

HEALTH SAVINGS ACCOUNT APPLICATION

INSTRUCTIONS



TO OPEN YOUR ACCOUNT

Please complete, sign, and remit pages 2 through 6 with your initial deposit. Please include a legible color copy of your valid state issued photo ID* and a secondary form of ID for each signer on the account. (In the event that the address on your I.D. is not your physical street address, please provide another form of I.D. that has the physical street address; such as other government issued photo I.D., or a copy of your homeowners, renters, or auto insurance policy with your correct physical street address). Please call us if you have any questions about required documentation for your account. 800-806-5033

List of acceptable photo I.D.'s:

State Issue Drivers License
US Alien Registration Card

State Issue Photo I.D.
Passport

Military I.D. Card

List of acceptable Secondary ID's:

College ID Card
Social Security card

Credit Card

Utility Bill

To ensure timely processing of your application please make sure that the four designated areas for the account owner to sign have been completed before mailing. (The designated areas are underlined in red)

Retain the remaining pages for informational purposes only. Upon opening the account we will mail you the official account agreement and disclosures.

**A notarized Color copy of your photo I.D. is required.*

ACCESSING YOUR ACCOUNT ON-LINE

With the E-HSA option you will be able to access account information and up to 12 months of your prior HSA bank statements through online banking. Once your account is opened, we will mail you via USPS account information including details on how to access your account online. You should receive your account information with detailed online banking instructions within 14 days of your account being opened.

YOUR VISA DEBIT CARD

If requested, your FREE HSA VISA Debit card will be mailed to you within 14 days of your account being opened. A personal identification number (PIN) will be mailed to you (in a separate mailing from the card for security purposes) for use in activating the card. Follow instructions on the card sticker once you receive your card and PIN.

VISA restricts HSA debit card usage to medical related providers such as pharmacies, doctors' offices, hospitals, and other medical providers. Your HSA VISA debit card is not able to be used in ATMs for cash withdrawals or at non-medical related establishments such as restaurants.

PROTECTING YOUR PRIVACY

Thoroughbred Health Bank complies with the USA Patriot Act by using identity verification procedures on new and existing accounts. In all cases protection of our customers identity and confidentiality is the Bank's pledge to you. Please contact us should you have specific questions about any of our policies.

QUESTIONS? ASK US!

Please call us at 800-806-5033 or e-mail us at contact@thoroughbredhealth.com should you have any questions. This e-mail address is not a secure e-mail, and as a result confidential personal information should not be sent to it.

AGREEMENT AND AUTHORIZED SIGNATURES

SIGNATURE CARD AND DEPOSITOR AGREEMENT: By the signature(s) below, the above-named owner(s) (called "Depositor," "you," or "your," whether one or more) of this deposit account (called "Account") agree to all terms of this Signature Card. Boxes checked apply to this Account. Depositor also acknowledges receipt as of this date, and agrees to the terms of, the Deposit Agreement for this Account and the disclosures relating to Financial Privacy, Truth-In-Savings, the Financial Institution's Funds Availability Policy, Electronic Fund Transfers Agreement and Disclosure, and Schedule of Fees and Charges. Depositor and all persons authorized to sign on the Account authorize Financial Institution to check credit and employment history. The signature(s) below represents the Depositor and those persons authorized to transact business in this Account on behalf of Depositor (called "Agents"), in the number required: Number of Signatures Required _____

DEPOSITOR/AGENT

Please print information below:



Account Owner's Name Account Owner's Signature

Account Owner's Driver's License Number Social Security Number Date of Birth

This document does not authorize anyone to make medical and other health-care decisions for you, you may revoke this limited power of attorney if you later wish to do so.

I appoint the following _____ (number) authorized signors as my agent (attorney-in-fact) to act for me in any lawful way with respect to the health savings account represented by this document. This limited power of attorney is effective immediately and will continue until it is revoked. This limited Power of Attorney shall not be affected by subsequent disability or incapacity of me or the lapse of time. (Strike the foregoing sentence if you do not want this limited power of attorney to continue if you become disabled, incapacitated, or incompetent). I agree that any third party who receives a copy of this document may act under it. Revocation of the limited power of attorney is not effective as to a third party until the third party learns of the revocation. I agree to indemnify the third party for any claims that arise against the third party because of reliance on this limited power of attorney.

BY ACCEPTING OR ACTING UNDER THE APPOINTMENT, THE AGENT(S) NAMED BELOW ASSUME THE FIDUCIARY AND OTHER LEGAL RESPONSIBILITIES OF AN AGENT.

Authorized Signor's Name Authorized Signor's Signature

Authorized Signor's Driver's License Number Social Security Number Date of Birth

Authorized Signor's Name Authorized Signor's Signature

Authorized Signor's Driver's License Number Social Security Number Date of Birth

SPOUSAL CONSENT

This section should be reviewed if either the trust or the residence of the HSA Account Owner is located in a community or marital property state and the HSA Account Owner is married. Due to the important tax consequences of giving up one's community property interest, individuals signing this section should consult with a competent tax or legal advisor.

CURRENT MARITAL STATUS

I Am Not Married - I understand that if I become married in the future, I must complete a new HSA Designation of Beneficiary 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 HSA Account Owner. 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 HSA, I have been advised to see a tax professional.

I hereby give the HSA Account Owner any interest I have in the funds or property deposited in this HSA 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)

(Signature of Witness) (Date)

SIGNATURES

Important: Please read before signing.

I understand the eligibility requirements for the type of HSA deposit I am making and I state that I qualify to make the deposit. I have received a copy of the Application, the 5305-C Plan Agreement and the Disclosure Statement. I understand that the terms and conditions which apply to this HSA are contained in this Application and the Agreement. I agree to be bound by those terms and conditions. I assume complete responsibility for:

1. Determining that I am eligible for an HSA each year I make a contribution.
2. Ensuring that all contributions I make are within the limits set forth by the tax laws.
3. The tax consequences of any contributions (including rollover contributions) and distributions.

(HSA Account Owner) Acct. owner print name (Date)



(Authorized Signature of Account Owner) (Date)

(Witness) (Date)

(Authorized Signature of Custodian) (Date)

TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION



TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION:
The person signing below, under penalty of perjury, certifies that

1. TAXPAYER I.D. NUMBER - My correct taxpayer identification number (TIN) is: _____

APPLIED FOR TAXPAYER I.D. NUMBER - A taxpayer identification number has not been issued to me, and I mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office (or I intend to mail or deliver an application in the near future).

2. I am not subject to backup withholding because: I am exempt from backup withholding, or I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding.

3. I am a U.S. person (including a U.S. resident alien).

Note: If you are a foreign person, use the appropriate Form W-8 (see IRS Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

SIGNATURE: By signing below, I certify under penalties of perjury the statements checked on this form.

X 

Comments

Health Savings Custodial Account
(Under section 223(a) of the Internal Revenue Code)

Do not file
with the Internal
Revenue Service

Name of account owner	Date of birth of account owner	Identifying number (see instructions)
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Address of account owner (Street address, city, state, ZIP code)

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

\$ dollars in cash is assigned to this custodial account.

The account owner and the custodian make the following agreement:

Article I

1. The custodian will accept additional cash contributions for the tax year made by the account owner or on behalf of the account owner (by an employer, family member, or any other person). No contributions will be accepted by the custodian for any account owner that exceeds the maximum amount for family coverage plus the catch-up contribution.
2. Contributions for any tax year may be made at any time before the deadline for filing the account owner's federal income tax return for that year (without extensions).
3. Rollover contributions from an HSA or an Archer Medical Savings Account (Archer MSA) (unless prohibited under this agreement) need not be in cash and are not subject to the maximum annual contribution limit set forth in Article II.
4. Qualified HSA distributions from a health flexible spending arrangement or health reimbursement arrangement must be completed in a trustee-to-trustee transfer and are not subject to the maximum annual contribution limit set forth in Article II.
5. Qualified HSA funding distributions from an individual retirement account must be completed in a trustee-to-trustee transfer and are subject to the maximum annual contribution limit set forth in Article II.

Article II

1. For calendar year 2007, the maximum annual contribution limit for an account owner with single coverage is \$2,850. This amount increases to \$2,900 in 2008. For calendar year 2007, the maximum annual contribution limit for an account owner with family coverage is \$5,650. This amount increases to \$5,800 in 2008. These limits are subject to cost-of-living adjustments after 2008.
2. Contributions to Archer MSAs or other HSAs count toward the maximum annual contribution limit to this HSA.
3. For calendar year 2007, an additional \$800 catch-up contribution may be made for an account owner who is at least age 55 or older and not enrolled in Medicare. The catch-up contribution increases to \$900 in 2008 and \$1,000 in 2009 and later years.
4. Contributions in excess of the maximum annual contribution limit are subject to an excise tax. However, the catch-up contributions are not subject to an excise tax.

Article III

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

Article IV

The account owner's interest in the balance in this custodial account is nonforfeitable.

Article V

1. No part of the custodial funds in this account may be invested in life insurance contracts or in collectibles as defined in section 408(m).
2. The assets of this account may not be commingled with other property except in a common trust fund or common investment fund.
3. Neither the account owner nor the custodian will engage in any prohibited transaction with respect to this account (such as borrowing or pledging the account or engaging in any other prohibited transaction as defined in section 4975).

Article VI

1. Distributions of funds from this HSA may be made upon the direction of the account owner.
2. Distributions from this HSA that are used exclusively to pay or reimburse qualified medical expenses of the account owner, his or her spouse, or dependents are tax-free. However, distributions that are not used for qualified medical expenses are included in the account owner's gross income and are subject to an additional 10 percent tax on that amount. The additional 10 percent tax does not apply if the distribution is made after the account owner's death, disability, or reaching age 65.
3. The custodian is not required to determine whether the distribution is for the payment or reimbursement of qualified medical expenses. Only the account owner is responsible for substantiating that the distribution is for qualified medical expenses and must maintain records sufficient to show, if required, that the distribution is tax-free.

Article VII

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

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

Article VIII

1. The account owner agrees to provide the custodian with information necessary for the custodian to prepare any report or return required by the IRS.
2. The custodian agrees to prepare and submit any report or return as prescribed by the IRS.

Article IX

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

Article X

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

Article XI

Article XI may be used for any additional provisions. If no other provisions will be added, draw a line through this space. If provisions are added, they must comply with the requirements of Article IX.



Account owner's signature _____ Date _____

Custodian's signature _____ Date _____

Witness' signature _____

(Use only if signature of account owner or custodian is required to be witnessed.)

General Instructions

Section references are to the Internal Revenue Code.

Purpose of Form

Form 5305-C is a model custodial account agreement that has been approved by the IRS. An HSA is established after the form is fully executed by both the account owner and the custodian. The form can be completed at any time during the tax year. This account must be created in the United States for the exclusive benefit of the account owner.

Do not file Form 5305-C with the IRS. Instead, keep it with your records. For more information on HSAs, see Notice 2004-2, 2004-1 C.B. 269, Notice 2004-50, 2004-2 C.B. 196, Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans, and other IRS published guidance.

Definitions

Identifying Number. The account owner's social security number will serve as the identification number of this HSA. For married persons, each spouse who is eligible to open an HSA and wants to contribute to an HSA must establish his or her own account. An employer identification number (EIN) is required for an HSA for which a return is filed to report unrelated business taxable income. An EIN is also required for a common fund created for HSAs.

High Deductible Health Plan (HDHP). For calendar year 2007, an HDHP for self-only coverage has a minimum annual deductible of \$1,100 and an annual out-of-pocket maximum (deductibles, co-payments and other amounts, but not premiums) of \$5,500. In 2008, the \$1,100 minimum annual deductible remains the same and the annual out-of-pocket maximum increases to \$5,600. For calendar year 2007, an HDHP for family coverage has a minimum annual deductible of \$2,200 and an annual out-of-pocket maximum of \$11,000. In 2008, the \$2,200 minimum annual deductible remains the same and the annual out-of-pocket maximum increases to \$11,200. These limits are subject to cost-of-living adjustments after 2008.

Self-only coverage and family coverage under an HDHP. Family coverage means coverage that is not self-only coverage.

Qualified medical expenses. Qualified medical expenses are amounts paid for medical care as defined in section 213(d) for the account owner, his or her spouse, or dependents (as defined in section 152) but only to the extent that such amounts are not compensated for by insurance or otherwise. With certain exceptions, health insurance premiums are not qualified medical expenses.

Custodian. A custodian of an HSA must be a bank, an insurance company, a person previously approved by the IRS to be a custodian of an individual retirement account (IRA) or Archer MSA, or any other person approved by the IRS.

Specific Instructions

Article XI. Article XI and any that follow it may incorporate additional provisions that are agreed to by the account owner and custodian. The additional provisions may include, for example, definitions, restrictions on rollover contributions from HSAs or Archer MSAs (requiring a rollover not later than 60 days after receipt of a distribution and limited to one rollover during a one-year period), investment powers, voting rights, exculpatory provisions, amendment and termination, removal of custodian, custodian's fees, state law requirements, treatment of excess contributions, distribution procedures (including frequency or minimum dollar amount), use of debit, credit, or stored-value cards, return of mistaken distributions, and descriptions of prohibited transactions. Attach additional pages if necessary.