

Health Savings Account Enrollment Booklet
for Individuals and Families

Take Charge of Your Health Your Money And Your Future



Take Charge of Your Health, Your Money and Your Future



Would you like to have more control over your health care dollars?

Pay for current and future health expenses with tax-free dollars?

Save money for your future health care costs?

With the new health savings account (HSA) from Wells Fargo and compatible high-deductible health plan (HDHP), you can do it all! Flexible, affordable and easy to use, an HSA is a tax-advantaged* account that empowers you to take charge of your health, your money and your future.

HSA Benefits

More control over your health care dollars

You're in charge of your health...shouldn't you be in charge of how you spend your health care dollars, too?

With an HSA, you are. Your HSA works in conjunction with a compatible high-deductible health plan. You decide how much money (up to certain limits) you want to contribute each year. Higher contribution limits, allowable catch-up contributions and the ability to save money for future health care expenses make the HSA more flexible than other tax-advantaged accounts, such as medical savings accounts (MSAs), flexible spending accounts (FSAs) and health reimbursement arrangements (HRAs).

Your health coverage provider has selected Wells Fargo, one of the nation's leading financial institutions, to be the preferred financial services company to administer HSAs for eligible individuals. Wells Fargo holds your HSA contributions exclusively for your benefit, ready for you to use whenever you have qualified health care expenses to pay for you, your spouse or your dependent children.

*All tax references are at the federal level. State taxes vary. Please consult with your tax advisor.

With an HSA, you decide:

- How much to contribute (within certain limits)
- How much to use for health care expenses
- Which health care expenses to pay from the account
- Whether to pay for health care expenses from the account or save the account for future use
- What type of investments to grow your account

Tax savings

Who doesn't appreciate a tax-free way to pay — and save?

With a Wells Fargo HSA, your contributions, earnings and eligible withdrawals are all tax-free. You can deduct the money you contribute to an HSA on your federal tax return, even if you don't itemize deductions. As long as your withdrawals are used to pay for qualified health care expenses, you won't pay taxes on them. You must keep supporting receipts and records to show the Internal Revenue Service you used the funds to pay qualified health care expenses.

Long-term savings

An HSA covers more than your health expenses today...it helps you plan for the future, too.

Just like an IRA or 401(k), you have the opportunity to make your HSA grow by investing your contributions in your choice of Wells Fargo investment funds. You can choose from a variety of mutual fund investment options — from conservative to aggressive — to match your personal financial goals and investment style. And with Wells Fargo's flexible account access, you can change your investment fund elections at any time. Best of all, your unused account balance rolls over from year to year. Accumulated funds in your HSA grow tax-free, so you can save for future health care expenses.

Convenience

Need new eyeglasses? Need to visit your health care provider for a sports injury?

From doctor visits to prescription drugs, you can use the money in your HSA to pay for a variety of health care-related expenses — and with the Wells Fargo HSA, payment is easy and convenient. Wells Fargo offers online account management, so you can review your account information 24 hours a day, seven days a week. You can also use our toll-free telephone service and speak with customer service representatives between 7 a.m. and 8 p.m. CST Monday – Friday.

Ownership

No one knows what your family's future may bring — job changes, new health plans, perhaps an out-of-state move.

With an HSA, you don't have to worry — your account is entirely owned by you. Your account balance is yours to take with you wherever you go.

Tax-free savings

Your unused HSA balance rolls over from year to year. The contributions and investment gains you make continue to grow and can be used tax-free for qualified health care expenses later in life, when your health care needs may be greater.

How Does an HSA Work?

Consider the following examples:

Ben enrolled in an HSA-eligible high-deductible health plan in January with family coverage for himself, his wife and his two children. His deductible is \$2,000, so his HSA contributions cannot exceed \$2,000 for the year. Ben decides to contribute \$2,000 into his HSA.

Alicia enrolled in an HSA-eligible high-deductible health plan in January with individual coverage for herself. Her deductible is \$2,600, so her HSA contributions cannot exceed \$2,600 for the year. Alicia decides to contribute \$2,600 into her HSA.

Ben's health plan features:

Family coverage: \$2,000 deductible
Maximum out-of-pocket: \$10,200

Ben's coverage:

	In-network	Out-of-network
Coinsurance coverage:	80%	70%
Employee pays:	20%	30%

Preventive care: 100% coverage (*deductible does not apply*)
Pharmacy coverage: subject to deductible

Alicia's health plan features:

Individual coverage: \$2,600 deductible
Maximum out-of-pocket: \$5,100

Alicia's coverage:

	In-network	Out-of-network
Coinsurance coverage:	80%	70%
Employee pays:	20%	30%

Preventive care: 100% coverage (*deductible does not apply*)
Pharmacy coverage: subject to deductible

Ben	Amount in Ben's HSA	Amount Ben pays from his HSA	Amount paid by Ben's health plan	Ben's remaining out-of-pocket expense	Amount left in Ben's HSA to carry over to next year
Scenario 1					
During the year, Ben and his family have in-network health care expenses of \$5,200 that are not considered preventive care. Ben chooses to pay these expenses from the balance in his HSA. Because his deductible is \$2,000, the health plan covers 80% of the remaining \$3,200, or \$2,560. This leaves \$640 (20%) as Ben's out-of-pocket expense.	\$2,000	\$2,000	\$2,560	\$640	\$0
Scenario 2					
During the year, Ben and his family have in-network health care expenses of \$1,200 that are not considered preventive care. Since his total expenses are less than his deductible, Ben is responsible for all the expenses. Ben chooses to pay these expenses from the balance in his HSA.	\$2,000	\$1,200	\$0	\$0	\$800 (plus earnings)
Alicia	Amount in Alicia's HSA	Amount Alicia pays from her HSA	Amount paid by Alicia's health plan	Alicia's remaining out-of-pocket expense	Amount left in Alicia's HSA to carry over to next year
Scenario 1					
During the year, Alicia has in-network health care expenses of \$1,000 that are not considered preventive care. Because her deductible is \$2,600, Alicia is responsible for all of these costs. She chooses to pay only \$600 of these expenses from the balance in her HSA, because she wants to start saving for her future health care needs.	\$2,600	\$600	\$0	\$400	\$2,000 (plus earnings)
Scenario 2					
Alicia is very healthy during the year and has no health care expenses except for regular checkups and screenings, which are all considered preventive care. Since her plan covers preventive care at 100% and it does not apply to her deductible, Alicia is able to carry over her entire \$2,600 HSA balance into the next year.	\$2,600	\$0	\$0	\$0	\$2,600 (plus earnings)

*These examples are for illustrative purposes only. Individual situations will vary depending on the specifics of your HDHP and your individual contributions.

Using Your HSA

Paying for health care expenses is easy with the Wells Fargo Health Savings Account.

When you pick up a prescription or need to pay for other qualified health care expenses, simply use your card.* Your card works at all eligible providers that accept Visa debit cards.** As long as you have the necessary funds in your account, there's no need to pay co-payments or other expenses out of pocket, and no need to submit manual claims forms for reimbursement. If you choose not to use the card, you can submit a reimbursement request by mail or toll-free fax and be reimbursed within 7 to 10 business days.

* To ensure that all of your health insurance carrier's reductions are applied to your provider's charges, you may want to use your card to pay the balance due on your provider's final invoice rather than at the time of your appointment.

** Provider acceptance and billing methods may vary.

Eligibility:

To be eligible to make a tax-deductible contribution to an HSA, you must be enrolled in an HSA-eligible high-deductible health plan (HDHP) offered by your health insurance provider.

- A HDHP is a comprehensive health plan with an annual deductible of at least \$1,000 for an individual and \$2,000 for two or more family members. The annual out-of-pocket expenses in the HDHP cannot exceed \$5,100 for an individual and \$10,200 for a family (amounts indexed for inflation).
- You cannot have any other health insurance coverage that is not subject to the HDHP limits except worker's compensation, property insurance, insurance for a specific disease (such as cancer coverage), insurance that pays a fixed amount per day of hospitalization, dental, vision, long-term care, accidents and disability.
- You cannot be enrolled in Medicare or be a dependent on another person's tax return.
- You cannot have received VA medical benefits at any time over the past three months.



Qualified Health Care Expenses

The money in your HSA can be used for qualified health care expenses for yourself, your spouse or your dependent children, even if your spouse and dependents are not covered by the same high-deductible health plan. Qualified health care expenses include co-payments and deductibles at doctors, pharmacies, medical labs, dentists and orthodontists, medical supply stores, chiropractors, hospitals, vision centers, podiatrists and more.

You can also use HSA funds for eyeglasses and contact lenses, mail order prescriptions, online prescriptions and eligible over-the-counter (OTC) medications and bills from providers for "Patient Balance Due" amounts. For a complete listing of IRS-allowable health care expenses, visit our Web site and follow the links to the list of IRS-qualified expenses.

Best of all, the money in your HSA can be used to pay for eligible out-of-pocket health care expenses now — or in the future. The choice is yours — for each expense, you can pay from your HSA or save the money in your account for future health care expenses.

- *If you use funds from your HSA to pay for something other than a qualified health care expense, you will be required to pay income tax and a ten percent additional tax on that amount unless you are disabled or age 65 or older. You will need to include that amount as regular income when you file your taxes.*

Discovering Financial Health

Your Wells Fargo HSA can be a powerful tool for helping you save and invest for your future health care expenses.

Every year, you decide how much to set aside for your health care expenses and then whether to pay for your health care expenses from your HSA or save the money in your account for future use. The unused money in your account plus earnings roll over from year to year, helping you build your future health care nest egg.

While the many ins and outs of investing could fill volumes, you don't have to know it all to get started. In fact, there are just a few basics you'll need to know to get enrolled in your HSA. And, if you're already familiar with investing in a 401(k), choosing investments for your HSA works the very same way.

Investments offered by your plan

HSA investments are made through mutual trust funds that generally fall into these categories: money market, fixed income, stock or asset allocation.

What is a mutual fund?

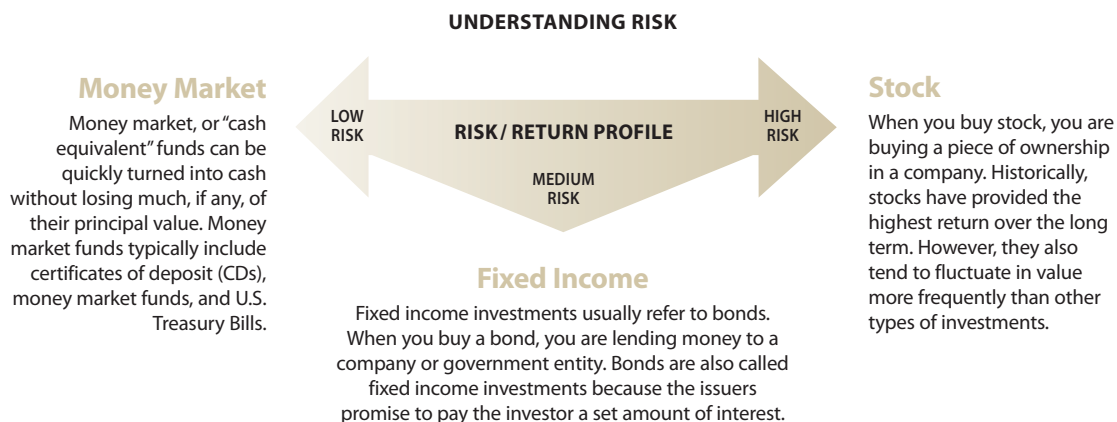
A mutual fund is a collection of many individual investments — money market, fixed income and stock — managed by a professional fund manager.

Mutual funds have different goals

Mutual funds pool the money of investors with common — or mutual — goals. Which mutual fund you choose to invest in will depend largely on your investment goals. Some mutual funds hold only one type of investment — a stock fund, for instance, holds stock, and might have the goal of growing investors' money as much as possible. Other mutual funds hold a variety of stock, fixed income and money market investments, and might have the goal of providing investors with a steady stream of income.

All investments carry risk

All investments carry a certain amount of risk, and some investments are more risky than others. In most cases, the greater the risk a particular investment carries, the greater its potential return. The ratio of an investment's potential risk to its potential for return is called its risk/return profile.



After five years, Alicia from our example has saved more than \$10,000 in her HSA for her future health care expenses. She will also benefit from investment earnings and continues to review her investment choices regularly to help reach her goal of paying for her health care in retirement.

Mutual funds help you manage risk

One powerful way to manage risk is through diversification. Diversification is when you spread your money out among many different types of investments. Because mutual funds hold many individual securities, they give you the benefit of built-in diversification.

When do you plan to use the money in your HSA?

Your investment strategy should also depend on when you plan to use the money. Short-term investing (for example, you expect to use the money within the next year) generally calls for a conservative investment strategy. Longer-term investing (for example, you plan to accumulate the money in your HSA for future health care needs which may be more than five years away) could allow for a more moderate to aggressive investment strategy.

Which funds are right for you?

Once you understand the basics of investing, you'll need to determine which funds are right for you. There is no magic formula; only you can determine which types of funds are right for your personal savings goals.



Features

of Your Health Savings Account (HSA)

An HSA is a tax-advantaged health savings account that allows you to set aside money to pay for eligible out-of-pocket health care expenses now or in the future. Here is what you need to know about your Wells Fargo HSA to take full advantage of all the benefits it has to offer.

Contributions

How much can I contribute?

A deposit of \$100 is needed to open your Wells Fargo HSA. Yearly maximum contribution levels are set by the federal government. For 2005, you can contribute money up to either the amount of the deductible for your HDHP or \$2,650 for an individual or \$5,250 for a family, whichever is less. You may contribute to your account until the April 15 tax deadline following the year for which you want to make contributions.

What if I am not covered by an HDHP for the whole year?

Contribution maximums are based upon the number of months that you are eligible to make an HSA contribution. If your annual deductible is \$1,200, you can contribute \$100 for each month in the calendar year that you are enrolled in an HDHP and otherwise meet the eligibility requirements. If you are eligible to make a contribution for three months, then your contribution limit would be \$300. You could make this contribution at any time during the year up to as late as April 15 of the next year.

How can contributions be credited to my HSA?

You or others can make lump-sum contributions of any amount at any time, up to the deductible for your HDHP or the maximum limit, whichever is less. Use the **HSA Contribution and Rollover Form*** to make a deposit to your Health Savings Account.

Can my spouse and I both establish an HSA?

Yes. If both you and your spouse individually meet the criteria for making an HSA contribution, you can both make HSA contributions. However, if both you and your spouse are covered by the same family coverage, you will need to allocate the HSA contribution limit between the two of you. If you and your spouse have separate insurance coverage, then each of you will need to calculate your own HSA limit and open separate HSAs. Separate insurance coverage means that your insurance doesn't cover your spouse and your spouse's insurance doesn't cover you.

* This and other forms are available online at www.wfhs.com/hsa or by calling our customer service representatives at 866-890-8309 between 7 a.m. and 8 p.m. CST Monday - Friday.

Can I make catch-up contributions if I am age 55 or older?

Yes. You can make an additional contribution amount of \$600 in 2005, which increases \$100 each year until it reaches \$1000 in 2009.

Can someone other than myself make contributions to my HSA on my behalf?

Yes. Others can contribute to your account and you can still deduct the contributions.

Account Management

How do I track the balance in my account or access other account information?

You can access your account information 24 hours a day, seven days a week at www.wfhbs.com/hsa where you can view account balances and information, change investment options, process transactions, download forms and link to a list of covered expenses.

You can also access Wells Fargo's automated toll-free telephone service at 866-890-8309 and talk with customer service representatives between 7 a.m. and 8 p.m. CST Monday - Friday.

You will also receive personalized reports in the mail on a quarterly basis.

Fees

Are there administrative fees associated with an HSA?

With Wells Fargo as your HSA trustee, there are no HSA set-up fees, no transaction fees and no change fees. All you pay is a nominal monthly administrative fee of \$4.25.

This fee covers:

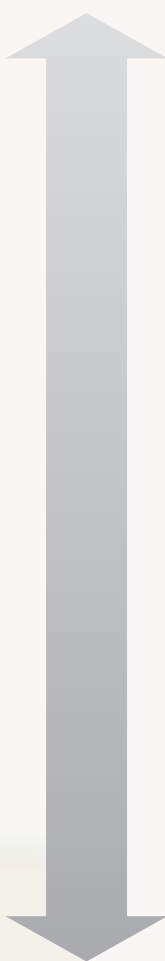
- Debit card;
- Processing of manual claims;
- Online account management and customer service.

This fee will be withdrawn from your HSA each month.

Health Savings Account (HSA) Investment Options

RISK & RETURN CHARACTERISTICS

Most
Conservative



Most
Aggressive

FUND	TICKER
<p>Wells Fargo Advantage Government Money Market Fund A</p> <p>Seeks to provide current income while preserving capital and liquidity by investing primarily in short term U.S. Government obligations, including repurchase agreements.</p>	WFGXX
<p>Wells Fargo Advantage Total Return Bond Fund A</p> <p>Seeks total return, consisting of income and capital appreciation, by investing primarily in a broad range of investment-grade bonds, including U.S. Government, corporate, mortgage- and asset-backed, and money market securities.</p>	MBFAX
<p>Wells Fargo Advantage Moderate Balanced A</p> <p>Seeks to provide a combination of current income and capital appreciation by diversifying investment of its assets among stocks and bonds. The Fund is designed for investors seeking long-term capital appreciation within a balanced style fund.</p>	WFMAX
<p>Wells Fargo Advantage Growth Balanced A</p> <p>Seeks to provide a combination of current income and capital appreciation by diversifying investment of its assets among stocks and bonds.</p>	WFGBX
<p>Wells Fargo Advantage Asset Allocation A</p> <p>Seeks to earn a high level of total return, consistent with the assumption of reasonable risk.</p>	SFAAX
<p>Wells Fargo Advantage Diversified Equity A</p> <p>Seeks to provide long-term capital appreciation by diversifying its investments among different equity investment styles. The Fund utilizes different styles to reduce the risk of return volatility associated with a single investment style.</p>	NVDAX

For more information on Wells Fargo Funds, visit www.wellsfargofunds.com or call 1-800-222-8222.*

NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

*Representatives can assist with general information about Wells Fargo funds but are not able to provide advice about which funds you should invest in for your HSA. If you have questions about your HSA, please call the toll-free number on the previous page. Wells Fargo Funds Management, LLC, a wholly-owned subsidiary of Wells Fargo & Company, provides investment advisory and administrative services for the Wells Fargo Funds. Other affiliates of Wells Fargo & Company provide subadvisory and other services for the Funds. The Funds are distributed by Stephens Inc. Member NYSE/SIPC. Wells Fargo & Company and its affiliates are not affiliated with Stephens Inc.

An investment in a Wells Fargo money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although Wells Fargo money market funds seek 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.

For more complete information about the Wells Fargo Funds, obtain a current prospectus by calling 800-222-8222 or by contacting your investment professional. Consider the investment objectives, risks, charges and expenses of the investment carefully before investing. This and other information about Wells Fargo Funds can be found in a current prospectus. Please read the prospectus carefully before investing.

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Fund Performance Chart (as of September 30, 2005)

Once you know the asset categories you want to invest in, you'll want to choose specific funds. The following pages feature valuable information that will help you make an informed decision.

The Fund Performance Chart lists returns for the investment funds currently offered in your HSA. The chart allows you to review how each fund has performed over different periods of time.

	3-Month Total	1-Year Total	3-Year Annualized	5-Year Annualized	10-Year or Since Inception Annualized*
Wells Fargo Advantage Government Money Market Fund A	0.70%	2.09%	1.09%	1.85%	3.35%
Wells Fargo Advantage Total Return Bond Fund A	-0.83%	2.21%	3.83%	6.55%	6.57%
Wells Fargo Advantage Moderate Balanced A	2.16%	7.32%	8.98%	3.40%	7.48%
Wells Fargo Advantage Growth Balanced A	3.70%	10.58%	12.89%	2.46%	8.79%
Wells Fargo Advantage Asset Allocation A	2.12%	11.03%	13.67%	1.49%	8.24%
Wells Fargo Advantage Diversified Equity A	4.83%	14.27%	16.68%	-0.47%	8.49%

* Returns are since inception for funds that are less than ten years old.

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INVESTMENT PRODUCTS: • NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

Enrollment Instructions

Ready to take charge with an HSA? Enroll now!

Getting started is easy. To set up your new HSA, just follow the checklist below:

Step 1: Your health plan

- If you have not already done so, complete the necessary forms for your insurance provider to enroll in an HSA-eligible high-deductible health plan (HDHP). You cannot open an HSA unless you are enrolled in a compatible high-deductible health plan.

Step 2: Wells Fargo information and forms

- Complete and sign the HSA Enrollment Form for Individual and Family Plans** in the back of this booklet. Please include a check for your initial account deposit (minimum \$100) payable to Wells Fargo Health Benefit Services. Make sure to include your agent's ID number on the form – ask your agent for this number.
- If you wish to have reimbursements for health care expenses deposited directly to your bank account, **complete and sign the Direct Deposit Form for HSA Reimbursements** and include a copy of a voided check. If you wish to receive reimbursements in the form of a check mailed to your home address, you do not need to complete this form. This form is in the back of this booklet.
- Make sure you have reviewed the **Health Savings Account (HSA) Overview**, which briefly outlines the rules and regulations associated with your Wells Fargo Health Savings Account. You will receive the complete version of this document along with your confirmation letter.
- Mail the forms and your initial deposit directly to Wells Fargo Health Benefit Services in the enclosed postage-paid business reply envelope.

That's it!

Your Health Savings Account will soon be ready for you to use to begin taking charge of your health, your money and your future.

Once your account is set up, you will receive a confirmation letter in the mail within seven to 10 business days. This letter will include your Personal Identification Numbers (PINs) for accessing the HSA web site, and instructions on making your investment fund elections. Your Health Savings Account Visa debit cards and instructions will also be mailed within seven to 10 business days. You will also receive a separate mailing with a prospectus for each of the investment options you have chosen.

Health Savings Account (HSA) Enrollment Form for Individuals

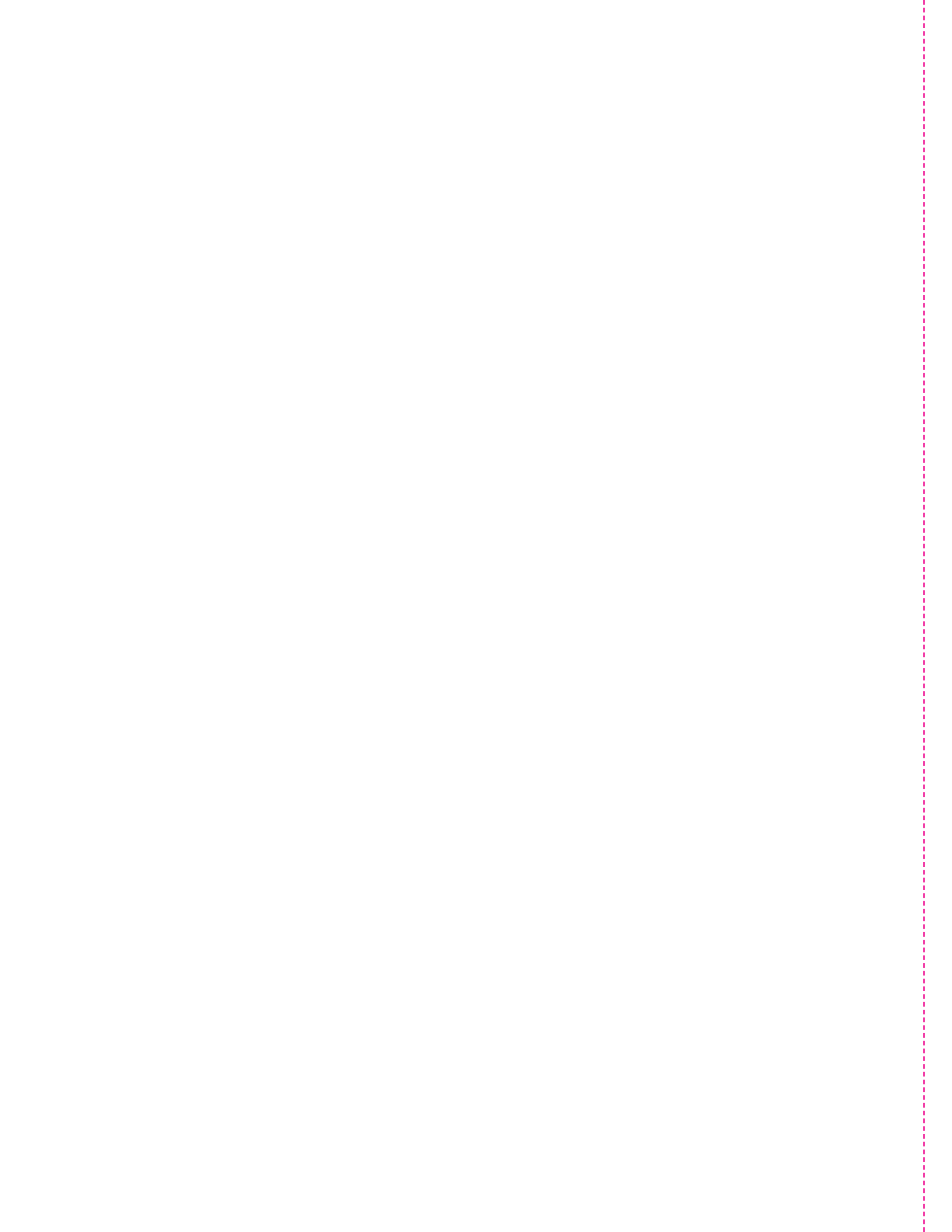


Please mail completed form to:
Wells Fargo Health Benefit Services, NW 5613, P.O. Box 1450, Minneapolis, MN 55485-5613

Contact Information				
Last Name	First Name	M.I.	Date of Birth	Social Security #
Street Address		City	State	Zip
E-Mail Address		Home Phone # (area code)	Work Phone # (area code & ext.)	
Health Insurance Provider Wells Fargo		My HSA Contribution Limit	Coverage Effective Date	
Broker			Broker ID	
Tax Year	HDHP Deductible	Coverage for <input type="checkbox"/> Individual <input type="checkbox"/> Family (includes Employee + 1, Employee + Spouse, and Employee + Children,		
<i>Note: All initial funds will be deposited in the tax year in which they are received unless indicated otherwise.</i>				
Account Setup				
Minimum Opening Deposit:	\$	100.00	Note on Investment Fund Elections: The first \$100 I contribute will be deposited to a non-interest-bearing cash fund. Thereafter, my contributions will be invested in the Wells Fargo Advantage Government Money Market Fund A until I select other available funds. Once my account is activated, I may select these funds online or by calling my HSA customer service number. I understand that I will receive a prospectus for the funds in which my HSA balances are invested immediately following a deposit into a fund. I understand that investments in any such fund are not obligations of, or endorsed or guaranteed by, Wells Fargo Bank or its affiliates and are not insured by the Federal Deposit Insurance Corporation. I acknowledge that I have full power to direct investments of the accounts. I understand that I may change this direction at any time and that it shall continue in effect until revoked or modified by me.	
Additional Opening Deposit:	+	_____		
Total Deposit Enclosed:	\$	_____		
<i>(Include a check or money order for this amount)</i>				
Administrative Fees: A monthly administrative fee will automatically be deducted from your HSA account on the first day of each month. The amount of this administrative fee is \$4.25/month, unless otherwise stated in your plan information.				
Please open a health savings account (HSA) in my name. I certify that I am eligible to contribute to an HSA according to federal regulations and tax code §223, and my annual contribution will not exceed the amount permitted for my situation.				
The USA PATRIOT ACT OF 2001 requires financial institutions to obtain, verify and record information to confirm the identity of each individual or entity that opens an account. What this means for you: before you open an account, we will ask for your name, address, date of birth (if you are an individual), taxpayer identification number (TIN), and other information that will allow us to identify you. For entities opening new accounts, we will ask you for documentation that may include annual reports, government issued business licenses or partnership agreements.				
<input type="checkbox"/> I certify that the purpose and funds for this account are for a Health Savings Account (HSA).				
If no, please explain:				
What is the source of the funds maintained in the account: <input type="checkbox"/> Employer Funds <input type="checkbox"/> Personal Funds <input type="checkbox"/> Rollover or transfer <input type="checkbox"/> Other – If other, please explain:				
How were you referred to Wells Fargo:				
I hereby request that Wells Fargo Health Benefit Services establish a health savings account (HSA) in my name. I acknowledge that this account will be established according to the Health Savings Account Disclosure and Trust Account Agreement for Employees and Individuals. I certify that account deposits will be contributed according to the Account Setup detailed above. I also certify that Wells Fargo Health Benefit Services is authorized to act in accordance with any future documents bearing my signature. I understand that I may revoke this agreement within seven days in accordance with the terms of the Health Savings Account Disclosure and Trust Account Agreement for Employees and Individuals.				
Primary Beneficiary Information				
Name	Relationship		Social Security #	
Address	City	State	Zip	
The rights of the beneficiary named above shall be subject to all terms and conditions of the Health Savings Account Disclosure and Trust Account Agreement for Employees and Individuals (the "Plan Document") and shall be effective only if received by Wells Fargo Health Benefit Services prior to the death of the account holder. This designation applies to all of the HSA funds that remain undistributed from this account at the account holder's death. If the account holder wishes to name additional primary beneficiaries or contingent beneficiaries, he or she may obtain a form by calling his or her HSA customer service number. If no primary beneficiary survives the account holder, payment of funds shall be made to surviving contingent beneficiaries or if none, in accordance with the terms of the Plan Document. This designation may be changed at any time by filing a written change with Wells Fargo Health Benefit Services.				
Signature of Account Holder			Date of Application	

Website: www.wfhbs.com/hsa
Phone: 866-890-8309

Wells Fargo Health Benefit Services is a division of Wells Fargo Bank N.A. and provides administrative services to the Health Savings Accounts on behalf of Wells Fargo Bank N.A. as trustee.



Direct Deposit Form for Health Savings Account (HSA) Reimbursements



Please use this form to enable Wells Fargo to deposit reimbursements directly into your checking account, or to change or cancel your direct deposit arrangement.

Please mail completed form and a voided check to:

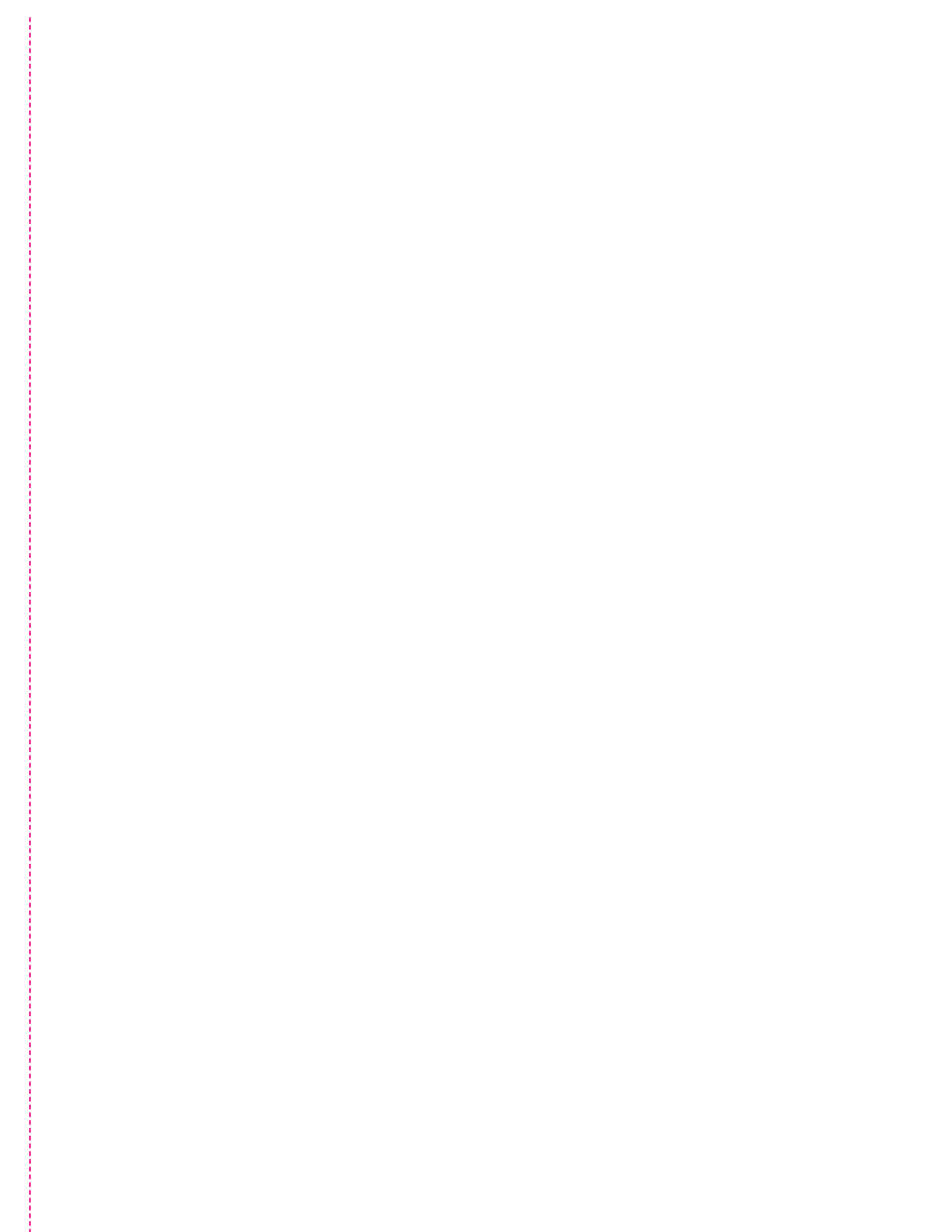
Wells Fargo Health Benefit Services, NW 5613, P.O. Box 1450, Minneapolis, MN 55485-5613

Contact Information				
Name of Employer – If sponsored through an employer, otherwise enter "Individual"				Social Security #
Last Name	First Name	M.I.	Home Phone # (area code)	Work Phone # (area code)
<p>As a <i>Health Savings Account (HSA)</i> participant, you may choose to have reimbursements directly deposited to your bank account. Direct deposit is a faster and more secure method than standard mailed checks. You will be notified by mail when your claim has been processed and funds have been deposited into your account. With this notice, you will receive the detail of the claim(s) and the amount paid.</p> <p>Note: Please allow 14 days for direct deposit to be set-up for your account. Once direct deposit is established, all reimbursements will be processed by this method. If you would like to receive a reimbursement by manual check, you will need to cancel your direct deposit agreement by completing the <i>Direct Deposit Cancellation Request</i> section below.</p>				
Direct Deposit Set-up / Account Change Request				
Complete this section to set up new direct deposit service or to change an existing direct deposit account.				
Action Requested (please attach voided check):				
<input type="checkbox"/> Set-up Direct Deposit	Effective Date of Action			
	Bank/C.U. Routing Number (9 digits)		Personal Account Number (as it appears on check)	
<input type="checkbox"/> Change Direct Deposit Account	Effective Date of Action			
	New Bank/C.U. Routing Number (9 digits)		New Personal Account Number (as it appears on check)	
	Old Routing Number		Old Account Number	
I hereby authorize Wells Fargo Bank to directly deposit my HSA reimbursements to the account identified above and by the attached voided check. I understand that the notice of deposit is not a guarantee that funds have been received by my financial institution. I acknowledge that this authorization is binding and may only be altered or cancelled upon written notification from me to Wells Fargo Health Benefit Services.				
Signature of Account Holder			Date	
Direct Deposit Cancellation Request				
Complete this section only if you are canceling your direct deposit agreement.				
<input type="checkbox"/> Cancel Direct Deposit	Effective Date of Action			
I elect to cancel my direct deposit agreement with Wells Fargo Health Benefit Services on the Effective Date listed above. I understand that I will thereafter receive my HSA reimbursements in the form of a check mailed to my home address.				
Signature of Account Holder			Date	

Website: www.wfhbs.com/hsa

Phone: 866-890-8309

Please attach voided check.



HEALTH SAVINGS ACCOUNT (HSA) OVERVIEW

Brief Description

A Health Savings Account is a tax-exempt trust or custodial account established exclusively for the purpose of paying an individual's qualified medical expenses provided that the individual is covered under an HSA compatible high-deductible health plan when contributions are made. Contributions may be accumulated over the years or distributed tax-free to pay or reimburse an individual's qualified medical expenses.

Any person may contribute to an HSA for an individual, including the individual, a family member, or an employer. An employer may permit the individual to elect to make contributions through a pre-tax salary reduction program through a cafeteria plan or through an after-tax deduction of an individual's wages. The total amount of contributions that may be made in a year are limited, depending on whether the individual has self-only or family coverage, an individual's annual deductible amount, an individual's age, whether the individual has contributed to other HSAs or Archer Medical Savings Account, and other legal restrictions. An individual may deduct contributions made after-tax on his or her tax return. Employer contributions are deductible by the employer and excludable from the individual's income.

An HSA grows tax-free – that is, earnings and interest are not taxable income while they are in the HSA and are not reported on an individual's tax return. Distributions from the HSA are not taxable income if they are used exclusively to pay qualified medical expenses. If distributions are used for other purposes, they are included in an individual's gross income and generally subject to an additional 10 percent penalty.

Eligibility to Open and Contribute

To be eligible to contribute, with respect to any month, the individual must be covered under an HSA eligible high-deductible health plan, or HDHP, on the first day of such month. Even if the individual is covered under an HDHP, the individual is not eligible if the individual is also covered by any other health plan that is not an HDHP, with certain exceptions for limited types of coverage explained below. The individual must not be entitled to benefits under Medicare (generally, at age 65) and the individual must not be claimed as a dependent on another person's tax return. The individual must determine whether he or she is eligible to establish or contribute to an HSA.

High Deductible Health Plan. An HSA eligible high-deductible health plan, or HDHP, is a health plan that satisfies certain requirements with respect to annual deductibles and out-of-pocket expenses. Specifically, if the individual has self-only coverage, an HDHP is a health plan that has an annual deductible of at least \$1,000 and annual out-of-pocket expenses required to be paid by the individual (that is, deductibles, co-payments and other amounts, but not premiums) not exceeding \$5,100. If the individual has family coverage (which means coverage for anyone except the individual only), an individual's annual deductible must be at least \$2,000 and annual out-of-pocket expenses required to be paid by the individual (that is, deductibles, co-payments and other amounts, but not premiums) must not exceed \$10,200. In the case of family coverage, no amount can be payable from the HDHP until an individual's family has incurred annual covered medical expenses in excess of \$2,000. (These dollar amounts are indexed for inflation.) For example, if a family's health plan provides an annual deductible of \$2,000 but the plan will pay covered medical expenses if any single member of the family has incurred covered medical expenses during the year of more than \$1,000, the plan is not an HDHP.

A plan may be an HDHP even if it does not have a deductible (or has a small deductible) for preventive care. A plan may be an HDHP even if it is a self-insured medical reimbursement plan sponsored by an individual's employer.

If a plan provides more favorable benefits for services provided by its network of providers than for services provided outside of the network, it may still be an HDHP even if the out-of-pocket expense limits for out-of-network services exceed the maximum annual out-of-pocket expense limits (\$5,100 for self-only coverage and \$10,200 for family coverage in 2005)

Coverage under Other Health Plans. Even with coverage under an HDHP, a person is generally not eligible to establish or contribute to an HSA if he or she is also covered under another health plan (whether as an individual, spouse, or dependent) that is not an HDHP. Certain types of coverage are permitted. The individual's eligibility is not affected if the coverage under the other plan (whether through insurance or otherwise) is for accidents, disability, dental care, vision care, or long-term care. In addition, an individual's eligibility is not affected if the individual is covered under an insurance policy if substantially all of the coverage relates to liabilities under workers' compensation laws, tort liabilities, liabilities relating to ownership or use of property (for example, automobile insurance), insurance for a specified disease or illness, or insurance that pays a fixed amount per day (or other period) of hospitalization.

A special temporary rule applies to coverage under a prescription drug plan for months before January 1, 2006. If the individual would be eligible to establish and make contributions to an HSA except that the individual is covered by both an HDHP that does not provide benefits for prescription drugs and a separate health plan or rider that provides prescription drug benefits before the minimum annual HDHP deductible is satisfied (that is, the prescription drug plan is not an HDHP), the individual will be eligible to establish and make contributions to an HSA.

Contributions

Except for rollovers or transfers, contributions must be made in cash. For each month that the individual is covered, contributions may not exceed 1/12 of an individual's annual deductible under an individual's HDHP or, if less, the maximum limit allowed by tax law for the year – \$2,650 for self-only coverage and \$5,250 for family coverage in 2005. (These dollar amounts are indexed for inflation.) If the plan has a separate deductible for out-of-network services, the annual contribution limit is the deductible for services within the network.

In addition, if the individual (or his or her covered spouse) is between ages 55 and 65 (the Medicare eligibility age), an additional "catch-up" contribution can be made to the HSA. The catch-up contribution amount for 2005 is \$600. This amount will increase in \$100 increments each year until it reaches \$1,000 in calendar year 2009. Like the annual contribution limit, this additional contribution limit is calculated monthly. The HSA cannot receive contributions after the individual has enrolled in Medicare.

Example. Marie has self-only coverage in an HDHP with an annual deductible of \$1,000. She attains age 65 and enrolls in Medicare in July 2005. Marie is no longer eligible for HSA contributions (including catch-up contributions) after June 2005. Her monthly contribution limit is \$133.33 (\$1,000 plus \$600 divided by 12 equals \$133.33). Marie's HSA can receive contributions only for the six-month period from January through June. Her contribution limit for 2005 from all sources (herself, a family member and her employer) is \$800 (\$133.33 times 6).

An HSA will accept rollover contributions from Archer MSAs and other HSAs. Rollover contributions are not subject to the contribution limits. An HSA will not accept rollovers from an individual retirement account, from a health reimbursement arrangement, or from a health flexible spending arrangement.

The contribution limits are reduced by any amounts contributed to Archer MSAs for the tax year and by any employer contributions paid to an individual's HSAs for the taxable year.

If the individual or his or her spouse has family coverage, or if both have family coverage, the contribution limit is calculated as though both have family coverage. If each spouse has family coverage under a separate health plan, both are treated as covered under the plan with the lowest deductible. The contribution limit for both spouses is the lowest deductible amount, divided equally between the spouses unless they agree on a different division. Both spouses may make catch-up contributions without exceeding the family coverage limit.

Contributions up to the limits are deductible from gross income of the HSA owner in the taxable year for which they are made, whether or not the taxpayer itemizes deductions. The taxpayer cannot also treat the contributions as an expense for medical care for purposes of calculating a deduction under section 213 of the tax code. An employer's contributions to an employee's HSA are not deductible by the employee but they are excludable from the employee's income in the tax year for which they are made so long as they do not exceed the limits.

Contributions for a tax year can be made in one or more payments at any time prior to the time prescribed by law without extensions for filing an individual's federal income tax return for the year (generally April 15 of the following year), but not before the beginning of the year. Although the annual contribution limit is determined monthly, the maximum contribution may be made on any day during this time.

Contributions made to an HSA are not deductible to the extent they exceed the contribution limits described above. Contributions made by an employer are included in the employee's gross income to the extent that they exceed the limits or if the employee is not eligible to have an HSA. In addition, the individual must generally pay an excise tax of 6 percent of the amount of such excess contributions for each taxable year that they remain in his or her HSA. However, if the excess contributions for a taxable year and the net income attributable to the excess contributions is paid to the individual before the due date for filing his or her tax return (including extensions), the net income is includable in the individual's gross income for the tax year in which the distribution is received and the 6 percent penalty will not apply to the distribution.

Investments and Prohibited Transactions

An HSA may not invest in life insurance or engage in any transaction that is prohibited by the prohibited transaction rules of section 4975 of the tax code. If the individual engages in a prohibited transaction, the HSA will cease to be an HSA and is treated as distributing all assets on the first day of the year. Tax penalties may also apply. An HSA may not be pledged or used as collateral for a loan. It may not be transferred to another person, other than to an individual's spouse or former spouse under a decree of divorce or separate maintenance or a written instrument incident to such a decree. If any amount is pledged as collateral for a loan or transferred to another person (other than to a spouse as described above), that amount will be treated as a distribution in the year the loan or transfer occurs. Tax penalties may also apply.

Distributions and Payments

Tax Treatment. An individual may take distributions or payments from the HSA at any time. Distributions or payments that are used exclusively to pay for qualified medical expenses for the individual or his or her spouse or dependents are excludable from the individual's gross income, even if the individual is not eligible to make contributions to the HSA at the time the distributions are made.

Any distribution or payment not used exclusively to pay for qualified medical expenses for the individual, or his or her spouse or dependents, is includable in gross income. This amount is also subject to an additional 10 percent penalty, except in the case of distributions made after an individual's death, disability or attainment of the Medicare eligibility age (generally age 65). Generally, the individual is not disabled for this purpose unless the individual is unable to pursue any gainful activity for a period which is expected to continue indefinitely (or that will lead to death). The individual cannot treat a distribution or payment that is used to pay qualified medical expenses as an expense paid for medical care for purposes of calculating a deduction under section 213 of the tax code.

Qualified Medical Expenses

Qualified medical expenses are expenses paid by the individual for medical care, as defined in section 213(d) of the tax code, for the individual or his or her spouse or dependents (but not premiums for most health insurance, as explained below), but only to the extent that the expenses are not covered by insurance or otherwise.

To be qualified, a medical expense must be incurred only after the HSA has been established.

Most health insurance premiums are not qualified medical expenses. However, premiums for qualified long-term care insurance, COBRA health care continuation coverage, and premiums for health care coverage while the individual is receiving unemployment compensation are qualified. In addition, for individuals over the age of 65, premiums for Medicare Part A or B, Medicare HMO, and an individual's share of premiums for employer-sponsored health insurance, including premiums for employer-sponsored retiree health insurance, can be paid from the HSA tax-free. Premiums for Medigap or Medicare supplemental policies are not qualified medical expenses.

An individual cannot treat medical expenses that are paid or reimbursed by distributions from an HSA as expenses paid for medical care under section 213 of the tax code. The individual, not the custodian, trustee or employer, must determine whether HSA distributions are to pay for or reimburse qualified medical expenses and must maintain medical expense records to show that distributions have been made exclusively for qualified medical expenses.

Beneficiary

If an HSA owner names his or her surviving spouse as the beneficiary of the HSA, the spouse will be treated as the HSA owner. If the individual names someone other than his or her spouse as beneficiary, the HSA ceases to be an HSA as of the date of the individual's death, and the value of the HSA is included in the beneficiary's gross income for the tax year of the individual's death or, if the beneficiary is the individual's estate, the last taxable year of the individual's estate.

If an individual's beneficiary is not his or her estate, the includable amount is reduced by any payments from the HSA made for his or her qualified medical expenses, if paid within one year after death.

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Investment in any mutual fund is not insured or guaranteed by the U.S. Government, the FDIC, the Federal Reserve System or any other federal agency. Shares of a mutual fund are not obligations, deposits or guaranteed by Wells Fargo or its affiliates and are subject to investment risk, including possible loss of principal.

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Wells Fargo Health Benefit Services is a division of Wells Fargo Bank, N.A.

Wells Fargo Bank, N.A.

Health Savings Account

**Disclosure
and
Custodial Account Agreement
for Employees
and
Individuals**

Effective 2004

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Health Savings Account Disclosure

Introduction

*This booklet has two parts. This part is a Disclosure that describes your Health Savings Account, or HSA, and some of the important requirements, tax matters, and restrictions that pertain to it. Following this Disclosure is the Custodial Account Agreement, the legal document that creates and governs the terms of the HSA. In this Disclosure, **you** and **your** refer to the individual for whose benefit the HSA is created. **Wells Fargo** and **Custodian** refer to Wells Fargo Bank, N.A., the custodian of the HSA.*

This disclosure is a summary of Wells Fargo's Health Savings Account program. If there is any inconsistency or ambiguity between this summary and the Custodial Account Agreement, the terms of the Custodial Account Agreement will govern and control.

Your Right to Revoke Your HSA

You have the right to revoke your HSA, without incurring any costs, within seven days from the date you open it. If you mail your signed application to Wells Fargo after having received and read the Disclosure and Custodial Account Agreement, you may assume you that your HSA is opened three days from the date you mail it. If you mail your signed application to Wells Fargo before receiving and reading the Disclosure and Custodial Account Agreement, you will be bound by the terms of the disclosure and agreement as of the date you receive these documents. You will be deemed to have received these documents seven days after the date they are mailed to you. If you do not agree to be bound by the terms of the Disclosure and Agreement, you must notify Wells Fargo in writing within seven days of the date on which the Disclosure and Agreement are deemed received.

To revoke your HSA, you must notify Wells Fargo in writing. The following information must be included in the notice:

- *the statement "I want to revoke my HSA."*
- *your signature,*
- *the date,*
- *your full name (printed),*
- *your complete address, and*
- *your HSA Account Number or Social Security Number.*

Your letter must be postmarked no later than the seventh day after you opened your HSA or on which the Disclosure and Agreement are deemed received. You must mail your notice to the address below:

*Wells Fargo Bank, N.A.
Health Benefit Services
381 East Broadway, Suite 110
Salt Lake City, UT 84111*

Notice sent by mail must be postmarked within the seven day period. It will be considered to have been mailed on the postmarked date if it is:

- *properly addressed,*
- *delivered by U.S. mail,*
- *sent postage paid (first class), and*
- *enclosed in an envelope or other appropriate wrapper.*

If you revoke your HSA within the seven-day period, Wells Fargo will return to you the entire amount of the contributions or the actual property rolled over from another HSA before your revocation. If Wells Fargo received the contributions from your employer, Wells Fargo will return those contributions to your employer to the extent permitted by law. You will not earn interest on the contribution if you revoke. There will be no adjustments for administrative expenses, or changes in market value. Because of this, contributions you make to it may be held uninvested during the first seven days after you make your first contribution. When you revoke your HSA, the initial contribution and return of the contribution are reported to the IRS. You should consult

your financial or tax advisor if you have questions about taxes.

Overview

This Health Savings Account is a tax-exempt custodial account established exclusively for the purpose of paying your qualified medical expenses provided that you are covered under a high-deductible health plan when contributions are made. Contributions may be accumulated over the years or distributed tax-free to pay or reimburse your qualified medical expenses.

You may contribute to this HSA. Your employer may contribute to this HSA, whether or not because of an election you made to have your pay contributed to the HSA. A member of your family or any other person may also contribute to this HSA for you. The total amount of contributions that may be made in a year are limited, depending on whether you have self-only or family coverage, your annual deductible amount, your age, whether you have contributed to other HSAs or Archer Medical Savings Account, and other legal restrictions. You may deduct contributions made by you or a family member to this HSA on your tax return. Employer contributions are excludible from your income.

If this HSA is sponsored by your employer, your employer will notify you how the assets of this HSA will be invested. If your employer sponsors this HSA, your employer may make available investment options among which you can select from time to time. If this HSA is not sponsored by your employer, you may choose from the investment vehicles that Wells Fargo has available for this HSA.

Your employer may permit you to elect to make contributions through a pre-tax salary reduction program through a cafeteria plan or through an after-tax deduction of your wages.

This HSA grows tax-free – that is, earnings and interest are not taxable income while they are in the HSA and are not reported on your tax return.

Distributions from the HSA are not taxable income if they are used exclusively to pay

qualified medical expenses. If distributions are used for other purposes, they are included in your gross income and generally subject to an additional 10% penalty.

Eligible Individual

You cannot establish or contribute to an HSA unless you are eligible. This means that, with respect to any month, you must be covered under a high-deductible health plan, or HDHP, on the first day of such month. Even if you are covered under an HDHP, you are not eligible if you are also covered by any other health plan that is not an HDHP, with certain exceptions for limited types of coverage explained below. You must not be enrolled in Medicare (generally, age 65) and you must not be claimed as a dependent on another person's tax return.

You will not fail to be eligible just because you have a card that gives you discounts for drugs or health care. Nor will you fail to be eligible because you are covered under an employee assistance program, a disease management or a wellness program if the program does not provide significant medical care or treatment.

You will not fail to be eligible if you change coverage mid-year from self-only coverage to family coverage if both types of coverage were under an HDHP.

You must determine whether you are eligible to establish or contribute to an HSA. Wells Fargo may require proof or a certification, in a form acceptable to Wells Fargo, that you are an eligible individual, including a statement that you are covered by a health plan that meets all of the requirements of an HDHP.

High Deductible Health Plan

A high-deductible health plan, or HDHP, is a health plan that satisfies certain requirements with respect to annual deductibles and out-of-pocket expenses. Specifically, if you have self-only coverage, an HDHP is a health plan that has an annual deductible of at least \$1,000 and annual out-of-pocket expenses required to be paid by you (that is, deductibles, co-payments and other amounts,

but not premiums) not exceeding \$5,000. If you have family coverage (which includes coverage for anyone other than yourself), your annual deductible must be at least \$2,000 and annual out-of-pocket expenses required to be paid by you (that is, deductibles, co-payments and other amounts, but not premiums) must not exceed \$10,000. In the case of family coverage, no amount can be payable from the HDHP until your family has incurred annual covered medical expenses in excess of \$2,000. For example, if your health plan provides an annual deductible of \$2,000 but your plan will pay covered medical expenses if any single member of your family has incurred covered medical expenses during the year of over \$1,000, your plan is not an HDHP. These dollar amounts are indexed for inflation.

If the deductible for your plan is based on a period that is longer than 12 months, you must adjust the minimum deductible to determine whether your plan qualifies as an HDHP.

Example:

For 2004, Gavin's plan applies medical expenses incurred in the last three months of 2003 toward the 2004 deductible. The plan's deductible for self-only coverage is \$1,500 and covers 15 months (the last three months of 2003 and 12 months of 2004). To determine whether the plan meets the requirement that the deductible be at least \$1,000 for self-only coverage for 2004, Gavin must multiply the \$1,000 by 15 (the number of months during which expenses incurred are taken into account in Gavin's plan) which equals \$15,000. The \$15,000 is then divided by 12 which equals \$1,250. This is the minimum deductible for self-only coverage for Gavin's plan to qualify as an HDHP in 2004. Because his plan's deductible is \$1,500 it qualifies as an HDHP.

Your plan may be an HDHP even if it does not have a deductible (or has a small deductible) for preventive care. Although preventive care generally does not include treatment of an existing illness, injury or condition, any treatment that is incidental or ancillary to preventive care, such as the removal of polyps during a diagnostic colonoscopy, is preventive care that can be

provided before the deductible in an HDHP has been satisfied. Drugs or medications are considered preventive care for this purpose if you have developed risk factors for a disease that has not yet manifested itself or not yet become clinically apparent (asymptomatic), or to prevent the reoccurrence of a disease from which you have recovered—for example, the treatment of high cholesterol with cholesterol-lowering drugs such as statins or the treatment of recovered heart attack or stroke victims with Angiotensin-converting Enzyme (ACE) inhibitors. In addition, medications used as part of procedures providing preventive care services, including obesity weight-loss and tobacco cessation programs, are also preventive care.

Your plan may be an HDHP even if it is a self-insured medical reimbursement plan sponsored by your employer.

A plan that imposes a reasonable lifetime limit on benefits, such as \$1 million, may still qualify as an HDHP. Also, a plan with reasonable annual or lifetime benefit restrictions may be an HDHP if significant other benefits remain available under the plan.

Example:

In 2004, Josh has self-only coverage under a plan with a \$1,000 deductible and a lifetime limit of \$1 million on covered benefits. The plan provides no benefits for experimental treatments, mental health, or chiropractic care visits. In addition, after the deductible is satisfied, the plan pays for only 26 substance abuse treatments per year. Although the plan covers fertility treatments, it limits lifetime payments to \$10,000, after the deductible is satisfied. Otherwise, the plan pays 80% of major medical expenses incurred after satisfying the deductible. When the 20% coinsurance paid by Josh reaches \$4,000, the plan pays 100%. Josh's plan qualifies as an HDHP.

If your plan provides more favorable benefits for services provided by its network of providers than for services provided outside of the network, it may still be an HDHP even if the out-of-pocket expense limits for out-of-network services exceed the maximum annual

out-of-pocket expense limits (\$5,000 for self-only coverage and \$10,000 for family coverage in 2004). If your plan imposes higher coinsurance if you fail to get precertification for a specific provider, the increased coinsurance is not included in determining the maximum out-of-pocket expense. If your plan limits benefits to "usual, customary and reasonable" amounts (sometimes called UCR), amounts paid by you in excess of UCR are not counted in determining the out-of-pocket maximum for the plan. Penalties for failing to obtain pre-certification are not counted as out-of-pocket expenses.

A plan without an express limit on out-of-pocket expenses is generally not an HDHP if the limit is necessary to avoid exceeding the out-of-pocket maximum. For example, a plan that pays 100% after the deductible is designed so that the plan does not need an express limit on out-of-pocket expenses. Similarly, a plan that applies a separate deductible to individual family members may qualify by design. For example, a plan that pays 100% for each member of a family after he or she has satisfied a \$2,000 deductible is an HDHP for any family with five or fewer members because the maximum out-of-pocket cannot exceed \$10,000 (5 x \$2,000), even if the plan does not have an express limit on out-of-pocket expenses. However, the plan is not an HDHP for a family of six or more. For months before January 1, 2005, a plan that would otherwise qualify as an HDHP but for the lack of an express maximum on payments above the deductible that complies with the out-of-pocket requirement will be treated as an HDHP, as provided in Notice 2004-50.

Co-payments, such as co-payments for preventive care screenings, are included as out-of-pocket expense. Unless a plan includes an express limit on out-of-pocket expenses which includes co-payments, or limits co-payments, the plan is not an HDHP.

Coverage Under Other Health Plans

Even if you are covered under an HDHP, you are generally not eligible to establish or contribute to an HSA if you are also covered under another health plan (whether as an

individual, spouse, or dependent) that is not an HDHP. Certain types of coverage are permitted. Your eligibility will not be affected if the coverage under the other plan (whether through insurance or otherwise) is for accidents, disability, dental care, vision care, or long-term care. In addition, your eligibility will not be affected if you are covered under an insurance policy if substantially all of the coverage relates to liabilities under workers' compensation laws, tort liabilities, liabilities relating to ownership or use of property (for example, automobile insurance), insurance for a specified disease or illness, or insurance that pays a fixed amount per day (or other period) of hospitalization.

If you are also covered by a post-deductible health reimbursement arrangement (HRA), the deductible for both need not be identical, but neither your health plan nor the HRA may pay benefits before the minimum annual deductible is satisfied in order for you to be eligible to contribute to an HSA.

A special temporary rule applies to coverage under a prescription drug plan for months before January 1, 2006. If you would be eligible to establish and make contributions to an HSA except that you are covered by both an HDHP that does not provide benefits for prescription drugs and a separate health plan or rider that provides prescription drug benefits before the minimum annual HDHP deductible is satisfied (that is, the prescription drug plan is not an HDHP), you will be eligible to establish and make contributions to your HSA.

Contributions

Contributions may be made by you, a member of your family, or your employer or any other person. Contributions must be made in cash. For each month that you are covered, contributions may not exceed 1/12 of your annual deductible under your HDHP or, if less, the maximum limit allowed by tax law for the year -- \$2,600 for self-only coverage and \$5,150 for family coverage in 2004. These dollar amounts are indexed for inflation.

If the deductible for your plan is based on a period that is longer than 12 months, you

must adjust the deductible to determine your maximum contribution.

Example:

For 2004, Gavin's plan applies medical expenses incurred in the last three months of 2003 toward the 2004 deductible. The plan's deductible for self-only coverage is \$1,500 and covers 15 months (the last three months of 2003 and 12 months of 2004). Gavin has self-only coverage under the plan during the entire year. To determine his maximum contribution for 2004, Gavin must divide the deductible of \$1,500 by 15 (the number of months allowed to satisfy the deductible) which equals \$100, then multiply this number by 12 which equals \$1,200. Because \$1,200 is less than the maximum limit of \$2,600 for self-only coverage for 2004, Gavin may contribute \$1,200 for 2004.

If your plan has embedded deductibles (covering medical expenses for each family member) and an umbrella deductible (applying to medical expenses of the family as a whole), each of the plan deductibles must satisfy the minimum annual deductible requirement for the plan to qualify as an HDHP. Your contribution would be limited to the umbrella deductible amount, the annual contribution limit, or the embedded deductible amount multiplied by the number of family members covered by the plan, whichever amount is the least. For example, if you and your spouse are covered by your HDHP in 2004 and it pays benefits for any family member whose covered expenses exceed \$2,000 and for all family members after expenses exceed \$5,000, your contribution limit is \$4,000 – the least of \$5,000 (the umbrella deductible amount), \$5,150 (the 2004 annual contribution limit) and \$4,000 (2 x the \$2,000 embedded deductible amount).

If your plan has a separate deductible for out-of-network services, the annual contribution limit referred to above is the deductible for services within the network.

In addition, if you (or your spouse covered under the HDHP) are age 55 or older, an additional "catch-up" contribution can be made to your HSA, so long as you are not enrolled in Part A or Part B of Medicare.

The catch-up contribution amount for 2004 is \$500. This amount will increase in \$100 increments each year until it reaches \$1,000 in calendar year 2009. Like the annual contribution limit, this additional contribution limit is calculated monthly. Your HSA cannot receive contributions after you have enrolled in Medicare.

Example:

Marie has self-only coverage in an HDHP with an annual deductible of \$1,000. She attains age 65 and applies for and begins receiving Social Security benefits in July 2004. Marie is automatically enrolled in Medicare at the same time. Marie is no longer eligible to make HSA contributions (including catch-up contributions) after June 2004. Her monthly contribution limit is \$125 (\$1,000 plus \$500 divided by 12 equals \$125). Marie's HSA can receive contributions only for the 6-month period from January through June. Her contribution limit for 2004 from all sources (herself, a family member and her employer) is \$750 (\$125 times 6).

The contribution limits are reduced by any amounts paid to Archer MSAs for the tax year and by any employer contributions paid to your HSAs for the taxable year.

If you are also covered by a post-deductible health reimbursement arrangement (HRA) with a deductible that satisfies the minimum annual deductible requirement, your annual contribution is limited to the lower of the two deductibles.

If you or your spouse has family coverage, or if both of you have family coverage, the contribution limit is calculated as though you both have family coverage. If each of you has family coverage under a separate health plan, you both are treated as covered under the plan with the lowest deductible. The contribution limit for both of you is the lowest deductible amount, divided equally between you unless you agree on a different division. Both of you may make catch-up contributions without exceeding the family coverage limit.

Examples: Olivia and Jose are a young married couple. They have family HDHP coverage with a \$5,000 deductible.

If Olivia also has self-only coverage with a \$200 deductible, she is not eligible to contribute to an HSA. Jose may contribute up to \$5,000 to an HSA.

If Olivia also has self-only HDHP coverage with a \$2,000 deductible, they are treated as having only family coverage. Combined, their contributions cannot exceed \$5,000, divided between them as they agree.

If Olivia also has family HDHP coverage with a \$3,000 deductible, they are treated as having family coverage with the lowest annual deductible. Combined, their contributions cannot exceed \$3,000, divided between them as they agree.

If Olivia also has family coverage with a \$500 deductible, they are treated as having family coverage with the lowest annual deductible. Neither Olivia nor Jose is eligible to contribute to an HSA.

Contributions up to the limits made by you or your family member to your HSA are deductible from your gross income in the taxable year for which they are made, whether or not you itemize deductions. You cannot also treat the contributions as an expense for medical care for purposes of calculating a deduction under section 213 of the tax code. Your employer's contributions to your HSA are not deductible by you but they are excludible from your income in the taxable year for which they are made so long as they do not exceed the limits.

Contributions for a taxable year can be made in one or more payments at any time prior to the time prescribed by law without extensions for filing your federal income tax return for the year (generally April 15 of the following year), but not before the beginning of the year. Although the annual contribution limit is determined monthly, the maximum contribution may be made on any day during this time.

Contributions made by your employer to this HSA cannot be matching contributions unless they are made through a Section 125

(cafeteria) plan and meet the requirements of section 125 of the tax code.

Distribution of Excess Contributions

Contributions made by you or a family member are not deductible to the extent they exceed the contribution limits described above. Contributions made by your employer are included in your gross income to the extent that they exceed the limits or if you are not eligible to have an HSA. In addition, you must generally pay an excise tax of 6% of the amount of such excess contributions for each taxable year that they (and any attributable earnings) remain in your HSA. However, if the excess contributions for a taxable year and the net earnings attributable to the excess contributions is paid to you before the due date for filing your tax return (including extensions), the net income is includible in your gross income for the tax year in which the distribution is received and the 6% penalty will not apply to the distribution.

Rollover and Transfer Contributions

Your HSA will accept rollover and transfer contributions from Archer MSAs and other HSAs. Rollover and transfer contributions are not subject to the contribution limits. Your HSA will not accept rollovers or transfers from an individual retirement account, from a health reimbursement arrangement, or from a health flexible spending arrangement.

Investments

If your employer sponsors this HSA, your employer may decide how the money held in the HSA will be invested. Your employer may choose the investments for the HSA or may select a number of investment options, which may be mutual funds, including Wells Fargo Funds, from which you may choose. Or your Employer may allow you to direct Wells Fargo how to invest the money held in your HSA from the investments available from Wells Fargo. You will be given additional information about your employer's decisions.

If your employer does not sponsor this HSA, you will direct Wells Fargo how to invest the money held in your HSA from the investments available from Wells Fargo.

In any event, you will be given information about the investments in your HSA, the investment activity in your HSA, and the value of your account at least quarterly.

Distributions or Payments

You may take distributions or payments from your HSA at any time, provided that Wells Fargo may place reasonable restrictions on both the frequency and the minimum amount from time to time. Distributions or payments that are used exclusively to pay for qualified medical expenses for yourself, your spouse or your dependents are excludable from your gross income, even if you or your family members are not eligible to make contributions to the HSA at the time the distributions are made. Distributions made for expenses that are reimbursed by another health plan are not excludable from gross income.

Any distribution or payment not used exclusively to pay for qualified medical expenses for yourself, your spouse or dependents is includable in your gross income. This amount is also subject to an additional 10% penalty, except in the case of distributions made after your death, disability or attainment of the Medicare eligibility age (generally age 65). Generally, you are not disabled for this purpose unless you are unable to pursue any gainful activity for a period which is expected to continue indefinitely (or that will lead to death). If you indicate that you are disabled when you take a distribution or payment, you may need to provide proof of your disability to the Internal Revenue Service.

You cannot treat a distribution or payment that is used to pay qualified medical expenses as an expense paid for medical care for purposes of calculating a deduction under section 213 of the tax code.

Rollovers and Transfers

You may roll over a distribution from this HSA into another health savings account

within 60 days after the date of the distribution so long as a prior distribution has not been rolled over during the 12-month period ending on the date of the distribution. You may transfer your HSA to another health savings account at any time.

Qualified Medical Expenses

Qualified medical expenses are expenses paid by you for medical care, as defined in section 213(d) of the tax code, for you, your spouse or dependents (but not premiums for most health insurance, as explained below), but only to the extent that the expenses are not covered by insurance or otherwise.

To be qualified, a medical expense must generally be incurred only after the HSA has been established. However, for calendar year 2004, if you establish your HSA by April 15, 2005, a medical expense will be qualified if it was incurred on or after January 1, 2004 or, if later, the first day of the first month that you became eligible to have an HSA.

Most health insurance premiums are not qualified medical expenses. However, eligible long-term care premiums (up to the limits of the medical expense deduction permitted), COBRA health care continuation coverage, and premiums for health care coverage while you are receiving unemployment compensation are qualified. In addition, for individuals eligible for Medicare, premiums for Medicare Part A or B, Medicare HMO, and your share of premiums for employer-sponsored health insurance, including premiums for employer-sponsored retiree health insurance (whether the plan is insured or self-insured), can be paid or reimbursed from your HSA and qualify for tax-favored treatment. Premiums for Medigap or Medicare supplemental policies are not qualified medical expenses.

You cannot treat medical expenses that are paid or reimbursed by distributions from your HSA as expenses paid for medical care under section 213 of the tax code.

If you take a distribution from this HSA reasonably believing that an expense paid or reimbursed by this HSA was a qualified medical expense and you later realize that it was not, you may repay the amount of the

distribution to the HSA no later than April 15 of the year following the year you knew or should have known it was a mistake but in no event later than June 30 of the year following the year the distribution was made. You must have clear and convincing evidence that the amount was distributed because of a mistake of fact due to reasonable cause that you can provide to the Internal Revenue Service. Wells Fargo may rely on your representation that the distribution was a mistake.

Distributions may be taken in years after the expense was incurred as long as it was incurred after the HSA was established. You must maintain sufficient records to show that the distribution was used 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 the medical expenses have not been taken as an itemized deduction in any prior tax year.

Neither Wells Fargo nor your employer will determine whether HSA distributions are to pay qualified medical expenses. You must make that determination and maintain medical expense records to show that distributions have been made exclusively for qualified medical expenses.

Payout of Small Accounts

Wells Fargo reserves the right to pay your HSA account to you if no contributions are being made to the account and you do not maintain a minimum balance of at least \$100 for a reasonable period of time. In addition, Wells Fargo may close out your account if the balance in the HSA has been zero for a period of two months or more.

Death

On your death, this HSA will become the property of the individual you designate as your beneficiary or, if you have not named a beneficiary or if the beneficiaries you named die before me, to your surviving spouse if you have one, otherwise to your estate.

If your surviving spouse is your named beneficiary, this HSA will be treated as your spouse's HSA on your death. If someone

other than your spouse is your named beneficiary, your HSA will cease to be an HSA as of the date of your death, and the value of the HSA will be included in your beneficiary's gross income – for the taxable year of your death unless your beneficiary is your estate, in which case for the last taxable year of your estate.

If your beneficiary is not your estate, the includable amount is reduced by any payments from your HSA made for your qualified medical expenses, if paid within one year after death.

Assigning or Pledging Benefits as Collateral

Your HSA may not be transferred to someone else or used as collateral for a loan, other than to your spouse or former spouse under a decree of divorce or separate maintenance or a written instrument incident to such a decree. If any amount is transferred to someone else or pledged as collateral for a loan, that amount will be treated as a distribution in the year the loan or transfer occurs. Tax penalties may also apply.

Prohibited Transactions

If you or your beneficiary engage in any transaction prohibited by section 4975(c) of the tax code, your HSA will cease to be an HSA and is treated as distributing all assets on the first day of the year. Tax penalties may also apply.

IRS Approval

The form of this HSA has not been submitted for a favorable ruling by the Internal Revenue Service. However, if the Internal Revenue Service announces that a program is available for applying for approval it will be submitted. Internal Revenue Service approval applies only to its form, and is not a determination of the merits of the HSA or of the investment of any assets.

At various times, Wells Fargo may amend this HSA in order to conform to changes in the tax laws or for other reasons. If this HSA is

amended, Wells Fargo will notify you in advance of the amendments.

Amendment of this Disclosure

Wells Fargo has the right to amend this Disclosure from time to time and in any respect. In amending this Disclosure Wells Fargo will give you written notice of the amendment, its substance, and the date the amendment will be effective. Any amendment to this Disclosure will take effect unless, within the 30-day period following the date on the notice or within such longer period as the notice may specify, Wells Fargo receives written notice from you of your refusal to consent to the amendment and your rollover or transfer of your HSA to another custodian or trustee.

Terminating This Account

This HSA will terminate when all of the assets in the account have been distributed.

Fees

Wells Fargo is permitted to charge reasonable administrative and other fees. Wells Fargo will notify you, or your Employer if your Employer has arranged to pay fees, of the current fee schedule if one exists at the time you establish the HSA or, if none exists, when Wells Fargo establishes a fee schedule. Wells Fargo will also notify you in advance in writing of any changes in the fee schedule that it makes from time to time. If your Employer is paying fees for your HSA and you terminate employment, you will be responsible to pay HSA fees. Any special expenses relating to administration of your HSA will also be charged against your HSA.

Wells Fargo may subtract any fees from your HSA, unless you or your Employer pay the fees directly.

Wells Fargo, the custodian of this HSA, and/or its affiliates receive compensation directly from Wells Fargo Funds (the "Funds") for investment advisory and other services performed for the Funds. If you direct that your HSA be invested in the Funds, these fees are set forth in the prospectus that

you have received. No commissions are charged to you or to your HSA for such purchases or sales. By establishing this HSA, you are approving the fees that are paid to Wells Fargo and/or its affiliates for your HSA.

In addition, if you direct that your HSA be invested in a mutual fund that is not related to Wells Fargo or its affiliates, Wells Fargo may be paid shareholder servicing or other compensation for services that it provides to such third party mutual fund, such as shareholder recordkeeping and providing prospectuses to its shareholders. You may obtain more information about this compensation by contacting Wells Fargo at the address set forth at the beginning of this Disclosure in the section entitled "Your Right to Revoke Your HSA".

Gain or Loss of Account

Wells Fargo cannot project or guarantee the value of this HSA. This is because the value will depend on which investments you choose and on the terms of those investments.

Some investments may have penalties for early surrender, withdrawal or sale of the investment. If you choose an investment that has such a penalty, Wells Fargo will subtract the penalty from the proceeds of the transaction.

Any separate information about specific HSA investments or any separate fee schedule that Wells Fargo gives you is treated as a supplement to this Disclosure.

Financial Information

The assets of this HSA may not be invested in life insurance contracts, nor may they be commingled with other property except in a common trust fund or common investment fund.

Time and Savings Deposits

If available through your HSA program, you may choose Wells Fargo Bank, N.A. time or savings deposits as an option for investing the funds in your HSA. Time and savings

deposits are eligible for up to \$100,000 of FDIC insurance. Savings deposits generally earn interest at a variable rate while time deposits generally earn interest at a fixed rate until maturity.

contributions in accordance with the terms of this HSA.

If you choose a fixed rate deposit, the starting interest rate is guaranteed to remain in effect until the first maturity date. If you choose a variable rate deposit, the interest rate may change over the term of the deposit.

For time deposits, you will be able to change from one type of deposit to another on each maturity date or within seven calendar days after it. If you do not change your type of deposit, you will automatically renew it for the same period. At each maturity, the interest rate will be set at the rate Wells Fargo is currently offering on that type of deposit.

The terms governing your account are set forth in the Deposit Account Agreement which Wells Fargo will provide you before you open your account. There may be a penalty for early withdrawals, even if the proceeds will be contributed directly to another HSA. Early withdrawal penalties may reduce your principal. In addition, you may have to pay tax penalties for certain distributions from your HSA.

Whenever you choose a deposit, Wells Fargo will give you specific information on the maturity period, the interest rate, the rules on renewal or nonrenewal, and any applicable early withdrawal penalty.

Legal and Tax Advice

Wells Fargo cannot give you tax or legal advice on how establishing an HSA, contributing to it, qualified medical expenses or making rollovers or transfers to and/or from an HSA applies to your particular situation. You must talk to your attorney or other tax advisor about these matters. You alone are responsible for complying with the tax law rules, keeping sufficient records to demonstrate whether your distributions were made to pay or reimburse your qualified medical expenses, and any tax consequences to of this HSA. Wells Fargo's responsibility is limited to the handling of your

Arbitration

Non-Judicial Resolution of Disputes—

Maintaining good relationships with our customers is very important to us. We ask you to contact us immediately if you have a problem with one of your accounts or a service we provide. Often a telephone call to us or visit to one of our staffed branch office locations resolves the matter quickly and amicably. However, if you and we are not able to resolve our differences informally, you agree by opening or maintaining an account with us or by accepting a service from us that any dispute between you and us, regardless of when it arose, will be settled using the following procedures.

You understand and agree that each of us is waiving the right to a jury trial or a trial before a judge in a public court.

Disputes—*A dispute is any unresolved disagreement between you and Wells Fargo Bank, N.A. or its affiliates that relates in any way to accounts or services described in this brochure, or to the use of any method you may use to access us. It includes any claim that arises out of or is related to these accounts, services or agreements. It includes claims based on broken promises or contracts, torts (injuries caused by negligent or intentional conduct), tax matters, or other wrongful actions. It also includes statutory, common law and equitable claims. A dispute also includes any disagreement about the meaning of this Arbitration Agreement, and whether a disagreement is a “dispute” subject to binding arbitration as provided for in this Agreement. The parties agree that any dispute shall not be consolidated with any other arbitration proceeding for any reason without consent of all the parties hereto and that by engaging in activities with or involving each other as described above, they are participating in transactions involving interstate commerce. A dispute otherwise subject to these provisions shall not be governed by the Arbitration Agreement if that dispute is asserted on behalf of others or a class. Rather, such representative claims shall be brought and resolved before a judge in any court with jurisdiction over the matter.*

Binding Arbitration—*Binding arbitration is a means of having an independent third party*

resolve a dispute without using the court system, judges or juries. Either you or we may submit a dispute to binding arbitration at any reasonable time notwithstanding that a lawsuit or other proceeding has been commenced. If either you or we fail to submit to binding arbitration following a lawful demand, the party who fails to submit bears all costs and expenses incurred by the party compelling arbitration.

Each arbitration, including the selection of the arbitrator(s) is administered by the American Arbitration Association (AAA), according to the Commercial Arbitration Rules (excluding the Optional Procedures for Large, Complex Commercial Disputes) and the Optional Rules For Emergency Measures Of Protection of the AAA (“AAA Rules”). To the extent that there is any variance between the AAA Rules and this Agreement, the Agreement shall control. Arbitrator(s) must be members of the state bar of the state where your account is located with expertise in the substantive laws applicable to the subject matter of the dispute. Each arbitration is governed by the provision of the Federal Arbitration Act (Title 9 of the United States Code), and, to the extent any provision of that Act is inapplicable, unenforceable or invalid, the laws of the state that govern the relationship between you and us about which the dispute arose. To find out how to initiate arbitration, please call any office of the AAA.

Right of Set-Off Preserved—*This Arbitration Agreement and the exercise of any of the rights you and we have under this Agreement does not stop you or us from exercising any lawful rights either of us has to use other remedies available to preserve, foreclose or obtain possession of real or personal property; exercise self-help remedies, including set-off and repossession rights; or obtain provisional or ancillary remedies such as injunctive relief, sequestration, attachment, garnishment or the appointment of a receiver by a court having jurisdiction.*

Multiple Claims and Parties—*In the event multiple claims are asserted, we each agree to stay the proceedings of any claims not subject to these provisions until all other claims are resolved in arbitration. In the event claims are asserted against multiple parties, some of whom are not subject to this arbitration agreement, we each agree to sever*

the claims of any parties not subject to these provisions and resolve all other claims in arbitration.

Miscellaneous—*We each agree to take all steps, and execute all documents, necessary for the implementation of arbitration proceedings. The arbitrator may hear and rule on appropriate dispositive motions as part of the arbitration proceeding, such as motions for judgments on the pleadings, summary judgment or partial summary judgment. The AAA, the arbitrators and the parties, you and we, must, to the extent feasible, take any necessary action to assure that an arbitration proceeding, as described in this section, is completed within 180 days of filing the dispute with the AAA and may not disclose the existence, content or results of the arbitration, except for disclosures of information by a party required in the ordinary course of business or by applicable law or regulation. Arbitration proceedings are conducted in the state where your account is located, at a location determined by the AAA. All statutes of limitations applicable to any dispute apply to any arbitration between you and us. This Agreement shall survive termination, amendment or expiration of any account agreement or any other relationship between the parties. This Agreement constitutes the entire agreement of the parties and supercedes all prior arrangement and other communications concerning dispute resolution. In the event more than one arbitration agreement entered into by the parties is potentially applicable to a dispute, the one most directly related to the account or transaction that is the subject of the dispute shall control.*

Health Savings Account Custodial Account Agreement

Foreword

This Account is intended to be a Health Savings Account within the meaning of Section 223 of the Internal Revenue Code. To adopt and establish an HSA as described hereunder, the Account Holder must execute a Wells Fargo HSA Application appointing Wells Fargo Bank, N.A. as custodian of the HSA and naming the designated beneficiary of the HSA.

Article I Definitions

Section 1.1

Account. “Account” means this Health Savings Account, as defined in Section 223(d) of the Internal Revenue Code.

Section 1.2

Account Holder. “Account Holder” means the individual for whom this HSA is held. Only one person may be the Account Holder of an HSA.

Section 1.3

Archer MSA. “Archer MSA” means an Archer MSA, as defined in Section 220(d) of the Internal Revenue Code.

Section 1.4

Custodian. “Custodian” means Wells Fargo Bank, N.A., or a duly appointed successor thereof.

Section 1.5

Designated Beneficiary. “Designated Beneficiary” means the person or persons designated to receive any benefit payable under the HSA in the event of the Account Holder’s death. The Account Holder may designate one or more beneficiaries which shall be referred to as “primary beneficiaries” and also may designate one or more “secondary beneficiaries.”

A secondary beneficiary shall be treated as a primary beneficiary in the event no primary beneficiary survives the Account Holder. Unless otherwise provided under applicable

state law, the Account Holder may alter or revoke a beneficiary designation without the consent of any beneficiary previously named. To be effective, any designation, alteration, or revocation must be in writing in a form acceptable to Wells Fargo and must be filed with Wells Fargo during the Account Holder’s lifetime. If the beneficiary is more than one person, the benefit shall be paid in equal shares to such persons who survive the Account Holder unless the Account Holder’s beneficiary designation provides otherwise. If a beneficiary does not survive the Account Holder, such beneficiary’s interest, if any, shall lapse and the percentage interest of any remaining primary or contingent beneficiaries shall be increased on a pro rata basis unless the Account Holder’s beneficiary designation provides otherwise. If no beneficiary designation is on file with Wells Fargo at the time of the Account Holder’s death or if no beneficiary survives the Account Holder, the Account Holder’s beneficiary shall be his or her spouse if then living, and if his or her spouse is not then living, then his or her estate. Wells Fargo shall have no responsibility to seek or obtain any beneficiary forms. Wells Fargo shall determine who the beneficiary is in each case and its determination shall be conclusive on all parties in interest.

Notwithstanding anything herein to the contrary, Wells Fargo shall be fully protected in paying a surviving spouse such portion of the account as is necessary to satisfy state marital or community property laws if Wells Fargo has sufficient documentation at the time it makes payment to reasonably determine the proper payees and amounts. Wells Fargo in its sole discretion may delay all or a portion of a payment to a beneficiary who is not the surviving spouse for a reasonable time to make such determination. For this purpose, to the extent permitted by law, the surviving spouse’s interest under marital or community property law shall be merged into any benefit paid to such spouse as a beneficiary of the account. To the extent that Wells Fargo makes payment in good faith to a beneficiary pursuant to the provisions of this paragraph, Wells Fargo shall be held harmless and indemnified by all parties and no party shall have a claim against Wells Fargo for any portion of such payment.

Section 1.6

Eligible Individual. “Eligible Individual” means, with respect to any month, any individual covered under a High Deductible Health Plan as of the first day of such month, provided that such individual is not also covered under any health plan which not a High Deductible Health Plan and which provides coverage for any benefit which is covered under the High Deductible Health Plan. For this purpose, coverage for benefits through Permitted Insurance and Permitted Coverage are disregarded.

Notwithstanding the foregoing, for months before January 1, 2006, an individual who is covered by both an HDHP that does not provide benefits for prescription drugs and by a separate health plan or rider that provides prescription drug benefits before the minimum annual deductible of the HDHP is satisfied will not fail to be an Eligible Individual for this reason, as provided in Rev. Proc. 2004-22.

Section 1.7

Employer. “Employer” means the employer of the Account Holder.

Section 1.8

Family Member. “Family Member” means a member of the Account Holder’s family, as defined in Section 529(e)(2) of the Internal Revenue Code and generally means the Account Holder’s spouse, the Account Holder’s child or such child’s descendant, stepchild, sibling or stepbrother or stepsister, parent or parent’s sibling, grandparent, stepparent, the child of his or her sibling, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, sister-in-law, the spouse of any of the foregoing, or a first cousin of the Account Holder.

Section 1.9

High-Deductible Health Plan. “High-Deductible Health Plan” or “HDHP” means a health plan that (a) has an annual deductible which is not less than \$1,000 for self-only coverage and \$2,000 for family coverage, and (b) the sum of the annual deductible and other annual out-of-pocket expenses required to be paid under the plan (other than for premiums) does not exceed \$5,000 for self-only coverage and \$10,000 for family coverage. For this purpose, family

coverage means any coverage other than self-only coverage. The dollar amount shall be increased by an amount equal to the cost-of-living adjustment for the calendar year determined in accordance with Section 223(g) of the Internal Revenue Code.

An HDHP does not include any health plan if substantially all of its coverage is Permitted Coverage or Permitted Insurance.

For purposes of determining whether a plan is an HDHP, penalties and higher coinsurance payments for failure to obtain a pre-certification are disregarded, as are amounts paid in excess of usual, customary and reasonable amounts.

For purposes of determining whether the annual deductible of a plan that bases its deductible on a period longer than 12 months meets the minimum annual deductible requirements of an HDHP, the minimum annual deductible limit will be adjusted as provided in Notice 2004-50.

A plan will not fail to be treated as an HDHP if it has a deductible (or has a lower deductible) for preventive care within the meaning of section 1871 of the Social Security Act, except as otherwise provided by Treasury regulations. For this purpose, preventive care includes, but is not limited to, the services set forth in Notice 2004-23 and includes incidental or ancillary treatment and preventive medications and drug as provided in Notice 2004-50.

A plan that uses a network of providers will not fail to be treated as an HDHP solely because it has an out-of-pocket limitation for expenses for out-of-network services that exceeds the limitation in (b) above. A plan shall not fail to be treated as an HDHP solely because it imposes a reasonable lifetime limit on benefits. A plan with reasonable annual or lifetime benefit restrictions may be an HDHP if significant other benefits remain available.

Section 1.10

Internal Revenue Code. “Internal Revenue Code” means the Internal Revenue Code of 1986, as amended from time to time, and any successor statute.

Section 1.11

Permitted Coverage. “Permitted Coverage” means coverage (whether through insurance or otherwise) for accidents, disability, dental care, vision care or long-term care.

Section 1.12

Permitted Insurance. “Permitted Insurance” means insurance if substantially all of the coverage provided relates to liabilities incurred under workers’ compensation laws, tort liabilities, liabilities relating to ownership or use of property, or such other similar liabilities as are specified under U.S. Treasury regulations, insurance for a specified disease or illness, and insurance paying a fixed amount per day (or other period) of hospitalization.

Section 1.13

Qualified Medical Expenses. “Qualified Medical Expenses” means medical expenses as defined in Section 213(d) of the Internal Revenue Code for the Account Holder or his or her spouse or dependents, as defined in Section 152 of the Internal Revenue Code, to the extent such expenses are not compensated for by insurance or otherwise.

Notwithstanding the foregoing, health insurance premiums are not Qualified Medical Expenses, except for qualified long-term care insurance, as defined in Section 7702B(b) of the Internal Revenue Code, costs of health care continuation coverage required under any Federal law, including COBRA, costs of coverage for health care coverage while receiving unemployment compensation under Federal or State law, and, in the case of an Account Holder who has attained the age specified in Section 1811 of the Social Security Act, any health insurance, including premiums for Medicare Part A or B, Medicare HMO and the employee share of premiums for employer-sponsored health insurance, including retiree health insurance, other than a Medicare supplemental policy, as defined in Section 1882 of the Social Security Act.

Qualified Medical Expenses must be incurred only after the HSA is established.

Notwithstanding the foregoing, for calendar year 2004, an HSA established by an Eligible Individual on or before April 15, 2005 may pay or reimburse medical expenses that

would otherwise be Qualified Medical Expenses if the expense was incurred on or after January 1, 2004 or, if later, the first day of the first month that the individual became an Eligible Individual, as provided in Notice 2004-25.

Section 1.14

Rollover Contribution. “Rollover Contribution” means a contribution of a distribution from an Archer MSA or an HSA benefiting the Account Holder to this HSA within 60 days after the date of the distribution from the Archer MSA or HSA, provided that if a prior payment or distribution has been made during the 12-month period ending on the date of the distribution, such distribution may not be treated as a Rollover Contribution.

Article II

Contributions

Section 2.1

Acceptance. Wells Fargo agrees to accept contributions from any person to hold as custodian exclusively for the purpose of paying the Qualified Medical Expenses of an Account Holder or his or her spouse or dependents.

Section 2.2

Conditions. Except as provided by Section 2.3, no contribution will be accepted by this HSA:

- (a) unless it is in cash;
- (b) after the first month on which the Account Holder is entitled to benefits under Title XVIII of the Social Security Act and thereafter;
- (c) from or on behalf of any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins;
- (d) from an individual retirement account, an individual retirement annuity, a Roth individual retirement account, a health reimbursement arrangement, or a health flexible spending arrangement;
- (e) except in the case of a Rollover Contribution or transfer, if such contribution would result in aggregate contributions to this HSA, including contributions from the Account Holder and a Family Member, exceeding the limits of Section 2.5 for the taxable year.

Section 2.3

Rollover and Transfer Contributions.

Notwithstanding the provisions of Section 2.2, this HSA will accept a Rollover Contribution or a transfer from another health savings account of any amount.

Section 2.4

Employer Contributions. An Employer may contribute to this HSA, provided that the

Employer must make comparable contributions on behalf of all eligible employees with coverage under any HDHP provided by the Employer during a calendar year, as provided by Section 4980G of the Internal Revenue Code. Contributions are comparable if they are either the same amount or the same percentage of the deductible under the HDHP, provided that comparability is determined separately with respect to contributions on behalf of employees who customarily work less than 30 hours per week and contributions may be compared on a month-to-month basis for such employees as provided in Notice 2004-50. Notwithstanding the foregoing, an Employer may make contributions through a cafeteria plan sponsored by the Employer to the extent that they, together with other cafeteria plan contributions, satisfy the nondiscrimination rules provided by Section 125 of the Internal Revenue Code, without regard to the comparability rules of Section 4980G of the Internal Revenue Code .

Section 2.5

Limitations. No contribution will be accepted to the extent that it, together with contributions to all HSAs of the Account Holder for the taxable year, whether made by the Account Holder, Family Member or Employer, exceeds the maximum contribution limits as provided by Section 223(b) for a taxable year.

The contribution limit for a taxable year is the sum of the monthly limitations for each month that the Account Holder is an Eligible Individual. The monthly limitation is 1/12 of the following:

- (a) in the case of an Eligible Individual who has self-only coverage under an HDHP as of the first day of such month, the lesser of the annual deductible under such coverage or \$2,250, adjusted for cost-of-living increases as provided by Section 223(g) of the Internal Revenue Code (\$2,600 for 2004);
- (b) in the case of an Eligible Individual who has family coverage under an HDHP as of the first day of such month, the lesser of the annual deductible under such coverage or

\$4,500, adjusted for cost-of-living increases as provided by Section 223(g) of the Internal Revenue Code (\$5,150 for 2004).

For purposes of applying the limitation calculation, in the case of a married couple, if either spouse has family coverage, both spouses are treated as having only such family coverage. If such spouses each have family coverage under different plans, both spouses are treated as having family coverage under the plan with the lowest annual deductible, which amount shall be divided equally between the spouses unless they agree on a different division.

In addition, the contribution limit of an Account Holder (and his or her spouse covered under the HDHP) who has attained age 55 before the close of the taxable year is increased by the sum of the monthly limitations for each month that the Account Holder is an Eligible Individual. The monthly limitation is 1/12 of:

Increased annual limitation amount	For taxable years beginning in
\$500	2004
\$600	2005
\$700	2006
\$800	2007
\$900	2008
\$1,000	2009 and thereafter

For purposes of this paragraph, family coverage means any coverage other than self-only coverage.

For purposes of determining the contribution limits of a plan that bases its deductible on a period longer than 12 months, the plan deductible will be adjusted as provided in Notice 2004-50.

The contribution limits (without regard to contributions permitted at age 55) of a plan that provides for embedded individual deductibles and an umbrella deductible shall be the least of the following:

- (a) the maximum annual contribution limit for family coverage specified in

Section 223(b)(2)(B)(ii) (\$5,150 for calendar year 2004);

- (b) the umbrella deductible; or
- (c) the embedded individual deductible multiplied by the number of family members covered by the plan.

Notwithstanding the foregoing, the contribution limit for an individual who is enrolled in and entitled to benefits under Title XVIII of the Social Security Act is zero.

Section 2.6
Coordination with Employer Contributions. The contribution limitation in Section 2.5 is reduced (but not below zero) by Employer contributions to the health savings accounts of the Account Holder for such taxable year.

Section 2.7
Coordination with Archer MSA Contributions. The contribution limitation in Section 2.5 is reduced by the amount of contributions to Archer MSAs of the Account Holder for the taxable year. Notwithstanding the foregoing, in the case of a married couple, if either spouse has family coverage, the contribution limitation in Section 2.5 is reduced by the aggregate amount paid to Archer MSAs of such spouses for the taxable year, but such spouses who have attained age 55 by the close of the year may make the additional contribution without exceeding the maximum contribution limitation.

Section 2.8
Coordination with Health Reimbursement Arrangements. If an Eligible Individual is also covered by a post-deductible health reimbursement arrangement (HRA), the contribution limitation is the lower of the amount set forth in Section 2.5 and the amount of the HRA deductible.

Section 2.9
Timeliness. The maximum contributions for a taxable year maybe made at any time, or from time to time, prior to the time prescribed by law (without extensions) for filing the Eligible Individual's federal income tax return for that year, but in no event before January 1 of the taxable year.

Section 2.10

Special Rule for Network Plans. In the case of a plan that has a separate annual deductible for services provided outside of a network, such annual deductible shall not be taken into account in calculating the contribution limitation.

Section 2.11

Effect of Excess Contribution. A contribution made by the Account Holder or a Family Member that exceeds the contribution limitations for a taxable year is not deductible by the Account Holder. A contribution made by an Employer that exceeds the contribution limitations for a taxable year is treated as a payment of compensation to the Account Holder pursuant to the provisions of Section 219(f)(5) of the Internal Revenue Code and is includible in the gross income of the Account Holder in the taxable year for which it was contributed. In addition, the Account Holder is subject to an excise tax of 6% of the amount of such excess contribution for each taxable year that such excess is held in the HSA.

Section 2.12

Effect of Timely Distribution of Excess Contribution. Notwithstanding Section 2.10 above, a distribution of an excess contribution made during a taxable year shall not be subject to an excise tax (or an additional tax on account of the distribution) if:

- (a) such distribution is received on or before the day prescribed by law (including extensions of time) for filing such Account Holder's return for the taxable year, and
- (b) such distribution includes the amount of net income attributable to such excess contribution.

Net income is included in gross income of the Account Holder for the taxable year in which such the distribution is received by the Account Holder.

Article III Distributions

Section 3.1

Distributions Payable Upon Request. The Account Holder may take a distribution at any time, subject to reasonable restrictions on frequency or minimum amounts established by Wells Fargo and communicated in advance to the Account Holder.

Section 3.2

Qualified Distributions. An amount paid or distributed from this HSA which is used exclusively to pay Qualified Medical Expenses of the Account Holder, or his or her spouse or dependents is not includible in the gross income of the Account Holder, whether or not the Account Holder is an Eligible Individual at the time of such payment or distribution and whether or not the Qualified Medical Expense was incurred in a prior year (so long as it was incurred after the Account was established).

Section 3.3

Nonqualified Distributions. An amount paid or distributed from this HSA which is not used exclusively to the Qualified Medical Expenses of the Account Holder, or his or her spouse or dependents is includible in the gross income of the Account Holder.

Section 3.4

Additional Penalty on Nonqualified Distributions. Pursuant to the provisions of Section 223(f)(4) of the Internal Revenue Code, the includible amount in Section 3.3 is increased by an additional tax of 10% of such amount, except in the case of payments or distributions made:

- (a) after the date the Account Holder becomes disabled within the meaning of Section 72(m)(7) of the Internal Revenue Code;
- (b) after the date the Account Holder dies;
- (c) after the date the Account Holder attains the age specified in Section 1811 of the Social Security Act for Medicare eligibility.

Section 3.5

Rollover or Transfer to Another HSA.

Sections 3.3 and 3.4 shall not apply to an amount distributed from this HSA to the extent that all or a portion of such amount is rolled over into a health savings account for the benefit of the Account Holder not later than the 60th day after the day on which the Account Holder receives the payment or distribution, provided that the Account Holder has not at any time during the one-year period ending on the day of the receipt of such distribution, received and rolled over any other amount from a health savings account which was not includible in the Account Holder's gross income. In addition, Sections 3.3 and 3.4 shall not apply to an amount transferred from this HSA to another health savings account for the benefit of the Account Holder.

Section 3.6

Return of Mistaken Distributions. An Account Holder may repay to the Account distributions made from this HSA on account of a reasonable mistaken belief that an expense paid or reimbursed by this HSA was a qualified medical expense no later than April 15 of the year following the year the Account Holder knew or should have known the distribution was a mistake but in no event later than June 30 of the year following the year the distribution was made. Wells Fargo may rely on the Account Holder's representation that the distribution was a mistaken distribution that qualifies for a return as provided herein.

Section 3.7

Death of Account Holder. Upon the Account Holder's death, any balance remaining in this HSA shall become the property of the Designated Holder. If the Designated Holder as of such date is the surviving spouse of the Account Holder, the surviving spouse shall be treated as the Account Holder of this HSA. If the Designated Holder as of such date is not the surviving spouse, this HSA shall cease to be an HSA as of such date, and the fair market value of the HSA shall be includible in the gross income of such Designated Holder:

- (a) if the Designated Beneficiary is the Account Holder's estate, for the last taxable year of the estate;

- (b) if the Designated Beneficiary is not the Account Holder's estate, for the taxable year which includes the date of the Account Holder's death. In such case, the amount includible in the gross income of the Designated Beneficiary shall be reduced by any payments from the HSA for Qualified Medical Expenses which were incurred by the Account Holder before the date of death and paid by the Designated Beneficiary within one year after such death.

Section 3.8

Electronic Payment Methods. Distributions to pay Qualified Medical Expenses may be made through the use of a debit, credit or stored-value card.

Article IV Investments

Section 4.1

Investment Direction if Employer-Sponsored. If this HSA is sponsored by the Employer, the Employer shall direct Wells Fargo, as Custodian, as to the investment, holding, sale and reinvestment of assets of the HSA. Notwithstanding the foregoing, the Employer may, if acceptable to the Custodian:

- (a) select a limited number of investment fund options, which may be mutual fund options, among which the Account Holder may direct investment, provided that such selection must be made in a uniform and nondiscriminatory way with respect to all employees similarly situated;
- (b) select an HSA product offered by Wells Fargo that restricts investments to a limited number of investment fund options, which may be mutual funds, among which the Account Holder may direct investment; or
- (c) permit all employees to direct investment of their HSAs in accordance with Section 4.2.

Section 4.2

Other Arrangements. *If this HSA is not sponsored by the Employer or if the Employer has designated the provisions of this section to apply pursuant to section 4.1(b), the Account Holder shall direct Wells Fargo regarding the investment of the assets held in this HSA among the investment choices available to such HSAs by Wells Fargo.*

Section 4.3

Permitted Investments. *To the extent allowed by law, the assets of the HSA may be invested in any securities or property, including common or preferred stocks, open-end or closed-end mutual funds, corporate bonds, debentures, convertible debentures, commercial paper, U.S. Treasury bills, U.S. Treasury notes and other direct or indirect obligations of the United States government or its agencies.*

Without limiting the generality of the foregoing, such investments may include, but are not limited to:

- (a) *short-term securities, savings or deposits, time accounts or similar interest-bearing instruments which bear a reasonable rate of interest in a bank or similar financial institution, supervised by the United States or a state, notwithstanding that the bank or financial institution is the Custodian of this HSA;*
- (b) *shares of any common or collective trust fund or common investment fund organized for the collective investment of such funds held by it in a custodial capacity, the provisions of which are incorporated herein by this reference, including any such fund or funds presently in existence or hereafter established, and which is maintained by a bank or trust company supervised by a state or federal agency, notwithstanding that the bank or trust company is the Custodian or its affiliate;*
- (c) *shares of a registered investment company (mutual fund) for which the Custodian or its affiliate provides investment advisory or other*

services for which they receive compensation.

Notwithstanding the foregoing, no direction shall be given or accepted that would cause the HSA to invest in an investment that is a prohibited transaction or is otherwise not permitted by the provisions of the Internal Revenue Code, regulations, or other applicable law governing health savings accounts.

Section 4.4

Form of Direction. *All investment directions shall be in a form acceptable to Wells Fargo. Any direction by an authorized person to purchase assets shall also be deemed a direction to retain such assets until a subsequent direction is given by an authorized person directing the disposition of the assets. Wells Fargo shall have no responsibility other than to comply with such directions and shall incur no liability to anyone for complying with any such directions. If the Employer or, where appropriate the Account Holder, fails to provide directions with respect to any cash held in the Account, such cash may be invested in a money market account or such other similar investment as may be designated by Wells Fargo from time to time as the default investment for such purposes.*

Section 4.5

Continuity. *If this HSA is the successor of a prior HSA, any investment directions under the prior HSA shall continue in effect until a different investment direction is given to Wells Fargo.*

Section 4.6

Commingling. *The assets of this HSA may not be commingled with other property except in a common trust fund or common investment fund.*

Section 4.7

No Life Insurance. *No part of the assets of this HSA may be invested in life insurance contracts.*

Section 4.8

No Pledge or Encumbrance. *The benefits, rights, privileges, payments, proceeds, claims, or other interest of this HSA shall not be*

transferable or subject to anticipation, pledge or encumbrance by the Account Holder. If any portion of the account is used as security for a loan, the portion so used is treated as a distribution.

Section 4.9

No Prohibited Transactions. The Account shall not engage in a prohibited transaction within the meaning of Section 4975(c) of the Internal Revenue Code.

Section 4.10

No Collectibles. The Account shall not invest in collectibles, including any artwork, antiques, metals, gems, stamps, coins (other than certain types of bullion or permitted coins), alcoholic beverages, or other tangible personal property specified in Section 408(m) of the Internal Revenue Code and applicable guidance.

Article V

Custodial Account

Section 5.1

Nonforfeiture. The interest of an Account Holder in the account balance of this HSA is nonforfeitable at all times. The employer may not recoup any portion of a contribution previously made to this HSA except as provided by law.

Section 5.2

Resignation or Removal of Custodian. Wells Fargo may resign or be removed as custodian at any time by giving, or receipt of, at least 30 days prior written notice by the Employer, in the case of an Employer-sponsored HSA, or by the Account Holder in any other case.

Section 5.3

Appointment of Successor. In the event of the resignation or removal of Wells Fargo as Custodian, the Employer, in the case of an Employer-sponsored HSA, or the Account Holder in any other case shall appoint a successor which shall have the same powers and duties as those conferred upon the Custodian hereunder. Upon the appointment and qualification of the successor, Wells Fargo shall assign, transfer and set over to the successor the funds and properties then constituting the HSA. If no successor is

appointed, Wells Fargo is authorized to petition the appropriate court for a declaration appointing a successor, and to charge the HSA for the reasonable costs, fees, and expenses of such legal process. No successor shall be in any way liable or responsible for anything done or omitted to be done prior to the date on which it becomes a successor, nor shall it be required to examine or question in any way the administration of the account prior to its appointment.

Section 5.4

Records and Reports. Wells Fargo shall keep accurate and detailed records of its administration of the HSA and of all investments, receipts and disbursements and other transactions hereunder. Wells Fargo shall provide such annual year-end reports of the status of the account to the Account Holder and others as are required by the Internal Revenue Code.

Section 5.5

Furnishing Information. The Employer and the Account Holder agree to provide Wells Fargo with such information at such times as may be necessary to enable Wells Fargo to make any distributions or prepare and file any reports required under Section 223(h) of the Internal Revenue Code and under guidance published by the Internal Revenue Service. Wells Fargo agrees to submit reports as prescribed by law.

Section 5.6

Limitation of Liability. Wells Fargo shall not incur any liability of any nature in connection with any act done or omitted to be done in good faith in connection with this HSA, and Wells Fargo shall be indemnified and held harmless by the Employer and the Account Holder respectively from and against any and all losses, costs, damages and claims, including attorneys fees and disbursements, to which it shall be subject by reason of following the direction of such person, to the extent Wells Fargo reasonably believed such person to be authorized to give such direction.

Section 5.7

Communications. Any notice, statement, report or other communication which Wells Fargo is required or permitted to give to a

person shall be deemed given when sent by regular mail to the last address for such individual shown on the records of Wells Fargo. The parties may separately agree to communicate by electronic methods.

Section 5.8

Dealings with Wells Fargo. No person (other than the Employer and the Account Holder) dealing with Wells Fargo shall be required to take cognizance of the provisions hereof, and any such person shall be entitled to conclusively assume that Wells Fargo is properly authorized to do any act which it purports to do hereunder. Any person may conclusively assume that Wells Fargo has full power and authority to receive and receipt for any money or property payable to the account, and no such person shall be bound to inquire as to the disposition or application of any money or property paid to Wells Fargo or in accordance with its written directions.

Section 5.9

Implied Powers. Wells Fargo shall have the right, power and authority to do each and every act and thing and to enter into and carry out each and every agreement with respect to the account which may be necessary or advisable to discharge its responsibilities hereunder.

Section 5.10

Compensation and Fees. Wells Fargo shall be entitled to receive reasonable compensation or fees for its services in such amount as may be established from time to time by Wells Fargo, and to be reimbursed for all expenses reasonably incurred in the administration of the account. Wells Fargo shall pay the fees of other service providers for their services as authorized by Account Holder. Such compensation and expenses shall be paid from the account if not paid by the Account Holder or the Employer, but expenses solely attributable to or incurred in connection with the investment and reinvestment of the HSA shall be paid from the account. Employer and Account Holder understand that Wells Fargo may benefit directly or indirectly from the "float" earnings accrued on uninvested cash during a period of time in which a distribution check is outstanding, an investment transaction is pending, or any similar transaction is in progress.

Section 5.11

Facility of Payment. Wells Fargo may refuse to make payment to any person who is incapable under applicable state law for any reason of personally receiving and giving a valid receipt for such payment. Wells Fargo may make all or any part of such payment to a court-appointed guardian, conservator or committee of such persons. To the extent payment is so made Wells Fargo shall be fully discharged.

Section 5.12

Small Accounts. If the Account Holder does not maintain a balance of at least \$100 in his or her Account, Wells Fargo may pay the balance to the Account Holder unless contributions are being deposited to the Account on a regular basis. Wells Fargo may close out the Account if the balance has been zero for a period of two months or more.

Article VI

Amendment and Termination

Section 6.1

Amendment. Wells Fargo has the right to amend this HSA from time to time in any respect by written notice of the amendment to be made, which notice shall set forth the text of such amendment, and the date such amendment is to be effective. Such amendment shall take effect on the effective date stated in the notice, unless within the 30-day period after such notice is sent, or within such longer period as the notice may specify, the Account Holder, as the case may be, gives Wells Fargo written notice of refusal to consent to the amendment.

Section 6.2

Termination. This HSA shall terminate when all amounts have been distributed in accordance with the terms of the HSA.