

**The following information is provided to you in accordance with the
Employee Retirement Income Security Act of 1974 (ERISA).
This information, along with your Certificate of Coverage, constitutes the
SUMMARY PLAN DESCRIPTION.**

GENERAL INFORMATION

Plan Name: First United Corporation

Name and Address of Policyholder:

First United Corporation
19 S. Second Street
Oakland, MD 21550

Plan Sponsor's IRS Employer Identification Number: 52-0312890

Group Number: 8227 **ERISA Plan Number:** 501

Plan Type: Group Vision Plan

Type of Plan Administration:

Group Insurance Policy underwritten by:
National Guardian Life Insurance Company
2 East Gilman Street, Madison, WI 53701

Name, Address and Telephone Number of Plan Administrator:

First United Corporation
19 S. Second Street
Oakland, MD 21550

Premium Payments: \$5.49/Employee, \$9.86/Employee + Spouse, \$11.51/Employee + Child(ren),
\$14.25/Employee + Family

Plan Year: 2013

Agent for Legal Process: Plan Administrator.

Trustee: None

Collective Bargaining or Multiple Employer Agreements under which Plan is established: None

Eligibility Requirements: See Eligibility Determination section in the Insurance Certificate.

Description of Benefits: Your insurance Certificate describes the benefits provided by your Certificate, including the Covered Services and Materials, Premiums, Co-payments; Limitations and Exclusions, Claims Procedures, and any basis for termination of the plan.

Qualified Medical Child Support Orders ("QMCSO"): As a plan participant you can obtain, without charge, a copy of the procedures governing qualified medical child support order (QMCSO) determinations, from your Plan Administrator.

RIGHTS TO CONTINUATION OF INSURANCE COVERAGE UNDER COBRA

If you or your Eligible Dependents lose vision coverage under the Master Group Policy as a result of a Qualifying Event, you may be entitled to extend coverage for a period of time under federal legislation known as the Consolidated Omnibus Budget Reconciliation Act (COBRA). However, Domestic Partners and Eligible Dependents of Domestic Partners do not qualify for COBRA coverage.

You may elect to continue vision coverage under the Master Group Policy. Contact Your Human Resources or Employee Benefits office for more information.

Qualifying Events

COBRA continuation coverage may be elected if coverage under the Plan ends due to one or more of the following "Qualifying Events":

- Your employment ends (except for termination due to gross misconduct or fraud).
- Your work hours are reduced.
- You become entitled to Medicare benefits.
- Your death.
- Divorce or legal separation.
- Loss of dependent eligibility.
- If You are a covered retiree, filing by the Policyholder for bankruptcy under Title XI of the United States Code.

Continuation Period

Coverage may be continued under COBRA for up to the maximum period of time specified below. The length of time depends on the Qualifying Event(s) and circumstances.

18-Month Continuation Period. If You lose coverage due to termination of Your employment for any reason (other than gross misconduct), or due to reduced work hours, You may continue coverage for Yourself and Your Eligible Dependents for up to 18 months following the termination or work reduction date.

29-Month Continuation Period. If the Social Security Administration (SSA) determines that You are disabled at any time during the first sixty (60) days of continued coverage, and the Qualifying Event for continued coverage was termination of employment or a reduction in work hours, You may extend COBRA coverage by an additional 11 months, for a total of 29 months of coverage subject to the certain conditions.

- You must notify the Policyholder's plan administrator of the disability within sixty (60) days of the SSA determination and before the end of the original 18-month COBRA continuation period; and
- You must agree to pay any increase in the required payment necessary to continue the coverage for the additional 11 months.
- If You have any non-disabled Covered Dependents entitled to COBRA, they are also entitled to extend COBRA coverage by an additional 11 months of coverage.

36-Month Continuation Period. Coverage may be continued for up to 36 months from the date coverage would have stopped due to a Qualified Event other than described above.

If a second Qualifying Event occurs within the original 18-month continuation period, coverage may be continued for a total of 36 months from the date of the first Qualifying Event. Coverage will stop for the same reasons as coverage would have stopped for the first Qualifying Event.

Notification Requirements

You must notify Your Human Resources or Employee Benefits office in writing within 60 days when either of the following Qualifying Events occur:

- Divorce or legal separation
- A child loses eligibility as a dependent.

Your Human Resources or Employee Benefits office will send You the appropriate forms within 14 days after receiving Your notice.

Election Period

You have at least 60 days to elect to continue coverage under COBRA. The election period ends on the later of:

- 60 days after the date coverage would have stopped due to a Qualifying Event; or
- 60 days after the date You receive notice of COBRA continuation rights.

Unless otherwise specified, You or Your spouse's election to continue coverage will be considered an election on behalf of all other Covered Dependents who would also lose coverage because of the same Qualifying Event.

Required Payment

You must pay for COBRA continuation coverage. Contact your Human Resources or Employee Benefits office for the total cost.

You have forty-five (45) days from the date of election to make the first required payment for COBRA continuation coverage. The first required payment will include any required payment for coverage that was continued from the time of loss of group coverage but prior to the date of election.

Continued Coverage Ends

Continuation of coverage under COBRA will end for You or Your Eligible Dependents on the earliest of the following dates:

1. The date Your maximum COBRA period ends.
2. The date You fail to make the required payment for continued coverage [within the 30-day grace period]
3. The date You become covered under any other group health plan that provides routine vision benefits.
4. For a spouse or dependent who was entitled to Medicare prior to a Qualifying Event due to termination of employment or reduction of work hours, 18 months after the Qualifying Event, or if later, 36 months from the date you become entitled to Medicare.
5. The date the Master Group Policy terminates.

STATEMENT OF ERISA RIGHTS

As a participant in the plan you are entitled to certain rights and protections under the Employee Retirement Income Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefit Security Administration.

Obtain, upon written request from the plan administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.

Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

Continue Group Health Plan Coverage

Continue health care coverage for yourself, spouse or dependents if there is a loss of coverage under the plan as a result of a qualifying event. You or your dependents may have to pay for such coverage. Review this summary plan description and the documents governing the plan on the rules governing your COBRA continuation coverage rights.

Reduction or elimination of exclusionary periods of coverage for preexisting conditions under your group health plan, if you have creditable coverage from another plan. You should be provided a certificate of credible coverage, free of charge, from your group health plan or health insurance issuer when you lose coverage under the plan, when you become entitled to elect COBRA continuation coverage, when your COBRA continuation coverage ceases, if you request it before losing coverage, or if you request it up to 24 months after losing coverage. Without evidence of creditable coverage, you may be subject to a preexisting condition exclusion for 12 months (18 months for late enrollees) after your enrollment date in your coverage.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon other people who are responsible for the operation for the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a welfare benefit is denied, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay the court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your plan, you should contact the plan administrator. If you have questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

USERRA

The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) is a federal law which gives Insured employees certain rights to continuation of coverage under the Master Group Policy during a military leave, and to certain reinstatement rights upon return from a military leave. You may have additional protections under state laws. Under USERRA, employers must continue coverage for Covered Employees and their Covered Dependents during a military leave.

FMLA - Family and Medical Leave Act of 1993

Certain employers are subject to the FMLA. If you have a leave from active work certified by your employer, then for purposes of eligibility and termination of coverage you will be considered to be actively at work. Your coverage and any dependents coverage you have under the Group Policy will remain in force so long as you continue to meet the requirements as set forth in the FMLA.

Contact Your Human Resources or Employee Benefits office for more information about the information contained in this Summary Plan Description.