From an HSA, Archer MSA, or Medicare Advantage MSA.”

C. Distributions Before and After Age 65, Disability or Death

The Tax Code encourages the use of HSAs to save for health care costs by imposing ordinary income tax on distributions from your account that are not used exclusively to pay (or to reimburse) qualified medical expenses. There are some exceptions to this rule. For example, if you make a distribution to remove an excess contribution or if you withdraw assets from one HSA to consolidate them with another, you may not have to report the distribution in your income. No HSA distributions, regardless of when made, are eligible for either capital gains treatment or the special forward averaging computation that may be available for certain lump-sum distributions from tax-qualified retirement plans. An additional 20% tax also applies to a distribution that is includable in gross income, unless the distribution is made after you have reached the age required to be eligible for Medicare or become disabled. In addition, the 20% tax does not apply to amounts distributed or otherwise taxed on account of your death. You report the additional tax on IRS Form 8889 and on your IRS Form 1040 where indicated.

D. Distributions Due to Your Death

You can name one or more beneficiaries to receive any balance remaining in your HSA at your death. If you have not designated a beneficiary, or if no beneficiary survives you, your HSA balance will be paid to your surviving spouse, or, if you are not survived by your spouse, to your estate.

If the designated beneficiary is your surviving spouse, the spouse will be treated as if the HSA is his or her own HSA at your death. Your surviving spouse is not required to include any amount in income as a result of your death, and the general rules applicable to HSAs apply to your surviving spouse’s HSA. For example, your spouse will not be subject to income tax on HSA distributions for qualified medical expenses and, for this purpose, your surviving spouse can exclude from income HSA distributions that are used to pay “qualified” medical expenses you incurred prior to your death, if paid within one year after your death.

If you are married and you fail to name your spouse as the beneficiary of your HSA, significant income tax consequences may result. If any person other than your surviving spouse is the designated beneficiary, or any person otherwise acquires your interest in the HSA on account of your death, the HSA will cease to be an HSA as of the date of your death. If this occurs, the fair market value of the assets held in the HSA as of

the date of your death will be includable in the gross income of the person who acquires the HSA, or (if there is no named beneficiary) in your gross income for the year of your death and reportable on your final return if the HSA passes to your estate. The person (other than your estate) who acquires your HSA may reduce the amount includable in income by the amount of qualified medical expenses which you incur before death and that are paid by such person within one year after your death.

E. Federal Estate and Gift Tax Considerations

In addition to the federal income tax consequences associated with HSA distributions and excess contributions discussed elsewhere in this Disclosure Statement, there are also federal estate tax consequences to consider. Generally, if there is a balance left in your HSA at your death the total value of the assets in your account is included in your gross estate for federal estate tax purposes.

If your beneficiary is your spouse, the marital deduction may be taken and your estate will generally not owe estate taxes. You should consult your tax advisor concerning this estate tax.

Generally, naming a beneficiary to receive payments from your HSA is not considered a gift subject to federal gift tax, even if the designation is irrevocable. This is because the account owner typically retains the right to direct distributions, including rollovers and transfers.

F. Mistaken Distributions

If there is clear and convincing evidence that you received an HSA distribution as the result of a mistake due to reasonable cause (e. g. you reasonably, but mistakenly, believed that an expense was a qualified medical expense and you were reimbursed for the expense from the HSA), you may repay the mistaken distribution at any time before the end of the calendar year in which the distribution was made. The mistaken distribution will not be included in income and will not be subject to the 20% additional tax for nonqualified distributions or the excise tax on excess contributions (as discussed below in section VII). Merrill Lynch may rely on your representation that the distribution was, in fact, a mistake.

VII. EXCESS CONTRIBUTIONS

An excess contribution is the portion of your annual contribution that exceeds the amount of your permissible contribution. If you do not correct an excess contribution, you will be subject to a 6% additional tax. For more information on the additional tax, including how to calculate the additional tax, see IRS Form 5329, "Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts." If you owe the 6% additional tax or if you had an excess contribution shown on your prior year's IRS Form 5329, you may be required to file IRS Form 5329 or some other form specified by the IRS.

Excess contributions can occur because of a mistake of fact or a change in your circumstances. For example, if you have contributed to an HSA for a full year, but change jobs in the middle of the year and begin to receive coverage under a health plan that is not a high-deductible health plan provided by your new employer, you may have made excess contributions to your HSA with respect to the months for which you are no longer eligible for an HSA.

You can make corrections prior to your tax-filing deadline to avoid the 6% additional tax by:

- Withdrawing the excess contribution and any related earnings prior to your tax filing deadline (including extensions) for the tax year for which the excess contribution was made
- Including the withdrawn earnings on the excess contributions in your gross income for the year you withdraw the contribution and earnings and not deducting any portion of the excess contribution from your gross income. The net income (earnings) that is required to be withdrawn is calculated by multiplying the contribution by a fraction, the numerator of which is the difference between the adjusted closing balance and the adjusted opening balance and the denominator of which is the adjusted opening balance. The adjusted opening balance is the fair market value of the HSA at the beginning of the computation period plus the amount of any contributions or transfers made to the HSA during the computation period. The adjusted closing balance is the fair market value of the HSA at the end of the computation period plus the amount of any distributions or transfers made from the HSA during the computation period. The computation period is the period

beginning immediately before the time that the contribution being returned was made to the HSA and ending immediately before the removal of the contribution. For more information about the calculation of net income, consult your tax advisor.

You are responsible for computing the earnings attributable to excess contributions and indicating the amount to be withdrawn on a distribution form provided by Merrill Lynch. Those distributions may also be taxable when withdrawn (and could be subject to the 20% additional tax, even if they are used to pay qualified medical expenses. The 6% additional tax is charged again on the excess in each subsequent year the excess contribution remains in your account. If you correct only a portion of an excess contribution, you will continue to be liable for the additional tax on the portion not corrected.

You should not use your HSA Checks or Debit Card(s) to distribute excess contributions.

At this time it is not clear how the excess contribution rules are intended to interact with the special one-time direct rollover rules for direct rollovers from certain IRAs described in Section IV.C or the special eligibility rules described in Section II. Contact your tax advisor for more information.

VIII. FEES

Merrill Lynch charges an annual custodial fee for its services as custodian of your HSA. As of the printing of this document, the annual custodial fee for your account is \$50. The initial custodial fee will be charged 90 days from the account opening date and annually on or around the anniversary date of the initial fee. If your account is closed or transferred, we will charge a \$50 account closeout fee. The account closeout fee will be charged in addition to any pending custodial fees due on your account. These fees will be deducted from your HSA. If your HSA is enrolled in certain services that may be offered through Merrill Lynch and your account meets the prescribed terms and conditions of such a service, your custodial fee may be waived.

A late fee may be assessed to accounts with past due fee amounts. Brokerage commissions, sales charges, asset-based fees and other routine charges for transactions in, or the investment of, the assets in your Securities Account will be

assessed when applicable. Merrill Lynch also may receive compensation from certain providers of investment alternatives for your HSA.

Our fees, commissions, and other charges with respect to your HSA may change from time to time. We are not required to notify you of such changes. We may modify the conditions of the HSA for certain group plans and different categories of clients. We may charge such account holders a different annual fee from that charged to other account holders or we may waive such fee.

If the account is transferred to another financial institution, we will charge a \$50 account transfer fee. Merrill Lynch will charge the account transfer fee to your HSA.

Currently, no per-check processing charges are imposed on HSA Checks. Charges may be imposed for stop-payment orders and for Checks that are returned because they have exceeded the Purchasing Power described above. A charge may also be imposed for providing you with the original or copies of canceled Checks, and we will impose charges for any Checks credited to your HSA that are returned unpaid by the bank upon which they were drawn. In connection with the Debit Card/Check Account, our affiliates may receive fees from other than HSA subscribers.

Amounts deducted from your HSA for administration and account maintenance fees, as described above, will not be treated as a taxable distribution and will not be included in your gross income. Additionally, amounts withdrawn from your HSA to pay such fees do not increase your maximum annual HSA contribution limit. For example, if your maximum annual contribution limit is \$2,000 and the \$50 custodial fee is withdrawn from your HSA, the annual contribution limit is still \$2,000 not \$2,050.

IX. DISCLOSURES ABOUT THE HSA DEBIT CARD AND ELECTRONIC TRANSFERS

A. General Rules

Your HSA is subject to the federal law on electronic fund transfers if you have established your account primarily for personal, household or family purposes.

If so, you may have certain rights and responsibilities depending on the type of transfer

you make. Federal law requires us to make certain disclosures to you regarding electronic transfers effected with your HSA Debit Card through merchant transactions, preauthorized credits through our Direct Deposit Service and preauthorized debits through a program offered by a third party or us. For purposes of these disclosures, transfers are made “electronically” if they are made by Automated Clearing House transfer with parties outside Merrill Lynch or by transfers between Merrill Lynch central asset accounts. Transfers by Federal Reserve System wire transfer are not covered by these disclosures.

B. Liability for Unauthorized HSA Debit Card Use

Your HSA will not be liable for the unauthorized use of your Debit Card. Your HSA will not be liable for any unauthorized use that occurs after we or BANA have been notified orally or in writing of loss, theft or possible unauthorized use. If funds invested in or deposited through the HSA are withdrawn due to unauthorized use of the Debit Card for which your HSA is not liable, such amounts will be reinstated as if never withdrawn. If a Debit Card is lost or stolen, you should immediately report the loss by calling 1(800)262-5678, which can be reached 24 hours a day, seven days a week (outside the United States you can place a collect call to (609)818-8000, which can be reached 24 hours a day, seven days a week), or by writing to Retirement & Distribution Services, NJ2-140-01-021400, 1400 American Boulevard, Pennington NJ 08534. Telephoning is the best way to minimize possible losses.

C. Types of Electronic Transfers

The Debit Card issued to you is designed to be used to pay “qualified” medical expenses (or to reimburse yourself for such expenses) at participating Visa establishments. These transactions will be referred to as “electronic transfers.” In addition, from time to time, you may authorize someone other than us to transfer money electronically to your HSA or, through a program offered by us, authorize us to transfer money electronically from your HSA to a third party. All such transfers from an HSA will be referred to as “electronic transfers.” (The Visa debit card cannot be used to purchase over the counter medication without a prescription or to withdraw cash from an ATM.)

D. Limitations on Electronic Transfers

The number of electronic transfers that may be made is not limited. However, some Debit Card

transactions may be limited or not completed for security reasons.

E. Right to Receive Documentation

A monthly transaction statement will be sent in connection with your HSA, which will include all the electronic transfers for the preceding month.

F. Liability for Unauthorized Electronic Transfers

The section above titled “Liability for Unauthorized HSA Debit Card Use” applies to unauthorized electronic transfers.

G. Charges

There are no charges for electronic transfers.

H. Finding Out About a Recurring Electronic Transfer

If you have arranged to have electronic transfers made to your HSA at least once every 60 days from the same third party, you can call 1(800) MERRILL (637-7455) to find out whether the transfer has been made. This confirmation process is not available, however, if the third party making the electronic transfer tells you every time an electronic transfer is sent.

I. Stopping Electronic Payments

Any electronic payments that you have arranged to be made regularly from your HSA to a third party may be stopped. You can call 1(800) MERRILL (637-7455) or write to Retirement & Distribution Services, NJ2-140-01-021400, 1400 American Boulevard, Pennington NJ 08534, in time for us to receive the request three business days or more before the electronic payment is made. You may be required to put the stop-payment request in writing and ensure that we receive it within 14 days after a telephone call. You will be charged the standard charge for stop-payment orders. Once a request has been processed, all electronic payments initiated by the third party named in the request will be stopped until written notice is received from you to cease stopping them. If you request that we stop any of these regular electronic payments three business days or more before the electronic payment is scheduled and we do not do so, we will be liable for your losses or damages. If you have arranged with a third party for electronic payments that vary in amount to be paid regularly from your HSA, the third party will tell you 10 days before each electronic payment when the electronic payment will be made and how much it will be. You may choose instead to get this notice only when the electronic payment would differ by more than a certain amount from

the previous one, or when the amount would fall outside certain limits that you set.

J. Liability for Failure to Make Electronic Transfers

If an electronic transfer is not completed on time or in the correct amount according to the agreements governing your HSA and its components, we or BANA may be liable for the resulting losses or damages. We or BANA will not be liable, for instance, if (i) through no fault on our or their part, the amount of the transfer will exceed your Purchasing Power (as defined above in section V. D.), or (ii) circumstances beyond our or their control (such as fire or flood) prevent the transfer, despite reasonable precautions that were taken. There may be other exceptions stated in the agreements governing the HSA and its components, or provided by applicable law.

K. In Case of Errors or Questions About Electronic Transfers

You should telephone 1(800) MERRILL (6377455) or write to Retirement & Distribution Services, NJ2-140-01-021400, 1400 American Boulevard, Pennington NJ 08534, as soon as possible if the monthly transaction statement or a receipt for an electronic transfer is incorrect, or if you need more information about an electronic transfer listed on the statement or receipt. Notice must be received from you no later than 60 days after the first statement was sent on which the problem or error appeared. The notice should:

- State your name and account number.
- Describe the error or the electronic transfer you are unsure about and explain as clearly as possible why you believe it is an error or why more information is needed.
- State the dollar amount of the suspected error. If the notice was given orally, you may be required to send the complaint or questions in writing within 10 business days. If the electronic transfer in question involved obtaining cash at a financial institution or was a preauthorized electronic transfer, the question or complaint will be resolved promptly but no later than 45 calendar days after notice is received, and any error will be promptly corrected. If the electronic transfer in question took place in a foreign country or involved a point of sale transfer made with the Debit Card, the question or complaint will be resolved no later than 90 calendar days after notice is received, and any error will be

promptly corrected. If it is decided that no error occurred, you will be sent a written explanation within three business days after the investigation is finished. You may ask for copies of the documents used in the investigation.

L. Disclosing Information About Your HSA

- Where it is necessary to complete a transaction.
- To third parties who have a business purpose for requesting information regarding the account or the Debit Card.
- To credit bureaus and other consumer-reporting agencies.
- In order to comply with governmental agency or court orders.
- If you have given written permission.

For the purposes of this section of the HSA Disclosure Statement, business days are Monday through Friday. Holidays are not included.

M. Changing These Rights and Responsibilities

From time to time, the rights and responsibilities with respect to electronic transfers may change. You will be notified of any changes as required by applicable law. If the change is necessary for security reasons, you do not have to be notified in advance.

N. Account Information

You can obtain account information in four ways: through your Financial Advisor, through our 24-hour client service number, (800) MERRILL (637-7455), on your account statements, and through MyMerrill.com (once activated).

For deaf or hearing-impaired clients, the TTY number is (866) ML7-DEAF (657-3323). Hours are 8:30 A.M. to 4:30 P.M., Monday through Friday, Eastern Time.

Monthly transaction statements

HSA statements are sent each month. Monthly statements for your account will be mailed to the primary HSA account holder's address.

Your statement(s) will include details of:

- Securities bought, sold and held in your account
- Other types of transactions in your account, including credit interest charges, if any
- Money account transactions

- Dividends or interest received on money account balances
- Visa card purchases and cash advances
- Checks drawn on your account
- Pre-authorized electronic transfers
- Other fund transfers
- ATM withdrawals and deposits

MyMerrill.com

You may access your account information online, together with Merrill Lynch research and investment information, market data and news.

O. About Optional Services

To enhance the capabilities of the HSA financial service, Merrill Lynch offers several optional services. Optional services may entail additional fees or charges (see About Fees).

You may enroll in these services when you open your account. Once you have established an account and we have your signature on file, you may be eligible to enroll in these services at a later date without completing a new application form.

Historical Pricing and Valuation Service

You may request a report showing the securities held in your HSA as of a specific date. You may also request that we provide historical values for publicly traded securities for gift, estate tax or other planning purposes.

Call your Financial Advisor for more information about this service.

Account Statement Linking

The Statement Link Service allows Merrill Lynch accounts to be “linked” together for statement delivery purposes.

For regulatory or other reasons, certain types of accounts that can be linked for statement delivery purposes cannot be linked for the purpose of determining your total eligible client assets. If you have any questions about linking your accounts or linking eligibility, please contact your Financial Advisor.

Statements for linked accounts are sent to one of the account holders, who has been appointed as the other account holders’ “agent” to receive their monthly statements and related notices or communications. *Please note, all account holders*

remain responsible for verifying the accuracy of their individual statements, reading notices and directing activity in their accounts.

The assets of linked accounts are not commingled and each account holder retains control over his or her account.

Automated Investing

When you enroll in automated investing, we will automatically buy shares on your behalf in a mutual fund according to a predetermined schedule. You may enroll to invest through your accounts or transfer funds from your accounts for investment through another Merrill Lynch account. All mutual fund purchases are subject to the eligibility terms in the mutual fund’s prospectus or statement of additional information. The availability of certain mutual funds and/or share classes offered by a mutual fund may be limited at Merrill Lynch to specific service models.

Your Financial Advisor can provide you with further information about this service.

Direct Deposit

Through the direct deposit service you can have payroll sent electronically into your account on your payroll date or on the effective date of the payment and those payments will be swept into your primary Money Account on the business day after the funds and data necessary to identify your account are received.

Call your Financial Advisor or (800) MERRILL (637-7455) for information about enrolling in this service. Or visit www.mymerrill.com.

Direct Reinvestment

By enrolling in the direct reinvestment service, you can have dividends from all New York Stock Exchange, American Stock Exchange and NASDAQ Stock Market-listed stocks and most mutual funds automatically reinvested into more shares of the same stock or fund without commission charges.

Call your Financial Advisor or (800) MERRILL (637-7455) for more information on this service.

Funds Transfer Service

You can transfer funds electronically to accounts outside Merrill Lynch or to other central accounts within Merrill Lynch by enrolling in the Funds Transfer Service (FTS). There is a \$100 minimum for electronic fund transfers.

You can arrange a funds transfer online at www.mymerrill.com or by calling (800) MERRILL (6377455). Transfers will be completed as soon as the next business day (or the same day if between Merrill Lynch accounts). You can also set up recurring transfers.

Your accounts will be debited in the same order of priority described under Debit Card/Check Account, and the transfer will not be completed if it exceeds your purchasing power or spending limit. Fund transfers to your account will not be reflected in your purchasing power or spending limit for up to six days, subject to applicable laws.

Restrictions apply on funds transfers from certain fiduciary accounts. Call your Financial Advisor or (800) MERRILL (637-7455) for details.

Please note, you will be prompted to call us to set up a password for use in initiating transfers. You should safeguard this password and not share it with anyone.

In the event of erroneous fund transfers, we are authorized to credit or debit your account to correct such transactions, subject to applicable laws, rules and regulations.

MYMERRILL.COM (www.mymerrill.com)

All account holders may enroll in MyMerrill.com. This Internet-based service provides 24-hour access to your account information, Merrill Lynch research and investment information, market data, news and e-mail.

To activate this service, a User ID and password is required. It is important to safeguard this information.

If you have not received a User ID or password, or have forgotten either of them, you can request this information online at www.mymerrill.com or by calling (800) MERRILL (637-7455).

Inter-company Transfer of Funds

If you have both a Bank of America checking or savings account and a Merrill Lynch brokerage account, you may be able to transfer funds between these accounts using BankofAmerica.com or MyMerrill.com. In order to transfer funds, your online profiles must be linked. To link your online profiles, log onto either BankofAmerica.com or MyMerrill.com and follow

the instructions to link your accounts. If you have any questions, please contact (800) MERRILL (637-7455) or (800) 432- 1000.

Additional Notes On Electronic Transfers

Your account may be subject to the federal law on electronic fund transfers if you maintain the account as a natural person (as opposed to a trustee or in another capacity). *Your rights and responsibilities will depend on the type of electronic transfer. From time to time, these rights and responsibilities may change. You will be notified of any changes as required by applicable law. If the change is necessary for security reasons, you do not have to be notified in advance.*

Electronic transfers include:

- Visa point of sale transactions for qualified medical expenses
- Transfers through a direct deposit service
- Transfers through our Funds Transfer Service
- Pre-authorized debits through a program offered by a third party or us
- Transfers to and from your account under a bank deposit program

Your liability

You are liable for no more than \$50 for unauthorized use of your Funds Transfer Service password. You are not liable for unauthorized purchases using your Visa card or for the unauthorized use of your Visa card PIN. You are also not liable for any amount for the loss, theft or possible unauthorized transaction once you have notified us or the issuer of the card.

Call *immediately* if a Visa card is lost or stolen or if you think someone has transferred or may transfer funds from your account without permission:

- (800) 262-LOST Toll-free
- (609) 818-8000 From outside U. S. (collect calls accepted)

Telephoning is the best way of minimizing your losses, but you may also notify us in writing at:

Retirement & Distribution Services
NJ2-140-01-021400
1400 American Boulevard
Pennington NJ 08534

Any funds that are withdrawn in connection with a transaction for which you are not liable will be credited back to you or your account.

Limits on electronic transfers:

Transaction information

You will be sent a monthly statement listing all electronic transfers for the preceding month.

You may also check on the status of transfers at any time by calling (800) MERRILL (6377455) or your Financial Advisor at the number provided on your account statement. Information about transfers is also available online at www.mymerrill.com.

Recurring transfers

To stop recurring electronic payments or transfers, call (800) MERRILL (637-7455) or your Financial Advisor at the number provided on your monthly statement. If you prefer, you may write to us at:

Retirement & Distribution Services
NJ2-140-01-021400
1400 American Boulevard
Pennington NJ 08534

Your notice to cease payments should be timed to arrive at least three business days before the payment is due to be made. If you have been asked to put a stop payment request in writing, you must write to us at the above address within 14 days of your telephone call.

Once stopped, recurring payments will not resume until we receive notice from you. Any request to change the title of an account will be treated as a request to stop payment of electronic transfers.

If you request that we stop a regular payment at least three business days before the electronic payment is scheduled and we do not do so, we will be liable for your losses or damages.

You may be charged a fee for stop payment requests.

If you have arranged with a third party for recurring transfers from your account of variable amounts, the third party will notify you 10 days before each electronic payment of the amount and date of payment. If you prefer, you may choose to get this notice only when the amount falls outside certain limits.

If you have a Visa card, you will receive advance notice of the varying amounts of the monthly debit if the amount of the debit exceeds \$500,000.

Our liability for failure to make transfers

If an electronic transfer is not completed on time or in the correct amount according to agreements governing the HSA financial service, we or the Visa card issuer may be liable for the resulting losses or damages.

There are some exceptions. Merrill Lynch and the Visa card issuer will not be liable, for instance, if:

- Through no fault on our or its part, the transfer amount will exceed your purchasing power or spending limit;
- Circumstances beyond our or its control (such as fire or flood) prevent the transfer, despite reasonable precautions that were taken;

There may be other exceptions stated in the agreement governing the HSA financial service or provided by applicable law.

Reporting errors or questions

If you see an error or have a question call (800) MERRILL (637-7455) or write to us at the address below. *We must receive notice of problems or errors within 60 days after the first statement or receipt was sent on which the problem or error appeared.*

If you call us, we may ask you to report the error or problem in writing within 10 business days.

Report errors or problems in writing to:
Retirement & Distribution Services
NJ2-140-01-021400
1400 American Boulevard
Pennington NJ 08534

Include the following information:

- Your name, address and account number
- A description of the error or the electronic transfer you are unsure about
- The amount of the suspected error

If the electronic transfer in question involved obtaining cash at a financial institution or was a pre-authorized electronic transfer, the question or complaint will be resolved promptly but no more than 45 calendar days after the notice is received. If the electronic transfer in question took place in a foreign country or involved a point of sale transfer made with a Visa card, the question or complaint will be resolved promptly but no later

than 90 calendar days after notice is received. If it is decided that no error occurred, you will be sent a written explanation within three business days after the investigation is finished. You may ask for copies of the documents used in the investigation.

Disclosure of Account Information

Subject to applicable law, we, the Visa card issuer or banks holding your deposit accounts will disclose information to third parties about your HSA account and Visa card only:

- Where it is necessary to complete a transaction;
- To third parties, including our affiliates, who have a business purpose for requesting information regarding the account or card;
- To credit bureaus and other consumer-reporting agencies;
- To comply with a government agency or court orders;
- If you have given written permission; or
- If you authorize a merchant to automatically initiate recurring payments

X. IRS APPROVAL

The IRS has not established a program for approval of HSAs as “prototype” plans. If such a program is established, it is intended that the Merrill Lynch HSA Custodial Agreement set forth in this booklet would be submitted to the IRS for approval as a “prototype” plan. Approval by the IRS, however, is a determination as to the form, not the merits, of a prototype plan.

XI. IRS CAN PROVIDE MORE INFORMATION

For more information about HSAs, you should obtain a copy of IRS Publication 969, “Health Savings Accounts and Other Tax-Favored Health Plans” (or any replacement publication) or contact any IRS office.

Merrill Lynch Health Savings Account Custodial Agreement

This Disclosure Statement and Custodial Agreement, along with the Merrill Lynch Health Savings Account Adoption Agreement that you

have completed and signed, governs your Health Savings Account (“HSA”) of which Merrill Lynch is custodian.

Your HSA is being established for, and this Agreement shall be interpreted in accordance with, the purpose of providing you with funds to pay the “qualified medical expenses” of you, your spouse and dependents pursuant to section 223 of the Tax Code, through contributions by any person (you, your employer, a family member or any other person), rollover contributions or transfer deposits received from another HSA or Archer MSA or special limited direct rollovers from your traditional individual retirement account (“Traditional IRA”), or your Roth individual retirement account (“Roth IRA”).

You represent that, unless this account is used solely to hold rollover contributions, you are eligible to contribute to this HSA, specifically, that you: (1) are covered under a high-deductible health plan (an “HDHP”); (2) are 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) are not enrolled in Medicare; and (4) cannot be claimed as a dependent on another person's tax return.

Definitions:

- Throughout this Agreement, the words **you** and **your** refer to the person for whom your HSA is established or maintained. **Merrill Lynch, we, us, and our** refer to Merrill Lynch, Pierce, Fenner & Smith Incorporated, a registered broker-dealer and wholly owned subsidiary of Bank of America Corporation. Merrill Lynch is the custodian of your HSA.
- Bank of America California, N.A., and Bank of America, N.A. are referred to as the **Merrill Lynch Affiliated Banks. Securities Account** refers to the Merrill Lynch cash securities account established when you establish your HSA.
- **Debit Card/Check Account** refers to the account(s) established for you by the Banks.
- **Checks** refers to checks issued to you by Bank of America, N.A. for use with your Debit Card/Check Account.
- **Debit Card** or **Debit Cards** refer to one or more Visa debit cards issued to you by Bank

of America, N.A. (BANA) for use with your Debit Card/Check account.

- **Money Account** or **Money Accounts** refer to any FDIC-insured deposit account(s) opened for you through the Merrill Lynch Bank Deposit Program (MLBDP).
- **Sweep Program** refers to the automatic deposit of available cash balances into the Money Account(s).
- **Tax Code** refers to the Internal Revenue Code of 1986 and the regulations adopted under it, both as amended.
- **IRS** refers to the Internal Revenue Service.
- **HSA** and **Account** refer to a Health Savings Account which is a Merrill Lynch HSA or an HSA with another financial institution.

In connection with the establishment of your Merrill Lynch HSA, you will receive a copy of the MLBDP Fact Sheet and the HSA Disclosure Statement and Custodial Agreement. These documents shall be referred to in this Agreement as the **Documents**. The Documents contain additional terms governing your HSA. You agree that these Documents are incorporated into this Agreement as though they were fully set out in this Agreement. As set forth in greater detail herein, we have the right to amend the Documents. Unless the context otherwise requires, the term **Agreement** shall include the Documents, as amended from time to time. You agree that we and the Merrill Lynch Affiliated Banks shall have the right to amend this Agreement, by modifying or rescinding any of its existing provisions or by adding any new provision, at any time. Any such amendment shall be effective as of a date to be established by us and the Merrill Lynch Affiliate Banks subject to applicable law. You understand there may be additional documentation required by applicable law or the policies and procedures of Merrill Lynch or the Merrill Lynch Affiliated Banks. You agree to promptly comply with any such requests for additional documents. You acknowledge and agree that nothing in these Documents or otherwise will be construed to confer fiduciary status on us for any purpose. We are not required to perform any additional or supplemental services not specifically allocated to us in the Documents unless specifically agreed to by us in a separate written agreement.

SECTION 1: ESTABLISHING YOUR HSA

1. 1 When Your HSA Is Established

You must receive the Merrill Lynch Health Savings Account Disclosure Statement and Custodial Agreement. An account is considered to be established after the client has completed and signed the Merrill Lynch Health Savings Account Adoption Agreement and Merrill Lynch has determined that all documentation for account opening is in order and complete.

1. 2 Your Legal Responsibility

You agree to comply with all legal requirements governing your HSA. This means that each time you make a contribution to your HSA or request a distribution from it, you will be affirming that your action complies with all applicable legal requirements. We will rely on your instructions as to any actions you may request us to take concerning your HSA.

SECTION 2: CONTRIBUTIONS TO YOUR HSA

2. 1 Types of Contributions Accepted

We can accept several types of contributions to your HSA under this Agreement:

- Annual cash contributions
- Tax-free rollovers or transfers of assets from other HSAs or Archer MSAs
- Special tax-free direct rollovers of assets from your Traditional IRA or Roth IRA.

You are responsible for reporting contributions to your HSA to the IRS on IRS Form 8889, "Health Savings Accounts (HSAs)." You file the IRS Form 8889 along with your IRS Form 1040. You are also responsible for reporting your rollover contributions, distributions and your allowable deductions on IRS Form 8889. You will be responsible for reporting tax-free special direct rollovers from your Traditional IRA or Roth IRA to your HSA on the applicable forms identified by the IRS.

2. 2 Annual HSA Contributions

We will accept cash contributions for the tax year made by you or on your behalf (by your employer, family member or any other person). We will not knowingly accept cash contributions (other than tax-free rollovers and transfers from other HSAs or Archer MSAs and special direct rollovers from IRAs) that exceed the maximum amount for family coverage plus the catch-up contribution as an annual contribution (as adjusted for cost-of-living increases) made by you or on your behalf to your

HSA for any calendar year.

It is your responsibility to determine whether contributions to the HSA have exceeded the maximum annual contribution limit. If contributions to this HSA exceed the maximum annual contribution limit, it is your responsibility to request the withdrawal of the excess contribution and any net income attributable to such excess contribution. Should we discover that we have received an excess contribution, we will return the excess contribution to you only after receiving specific written authorization from you.

2. 3 Rollovers and Transfers from Other HSAs or Archer MSA

We may accept all or part of the assets distributed from another HSA or Archer MSA as rollover contributions to your HSA as described in or treated under Tax Code section 223. We may also accept all or part of the assets of another HSA or Archer MSA as a tax-free transfer to your HSA. A rollover or transfer can be in assets other than cash. However, all noncash assets must be compatible with our administrative and operational requirements and framework. It is your responsibility to determine whether rollovers or transfers to your HSAs are permissible under applicable law.

2. 4 Special Direct Rollovers from IRAs

We may accept cash directly from your traditional IRA or Roth IRA as a one-time tax-free direct rollover to your HSA as described in or treated under Tax Code Section 223.

It is your responsibility to determine whether the special direct rollovers to your HSA are permissible under applicable law and remain permissible during the period determined under Section 408 (d) (9) of the Tax Code with respect to a special direct rollover from your Traditional IRA or Roth IRA.

2. 5 Employer Contributions

We will accept contributions made on your behalf by your employer for deposit into your HSA. We will not knowingly accept contributions from your employer that exceed the maximum amount for family coverage plus the catch-up contribution as an annual contribution (as adjusted for cost-of-living increases). However, you and your employer are responsible for determining whether the contribution is within the limits set by the Tax Code and whether the employer's contribution meets the requirements of section 106(d) of the

Tax Code.

2. 6 Method of Making Contributions

All contributions under Sections 2.2, 2.4 and 2.5 (but not rollover contributions or transfers described in Section 2.3) must be made by check, money order or electronic funds transfer acceptable to us.

2. 7 Maximum Contributions

For calendar year 2014, the maximum annual contribution limit for an account owner with single coverage is \$3,300. For calendar year 2014, the maximum annual contribution limit for an account owner with family coverage is \$6,550. These limits may be subject to cost-of-living adjustments after 2006. Eligibility and contribution limits are determined on a month by month basis.

You will be treated as eligible for the entire tax year if you satisfy the eligibility requirements during the last month of the tax year. Under this special rule you may make the maximum annual contribution to your HSA for the tax year. It is your responsibility to determine whether you are eligible to make HSA contributions under this special rule and whether you remain eligible for the period determined under Section 223(b)(8) of the Tax Code.

Contributions to Archer MSAs or other HSAs and the special one-time direct rollover from your Traditional or Roth IRA count toward the maximum annual contribution limit to this HSA.

An additional \$1000 catch-up contribution may be made for an account owner who is at least 55 or older and not enrolled in Medicare.

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.

2. 8 Timing of Contributions

Contributions for any tax year may be made at any time before the deadline for filing your federal income tax return for that year (usually April 15 of the following year) without extensions.

SECTION 3: INTEGRATED FINANCIAL SERVICE

3. 1 Description of Your HSA

Your HSA consists of three parts: (I) the Securities Account, which is a cash securities account through which you can buy, sell and hold

securities; (2) the Money Account, available through the Sweep Program, which is any FDIC-insured deposit account(s) established through the MLBDP; and (3) the Debit Card/ Check Account by which Bank of America, N.A. processes your Checks and BANA processes your Visa Debit Card transactions. Once you complete and return the HSA Adoption Agreement to us, available free credit balances in your Securities Account will be automatically invested in one or more interest-bearing, bank deposit account(s) insured by the FDIC and opened through the MLBDP. We may reasonably withhold access to your Money Account balances until we are satisfied that checks credited to your Securities Account have been collected. We may satisfy amounts that you owe in connection with your HSA (such as debit balances in the Securities Account and amounts owing in your Debit Card/Check Account) from funds obtained by withdrawals from your Money Account or from your Securities Account. Certain fees, including the HSA custodial fee, which is subject to change, will be charged to your account for the HSA services provided to you. The Debit Card remains the property of BANA and may be canceled by BANA at any time without prior notice. (The Visa debit card cannot be used to purchase over the counter medication without a prescription to or withdraw cash from an ATM.)

3. 2 Securities Account

You will direct the investment of contributions to your HSA and any earnings on the assets purchased with those contributions.

You can request us to place each contribution in one or more of the investment alternatives we offer for the Securities Account, subject to any rules we may reasonably establish. All investments must be compatible with the administrative and operational requirements and procedures of the Merrill Lynch account system through which your Securities Account is administered (as reflected in the Terms and Conditions printed on the reverse side of your HSA statements).

Assets in your HSA may not be commingled with other property except in a common trust fund or a common investment fund. In addition, your HSA cannot be invested in life insurance contracts or in collectibles as defined in section 408(m) of the Tax Code. One ounce American Gold or Silver Eagle coins issued by the United States are not permissible investments. The Tax Code prohibits

you from using your HSA to engage in certain prohibited transactions 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 Tax Code).

In implementing your investment directions (i) we may hold securities in your HSA in our name or the name of any nominee we select, without qualification or description of ownership; (ii) we may make, sign and deliver any written contracts, waivers, releases or other documents necessary to carry out your instructions; (iii) we may establish subaccounts for permitted investment purposes if compatible with the administrative and operational requirements and procedures of the account system through which your HSA is administered; and (iv) if you do not give us investment directions as provided by this Agreement, we may hold assets uninvested until receiving proper instructions.

We will provide you with all notices, prospectuses, financial statements, proxies and proxy solicitation materials we receive concerning investments in your HSA. We will follow your written instructions for voting shares and exercising other rights of ownership with respect to such investments. Subject to, and except as permitted by, any applicable rules of the Securities and Exchange Commission and any national securities exchange, in the absence of written instructions from you, we will not exercise any rights concerning the investments in your HSA and will not be responsible for the consequences of failing to take action.

You may appoint an investment advisor or person to act as your representative with authority to direct the investment of any assets in your HSA. Your appointment, however, will be effective only if (i) we have received a signed copy of an agreement between you and such person, which is acceptable to us and which specifies that such person may act on your behalf and direct us as to how to invest your assets, and (ii) we do not object to acting on the directions of that person, which objection we may assert at any time for any reason. If you have appointed an investment advisor or other person pursuant to this paragraph, the words "you" and "your" in this Section 3.2 (other than this paragraph) and in

Section 5.4 refer to that investment advisor or other person with respect to the actions and assets involved. However, the words you and your in any reference to ownership of your HSA and the making of contributions to that HSA refer only to you.

3. 3 Debit Cards and Checks

Your HSA will be liable for all authorized transactions arising through the use of the Debit Card(s) and Checks in connection with your Debit Card/Check Account. You will be responsible, on a continuing basis, for the safekeeping of your Debit Card(s) and Checks and shall not permit unauthorized persons to have access to your Debit Card(s) or Checks. You also will be responsible for reviewing your HSA monthly statement in order to discover and report to Merrill Lynch the possible unauthorized use of your Debit Card(s) and Checks.

You agree to notify Merrill Lynch immediately if you believe or have reason to believe that your Debit Card(s) or Checks have been or may be used by an unauthorized person. Unless limited by law, you will be responsible for any and all losses and damages that arise from any breach of your undertakings to safeguard your Debit Card(s) and Checks, to review your HSA monthly statement for possible unauthorized activity, and to promptly report any unauthorized activity to Merrill Lynch. You also agree that your HSA must pay the reasonable costs and expenses of collection of any unpaid balance due, including any accrued finance charges, as a result of any overdraft(s), including but not limited to attorney's fees, to the extent allowed by law, involved in such collection. You understand that the Merrill Lynch Affiliated Banks have not taken a security interest in any of the assets in your Securities Account or in your Money Account balances pursuant to this Agreement.

3. 4 Purchasing Power

You agree that you will not incur charges to your Debit Card/Check Account in excess of your Purchasing Power. The Purchasing Power for your Debit Card/Check Account will be the total of any available free credit balance in your Securities Account and the available Money Account balances. If you exceed your Purchasing Power, you will be in default, which may result in termination of your subscription to the HSA Services.

3. 5 Account Inquiries

You understand that inquiries and error allegations concerning your Debit Card/Check Account and your monthly statement should be directed through Merrill Lynch.

3. 6 Your Right to Distribution

Any amount you or your beneficiaries receive from your HSA is called a "distribution." You can withdraw all or any part of the assets in your HSA at any time.

3. 7 Directing a Distribution

Distributions will be made from your HSA after:

- (i) items are presented to Bank of America, N.A. or BANA for payment from your Debit Card/Check Account or
- (ii) your proper completion of an HSA distribution form

We may decline to accept an HSA distribution form in accordance with our established policies. Distributions may be made directly to you or, subject to our rules and procedures, to your other Merrill Lynch nonmedical and nonretirement account. When you request a cash distribution, you must inform us as to which assets should be sold to make the distribution.

With noncash distributions and distributions involving certain types of investments, you should be aware of the following: the distribution of noncash investments from your HSA, such as stocks or mutual fund shares, involves the reregistration of these assets and can frequently take several weeks. Additionally, certain investments are not readily salable and/or may be transferred into another owner's name only at specified times. You should consider these issues and allow extra time for processing your distributions if any of these situations apply to you.

You are responsible for determining if distributions are for "qualified" medical expenses and properly reporting all distributions on your tax return. You are responsible for substantiating that the distribution is for a qualified medical expense and maintaining records sufficient to show, if required, that the distribution is tax-free. You are also responsible for completing IRS Form 8889, "Health Savings Accounts (HSAs)," and submitting it along with IRS Form 1040 and your taxes to the IRS. Merrill Lynch is responsible for reporting the amount of distributions in a year from the HSA, in accordance with IRS reporting requirements, but

is not responsible for determining whether or not distributions are excludable from income (or are subject to any additional taxes).

3. 8 Mistaken Distributions

If there is clear and convincing evidence that you received an HSA distribution as the result of a mistake due to reasonable cause (e. g. you reasonably, but mistakenly, believed that an expense was a qualified medical expense and you were reimbursed for the expense from the HSA) you may repay the mistaken distribution at any time before the end of the calendar year in which the distribution was made. The mistaken distribution will not be included in income and will not be subject to the 20% additional tax for nonqualified distributions nor the excise tax on excess contributions. Merrill Lynch may rely on your representation that the distribution was, in fact, a mistake.

SECTION 4: DEATH AND BENEFICIARIES

4. 1 Effect of Death on HSA

If the designated beneficiary is your surviving spouse, we will treat the HSA as his or her own HSA at your death. This Agreement shall be binding upon your spouse unless superseded by a new HSA agreement.

If any person other than your surviving spouse is the designated beneficiary or acquires your interest in the HSA on account of your death other than as your designated beneficiary, the HSA will cease to be a health savings account within the meaning of section 223 of the Tax Code as of the date of your death. At this time, it is unclear whether your surviving spouse will be treated as the new owner of the HSA if he or she acquires your interest in the HSA other than as your designated beneficiary. If the HSA ceases to be a health savings account on account of your death, we may take such actions, including requiring such documents or imposing such restrictions on the account, as we may deem necessary in the circumstances.

4. 2 Naming a Beneficiary

You may name one or more beneficiaries of your HSA, including individuals, your estate or a trust. Your designation may include contingent beneficiaries and may restrict a spouse beneficiary from taking distributions in excess of specified amounts. Unless a prior beneficiary designation provides to the contrary, you or your

spouse beneficiary may designate and subsequently change the designation of a beneficiary to receive any balance remaining in your HSA following your death or the death of your spouse beneficiary entitled to receive benefits.

Notwithstanding the preceding paragraph, all beneficiary designations or changes of beneficiary must be in writing, subject to any rules we may establish and are not effective until we receive and accept them. We specifically reserve the right not to accept any beneficiary designation that is incompatible with our administrative and operational capabilities, even if such designation is otherwise allowable. A proper written designation or change of beneficiary, which you or your spouse beneficiary executed prior to your or your spouse beneficiary's death and which we receive following your or your spouse beneficiary's death, will govern distributions from your HSA following, but not prior to, our acceptance of the designation.

If your beneficiary is a trust or your estate, distributions will generally be made to the trustee of the designated trust or the executor of your estate. However, the trustee of the trust or the executor of your estate may, in writing, subject to any rules we may establish, direct us to make distributions to the trust's or estate's beneficiaries of its interest in your HSA.

After your death, Merrill Lynch will make distributions to the listed beneficiary of record, regardless of state community property law. If, as a result of state community property law, payments are to be made to the surviving spouse rather than the named beneficiary, a written statement authorizing such payment must be submitted and signed by the spouse and the designated beneficiary.

Unless otherwise provided in your beneficiary designation, if a primary beneficiary predeceases you, his or her share will be distributed to remaining primary beneficiaries in proportion to their payment percentages. If no primary beneficiaries survive you, the balance will be distributed to your contingent beneficiaries.

If you have not designated a beneficiary, or if no beneficiary survives you, your HSA balance will be paid to your surviving spouse, or, if you are not survived by your spouse, to your estate.

If we are notified that a beneficiary is legally a minor under the applicable state law, we can fulfill

our responsibilities as custodian by paying either the beneficiary's parent or legal guardian.

If a decree of divorce or annulment is rendered after you designate your spouse as a beneficiary, any designation in favor of your former spouse is not effective unless the decree designates such spouse as the beneficiary, you redesignate such spouse as a beneficiary, or such spouse is designated to receive proceeds or benefits in trust for, on behalf of, or for the benefit of your child or dependent.

If we cannot locate you or your beneficiary, we can, with no responsibility for the consequences, sell any or all of the assets in your HSA and, if not invested or deposited through the Money Account, invest in a money market fund or deposit the proceeds in an interest-bearing account. We will do so only after waiting at least two months from the date we attempt to locate you or your beneficiary by sending a written notice to the last address shown for you or your beneficiary in our records.

SECTION 5: YOUR AND OUR RIGHTS AND RESPONSIBILITIES

5. 1 Fees and Other Expenses

You agree to pay us fees for our services as custodian of your HSA, according to our current fee schedule, which we may change from time to time. If you enroll your HSA in a Merrill Lynch advisory service, you may also have to pay Merrill Lynch a fee in connection with such service. You agree to reimburse us for any applicable taxes with respect to your HSA, including transfer taxes on investments and any other expenses we incur as custodian or that may otherwise be properly charged to your account.

We may deduct directly from your HSA any such fees, tax reimbursements or expenses owed to us. If sufficient cash is not available in your HSA, we reserve the right to sell any assets in your HSA to cover amounts due us. We may also, at your direction, deduct fees and expenses of any investment advisor you appoint, to the extent not paid by you or otherwise prohibited.

5. 2 Records and Reports

We will use commercially reasonable efforts to keep accurate and detailed records of all transactions concerning your HSA. We will submit such annual and other written reports to you and the IRS as required of us by law. If you do not write to us to object to a report within 60 days after we

send it to you, you will be considered to have approved it and to have released us from all responsibility for matters covered by the report.

You agree to provide us with any information we may need to comply with our legal reporting requirements. You will continue to be responsible for filing your federal tax return and any other reports required of you by law. All distributions from your HSA, including those resulting from account revocations, are reported to you and the IRS on IRS Form 1099-SA.

5. 3 Taxes

If investments in your HSA generate "unrelated business taxable income" of more than \$1,000 during the year, we may have to calculate and pay income taxes on that amount. If so, we reserve the right to impose a fee for filing a tax return for your HSA.

Dividends and earnings on investments in foreign securities or mutual funds with foreign security holdings may be subject to foreign tax withholding. You should note that, in contrast to holding these investments in a taxable portfolio, foreign taxes withheld on HSA income may be ineligible for the U. S. foreign tax credit. Consequently, the effective yield on HSA investments in foreign securities and mutual funds with foreign security holdings may be lower than the effective yield on investments in foreign securities and mutual funds with foreign securities in accounts other than an HSA. Individuals with both tax-favored accounts, such as your HSA, and taxable portfolios may find it preferable to hold foreign securities in their taxable investment portfolios.

5. 4 Limits on Our Responsibility as Custodian

We do not assume liability for any losses incurred in your HSA as a consequence of the investments you selected.

We have no duty to perform any actions other than those specified in this Agreement. We can accept and rely conclusively on any instructions or other communications we reasonably believe to have been given either by you or some other authorized person. We can assume that the authority of any such person continues in effect until we receive written notice to the contrary.

We have no duty to determine or advise you or any other person of the investment, tax or other

consequences resulting from your or their actions involving your HSA. Nor are we liable for the investment, tax or other consequences of your or their actions, or of our actions in following your directions, or of our failing to act in the absence of your or their directions, or of our failing to act in the absence of your or their directions.

We will not make any investments or dispose of any investments in your HSA without your direction or authorization, except as otherwise provided in this Agreement, such as to pay amounts owed us or if the assets in your HSA are considered to be abandoned, in which case we will pay the assets to the state of your last known residence. We are not responsible for reviewing the assets in your HSA or for making recommendations on acquiring, retaining or selling any assets, except to the extent provided under the terms and conditions of a Merrill Lynch advisory agreement in which your HSA is enrolled.

5.5 Termination of HSA Services and Resignation of Custodian

The Merrill Lynch Affiliated Banks, we or you may terminate your subscription to any or all of the HSA Services, including the use of your Checks and Debit Cards, at any time. We can resign as custodian of your HSA by giving you written notice. Our resignation will take effect 30 days after mailing the notice to your last known address in our records. If our notice of resignation does not contain a designation of a qualified custodian to replace us and you do not appoint a qualified successor custodian to replace us, we can distribute the balance in your HSA to you in a single payment. Upon termination of an HSA, we may automatically liquidate your Money Account and you must promptly return all Debit Cards and unused HSA Checks to us and discontinue using any other means of access to the HSA. Your HSA shall remain responsible for authorized charges that arise before or after termination.

You can direct us in writing to transfer the assets in your HSA to some other custodian or trustee of another HSA you identify to us. You are required to direct us to transfer your account to some other trustee or custodian in the unlikely event that the IRS notifies us that we do not qualify to act as custodian. We will make a transfer after receipt of the new custodian's or trustee's written acceptance of the appointment. Certain investments, such as limited partnerships,

generally can be transferred only annually, semiannually or at other specified intervals. Additionally, some investments, such as certain certificates of deposit (CDs) cannot be delivered and must be either liquidated or held with the custodian until maturity.

SECTION 6: OTHER RULES GOVERNING YOUR HSA

6.1 Your Right to Your HSA Balance

Your right to the balance in your HSA cannot be forfeited at any time.

6.2 Restrictions on the Sale or Transfer of Your HSA

Your HSA is exclusively for the benefit of you and your spouse beneficiary's benefit. After your death, your spouse beneficiary, except as specifically provided to the contrary, will have all the rights and all the obligations you had with respect to your HSA. You cannot sell or assign any interest in your HSA. However, you may be able to transfer all or part of your HSA to a former spouse under the terms of a divorce decree or written agreement made in connection with your divorce. Following your death, the trustee of a trust or the personal representative of an estate which is your beneficiary may be able to direct us to make distributions directly to the beneficiaries of such trust or estate, as provided in "Naming a Beneficiary" above.

6.3 Presumption of Receipt of Communications

You agree that communications, including monthly statements and other notices, may be sent to your address or to such other address as you provide in writing. All communications so sent will be considered to have been given to you personally upon such sending, whether or not you actually receive them.

6.4 Credit Information

You authorize Merrill Lynch and its affiliates (including the Merrill Lynch Affiliated Banks) to request a consumer report about you from one or more consumer reporting agencies for the purposes of evaluating your subscription to the HSA Services, reviewing or collecting any account opened for you, or for any other legitimate business purpose. At your request, we will supply you with the name and address of each consumer reporting agency from which we obtained a consumer report, if any, in connection with your subscription or accounts. You understand that

Merrill Lynch shares information with its affiliates, UMB Bank, n.a., and the Merrill Lynch Affiliated Banks in accordance with our privacy policies. UMB Bank, n.a. is not affiliated with Bank of America Corporation, but is under contract to process checks for Merrill Lynch accounts. For more information, please read our “U.S. Consumer Privacy Notice” by visiting www.ml.com/privacy.

6. 5 Indemnification and Lawsuits Involving Your HSA

You agree to hold us harmless from and indemnify us against any liability, cost, or expense that may arise in connection with the Documents or your HSA, other than those arising out of our material failure to perform our specified duties hereunder. Without limiting the generality of the foregoing, you agree to repay us for any liabilities or expenses we may incur as the result of this Agreement, other than those arising out of our material failure to perform our specified duties hereunder. We are not liable for any special, incidental, consequential, or punitive damages under any circumstance. Except as to controversies arising between us, we can apply to a court at any time for judicial settlement of any matter involving your HSA. If we do so, we must give you the opportunity to participate in the court proceeding, but we can also involve other persons. Any expenses we incur in legal proceedings involving your HSA, including attorney’s fees, are chargeable to your HSA and payable by you if not paid from your HSA.

6. 6 Account Inquiries

You understand that inquiries and error allegations concerning your Debit Card/Check Account and your monthly statement should be directed through Merrill Lynch.

6. 7 Applicable Rules and Regulations

All transactions in your Securities Account shall be subject to the constitution, rules, regulations, customs and usages of the exchange or market and its clearinghouse, if any, on which such transactions are executed by us or our agents, including our subsidiaries and affiliates.

6. 8 Agreement to Arbitrate Controversies

This Agreement contains a predispute arbitration clause. By signing an arbitration agreement the parties agree as follows:

- All parties to this Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- Arbitration awards are generally final and binding; a party’s ability to have a court reverse or modify an arbitration award is very limited.
- The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.
- The panel of arbitrators may include a minority of arbitrators who were or are affiliated with the securities industry.
- The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.

You agree that all controversies that may arise between us shall be determined by arbitration. Such controversies include, but are not limited to, those involving any transaction in any of your accounts with Merrill Lynch, or the construction, performance or breach of any agreement between us, whether entered into or occurring prior, on or subsequent to the date hereof.

Any arbitration pursuant to this provision shall be conducted only before the Financial Industry Regulatory Authority, Inc. (FINRA) or an arbitration facility provided by any other exchange of which Merrill Lynch is a member, and in accordance with the respective arbitration rules then in effect in FINRA or such other exchange.

You may elect in the first instance whether arbitration shall be conducted before FINRA or another exchange of which Merrill Lynch is a member, but if you fail to make such election by registered letter addressed to Merrill Lynch at the office where you maintain your account before the expiration of five days after receipt of a written request from Merrill Lynch to make such election, then Merrill Lynch may make such election.

Judgment upon the award of arbitrators may be entered in any court, state or federal, having jurisdiction.

No person shall bring a putative or certified No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.

6. 9 Governing Law

THIS AGREEMENT, AND ITS ENFORCEMENT, WITH RESPECT TO ALL PORTIONS OF THE HSA SERVICES, WILL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK AND FEDERAL LAW APPLICABLE TO HSAs, WITHOUT REGARD TO THE COMMUNITY- PROPERTY LAWS OF ANY STATE. THE TERMS OF YOUR AGREEMENT WITH BANK OF AMERICA, N. A. INCLUDING THOSE RELATING TO ISSUANCE AND USE OF THE DEBIT CARD, ARE GOVERNED BY FEDERAL AND NORTH CAROLINA LAW. THE TERMS OF THE AGREEMENTS WITH BANK OF AMERICA CALIFORNIA, N. A. ARE GOVERNED BY FEDERAL AND CALIFORNIA LAW.

6. 10 Headings Are Descriptive

The heading of each provision of this Agreement is for descriptive purposes only and shall not be deemed to modify or qualify any of the rights or obligations set forth in each such provision.

6. 11 Separability and Right to Amend

If any provision of this Agreement is held to be invalid, illegal, void or unenforceable by reason of any law, rule, administrative order or judicial

decision, such determination will not affect the validity of the remaining provisions of this Agreement.

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

6. 12 Extraordinary Events

You agree that Merrill Lynch, its affiliates, UMB Bank, n.a., and the Merrill Lynch Affiliated Banks will not be liable for loss caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, war, strikes, or other conditions beyond their control.

6. 13 Binding Effect on Successors

You and we agree that this Agreement will be binding on and will inure to the benefit of the beneficiaries, heirs, successors and personal representatives of you, your beneficiaries and Merrill Lynch.

6. 14 Investment in non-US issued securities

If you trade and hold non-US issued securities, you acknowledge and agree that Merrill Lynch or its affiliates are, or may be required to disclose your name and other identifying information, including but not limited to, Social Security number or tax identification number, to regulators (including taxing authorities) and/or issuers to comply with local law and/or customer or practice. For example, we may be required to provide personal information in order to meet local regulations that require the submission of investor names to the local stock exchange, or an issuer may request residence and taxpayer identification information in order to obtain favorable tax treatment, such as lower withholding rates, for shareholders.

6. 15 Referral Policy

Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”) is an affiliate of Bank of America, N.A. and other subsidiaries of Bank of America Corporation (collectively, “Merrill Lynch”). Merrill Lynch is one of the world’s largest financial institutions, serving individual consumers, small- and middle-market businesses, institutional investors, large corporations and governments with a full range of banking, investing, asset management and other financial and risk management products and services. **In the event Merrill Lynch refers your business among its affiliates to provide you with certain products or services, Merrill Lynch (or its employees or representatives) may receive financial or other benefits for such referrals.**

About the Merrill Lynch Bank Deposit Program

This section describes the manner in which free credit balances of customers (“you,” “your” and “yours”) of the Merrill Lynch Health Savings Account, will be deposited in bank deposit accounts established in the name of Merrill Lynch as your agent at either Bank of America, N.A. (BANA) and/or Bank of America California, N.A. (“BA-CA”), by Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”). This feature is called the Merrill Lynch Bank Deposit Program (“MLBDP”).

If you subscribe to the MLBDP for your HSA account, Merrill Lynch, as your agent, will establish two bank deposit accounts on your behalf at BANA and BA-CA: (1) a bank transaction account (“BTA”); and (2) a money market deposit account (“MMDA”). The BTAs and MMDAs established through the MLBDP are each a “Deposit Account.”

ELIGIBILITY

The MLBDP is available only to individuals, business entities, certain nonprofit organizations such as 501(c) (3) entities and certain fiduciaries and trusts, provided the beneficiaries are individuals or otherwise eligible.

HOW THE PROGRAM WORKS

Deposits for single account holders

The timing of the deposit of available free credit balances will be as set forth in the HSA account agreement.

For HSA accounts, free credit balances of up to \$246,000 are remitted automatically for deposit by Merrill Lynch, acting as your agent, to your Deposit Accounts established by Merrill Lynch at BANA. Merrill Lynch will make this deposit on your behalf without reference to any other amounts you may have on deposit with BANA. If your Deposit Account balances with BANA reach \$246,000, then free credit balances are remitted for deposit to your Deposit Accounts established by Merrill Lynch at BA-CA, until Deposit Account balances at BA-CA (from your HSA account) reach \$246,000. If your Deposit Account balances at BA-CA (from your HSA account) reach \$246,000, subsequent funds will be deposited in your Deposit Accounts at BANA, even if the amounts then deposited in BANA through the MLBDP exceed \$250,000.

All deposits made to the Deposit Accounts will be made to your MMDA accounts, except as described under “Transfers and withdrawals” on the following page.

Important deposit insurance considerations

All funds on deposit in each Merrill Lynch Affiliated Bank are eligible for insurance by the Federal Deposit Insurance Corporation (“FDIC”). Deposits are insured up to the Standard Maximum Deposit Insurance Amount (“SMDIA”), per ownership category, per bank. For purposes of determining deposit insurance coverage, all accounts or deposits (including certificates of deposit (“CDs”) you hold either directly or through any other account at Merrill Lynch or any other intermediary) in the same Merrill Lynch Affiliated Bank will be aggregated. Amounts on deposit at BANA or BA-CA in the same insurable capacity (including CDs and other deposits you may have) in excess of the applicable FDIC insurance limit will not be covered by FDIC insurance. You are responsible for monitoring the total amount of all Merrill Lynch Affiliated Bank deposits in order for you to determine the extent of insurance coverage available to you on those deposits, including the Deposit Accounts and CDs.

If you have elected the MLBDP sweep feature in connection with more than one Merrill Lynch

Account in the same ownership category (such as a individual Cash Management Account (CMA)[®] and individual HSA Account), you should note that remittances of funds from the HSA and CMA to the Deposit Accounts are made by Merrill Lynch, as your agent, on an automated and independent basis. Merrill Lynch will not monitor and adjust deposits to the Deposit Accounts to achieve the greatest deposit insurance coverage for you between or among your Merrill Lynch accounts. Persons with more than one Merrill Lynch account with the MLBDP should consider various alternatives to lessen the amount of their uninsured Deposit Accounts. These alternatives may include selecting a different Money Account, if available, into which available cash balances in their second (or additional) Merrill Lynch accounts are swept, and carefully monitoring and periodically adjusting the amount of their deposits with BANA and BA-CA (whether in the Deposit Accounts, CDs or other deposits).

As a result of the automated and independent nature of the deposit-making process for the MLBDP, it is possible, for example, that individual Merrill Lynch account holders with a both an HSA and CMA could have amounts on deposit with BANA in excess of the FDIC insurance maximum before any deposits are made, under the MLBDP, to the individual's Deposit Accounts at BA-CA.

Merrill Lynch is not responsible for any insured or uninsured portion of the deposits made under the MLBDP, or any CDs or any other deposits you may have.

For more information on FDIC deposit insurance, refer to the "About Deposit Insurance" section on page 38.

Transfers and withdrawals

Withdrawals will be made from your BTAs by Merrill Lynch as your agent as necessary to satisfy debits (securities purchases, Checks, Visa and other charges) in your respective HSA account agreement. If you have Deposit Accounts only with BANA then withdrawals will be made from your Deposit Accounts at BANA. In general, if you have Deposit Accounts at both BANA and BA-CA, withdrawals will be made from your Deposit Accounts in the reverse of the order in which deposits are made to the accounts.

If funds in a BTA are insufficient to satisfy a debit, funds in the MMDA at either BANA or BA-CA will be transferred to the BTA at BANA or BA-CA to satisfy

the pending withdrawal, plus a "cushion" to be determined from time to time by Merrill Lynch. Federal banking regulations generally limit the transfers from an MMDA to a total of six (6) during a monthly statement cycle and certain aggregation rules may apply to transfers from the MMDAs at BANA or BA-CA. At any point during a month in which transfers from the MMDAs at BANA or BA-CA have reached the applicable limit, funds will be transferred from all MMDAs you have at BANA or BA-CA to the related BTAs. For the remainder of the month, free credit balances in your HSA will be deposited in your BTAs instead of the MMDAs as described above. At the beginning of each month, all funds in the BTAs (less \$1) will be transferred to the MMDAs. The limits on MMDA transfers will not limit the number of withdrawals you can make from funds on deposit at BANA or BA-CA through the MLBDP.

As required by federal regulations, BANA and BA-CA reserve the right to require seven days' prior notice before permitting a transfer out of the BTAs and MMDAs. BANA and BA-CA have not exercised this right in the past.

The BTAs and MMDAs are not transferable.

Interest rates, yields and tiering

Interest rates paid on deposits in the MLBDP are determined at the discretion of BANA and BA-CA based on economic and business conditions. Interest rates may change daily. The current yield on any deposits held in the MLBDP is included on your Merrill Lynch account statement. Recent yields may be accessed on MyMerrill.com (see the "Deposit Account & Money Fund Rates" link at the bottom of each page) or by contacting your Financial Advisor.

Balances in the BTAs and MMDAs at BANA and BA-CA will earn the same interest rate and rate of return.

Interest rates paid on deposits in the MLBDP are tiered based on the assets in your HSA account.

The rates of return paid with respect to the accounts may be higher or lower than the rates of return available to direct depositors of either BANA or BA-CA for comparable accounts. Of course, you should compare the terms, rates of return, required minimum amounts, charges and other features of the deposits at either BANA or BA-CA with other accounts, sweep programs and alternative investments offered by Merrill Lynch or other institutions.

Interest will accrue on Deposit Account balances from the day they are deposited to either BANA or BA-CA to (but not including) the date of withdrawal, and will be compounded daily and credited monthly. Both BANA and BA-CA use the daily balance method to calculate interest on the accounts. This method applies the applicable rate to the principal in the accounts each day.

Account statements and information

All deposits to and withdrawals from your Deposit Accounts will be confirmed and appear in chronological sequence on separate monthly HSA account agreement statements. In addition, the statements will show the total of your opening and closing deposit balances for the period at BANA and/or BA-CA. To determine your total deposits in BANA and/or BA-CA through the MLBDP, you will need to add the balances shown on each statement. The statements will also include interest earned for the period at BANA and/or BA-CA.

You may obtain information about your accounts with either BANA and/or BA-CA, including balances, checking activity and the current interest rates, by calling your Financial Advisor or (800) MERRILL (637-7455).

Your relationship with Merrill Lynch

Merrill Lynch is acting as agent and messenger for its customers for the deposits at BANA and/or BA-CA. The separate accounts established by Merrill Lynch on your behalf will be evidenced by a book entry on the account records of BANA and/or BA-CA and reflected on your periodic Merrill Lynch account statements. No evidence of ownership, such as a passbook or certificate, will be issued to you.

Checks clear through the check writing facility provided for your HSA, which results in debits directly against your HSA account at Merrill Lynch. Your HSA is an investment and money management vehicle. The Visa Card and checking features are intended to provide you with easy access to assets in your account. An HSA account is not a bank account. Checks are provided to you by Merrill Lynch and not by either BANA or BA-CA. In addition, all transactions are effected through Merrill Lynch, as agent, and not directly between you and either BANA or BA-CA.

Deposits with BANA are obligations of BANA only and are not guaranteed by or obligations of Bank of America Corporation or any other

subsidiary thereof. Deposits with BA-CA are obligations of BA-CA only and are not guaranteed by or obligations of Bank of America Corporation or any other subsidiary thereof. Upon request, you will be provided with the publicly available summary financial information that Merrill Lynch has relating to the BANA and BA-CA. Merrill Lynch is not a bank. Securities made available through Merrill Lynch are not guaranteed by any bank, are not insured by the FDIC, and may lose value.

Merrill Lynch may, in its sole discretion and without notice, terminate your use of the HSA. Either BANA or BA-CA may also terminate, in its sole discretion and without notice, your Deposit Accounts. If Merrill Lynch does not wish to continue to act as your agent with respect to your Deposit Accounts, you may deal directly with either BANA or BA-CA, subject to its rules with respect to maintaining direct bank accounts. Similarly, if you decide that you no longer wish to have Merrill Lynch act as your agent and messenger with respect to the Deposit Accounts established for you at either BANA or BA-CA, you may establish a direct relationship with either BANA or BA-CA, subject to its rules with respect to maintaining such accounts, by requesting to have the accounts established in your name. This will result in severance of the Deposit Accounts from your HSA account agreement.

As stated in the HSA Account Disclosures and Account Agreement, Merrill Lynch may delay payment from your account for a certain number of days based upon factors including whether the source of the funds placed in your HSA was an electronic funds transfer, check, draft or similar instrument.

Benefits to Merrill Lynch

Deposits held in BANA and BA-CA are financially beneficial to Merrill Lynch and its affiliates. BANA and BA-CA use bank deposits to fund current and new lending, investment and other business activities. Like other depository institutions, the profitability of BANA and BA-CA is determined in large part by the difference between the interest paid and other costs incurred by them on bank deposits and the interest or other income earned on their loans, investments and other assets. The deposits provide a stable source of funding for BANA and BA-CA, and borrowing costs incurred to fund the business activities of BANA and BA-CA

have been reduced by the use of deposits from Merrill Lynch clients.

Merrill Lynch receives compensation from BANA and BA-CA of up to \$100 per year for each HSA account that has uninvested cash balances automatically swept to BANA and/or BA-CA under the MLBDP. The amount of this compensation is subject to change from time to time and Merrill Lynch may waive all or part of it. Other than the regular annual Merrill Lynch account fees, there will be no charge, fee or commission imposed with respect to your deposits with BANA or BA-CA. Our Financial Advisors are compensated based on total client deposits held in either BANA or BA-CA.

ABOUT DEPOSIT INSURANCE

FDIC Insurance

FDIC insurance covers all deposit accounts at an FDIC insured bank, which includes MLBDP deposits. Deposits maintained in different categories of legal ownership—such as individual accounts, joint accounts, or Certain Retirement Accounts—are separately insured by the FDIC up to the applicable Standard Maximum Deposit Insurance Amount (SMDIA) per depository institution. The SMDIA is \$250,000 per depositor, per ownership category, per bank. Your FDIC protection takes effect as soon as BANA and/or BA-CA receives your deposits from Merrill Lynch. Amounts in excess of the applicable FDIC insurance limit may be deposited to the Merrill Lynch Affiliated Banks from the same Merrill Lynch account. It is important to note that uninvested cash held in more than one Merrill Lynch account (such as an HSA account and an HSA SubAccount) may be deposited to the same Merrill Lynch Affiliated Banks. Any accounts or deposits (e.g., CDs) maintained with a Merrill Lynch Affiliated Bank in the same legal ownership category, whether directly, through other Merrill Lynch accounts or through any other intermediary, would be aggregated for FDIC insurance limit purposes.

You are responsible for monitoring the total amount of your deposits in order for you to determine the extent of insurance coverage available to you on your deposits, including any CDs. Merrill Lynch is not responsible for any insured or uninsured portion of MLBDP deposits, CDs or any other deposits.

Merrill Lynch will not be obligated to you for amounts not covered by deposit insurance; nor will Merrill Lynch be obligated to make any payments to you in satisfaction of a loss you might incur as a result of a delay in insurance payouts applicable to your Deposit Accounts. Merrill Lynch will not be obligated to credit your HSA with funds in advance of their payment to Merrill Lynch by the FDIC. Each Deposit Account constitutes a direct obligation of the issuing depository institution and is not directly or indirectly an obligation of Merrill Lynch.

Since deposit insurance coverage is based on a customer's funds on deposit in any one depository institution, coverage can change if two or more institutions where you have funds on deposit merge or consolidate. Please note that if your deposits at a depository institution are assumed by another depository institution ("acquirer") pursuant to a merger or consolidation, such deposits will continue to be separately insured from the deposits that you might have established with the acquirer until the expiration of a six-month period from the date of the acquisition. Thereafter, any assumed deposits will be aggregated with your existing deposits with the acquirer held in the same ownership category for purposes of federal deposit insurance. Any deposit opened at the acquired institution after the acquisition will be aggregated with deposits established with the acquirer for purposes of federal deposit insurance.

Health Savings Account

An HSA is insured based on ownership of the funds and whether there are named beneficiaries. If a customer opens an HSA with named beneficiaries in the HSA Adoption Agreement or in the Bank records, the FDIC would insure the deposit under the Revocable Trust account ownership category. If there are no named beneficiaries, the FDIC would insure the deposits under the Individual Customer account ownership category.

The application of the Standard Maximum Deposit Insurance Amount (SMDIA) is illustrated by several common situations discussed below. For additional information, including FDIC rules related to retirement accounts, visit www.fdic.gov

Individual customer accounts

An individual account is an account owned by one person. Individual accounts include accounts

established for the benefit of the owner by agents, nominees, guardians, custodians, or conservators, and accounts established by a business that is a sole proprietorship. All individual accounts established by, or for the benefit of, the same owner at an FDIC insured institution are added together, and the total is insured up to \$250,000.

For example, funds in accounts held by a custodian under the Uniform Gifts to Minors Act are not treated as owned by the custodian, but are added to other deposits of the minor held in an individual capacity and insured up to \$250,000.

Joint accounts

A joint account is an account owned by two or more people. Each co-owner's interest in joint accounts at an FDIC insured institution is added together and the total is temporarily insured up to \$250,000 through December 31, 2013. For example, a joint account owned by two persons would be eligible for insurance coverage of up to \$500,000 (\$250,000 for each person), through December 31, 2013, subject to aggregation with each co-owner's interests in other joint accounts at the same depository institution. Joint accounts are separately insured from the co-owner's deposits maintained in other ownership categories at the depository institution (e. g. individual accounts) if each co-owner: is an individual person, has signed an account agreement with Merrill Lynch and has an equal right of withdrawal from the account.

Revocable trust accounts

A revocable trust is an account that indicates an intention that funds will belong to named beneficiaries upon the owner's death and that can be revoked or terminated at the discretion of the owner (frequently referred to as a "transfer on death" account). The FDIC's insurance regulations distinguish between two types of revocable trusts—formal trusts and informal trusts.

A formal revocable trust is established through a written trust document or agreement. The beneficiaries must be a natural living person and/or a charity/non-profit organization recognized by the IRS. Because Merrill Lynch account records do not specifically name the beneficiaries of a formal revocable trust, it is necessary for the account title to indicate that the account is held by a formal revocable trust in

order for each named beneficiary to qualify for FDIC insurance.

An informal revocable trust is created if all of the following conditions are met: 1) the account title must include commonly accepted terms such as "transfer on death," "in trust for" or similar language to indicate the existence of a trust relationship (the terms may be abbreviated); 2) the beneficiaries must be identified by name in the deposit account records for the bank; 3) the beneficiaries must be a natural living person and/or a charity/non-profit organization recognized by the IRS.

FDIC coverage is determined by the number of beneficiaries named by an owner and the amount of the deposit. For revocable trust accounts where the owner has a balance of \$1,250,000 or less at an FDIC-insured institution and has named five or fewer beneficiaries, rather than evaluate the proportional interest of each beneficiary, the maximum coverage is determined by multiplying the number of beneficiaries by \$250,000. For revocable trust accounts where the owner has more than \$1,250,000 and has named six or more unique beneficiaries, each with an equal interest in the trust, the calculation is the same as for revocable trusts that name five or fewer beneficiaries. The maximum insurance coverage is up to \$1,500,000. For revocable trust accounts where the owner has more than \$1,250,000 at an FDIC-insured institution and has named more than five beneficiaries in the revocable trust with unequal interests, the maximum coverage is the greater of (i) \$1,250,000 or (ii) the aggregate amount of all the beneficiaries' proportional interests in the revocable trusts, limited to \$250,000 per beneficiary.

Properly established revocable trust account deposits, whether formal or informal, are separately insured from the owner's deposits maintained in other ownership categories at the depository institution. However, a revocable trust account established by a husband and wife that names the husband and wife as sole beneficiaries will be treated as a joint account and will be aggregated with other joint accounts subject to the rules described above under "Joint Accounts." A living trust is a formal revocable trust over which the owner retains ownership and control of the assets and designation of beneficiaries during his or her lifetime. Living trusts are subject to special

rules, which you should review carefully in order to determine the available FDIC deposit insurance coverage.

Irrevocable trust accounts

An irrevocable trust is an account in which the grantor gives up all power to the trust. The irrevocable trust may be created through an irrevocable trust document or agreement, statute or court order, or could spring from a revocable trust. The deposit account records of the depository institution must disclose the existence of the trust relationship. The interests of the beneficiaries must be non-contingent (i. e. capable of determination without evaluation of contingencies) and ascertainable from the deposit account records of the depository institution or from the records of the trustee maintained in good faith and in the regular course of business. The value of each beneficiary's interest must be capable of determination in accordance with FDIC regulations. The trust must be valid under state law. Irrevocable trust accounts are separately insured from the owner's deposits maintained in other ownership categories at the depository institution (e. g. revocable trust accounts).

The interests of a beneficiary in all deposit accounts under an irrevocable trust established by the same grantor, at the same FDIC-insured institution, are added together and insured up to \$250,000. If the owner retains an interest in the trust, that interest is added to the owner's single accounts, if any, and that total is insured up to \$250,000.

Other Employee Benefit Plans

The contingent interests of employees in an Employee Benefit Plan and overfunded amounts attributed to any Employee Benefit Plan are not insured on a pass-through basis. Any interests of an employee in an Employee Benefit Plan deposit which are not capable of evaluation in accordance with FDIC rules (i. e. contingent) will be aggregated and insured up to the SMDIA per employee benefit plan. Similarly, overfunded amounts are insured up to the SMDIA per employee benefit plan separately from the insurance provided for any other funds owned by or attributable to the employer or an Employee Benefit Plan participant.

Treatment of accounts upon death of owner

Under certain circumstances, if you become the owner of deposits at a depository institution

because another depositor dies, beginning six months after the death of the depositor, the FDIC will aggregate those deposits for purposes of the SMDIA with any other deposits that you own in the same ownership category at the depository institution. Accounts that may be subject to this FDIC policy include joint accounts, "payable on death" accounts and certain trust accounts. For example, in the event of the death of one of two co-owners of a joint account, beginning six months after the death of the depositor, all the funds would be treated as individually held by the surviving co-owner and would, therefore, be aggregated with all other individually owned deposits of such survivor at the same depository institution for insurance purposes, unless some other action is taken. The FDIC provides the six month "grace period" to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible.

Payments under adverse circumstances

In the event that federal deposit insurance payments become necessary, the FDIC is required to pay principal plus unpaid and accrued interest up to the date of the closing of the relevant depository institution as prescribed by law and applicable regulations. Since there is no specific time period during which the FDIC must make available such insurance payments, you should be prepared for the possibility of an indeterminate delay in obtaining insurance payments. In addition, you may be required to provide certain documentation to the FDIC and to Merrill Lynch before any insurance payments are released to you. For example, if a deposit account is held by you as trustee for the benefit of trust participants, you may be required to furnish an affidavit to that effect; you may be required to furnish other affidavits and indemnities regarding the insurance payments.

Additional information from the FDIC

If you have questions about FDIC insurance coverage, you may obtain information by contacting the FDIC, by letter, FDIC, Attn: Deposit Insurance Outreach, 550 17th Street, N. W. , Washington, D. C. 20429; by phone, 1-877-ASK-FDIC (1-877-275-3342) or 1-800-925-4618 (hearing impaired); or by visiting the FDIC Web site at www.fdic.gov ■

L-04-16

Merrill Lynch Wealth Management makes available products and services offered by Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") and other affiliates of Bank of America Corporation ("BoFA"). MLPF&S is a registered broker-dealer, member SIPC and a wholly owned subsidiary of BoFA.

Banking products are provided by Bank of America, N.A. and affiliated banks, members FDIC and wholly owned subsidiaries of BoFA.

Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
----------------------	-------------------------	----------------

Unless otherwise noted, all trademarks and registered trademarks are property of Bank of America Corporation.

Visa is a registered trademark of Visa International Service Association and is used by the issuer pursuant to license from Visa U.S.A. Inc.

Neither Bank of America nor any of its affiliates provide legal, tax or accounting advice. You should consult your legal and/or tax advisors before making any financial decisions.

