



How to Set-up a HSA Account

The 4 Rules for Setting Up a HSA:

1. You must enroll in a high deductible HSA compatible health plan
2. You cannot be enrolled in Medicare A, B, C or D
3. You must complete the individual enrollment form or enroll online
4. You cannot be claimed as a dependent on another person's tax return

How to Set-up a HSA:

Choose a fee schedule: Standard \$8.75 (all inclusive) or Value \$2.50 (a la carte)

1. Calculate the maximum contribution amount per IRS regulations.
2. Note: If your HSA compatible health plan starts on any date other than January 1st, you are required to stay on the HSA compatible health coverage for one full year. Otherwise a 20% penalty and taxes will apply to any over contribution should you end your HSA coverage prematurely.
3. If employer is contributing or allowing employees to contribute pretax via payroll deduction...
 - a. Employer must complete employer application and list bill.
 - b. Employer specifies how much will be contributed to each employee's account (HSA and/or fees).
4. Each accountholder must then...
 - a. Complete individual application form by mail or enroll online.
 - b. Complete beneficiary designation form.
5. Note: Total contributions from employer and employee may not exceed the IRS annual limits.
6. Submit original completed forms with a check for the contribution amount and fees. Minimum amount required to set up an account is \$100 + one time set-up fee of \$15 per account for online group enrollment or \$25 per account for paper group enrollment + minimum required two months maintenance fees (2 x \$8.75=\$17.50 or 2 x \$2.50=\$5.00) to Sterling HSA.
7. A "wet signature" is required on the enrollment forms (original required). Facsimile copies are not acceptable. Please enroll online at www.sterlinghsa.com or mail forms to:

Sterling HSA
P.O. Box 71107
Oakland, CA 94612

8. While this is a tax favored account for Federal tax purposes, state taxes may still apply. HSA contributions can be made pre-tax via payroll deduction or deducted at the end of the year on an individual's 1040 tax return (above the line).

Health Savings Accounts Sterling Service Packages & Fees



Sterling HSA delivers a simple, reliable and personal approach to paying for health care while saving for the future. Our services include:

- Education about HSAs and assistance with account set-up.
- Collection and accounting of individual and employer contributions and investment returns.
- Payment of qualified medical bills, if requested by the accountholder. Record keeping of transactions in case of IRS audit.
- A choice of investment options through well-known financial institutions.
- Personalized customer service via phone, email, fax or mail.
- Quarterly account statements for HSA accountholders and employers.
- Money Back Guarantee. If for any reason our accountholders become dissatisfied with Sterling HSA services, we will refund to them monthly account management fees paid up to one year.

Choose from Two Service Packages – Standard & Value Plans

1. **Sterling Value Plan** - Offers a menu approach to select the services most important to Sterling HSA accountholders. Clients pay fees on a per service basis.
2. **Sterling Standard Plan** - Our most complete range of administrative services for a monthly fee.

Fee Schedule Comparison

PRIMARY SERVICES	STANDARD PLAN	VALUE PLAN
ACCOUNT SET-UP FEES	\$25/\$15 (ONE TIME CHARGE) HARD COPY/ELECTRONIC	\$25/\$15 (ONE TIME CHARGE) HARD COPY/ELECTRONIC
MONTHLY MANAGEMENT FEES	\$8.75	\$2.50
Online Transactions		
Contributions & Disbursements*	Included	Included
Access/View Account Activity Statements	Included	Included
Medical Bill Paying		
Online Bill Paying	Included	Included
Disbursement Requests by Fax or Email (per check)	Included	\$5.00
Medical Bill Review	Included	Included
Scan/Archive Medical Bills	Included	Included
Debit Card Fees		
Card Issuance for Accountholder (first 2 cards)	Included	\$5.00
Card Issuance for Each Additional Card (per card)	\$10.00	\$10.00
Usage (per transaction)	Included	\$1.50

Account set-up fees are lower for individuals who are not part of an employer group. Fees for groups can be negotiated for health plan partners, large group accounts and rollover HSA accounts. All fees listed are per account. A \$20 HSA account closure fee is charged to process final reporting. Other fees may apply beyond the core services listed above. Please see additional information at www.sterlinghsa.com or ask your sales representative for details.

Health Savings Account Individual Application

Please check box if this application is being submitted for the purpose of establishing a spousal catch-up account for an already existing account. Please provide the number of the main account already established in Sterling HSA:

1. INFORMATION ABOUT YOU		Please print clearly. All fields are required.	
ACCOUNTHOLDER NAME	<input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr.		
	First Name	M.I.	Last Name
MAILING ADDRESS	Address		
	City	State	Zip
CONTACT INFO	Telephone Number		
	Email Address		
SOCIAL SECURITY NUMBER	DATE OF BIRTH	DRIVER'S LICENSE / PASSPORT or other Government issued identification.	
		<input type="checkbox"/> Driver's License <input type="checkbox"/> Passport <input type="checkbox"/> Other <hr/>	

2. INFORMATION ABOUT YOUR SPOUSE		If applicable.	
NAME	SOCIAL SECURITY NUMBER	DATE OF BIRTH	
<input type="checkbox"/> Male <input type="checkbox"/> Female <hr/> First Name M.I. <hr/> Last Name	<hr/> - - <hr/>	<hr/> / / <hr/>	

3. INFORMATION ABOUT YOUR HEALTH INSURANCE

All fields are required.

NAME OF HEALTH PLAN CARRIER	YOUR ANNUAL DEDUCTIBLE (Please check Single or Family Coverage and enter the deductible amount you carry)	EFFECTIVE DATE OF HEALTH PLAN
	<input type="checkbox"/> Single Coverage <input type="checkbox"/> Family Coverage	\$ _____ / /

4. YOUR EMPLOYER INFORMATION

NAME OF YOUR EMPLOYER	EMPLOYER CONTACT
	Name _____ Telephone # _____ Email Address _____

5. INITIAL CONTRIBUTION AND SERVICE FEES

Please print clearly. All fields are required.

HSA CONTRIBUTION	<ul style="list-style-type: none"> • Minimum \$100.00 initial contribution • Maximum Annual per IRS guidelines • Maximum "catch up" contributions for age 55+ (in addition to above) 	\$
ACCOUNT SET-UP CHARGE	<ul style="list-style-type: none"> • \$25.00 one-time set up fee 	\$
PLAN SELECTION	Please choose your preferred plan and enter the amount selected: <input type="checkbox"/> Standard Plan \$8.75/Month x 2 months = \$17.50 <input type="checkbox"/> Value Plan \$2.50/Month x 2 months = \$5.00	\$
TOTAL AMOUNT	Amount due to open my account is being: <input type="checkbox"/> Paid by an attached check to Sterling HSA. <input type="checkbox"/> Paid on my Employer's List Bill included with this application. Please note that a minimum \$20 balance must be kept in the account at all times.	\$

6. ADDITIONAL CONTRIBUTIONS

Complete only if you, the subscriber, will be making additional regular contributions besides your employer's contributions.

ADDITIONAL CONTRIBUTIONS	Additional Contribution	Payments are planned:	Method of payment:
	\$ _____	<input type="checkbox"/> Per Pay Period <input type="checkbox"/> Monthly <input type="checkbox"/> Other: _____	<input type="checkbox"/> Check <input type="checkbox"/> Payroll

7. DEBIT CARD REQUEST

Optional

<input type="checkbox"/>	By checking the box, please order a Debit Card in my name. One card will be mailed to my address within 10 business days from the date of processing this application.						
<input type="checkbox"/>	By checking the box, please order a Debit Card for my dependent(s) listed below and mail to my address. Additional charges may apply.						
	<table border="0" style="width: 100%;"> <tr> <td style="border-top: 1px solid black; width: 50%;">Name</td> <td style="border-top: 1px solid black; width: 20%;">SS#</td> <td style="border-top: 1px solid black; width: 30%;">Date of Birth</td> </tr> <tr> <td style="border-top: 1px solid black;">Name</td> <td style="border-top: 1px solid black;">SS#</td> <td style="border-top: 1px solid black;">Date of Birth</td> </tr> </table>	Name	SS#	Date of Birth	Name	SS#	Date of Birth
Name	SS#	Date of Birth					
Name	SS#	Date of Birth					

8. BROKER AGENT INFORMATION

_____ (Name of Broker)	_____ (Broker License Number)	Please enter the name of your Sterling HSA Representative: _____
_____ (Phone Number)	_____ (Email Address)	

9. ACKNOWLEDGEMENT / CUSTODIAL AGREEMENT

Required

This Subscriber Application Form, when signed by me and accepted by Sterling Health Services, Inc., acknowledges my receipt of the Sterling Health Services Administrative Agreement and the Custodial Agreement. I agree to be bound by the terms and conditions of the Custodial Agreement that may be amended from time to time. I further agree that I will be bound by any conditions or limitations regarding my Custodial Account established by Sterling HSA. By signing this Subscriber Application Form, I consent to the sharing of financial and other information between me and Sterling HSA and among Sterling HSA's various affiliates. I acknowledge that summary information regarding Health Savings Accounts is available for informational purposes at "www.SterlingHSA.com".

(Accountholder's Signature) (Date)

Please do not fax! Original signature with payment must be received to avoid delay in processing your application.

Beneficiary Designation Form

Accountholder Name _____

Please check one of the following options:

- Initial Beneficiary Designation:** I designate the individual(s) or entity below as my primary and/or contingent beneficiary(ies) of this HSA.
- Replace Beneficiary(ies):** I designate the individual(s) or entity below as my primary and/or contingent beneficiary(ies) of the account named above and hereby revoke all prior beneficiary(ies) designations, if any, made by me.
- Add beneficiary(ies):** I designate the individual(s) or entity below as my primary and/or contingent beneficiary(ies) of the above account. This list supplements, but does not replace, the beneficiary(ies) previously designated by me on the date specified. (When adding beneficiaries, if the share % of previously designated beneficiary(ies) changes, restate all beneficiary(ies) and the corresponding share % if the previous percentages are no longer correct.)

Beneficiary(ies):

The individual(s) or entity named in the below table shall be my primary and/or contingent beneficiary(ies). If neither primary nor contingent is indicated, the individual or entity will be deemed to be a primary beneficiary. If more than one primary beneficiary is designated and no distribution percentages are indicated, the beneficiaries will be deemed to own equal share percentages in the account. Multiple contingent beneficiaries with no share percentage indicated will also be deemed to share equally. If primary or contingent beneficiary dies before me, his or her interest and the interest of his or her heirs shall terminate completely, and the percentage share of any remaining beneficiary(ies) shall be increased on a pro-rated basis. If no primary beneficiary(ies) survives me, the contingent beneficiary(ies) shall acquire the designated share of my account.

Name	DOB	Relationship	SSN #	Primary/Contigent	%

Spousal Consent:

Please check one of the following options:

- I am not married** - I understand that if I become married in the future, I must complete a new Beneficiary Designation form.
- I am married** - I understand that if I choose to designate a primary beneficiary other than my spouse, my spouse must sign below.

I am the spouse of the above-named Accountholder. I acknowledge that I have received a fair and reasonable disclosure of my spouse's property and financial obligations. Due to the important tax consequences of giving up my interest in this account, I have been advised to see a tax professional. I hereby give the Accountholder any interest I have in the funds or property deposited in this account and consent to the beneficiary designation(s) indicated above. I assume full responsibility for any adverse consequences that may result. No tax or legal advice was given to me by the Custodian.

Signature of Spouse

Date

Accountholder Authorization:

I understand that I may change or add beneficiaries at any time by completing and delivering the proper form to Sterling HSA. Sterling HSA has provided no tax or legal advice to me regarding my beneficiary designation.

Accountholder Signature

Date

Sterling Health Services, Inc.

Custodial Agreement

This Custodial Agreement (“Agreement”) is made between CitizensTrust, division of Citizens Business Bank, (“Custodian”) and individual (“Depositor”) who signs the Sterling HSA Enrollment Form. Depositor is establishing a Health Savings Account (“HSA”) under Section 223 of the Internal Revenue Code (the “Code”). Depositor has made an initial cash contribution to the Sterling HSA Health Savings Account (“Custodial Account”) described in the Individual Sterling HSA Enrollment Form or other relevant documents. This initial cash contribution, any additional contributions, and any earnings thereon are subject to the terms of this Agreement.

Article I

1. Custodian may accept additional cash contributions on behalf of Depositor in any tax year of Depositor. Depositor, Depositor’s employer, or any other person or entity may make such additional contributions on Depositor’s behalf. Depositor acknowledges that the total contributions for any single tax year of Depositor are limited to the maximum allowable as a deduction under section 223 of the Code unless the contribution is a rollover contribution described in section 223 of the Code.
2. Depositor shall comply with all applicable laws and regulations and all other conditions or limitations established by Custodian regarding the Custodial Account, but not limited to, the method or timing of contributions.
3. Depositor acknowledges sole responsibility for determining the amount of eligible contributions. Custodian shall have no responsibility for determining whether such contributions comply with the requirements and limitations of the Code or advising Depositor regarding the same.

Article II

Depositor’s interest in the balance of the Custodial Account is non-forfeitable.

Article III

No part of the Custodial Account may be invested in life insurance contracts nor may the assets of the Custodial Account be commingled with other property, except in the common trust fund or common investment fund.

Article IV

1. Depositor may take distributions from the Custodial Account at any time, by any method permitted by Custodian. Depositor agrees to comply with any limitations imposed by Depositor’s employer on distributions made from Custodial Account funds contributed by the employer.
2. Depositor acknowledges that any amounts distributed out of the Custodial Account which are not used exclusively to pay for “qualified medical expenses,” as defined in Section 213(d) of the Code, will be included in Depositor’s gross income and may also be subject to an additional 20% excise tax. Custodian shall have no responsibility for determining whether distributions are used to pay for qualified medical expenses.

3. Depositor assumes full responsibility for determining the tax consequences of any distribution from the Custodial Account, maintaining adequate records of all distributions for tax purposes, and paying any taxes resulting from any such distribution.
4. Upon Depositor's death, Custodian shall distribute any funds remaining in the Custodial Account to the beneficiary or beneficiaries properly designated by Depositor. Such beneficiary or beneficiaries shall bear the sole responsibility for reporting and paying taxes on any such distribution.

Article V

Depositor agrees to provide Custodian with information necessary for Custodian to prepare any reports required by the Code or other applicable laws or regulations.

Article VI

This Agreement will be amended from time to time to comply with the provisions of the Code and related regulations. Other amendments may be made with the consent of Depositor and Custodian, in accordance with Article XV of this Agreement.

Article VII

Custodian's terms and conditions governing any deposit account established on behalf of Depositor are incorporated by reference into this Agreement, but only to the extent that such terms and conditions do not conflict with this Agreement or any applicable provisions of the Code or other laws or regulations. In the event of a conflict, the terms of this Agreement and/or applicable provisions of the Code or other laws or regulations shall be deemed to prevail.

Article VIII

1. Depositor agrees to make debit card transactions only to the extent there are sufficient collected funds in Depositor's account. Depositor understands that Custodian has no obligation to approve any withdrawal by debit card at a time when there are insufficient funds in Depositor's account.
2. Depositor acknowledges and agrees that if debit card(s) are issued at the request of Depositor, Depositor shall have sole responsibility for any transactions initiated by holder(s) of such debit card(s).

Article IX

1. Depositor shall have the right to designate one or more beneficiaries to whom Custodial Account funds shall be distributed upon Depositor's death. Any such beneficiary designation must be delivered to Custodian prior to Depositor's death on a form provided by or acceptable to Custodian. Depositor may revoke a beneficiary designation at any time. In addition, a beneficiary designation shall be automatically revoked upon receipt by Custodian of a subsequent beneficiary designation in valid form bearing a later execution date.
2. Depositor understands that in certain states the consent of Depositor's spouse may be necessary if Depositor wishes to name a person other than or in addition to Depositor's spouse as beneficiary or change an existing beneficiary designation. Depositor represents and warrants that any beneficiary designation submitted to Custodian by Depositor satisfies all requirements of applicable law.
3. If Depositor's surviving spouse is the designated beneficiary of the Custodial Account, he or she may continue the HSA as his or her own, subject to any conditions or limitations contained in the Code

- or IRS regulations and subject also to the completion of any documentation required by Custodian.
4. In the absence of a valid beneficiary designation on file with Custodian at the time of Depositor's death or if all of the designated beneficiaries have predeceased Depositor, Custodian shall distribute the Custodial Account to Depositor's estate.
 5. Custodian shall have no duty, obligation, or responsibility to make any inquiry or conduct any investigation concerning the identification, address, or legal status of any individual or individuals alleging the status of beneficiary nor to make inquiry or investigation concerning the possible existence of any beneficiary, claim, or election not reported to Custodian prior to the distribution of the Custodial Account. Custodian shall have no higher duty than the exercise of good faith and shall incur no liability by reason of any action taken in reliance upon erroneous, inaccurate, or fraudulent information reported by any source assumed to be reliable or by reason of incomplete information in its possession at the time of such distribution.

Article X

1. Depositor shall have sole responsibility for reporting to the IRS all contributions to and distributions from the Custodial Account and for the tax consequences of all such contributions and distributions, including, but not limited to, rollovers, transfers, excess contributions, and prohibited transactions. Depositor acknowledges that Custodian has not, and will not, provide any tax advice in connection with the Custodial Account and understands that Depositor should consult with Depositor's tax advisor for any such advice.
2. Depositor shall be responsible for the payment of taxes or penalties of any kind that may be assessed against the Custodial Account. liquidated for these purposes, Custodian, in its sole discretion, will make such determination. Depositor agrees that Custodian shall not be held liable for any adverse consequences resulting from such determination.

Article XI

Depositor shall promptly review all confirmations of transactions and statements of activity to ensure that they are accurate. Except as otherwise provided in this Agreement, confirmations of transactions and statements of activity shall be conclusive if Depositor does not object in writing within ten (10) days after the date such documents are mailed to Depositor. Custodian and its officers and employees shall be forever released and discharged from any liability with respect to any claim arising out of any action or omission reflected on such conclusive confirmation or statement.

Article XII

Subject to the limitations of applicable laws and regulations, Depositor agrees to indemnify and hold Custodian harmless from and against any liability, damage, or cost, including attorney's fees, Custodian may incur in connection with (a) any bill-paying service transactions or debit card transactions against any deposit account comprising the Custodial Account and (b) any other matter relating to the Custodial Account, unless such liability is caused by Custodian's gross negligence or willful misconduct.

Article XIII

Depositor may not borrow from the Custodial Account or pledge any portion of the account as security for a loan.

Article XIV

1. Depositor may terminate this Agreement by giving 30 days written notice to Custodian.
2. Custodian may resign at any time for any reason upon 30 days written notice to Depositor. Upon such resignation, Depositor may appoint another qualified HSA custodian to whom the Custodial Account funds shall be delivered. If Depositor has not instructed Custodian to deliver the assets of the Custodial Account to a successor custodian within 30 days of Custodian's notice of resignation, Custodian shall pay such assets to Depositor.
3. If this Agreement is terminated or Custodian resigns, Custodian may retain from the assets of the Custodial Account, such sums as are reasonably necessary to pay (a) any fees, expenses, or taxes properly chargeable against the Custodial Account or (b) any
4. Custodian may liquidate the Custodial Account assets when necessary to make distributions or to pay fees, expenses, or taxes properly chargeable against the account. If, upon a request by Custodian, Depositor fails to direct which Custodial Account assets may be liquidated for these purposes, Custodian, in its sole discretion, will make such determination. Depositor agrees that Custodian shall not be held liable for any adverse consequences resulting from such determination.

Article XV

Custodian may amend this Agreement in order to conform to the requirements of applicable regulators and applicable law, or for any other purpose. Any amendments intended to satisfy the requirements of applicable regulators or of applicable law may be made retroactively and without the consent of Depositor. Any other amendments shall require the consent of Depositor. Depositor shall be deemed to have consented to any amendment if Depositor fails to object to the amendment within 30 days after mailing of written notice of the amendment to Depositor.

Article XVI

Custodian may appoint one or more agents to assist Custodian in the performance of any of its duties under this Agreement.

Article XVII

In the event of (a) reasonable doubt concerning the performance of any of its duties under this Agreement or (b) a dispute between persons claiming an interest in the Custodial Account, Custodian may, in its sole discretion, resolve such doubt or dispute by judicial determination, which shall be binding on Depositor and any other persons claiming an interest in the Custodial Account. In such event, Custodian shall collect from the Custodial Account all court costs, attorneys' fees and other expenses, and reasonable compensation for the time expended by Custodian in the performance of its duties.

Article XVIII

Custodian understands that Depositor will enter into an agreement with Sterling Health Services, Inc. ("Sterling HSA") under which Sterling HSA shall provide certain administrative services in connection with Depositor's Custodial Account. All such administrative services are provided directly by Sterling HSA and not by Custodian. Sterling HSA is solely responsible for all such administrative services and is not acting as a subcontractor, agent, or representative of Custodian in providing such administrative services. Custodian has no control over or any obligation or liability with respect to any such administrative services.

Sterling HSA is compensated for providing all such administrative services from the fees Depositor has agreed to pay Sterling HSA.

Article XIX

Custodian may give a statement, notice, or other communication to Depositor by mailing it to Depositor's address as set forth in the Sterling HSA Enrollment Form or such other address as Depositor provides to Custodian in writing. Such statement, notice, or other communication shall be deemed given when it is mailed by Custodian or Custodian's agent.

Article XX

This Agreement shall be binding upon and inure to the benefit of any successor or assignee of Custodian, whether by way of sale, merger, consolidation, assignment, or change of name.

Article XXI

All questions concerning the interpretation of this Agreement shall be decided and construed in accordance with the laws of the State of California, except to the extent federal law supersedes California law.

Article XXII

1. If any provision of this Agreement is or becomes inconsistent with any present or future law or regulation applicable to HSAs, said provision shall be deemed to be modified to conform to such law or regulation. The remaining provisions of this Agreement shall continue in full force and effect.
2. If any provision of this Agreement should be held invalid or unenforceable, the remainder of this Agreement shall remain in full force and effect and shall not be affected by the invalid or unenforceable provision.

Article XXIII

This Agreement and the documents referred to in the introductory paragraph of this Agreement contain the entire agreement of Custodian and Depositor with respect to the subject matter hereof, and may not be modified orally or in any manner other than as specified in Article XV.

Sterling Health Services, Inc.

Administrative Services Agreement

This Administrative Services Agreement (“Agreement”) is made between Sterling Health Services, Inc. (“Sterling HSA”) and the individual (“Depositor”) who signs the Sterling HSA Enrollment Form. Depositor is establishing a Health Savings Account (“HSA”) under Section 223 of the Internal Revenue Code (the “Code”). Depositor has made an initial cash contribution to the Sterling HSA Health Savings Account (“Custodial Account”) described in the Individual Sterling HSA Enrollment Form, Sterling Health Services, Inc. Custodial Agreement, or other relevant documents. This initial cash contribution, any additional contributions, and any earnings thereon are subject to the terms of this Agreement.

Article I

Depositor consents to the disclosure of Custodial Account information to Sterling HSA, when such disclosure is required to enable Sterling HSA to comply with the terms of this Agreement and/or applicable laws or regulations.

Article II

Depositor shall be responsible for the payment of taxes or penalties of any kind that may be assessed against the Custodial Account.

Article III

Upon Depositor’s request, Sterling HSA shall make reports to the IRS. Depositor acknowledges that all such reports shall be based on information furnished by Depositor. Depositor expressly agrees to indemnify Sterling HSA for any liabilities, taxes, interest, or penalties Sterling HSA may incur as a result of filing a report based on incorrect or insufficient information provided by Depositor.

Article IV

Custodial Account funds, including any earnings thereon will be invested in interest-bearing deposit accounts established by Sterling HSA and/or other investments acceptable to Sterling HSA. Sterling HSA, in its sole discretion, may establish different categories or types of accounts based upon Depositor’s maintenance of specified minimum Custodial Account balances and may also establish different investment options for each category or type of account.

Article V

Depositor acknowledges that any amounts distributed out of the Custodial Account which are not used exclusively to pay for “qualified medical expenses,” as defined in Section 213(d) of the Code, may be included in Depositor’s gross income and may also be subject to an additional 20% excise tax. Sterling HSA shall have no responsibility for determining whether distributions are used to pay for qualified medical expenses.

Article VI

1. Depositor may elect to take qualified medical expense distributions by utilizing Sterling HSA's bill-paying service or by debit card transaction. Sterling HSA's agreement governing use of such debit card is incorporated by reference into this Agreement, but only to the extent that such debit card agreement does not conflict with this Agreement, or any applicable provisions of the Code, or other laws or regulations. In the event of a conflict, the terms of this Agreement, and/or applicable provisions of the Code, or other laws or regulations shall be deemed to prevail.
2. Depositor agrees to utilize Sterling HSA's bill-paying service and make debit card transactions only to the extent there are sufficient collected funds in Depositor's account. Depositor understands that Sterling HSA has no obligation to make any bill payment at a time when there are insufficient funds in Depositor's account.
3. Subject to the limitations of applicable laws and regulations, Depositor agrees to indemnify and hold Sterling HSA harmless from and against any liability, damage, or cost, including attorney's fees, Sterling HSA may incur in connection with (a) any bill-paying service transactions or debit card transactions against any deposit account comprising the Custodial Account and (b) any other matter relating to the Custodial Account, unless such liability is caused by Sterling HSA's gross negligence or willful misconduct.

Article VII

1. Sterling HSA shall receive fees for services under this Agreement in amounts set forth in its written schedule of fees in effect from time to time. Such fees may include, but are not limited to, administration fees, transaction fees, and distribution fees. Sterling HSA shall have the right to change its fee schedule at any time upon giving Depositor thirty (30) days written notice. Sterling HSA may also establish a different fee schedule for each category of accounts.
2. Sterling HSA shall be authorized to deduct all such fees from the Custodial Account, but may, in its sole discretion, allow Depositor to pay such fees from non-custodial funds. Sterling HSA shall also be entitled to payment from the Custodial Account of all expenses and costs reasonably incurred by it in the administration of the Custodial Account, including, but not limited to, reimbursement for the cost of bill-paying service transactions and debit card transactions, unless such expenses and costs are paid directly by Depositor. Custodial Account balances may include investment gains and other earnings.
3. Depositor agrees to comply with any minimum transaction amounts set forth in Sterling HSA's fee schedule, including, but not limited to, minimum contribution amounts.

Article VIII

Sterling HSA shall treat any contribution made between January 1 and April 15 as a contribution for the current taxable year unless Depositor provides written notice to Sterling HSA at the time of such contribu-

Article IX

1. Sterling HSA shall provide Depositor with a quarterly statement showing the activity in the Custodial Account.
2. Depositor shall promptly review all confirmations of transactions and statements of activity to ensure that they are accurate. Except as otherwise provided in this Agreement, confirmations of transactions and statements of activity shall be conclusive if Depositor does not object in writing within ten (10) days after the date such documents are mailed to Depositor. Sterling HSA and its officers and employees shall be forever released and discharged from any liability with respect to any claim arising out of any action or omission reflected on such conclusive confirmation or statement.

Article X

This Agreement will be amended from time to time to comply with the provisions of the Code and related regulations. Other amendments may be made with the consent of Depositor and Sterling HSA, in accordance with Article XII of this Agreement.

Article XI

1. Depositor may terminate this Agreement by giving thirty (30) days written notice to Sterling HSA.
2. Sterling HSA may resign at any time for any reason upon thirty (30) days written notice to Depositor. Upon such resignation, Depositor may appoint another qualified HSA administrator to whom the Custodial Account funds shall be delivered. If Depositor has not instructed Sterling HSA to deliver the assets of the Custodial Account to a successor administrator within thirty (30) days of Sterling HSA's notice of resignation, Sterling HSA shall pay such assets to Depositor.
3. If this Agreement is terminated or Sterling HSA resigns, Sterling HSA may retain from the assets of the Custodial Account, such sums as are reasonably necessary to pay (a) any fees, expenses, or taxes properly chargeable against the Custodial Account or (b) any penalties associated with the early withdrawal of any savings instrument or other investment of the Custodial Account.
4. Sterling HSA may liquidate the Custodial Account assets when necessary to make distributions or to pay fees, expenses, or taxes properly chargeable against the account. If, upon a request by Sterling HSA, Depositor fails to direct which Custodial Account assets may be liquidated for these purposes, Sterling HSA, in its sole discretion, will make such determination. Depositor agrees that Sterling HSA shall not be held liable for any adverse consequences resulting from such determination.

Article XII

Sterling HSA may amend this Agreement in order to conform to the requirements of applicable regulators and applicable law, or for any other purpose. Any amendments intended to satisfy the requirements of applicable regulators or of applicable law may be made retroactively and without the consent of Depositor. Any other amendments shall require the consent of Depositor. Depositor shall be deemed to have consented to any amendment if Depositor fails to object to the amendment within thirty (30) days after mailing of written notice of the amendment to Depositor.

Article XIII

1. Depositor acknowledges and agrees that certain banking services associated with the Custodial Account will be provided by CitizensTrust, a division of Citizens Business Bank ("Bank"), separate and apart from the administrative services provided by Sterling HSA under this Agreement. Neither Bank nor Sterling HSA has any control over or liability for the acts or omissions of the other or for the services that each respectively provides.
2. Depositor expressly consents to the sharing of financial and other information between Sterling HSA and Bank and among Sterling HSA's various affiliates.

Article XIV

Sterling HSA may appoint one or more agents to assist in the performance of any of its duties under this Agreement.

Article XV

Sterling HSA may give a statement, notice, or other communication to Depositor by mailing it to Depositor's address as set forth in the Sterling HSA Enrollment Form or such other address as Depositor provides to Sterling HSA in writing. Such statement, notice, or other communication shall be deemed given when it is mailed by Sterling HSA or Sterling HSA's agent.

Article XVI

This Agreement shall be binding upon and inure to the benefit of any successor or assignee of Sterling HSA, whether by way of sale, merger, consolidation, assignment, or change of name.

Article XVII

All questions concerning the interpretation of this Agreement shall be decided and construed in accordance with the laws of the State of California, except to the extent federal law supersedes California law.

Article XVIII

1. If any provision of this Agreement is or becomes inconsistent with any present or future law or regulation applicable to HSAs, said provision shall be deemed to be modified to conform to such law or regulation. The remaining provisions of this Agreement shall continue in full force and effect.
2. If any provision of this Agreement should be held invalid or unenforceable, the remainder of this Agreement shall remain in full force and effect and shall not be affected by the invalid or unenforceable provision.

Article XIX

This Agreement and the documents referred to in the introductory paragraph of this Agreement contain the entire agreement of Sterling HSA and Depositor with respect to the subject matter hereof, and may not be modified orally or in any manner other than as specified in Article XII.