

ESC Debit MasterCard® Card Terms of Use

You were notified in recent correspondence that the State of North Carolina would no longer disburse cash payments by means of a paper check. If you have questions, wish to discuss your options, or do not agree with these Terms, you must contact your Local Office or Agency processing your payments and do not activate the Card.

Wells Fargo Bank, N.A. (“we”, “us” and “Bank”) is providing you with these terms (“Terms”) and the enclosed North Carolina debit MasterCard® Card (“Card”) because you have agreed with the State of North Carolina (the “State”) to accept payments by means of the Card. This agreement describes your rights and obligations with respect to the Card.

YOU CANNOT USE THE ENCLOSED CARD TO PERFORM TRANSACTIONS UNTIL YOU HAVE SELECTED YOUR PERSONAL IDENTIFICATION NUMBER (PIN), WHICH WILL ALSO ACTIVATE THE CARD.

By selecting your PIN and activating the Card in accordance with the instructions accompanying this form, you will be agreeing to abide by these Terms. Your use of the Card will further attest to your agreement to abide by these Terms.

- 1. Payments to You.** An account has been established with us to fund payments to you. We will make funds available to you in the amounts designated by the State, and you will be able to access those funds with the Card.
- 2. Personal Identification Number (PIN).** The Card cannot be used at automated teller machines (“ATMs”) and some point-of-sale (“POS”) terminals without the PIN. You may be asked to sign a sales slip or provide identification, rather than enter your PIN, for certain POS transactions. At some merchants, such as gas stations, you may not be required to sign your name or enter your PIN.
- 3. Card Transactions.** You can use the Card to obtain cash at ATMs and financial institutions, and to make purchases at POS terminals and merchants, that participate in the MasterCard® network. When you use the Card to initiate a transaction at certain merchants, such as hotels, a hold may be placed on your available Card funds for an amount equal to or in excess of your ultimate transaction. The held funds will not be available to you for any other purpose. Any excess will be released for your use when the transaction is finally settled.

Cash refunds will not be made to you for POS purchases. If a merchant gives you a credit for merchandise returns or adjustments, it may do so by processing a credit adjustment, which we will apply as a credit to your available funds.

We may refuse to authorize a Card transaction if: (a) it would exceed the amount that the State has advised us to make available for your use; (b) the Card is reported lost or stolen; (c) we believe the Card is counterfeit; or (d) we are uncertain whether the transaction is authorized by you. We may temporarily “freeze” the Card and attempt to contact you if we note transactions that are unusual or appear suspicious. You may not use the Interactive Voice Response (IVR) Transfer Service associated with your Card to make an electronic payment or to electronically send funds outside of the United States.

You may not use the Card to perform transactions that exceed the amount of funds made available to you through this program by the State. There may be occasions when deposits are posted to your account in error, or funds added that do not belong to you. You are not authorized to spend these funds because the State has not authorized us to make these funds available through the Card. In such events, this error will be corrected as soon as known and funds will be adjusted in your account. Should the adjustment result in your account becoming negative, a notice letter will be mailed to you explaining the error and the reason for the adjustment. If you have spent the funds before the error is identified, the amount to be repaid will be automatically deducted from future payments to your account as described in Section 9 of this document. Your Card must not be used for any unlawful purpose (for example, funding any account that is set up to facilitate Internet gambling). You agree to take steps to ensure that you do not use your Card or the account underlying the Card for any transaction that is illegal under the laws governing your Card and the underlying account. In addition, Wells Fargo Bank, N.A. (as the issuer of your Card) reserves the right to deny transactions or authorizations from merchants apparently engaging in the Internet gambling business or identifying themselves through the Card transactions record or otherwise as engaged in such business. You may stop payment on a preauthorized recurring payment by either calling us or writing us at least three business days before the date of the payment.

Please be advised that you may experience difficulties using the Card at: unattended vending machines and kiosks; gas station pumps (you may go inside to pay); and certain other merchants, such as rental car companies, where preauthorized amount may be held until a final bill is rendered.

- 4. Card and PIN Security.** You agree not to give or otherwise make the Card or PIN available to others. For security reasons, you agree not to write your PIN on the Card or keep it in the same location as the Card. The Card is our property and must be returned to us upon request.
- 5. Fees.** You are allowed unlimited free cash withdrawals each month at either a Wachovia Bank* or Wells Fargo Bank ATM and two free cash withdrawals for each deposit at a MasterCard Member Bank teller window. A fee of \$2.50 will be assessed for each bank teller cash withdrawal after the free transactions are used. Free transactions expire on the last day of the month. A fee of \$2.25 is assessed for each international ATM withdrawal plus a 3% international transaction fee of the amount is applied to all transactions, both ATM withdrawal and POS transactions.

There is not a fee for an ATM balance inquiry at a Wachovia Bank or Wells Fargo Bank. An ATM balance inquiry at a Bank other than Wachovia Bank or Wells Fargo Bank will be assessed a fee of \$1.00. We will assess a fee of \$1.00 for each ATM denial that occurs in the same month. A denial occurs when there are not sufficient funds to cover your cash withdrawal request.

If you conduct a transaction at an ATM that is not operated by Wachovia Bank or Wells Fargo Bank, the owner of the ATM may impose an additional fee called a surcharge. Avoid these additional surcharge fees by using Wachovia Bank or Wells Fargo Bank ATMs. Read the screen message carefully for information related to surcharging fees before you press enter. You will have the option to cancel the transaction and go to another ATM.

You are allowed one free replacement card per year. For additional requests there is a \$5.00 fee. An additional \$15.00 will be charged if you request that the replacement Card be sent express delivery, rather than by regular mail.

Additional services, if you wish to transfer funds from your debit card to another consumer bank account in the USA, a fee of \$1.50 will be assessed. There is no fee to sign up for deposit notification via email, phone or text message.

You can make unlimited free calls to Customer Service each month to check your balance or hear your transaction history.

- 6. Foreign Currency Transactions.** If you obtain cash or make a purchase in a currency other than U.S. dollars, MasterCard® International will convert the amount deducted from your available funds into U.S. dollars. Under the currency conversion procedure that MasterCard® International uses, the non-U.S. dollar transaction amount is converted into a U.S. dollar amount by multiplying the transaction amount in the non-U.S. dollar currency by a currency conversion rate. The currency conversion rate that MasterCard® International typically uses is either a government-mandated rate, or a whole sale rate provided to MasterCard® International (currently 3%). This rate may differ from the rate in effect when the transaction occurred or when we post it against the funds that are available to you. MasterCard® International’s currency conversion rate and fees will comply with MasterCard® rules for this convenience.
- 7. Record of Your Available Funds and Transactions.** You can get a receipt at the time you perform a transaction at an ATM or POS terminal. You may obtain information about the amount of funds available through the Card and your last 10 transactions by calling the Customer Service Center toll free at 1-866-461-4096 or by visiting www.EPPICard.com. From the web site you can select and print monthly statements for tracking the transactions posted to your account. The amount of your available funds is also available on the receipt you get when you make a withdrawal or balance inquiry at certain ATMs. You also have the right to receive a written summary of transactions for the 60 days preceding your request by calling us at 1-866-461-4096.
- 8. Lost or Stolen Card/PIN.** If you believe the Card or PIN has been lost or stolen or that someone has transferred or may transfer money from your available funds without your permission, call us at 1-866-461-4096, or write to us at Customer Account Services, P.O. Box 81069, Austin, Texas 78708-1069 with details.
- 9. Adjustments to Your Account Balance.** There are occasions when adjustments will be made to your account to reflect a merchant adjustment, resolve a cardholder dispute regarding a transaction posted to your account, or to adjust entries or deposits posted in error. These processing entries could cause your account to have a negative balance. If so, you agree to repay us the amount of any transaction(s) that exceed the authorized amount or causes your account to go negative, either from future deposits posted to your account or by personal check or money order. The amount to be repaid will be automatically deducted from future payments to your account. If no future deposits are made to your account, you must satisfy a negative balance by making payment to: ACS, EPPICard™ Payment Processing Service, and mail a check or money order to: Customer Account Services, P.O. Box 81069, Austin, Texas 78708-1069. Remember, you always have the right to dispute the amount posted.

- 10. In Case of Errors or Questions About Your Transactions.** If you think an error has occurred in connection with your available funds, call us at the number or write us at the address described above as soon as you can. We must hear from you no later than 30 days following your receipt of a written transaction history or other transaction information in which the error is first reflected. You will need to tell us:

- (1) Your name, address, telephone number and Card number.
- (2) Why you believe there is an error, and the dollar amount involved.
- (3) Approximately when the error took place.
- (4) If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. Depending on the type of transaction in dispute, we may credit the Card within 10 business days for the amount you think is in error, so that you will have the use of the money during the time that it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit the Card. For errors involving POS or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question.

We will tell you the results within three (3) business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation. If you need more information about our error-resolution process, call us at the toll free Customer Service number set forth in the preceding section.

- 11. Your Liability.** You are responsible for all authorized uses of the Card. Except as set forth below; you will not be responsible for an unauthorized use of the Card. An “unauthorized” use is a withdrawal or transaction that you did not perform. We may refuse to reimburse you for a transaction you assert is unauthorized if (1) you give the Card, Card number, and/or PIN to another person whom you expressly or implicitly authorize to use the Card, even if that person withdraws or purchases more than you authorized, or (2) we conclude that the facts do not reasonably support a claim of unauthorized use.

Tell us AT ONCE if you believe the Card or PIN has been lost or stolen. Telephoning is the best way of keeping your possible losses down. You could lose all the money associated with the Card. If you tell us within two (2) business days, you can lose no more than \$50 if someone used the Card or PIN without your permission.

[Note: You will not be liable for the \$50 amount described above for unauthorized transactions, unless you have reported two or more incidents of unauthorized use in the preceding 12 months, or the Card is not in good standing, or you have not exercised reasonable care in safeguarding the Card from risk of loss or theft.]

If a good reason (such as a long trip or a hospital stay) kept you from notifying us, we will extend the time periods.

We will cancel the Card if it is reported to us as lost, stolen or destroyed. Once the Card is canceled, you will have no liability for further transactions involving the use of the canceled Card.

- 12. Our Liability.** If we do not complete an electronic fund transfer to or from the Card on time or in the correct amount according to these Terms, we may be liable for your losses or damages. There are some exceptions, however. We will not be liable, for instance, if:
 - Through no fault of ours, you do not have enough available funds on the Card to perform the transaction;
 - Circumstances beyond our control (such as fire, flood, water damage, power failure, strike, labor dispute, computer breakdown, telephone line disruption, or a natural disaster) prevents or delays the transfer, despite reasonable precautions taken by us
 - The system, ATM or POS terminal, was not working properly and you knew about the problem when you started the transaction;
 - The State has not authorized us to make the necessary funds available through the Card;
 - The funds available through the Card are subject to legal process or are otherwise not available for withdrawal; or
 - The transaction cannot be completed because the Card is damaged.

- 13. Limitation of Time to Sue.** An action or proceeding by you to enforce an obligation, duty or right arising under these Terms or by law with respect to the Card or the Card service must be commenced within six (6) months after the cause of action accrues.

- 14. Waiver of Right to Jury Trial.** If you have a problem with the Card or the Card service, please bring it to our attention immediately. In most cases, a telephone call will quickly resolve the problem in a friendly, informal manner. If a dispute cannot be resolved informally, you or we may file an action. You and we each give up the right to a trial by a jury to resolve each dispute, claim, demand, cause of action, and controversy between you and us arising out of, or relating to the Card or this service. This includes, without limitation, claims brought by you as a class representative on behalf of others, and claims by a class representative on your behalf as a class member (so called “class action” suits).

- 15. Privacy.** We may obtain nonpublic personal information about you (e.g., your name, address, telephone number, social security number, and date of birth) from the State, in order to verify your identity. We do not release personal nonpublic financial information obtained in connection with this Card program about current or former Cardholders to anyone, except: to process a transaction at your request; to the State or its agent in connection with the account that funds Card payments; where it is necessary or helpful in effecting, administering, or enforcing a transaction; to comply with a law, regulation, legal process or court order; to local, state and federal authorities if we believe a crime may have been committed involving a Card; or as otherwise permitted by law. We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products and services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

- 17. Business Days.** Banking business days are Monday through Friday, excluding holidays.

- 18. Assignment.** You may not assign your rights or obligations in connection with these Terms, the funds available to you through the Card, or the Card itself to others. We may assign our rights and obligations under these Terms to others without prior notice to you or your consent.

- 19. Severability/Waiver.** If any provision of these Terms is deemed unlawful, void, or unenforceable, it will be deemed severed from these Terms and shall not affect the validity and enforceability of the remaining provisions. We may delay enforcing our rights under these Terms without losing them. Any waiver by us will not be deemed a waiver of other rights or of the same right at another time.

- 20. Governing Law.** These Terms will be governed by and construed in accordance with the laws of the State of Texas, without reference to its conflict of law principles.

- 21. Legal Process.** We may comply with any subpoena, levy or other legal process, which we believe (correctly or otherwise) to be valid. We may notify you of such process by telephone, electronically or in writing. If we are not fully reimbursed for our record research, photocopying and handling costs by the party that served the process, we may charge such costs to your available Card funds, in addition to our legal process fee of \$50. We may honor legal process that is served personally, by mail, or by facsimile transmission at any of our offices (including locations other than where the funds, records or property sought is held), even if the law requires personal delivery at a different location.

- 22. Change in Terms.** We may change (add to, delete or amend) these Terms at any time by providing you with prior notice.

- 23. Termination.** We may suspend or terminate your use of the Card with or without cause at any time by providing you with prior notice. We may terminate your use of our Card and this service immediately if: you breach these Terms or any other agreement with us; we are notified to do so by the State or its agent; we have reason to believe that there has been or may be an unauthorized use of your available Card funds, Card or PIN; or there are conflicting claims to your available Card funds. You may terminate your use of the Card and these Terms without cause at any time by providing us with prior written notice. You also should notify the State of the termination and make other arrangements for future payments.

- 24. FDIC Insured.** The funds associated with the Card are insured or guaranteed by the Federal Deposit Insurance Corporation, to the extent applicable to transaction accounts.

*Wachovia Bank and Wachovia Bank of Delaware are divisions of Wells Fargo Bank, N.A.