

**The following Pricing Schedule is part of the Cardmember Agreement.**

The below information is an example of the terms available to recent applicants as of the last business day of the calendar quarter that ended 9/30/20. These account terms may not be available after that date.

| <b>Interest Rates and Interest Charges</b>                                |   |
|---|---|
| <b>Annual Percentage Rate (APR) for Purchases</b>                         | <b>23.99% to 28.99%</b><br>This APR will vary with the market based on the Prime Rate.  |
| <b>APR for Balance Transfers</b>  | <b>23.99% to 28.99%</b><br>This APR will vary with the market based on the Prime Rate.  |
| <b>APR for Cash Advances</b>  | <b>25.99% to 30.99%</b><br>This APR will vary with the market based on the Prime Rate.  |
| <b>Paying Interest</b>  | Your due date is at least 23 days after the close of each billing period. We will not charge you any interest on Purchases if you pay your entire balance by the due date each month. We will begin charging interest on Cash Advances and Balance Transfers on the transaction date. |
| <b>Minimum Interest Charge</b>  | If you are charged interest, the charge will be no less than \$0.50.  |
| <b>For Credit Card Tips from the Consumer Financial Protection Bureau</b> | <b>To learn more about factors to consider when applying for or using a credit card, visit the website of the Consumer Financial Protection Bureau at <a href="http://www.consumerfinance.gov/learnmore">http://www.consumerfinance.gov/learnmore</a></b>                             |

| <b>Fees</b>             |  |
|-------------------------|--|
| <b>Annual Fee</b>       | <b>None</b>  |
| <b>Transaction Fees</b> |  |
| • Balance Transfer      | Either <b>\$5</b> or <b>4%</b> of the amount of each Balance Transfer, whichever is greater. |
| • Cash Advance          | Either <b>\$10</b> or <b>5%</b> of the amount of each Cash Advance, whichever is greater.    |
| • Foreign Transaction   | None   |
| <b>Penalty Fees</b>     |  |
| • Late Payment          | Up to <b>\$40</b>  |
| • Returned Payment      | Up to <b>\$40</b>  |

**How We Will Calculate Your Balance:** We will use a method called "average daily balance (including new transactions)".

**Billing Rights:** Information on your rights to dispute transactions and how to exercise those rights is provided in your Cardmember Agreement.

As of the quarter that ended 09/30/2020, the Prime Rate was 3.25%. Variable Purchase and Balance Transfer APRs are calculated by adding a Margin of 23.99% to 28.99% to the Prime Rate. This corresponds to a daily periodic rate of .0657% to .0794%. Variable Cash Advance APRs are calculated by adding a Margin of 25.99% to 30.99% to the Prime Rate. This corresponds to a daily periodic rate of .0712% to .0849%.

This Agreement governs the use of your Account. The enclosed Pricing Schedule is part of this Agreement. Please read this Agreement, including the Pricing Schedule, and keep them for your records.

## DEFINITIONS

“**Account**” means your Free Spirit® Points Mastercard® Account with us established by this Agreement.

“**Affiliate**” means our parent corporations, subsidiaries and affiliates.

“**Authorized User**” means any person you allow to use your Card or Account.

“**Balance Transfer**” means transferring a balance from another creditor to your Account by accepting an offer from us, which we may make to you from time to time at our sole discretion, or use of a Check we provide to you for such purpose, in accordance with any limitations or restrictions we place upon such offer at the time it is made.

“**Billing Period**” means the period of time covered by the billing statement we send to you. A Billing Period is usually 28 to 33 days.

“**Business Day**” means Monday through Friday, excluding federal holidays.

“**Card**” means a card or other access devices, including your Account number or virtual card, that we issue to you, or someone you authorize, to receive credit under this Agreement.

“**Cash Advance**” means use of your Card to obtain cash from an ATM, financial institution, or other location; to make a payment to load a stored value card or account; or to purchase items that are convertible to cash, such as stored value cards, lottery tickets, money orders, casino chips, foreign currency, or similar items. It also means use of a Check we provide to you for use as a Cash Advance.

“**Check**” means any Check we may, in our discretion, send you to access your Account.

“**Covered Borrower**” means a consumer who is entitled to the Limitations on Terms of Consumer Credit Extended to Service Members and Dependents. A consumer becomes a Covered Borrower pursuant to a determination made in accordance with 32 C.F.R. 232.5(b). A consumer ceases to be a Covered Borrower when he or she is no longer a member of the Armed Forces serving on active duty or a dependent of such member, as defined under 32 C.F.R. 232.3(g).

“**Prime Rate**” means the highest rate of interest listed as the U.S. Prime Rate in the Money Rates section of *The Wall Street Journal* on the last Business Day of the month.

“**Purchase**” means the use of your Account to buy or lease goods or services at participating merchants. However, the purchase of foreign currency or of cash equivalents, like casino chips or lottery tickets, is treated as a Cash Advance not a Purchase.

“**We,**” “**us**” and “**our**” refer to First Bank & Trust, Brookings, SD, the issuer of your Card.

“**You,**” “**your**” or “**yours**” refer to you and any other person who is also contractually liable under this Agreement.

## AGREEMENT ACCEPTANCE

You accept this Agreement if you use the Account. You also accept this Agreement if you do not cancel the Account within 45 days of the Account open date.

**This Agreement contains a Jury Trial Waiver and Arbitration Clause. Please read that section carefully because it will have a substantial effect on your rights, including your right to bring or participate in a class action or have a jury trial in the event of a Dispute between you and us. However, you may reject the Jury Trial Waiver and Arbitration Clause (“opt-out”) by following the steps noted in that section within 60 days after you have accepted the Agreement.**

## CHANGES TO YOUR ACCOUNT

The rates, fees and terms of this Agreement (including its Jury Trial Waiver and Arbitration Clause), may change and we may add or delete any term. When required by law, we will provide advance written notice of any changes and any right to reject the changes.

## ACCOUNT USE

**Permitted Uses** - Your Account may be used for Purchases, Balance Transfers and Cash Advances. The Account may not be used for illegal transactions. This Account is to be used for consumer purposes, not for business purposes. However, even if the Account is used for business purposes, this Agreement will still apply to those transactions, and you are responsible for repayment. The Account may be closed if it is used for business purposes.

**Checks** - A Check we send you to access your Account will be treated as a Cash Advance unless we tell you otherwise. You may not use a Check to pay any amount you owe us. We may elect to not honor a Check if the Check may cause your Account balance to exceed the Cash Advance or other applicable credit line on your Account. If you want to stop payment on a Check, notify Customer Service immediately. If you ask us to stop payment, we will make reasonable efforts not to pay that Check. However, if the Check is paid despite these efforts, we will not be liable to you for paying that Check. We may not be able to stop payment if we receive your stop payment request after we have started processing the Check. Please see the Fees section in this Agreement for information regarding the Check Stop Payment Fee.

**Purchases and Cash Advances in Foreign Currencies** - If you make a transaction in a foreign currency (including, for example, online Purchases from foreign merchants), the transaction will be converted into a U.S. dollar amount by Visa or Mastercard, depending on which Card is used, using their procedures in effect at the time the transaction is processed. Currently, they use a wholesale market rate or a government-mandated rate. These procedures may change without notice. The conversion rate you get may differ from the rate on the transaction date or post-date and from the rate Visa or Mastercard gets. A merchant or other third party may convert a transaction into U.S. dollars or another currency, using a rate they select, before sending it to Visa or Mastercard.

**Credit Line** - We assign a credit line for your Account. You must keep your Account balance below your credit line. We may request immediate payment of any amount that exceeds the credit line. We may restrict the amount of the credit line that may be used for Cash Advances. Your Account credit line or your Cash Advance credit line may be increased or decreased at any time, without advance notice. We may delay increasing your available credit by the amount of any payment that we receive for up to 10 Business Days.

**Credit Authorizations** - Transactions may not be authorized for security or other reasons. If we decline to authorize a transaction, or if anyone refuses

your Card, Check, or Account number, we will not be liable to you.

**Automatic Billing Arrangements** - If you set up an automatic billing arrangement with a merchant, you are responsible for providing updated Account number or Card expiration date information to the merchant. You also authorize us to provide updated Card or Account information to a merchant at our sole discretion. If you want to cancel automatic billing you must contact the merchant.

**Unauthorized Use** - If you notice the loss or theft of your Card or a possible unauthorized use of your Card, you should immediately call us at the telephone number listed on the back of your Card or the customer service number shown on the front of your billing statement.

**Mobile Devices** - Smart phones, tablets, and other electronic devices (a "Mobile Device") can download, store, and/or access Account information. This means the Mobile Device can be used to access credit on the Account under this Agreement. Any transaction conducted using your Mobile Device is covered by this Agreement. Secure your Mobile Device. Anyone who can access your Account or Card using your Mobile Device can make charges to your Account. Applications that enable your Mobile Device to access your Account or Card may have separate terms of use.

**Joint Accounts** - If this Account is a Joint Account, each of you agrees to be individually and jointly liable for the entire amount owed on the Account. Each of you also agrees that any notice we send to either of you will serve as notice to both of you.

## **AUTHORIZED USERS**

**Liability** - Use of your Account by an Authorized User is subject to the terms of this Agreement. You will be liable for all transactions and any fees or charges resulting from those transactions made by any person you permit to use your Card, Check, Account number, or other credit device with the authorization to obtain credit on your Account, including transactions for which you may not have intended to be liable, even if the amount of those transactions causes a credit line to be exceeded. If an Authorized User permits someone else to use your Account, you will be liable for those transactions, fees, and charges as well. If this Account is a Joint Account, each of you agrees to be individually and jointly liable for the entire amount owed on the Account.

**Information** - Authorized Users of this Account may have the same access to information about the Account and its users as the Account holders.

**Additional Card for Authorized User** - You may request an additional Card for an Authorized User. Before you make this request, you must:

- Let them know that we may report information about the Account to the credit reporting agencies in their name. This means that information about the Account, including about late payments, missed payments, or other defaults on the Account may appear in their credit report.
- Make a copy of this Agreement available to them.
- Obtain their permission to share their information with us and for us to share it as allowed by applicable law.

**Cancelling an Authorized User** - You must notify us if you wish to cancel the authority of an Authorized User to use your Account. In some cases, we may close your Account and issue you a new Card. You remain responsible for any transactions made or authorized by an Authorized User, even if the post-date shown on your statement for that transaction occurs after the date you notify us to cancel the authority of an Authorized User to use your Account.

## **FEES**

**(See your Pricing Schedule for Additional Fees)**

**Minimum Interest Charge** - If you are charged interest, the charge will be no less than the amount shown in your Pricing Schedule.

**Balance Transfer Fee** - We may charge you this Fee for each Balance Transfer. See your Pricing Schedule for the fee amount.

**Cash Advance Fee** - We may charge you this Fee for each Cash Advance. See your Pricing Schedule for the fee amount.

**Late Fee** - A Late Fee may be charged if you do not pay at least the Minimum Payment Due by the Payment Due Date. The Late Fee is \$27 and, if you make another Late Payment within the next 6 Billing Periods, the Late Fee will be \$38. The amount of your Late Fee will never be higher than your Minimum Payment Due immediately prior to assessment of the fee.

**Returned Payment Fee** - A Returned Payment Fee may be charged if you make a payment that is not honored by your financial institution, even if the payment is honored after it is resubmitted. The Returned Payment Fee is \$27 and, if another payment is returned within the next 6 Billing Periods the returned Payment Fee will be \$38. The amount of your Returned Payment Fee will never be higher than your Minimum Payment Due immediately prior to assessment of the fee.

**Returned Check Fee** - We may charge you a Returned Check fee of \$25 if we return a Check unpaid because it exceeds the available credit line at the time it is processed; your Account is past due, closed or otherwise does not have charge privileges; or you did not comply with the instructions regarding the Check. The amount of the Returned Check Fee will not exceed the amount of the returned Check.

**Over Limit Fee** - None. We do not charge you an Over Limit Fee if your balance exceeds your credit line.

**Check Stop Payment Fee** - If you ask us to stop payment on a Check, we may charge you a Check Stop Payment Fee of \$25.

**Expedited Card Fee** - If you request expedited delivery for a replacement Card (for example, to replace a lost or stolen Card), we may charge you an Expedited Card Fee of \$25.

**Duplicate Statement Fee** - If you request a duplicate copy of a monthly statement, for any purpose other than to assert a billing error, we may charge you a \$5 fee for each statement copy requested.

## **ANNUAL PERCENTAGE RATES ("APRs")**

**(See your Pricing Schedule for the APRs that apply to your Account)**

**Variable APRs** - Your Pricing Schedule may include variable APRs. A variable APR is an APR that can change each Billing Period. These APRs are determined by adding a certain percentage amount (called the Margin) to the Prime Rate. Variable APRs will increase or decrease when the Prime Rate changes. The APR change will take effect on the first day of the Billing Period that begins during the same calendar month that the Prime Rate changes. An increase in the APR will increase your interest charges and may increase your Minimum Payment Due. The new APR will apply to existing balances, as well as balances added to your Account after the change.

## **PAYMENTS**

**Payment Instructions** - You are responsible for paying all amounts due on your Account, including charges made by Authorized Users. All payments must be in U.S. dollars. Check and electronic payments must be drawn on funds on deposit in the U.S. Payments made in a foreign currency may be refused. If a foreign currency payment is accepted, we may charge your Account our cost to convert it to U.S. dollars. Your billing statement provides the terms for making payments and we will credit payments to your Account in accordance with those terms. There may be a delay in processing and crediting a payment to your Account if a payment is mailed to an address other than the payment address designated on your billing statement. Late payments, partial payments or payments marked "payment in full" or with any other restrictive endorsement can be accepted by us without losing any of our rights under this Agreement.

**Minimum Payment Due** - Each Billing Period you must pay at least the Minimum Payment Due by the Payment Due Date shown on your billing statement. To calculate your Minimum Payment Due, we start with any amount past due, then we add the larger of the following:

(1) \$15 or

(2) 1% of the New Balance (excluding any billed interest or minimum interest charge and any Late Fee or Returned Payment Fee for the Billing Period) and then we add to that 1% calculation any billed interest or minimum interest charge and any Late Fee or Returned Payment Fee for the Billing Period, and round the total to the nearest penny.

The Minimum Payment Due may also include amounts by which you exceed your Account Credit Line. It will not exceed the New Balance. You may pay more than the Minimum Payment Due, up to your entire Account balance, at any time. You are not permitted to pre-pay toward future Minimum Payment Due amounts. A payment is required in each Billing Period in which there is a Minimum Payment Due. Credits, refunds and other adjustments are not considered payments and will not be applied toward your Minimum Payment Due requirement.

**How We Apply Payments and Credits** - Payment for up to the Minimum Payment Due amount will be applied at our discretion, and may be applied first to fees and interest, then to the balance with the lowest APR on your Account, and then to balances with higher APRs. Payment amounts in excess of the Minimum Payment Due will first be applied to the balances with the higher APRs before balances with lower APRs, except as otherwise required by applicable law. Credits will be applied at our discretion.

**How We Apply Payments May Impact Your Grace Period** - If you do not pay the New Balance shown on your statement in full by the Payment Due Date each month, depending on the balance to which we apply your payment, you may not receive a grace period on new Purchases.

## INTEREST CHARGES

**How We Calculate Interest - Average Daily Balance Method (Including Current Transactions)** - We calculate interest separately for each different balance (for example, Purchases at the current rate, Balance Transfers at the current rate, Cash Advances at the current rate, and different promotional balances). Your billing statement shows each balance in the "Balance Subject to Interest Rate." For each balance, we calculate the interest for the Billing Period by multiplying the applicable daily periodic rate by the Average Daily Balance by the number of days in the Billing Period. To get a daily periodic rate, we divide the APR by 365. You authorize us to round interest to the nearest cent. This interest on each balance is added to that balance at the end of the Billing Period. The total interest charged for a Billing Period equals the sum of the interest charged on each balance.

For each balance, to determine an "Average Daily Balance," we calculate a daily balance each day of the billing period. Interest charges accrue on a Purchase, Balance Transfer, Cash Advance, fee or interest charge from the day we add it to the daily balance. We start with the beginning balance each day. The beginning balance for the first day of the Billing Period is the balance at the end of the prior Billing Period. Each day, we add any new transactions and fees; subtract any payments or credits applied to that balance; and make other adjustments. We add Balance Transfer fees to the applicable Balance Transfer balance. We add Cash Advance Fees to the applicable Cash Advance balance. We generally add other fees to the standard Purchase balance. This gives us the daily balance. A credit balance is treated as a balance of zero. Then, we add up all the balances of that balance type for the Billing Period, and divide the total by the number of days in the Billing Period. This gives us the Average Daily Balance for the balance.

**When Interest Charges Begin** - We will begin charging interest on Cash Advances, Balance Transfers and Purchases on the transaction date. However, you can avoid paying interest on Purchases as described below. You cannot avoid paying interest on Balance Transfers or Cash Advances. You will pay interest on Balance Transfers and Cash Advances from the transaction date until you pay the total amount you owe us.

**How to Avoid Paying Interest on Purchases ("Grace Period")** - You will not be charged interest on Purchases in a Billing Period in which you pay the New Balance in full by the Payment Due Date. If you don't pay your New Balance in full by the Payment Due Date in a Billing Period, you'll pay interest on existing Purchases, and new Purchases in that billing period, from the transaction date, subject to applicable law.

## ADDITIONAL IMPORTANT INFORMATION

**Default** - You default if you don't pay at least the Minimum Payment Due by the Payment Due Date; you have a Returned Payment; you exceed your Credit Line; you use your Account for an illegal transaction; you file for bankruptcy or some other insolvency proceeding is filed by or against you; you do not comply with any other term of this Agreement; you default under any other Cardmember Agreement you have with us; or you are declared incompetent or mentally incapacitated, or you die. If you default we may declare the entire Account balance immediately due and payable, without notice, to the extent allowed by law, and close your Account.

**Closing or Suspending Your Account** - You may close your Account at any time. You may close your Account by calling the number on the back of your Card or by notifying us in writing at the Customer Service address on your billing statement or at [www.MyFreeSpiritPointsCard.com](http://www.MyFreeSpiritPointsCard.com). You will remain responsible for any amount you owe us under this Agreement. Any Joint Account holder may close a Joint Account. However, all Joint Account holders will remain responsible for paying all amounts owed. We may close, suspend, or not renew your Account or Card at any time, for any reason, with prior notice to the extent required by law. We may cancel your current Card and issue you a substitute Card at any time.

If you or we close your Account, the terms of this Agreement will continue to apply and you must pay us all amounts you owe on the Account, which may include amounts that we have not yet billed to you. Until you pay us in full, we may continue to charge applicable fees as well as interest on the amount you owe us.

**Collection Costs** - To the extent permitted by law, you are liable to us for our legal costs if we refer collection of your Account to a lawyer who is not our salaried employee. These costs may include reasonable attorneys' fees, as well as costs and expenses of any legal action.

**Privacy** - You authorize us to share information about you and your Account as permitted by law. See our Privacy Notice at [www.MyFreeSpiritPointsCard.com](http://www.MyFreeSpiritPointsCard.com) for details about our information sharing practices.

**Credit Reporting** - We may from time to time review your credit, employment, and income records. Upon request, we will give you the name and address of any consumer reporting agency that furnished a report on you. We may report information about the status and payment of your Account to

credit bureaus and other creditors. We may report Account information in your name. Late payments, missed payments, or other defaults on your Account may be reflected in your credit report. We may also report Account information in the name of Authorized Users. If you think we reported incorrect information, please write us at Card Services, PO Box 84064 Columbus, GA 31908. Please include your name, address, phone number, and Account number.

**Contact Authorization** - You agree that we, and any other owner or servicer of your Account, may contact you through any channel of communication, for any purpose, as permitted by applicable law. You agree to provide us with and maintain a current mailing address, telephone number, and (unless you apply for your Account by telephone) email address, and you agree to notify us immediately of any changes to that mailing address, telephone number or email address. You agree that we (and our affiliates, agents and contractors, such as debt collection agencies and service providers, and any other owner or servicer of your Account) may use the telephone number(s) and email address(es) that you provide to us to contact you for informational, servicing or collections purposes. In addition, when you provide us with a telephone number, you expressly authorize us (and our affiliates, agents and contractors, such as debt collection agencies and service providers, and any other owner or servicer of your Account) to contact you at that number by voice or text using automatic telephone dialing equipment and artificial or prerecorded voice messages. These communications may be monitored or recorded. You authorize these contacts by voice or text even if the number is a mobile phone number or converts to a mobile phone number, and even if you are charged by your service provider. These contacts by voice or text may concern debt collection, notification of potential fraud, or other Account-servicing matters. This authorization covers successors, assigns, affiliates, agents and contractors.

**Changing Contact Preferences** - You may change your preferences or update your contact information at [www.MyFreeSpiritPointsCard.com](http://www.MyFreeSpiritPointsCard.com) or by calling the Customer Service number shown on the front of your billing statement.

**Access To Your Mobile Subscriber Details** - You authorize your wireless operator (AT&T, Sprint, T-Mobile, US Cellular, Verizon, or any other branded wireless operator) to use your mobile number, name, address, email, network status, customer type, customer role, billing type, mobile device identifiers (IMSI and IMEI) and other subscriber status details, if available, solely to allow verification of your identity and to compare information you provided with your wireless operator Account profile information for the duration of the business relationship. See our Privacy Policy for how we treat your data.

**Governing Law** - This Agreement is governed by applicable federal law and by South Dakota law, without regard to South Dakota's conflict of laws principles.

**Compliance with the Military Lending Act:** Your Cardmember Agreement shall be interpreted to comply with the Military Lending Act, including its restrictions on permissible loan terms and limitations on interest and fees. The limitations on interest and fees apply to individuals during the period that they are Covered Borrowers. As applied to Covered Borrowers, any interest or fees in excess of the permitted limit shall be reduced by the amount necessary to satisfy that limit and any amounts collected in excess of the permitted limit shall be refunded by crediting the Covered Borrower's Account or by making a direct payment to the Covered Borrower; the Jury Trial Waiver and Arbitration Clause shall not apply; and any other provision of your Cardmember Agreement that is inconsistent with the Military Lending Act shall not apply.

A consumer becomes a "Covered Borrower" who is entitled to the Limitations on Terms of Consumer Credit Extended to Service Members and Dependents pursuant to a determination made in accordance with 32 C.F.R. 232.5(b). A consumer ceases to be a "Covered Borrower" when he or she is no longer a member of the Armed Forces serving on active duty or a dependent of such member, as defined under 32 C.F.R. 232.3(g).

**Severability** - If any part of this Agreement conflicts with applicable law, that provision will be considered modified to conform to applicable law. However, if you are otherwise subject to arbitration of Disputes in accordance with this Agreement, but any part or parts of your Agreement to arbitrate are declared unenforceable, then you and we agree that such specific part or parts shall be of no force or effect and shall be severed, but the remainder of this Agreement to arbitrate shall continue in full force and effect. If, however, the entire Agreement to arbitrate or your waiver of the right to bring or participate in a class or representative action is unenforceable, then the Agreement to arbitrate shall be of no force or effect.

**Enforcing this Agreement** - We may delay enforcing or not enforce any of our rights under this Agreement without losing or waiving any of them.

**Assignment of Account** - We may assign any or all of our rights and obligations under this Agreement. You may not assign any of your rights or obligations under this Agreement.

**ARBITRATION**

**This Jury Trial Waiver and Arbitration Clause does not apply to you if you are a Covered Borrower under the Military Lending Act.**

**JURY TRIAL WAIVER AND ARBITRATION CLAUSE**

By accepting this Agreement, you agree to this Jury Trial Waiver and Arbitration Clause ("Clause"). This Clause is in question and answer form to make it easier to understand. Even so, this Clause is part of this Agreement and is legally binding. **Under this Clause, you waive the right to have any Dispute heard by a judge and jury and you waive the right to bring or participate in a class, representative or private attorney general action regarding any Dispute. You may "opt out" of this Clause in the manner set out in the section of the Clause entitled "Is this Clause Required."**

**BACKGROUND AND SCOPE**

| <u>Question</u>                                    | <u>Short Answer</u>            | <u>Further Detail</u>  |
|--|--------------------------------|--|
| <b>What is arbitration?</b>                        | <b>An alternative to court</b> | In arbitration, a third party arbitrator ("TPA") decides Disputes.   |
| <b>Is it different from court and jury trials?</b> | <b>Yes</b>                     | There is no jury. It may be less formal, faster, and less expensive than a lawsuit. Pre-hearing fact-finding (called "discovery") is limited. Appeals are limited. Courts rarely overturn arbitration awards.  |
| <b>Is this Clause required?</b>                    | <b>No</b>                      | If you do not want this Clause to apply to Disputes, you must send us a signed notice within 60 calendar days after accepting this Agreement. You must send the notice in writing to Card Services, attn. Compliance Department, PO Box 84064, Columbus, GA 31908. You must provide your name, address |

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|--|---|---|
|  |   | and the date. You must state that you "opt out" of the arbitration clause. If you do not opt out in compliance with the instructions set forth in this box, then this Clause will apply to Disputes.  |
| <b>What is this Clause about?</b>  | <b>The parties' agreement to arbitrate Disputes</b> | You and we agree that any party may elect to arbitrate or require arbitration of any "Dispute" as defined below.  |
| <b>Who does the Clause cover?</b>  | <b>You, us, and certain "Related Parties"</b>       | This Clause governs you and us. It also covers certain "Related Parties." These include: (1) our parent companies, subsidiaries, and affiliates; (2) our employees, directors, officers, shareholders, members, representatives, and agents; and (3) any person or entity that your or we assert is potentially liable for the conduct at issue in a Dispute.   |
| <b>What Disputes does the Clause cover?</b>  | <b>All Disputes</b>                                 | This Clause governs all "Disputes" between you and us (or any Related Party). In this Clause, the word "Disputes" means any claim, counterclaim, cross-claim, complaint, cross-complaint, controversy, or dispute between you or us arising under, out of, or directly or indirectly related to your application, this Agreement or your relationship with us. It includes claims related to any prior applications or agreements. It includes extensions, renewals, refinancings, or payment plans. It includes claims related to collections, privacy, and customer information. It includes claims related to the validity in general of this Agreement. Without limiting the generality of the foregoing, the term Dispute shall include any claim, controversy or dispute without regard to when it arose; whether it is based in contract, tort, statute, regulation, common law, or equity; or whether the remedy sought is legal or equitable, including claims for compensatory, monetary and/or punitive damages, restitution and/or disgorgement, or injunctive relief, including public injunctive relief. Dispute also includes any claim, defense or dispute concerning the formation, existence, validity, enforceability, revocation or scope of this Clause. |
| <b>Who is the arbitration company?</b>   | <b>Usually AAA or JAMS</b>                          | The arbitration company will be one of the following: <ul style="list-style-type: none"> <li>• The American Arbitration Association ("AAA"), 1-800-778-7879, www.adr.org</li> <li>• JAMS, 1-800-352-5267, www.jamsadr.com</li> <li>• Another arbitration company agreed to by you and us.</li> </ul> <p>If all the above options are unavailable, a court will appoint an arbitration company to administer the arbitration. However, the court may not select an arbitration company if that company's arbitration rules would permit class arbitration contrary to this Clause. Similarly, if the AAA or JAMS rules are changed to allow class arbitration contrary to this Clause then they are disqualified from serving as the arbitration company.</p>  |
| <b>How is the TPA selected?</b>  | <b>By agreement or by the arbitration company</b>   | Selection of the TPA is governed by the rules of the arbitration company. In general, the arbitration company's rules allow you and us to try to agree on the TPA. However, if you and we cannot agree, then the arbitration company will select the TPA in accordance with its rules and the criteria set forth in this box.<br>The TPA must be a lawyer with at least ten years of experience or a retired judge unless you and we otherwise agree.   |
| <b>Can Disputes be litigated?</b>  | <b>Sometimes</b>                                    | Either party may bring a lawsuit subject to the other party's right to demand arbitration. We will not demand arbitration of any lawsuit you bring (whether complaint, cross-claim or counterclaim) as an individual action in small-claims court; however, if such complaint, cross-claim or counterclaim is not brought on an individual only basis or is transferred or removed to a different court, we may then exercise our right to arbitrate the Dispute according to this Clause.  |
| <b>Does arbitration involve giving up any rights?</b>  | <b>Yes</b>  | <b>For Disputes subject to this Clause, you give up your right to:</b> <ol style="list-style-type: none"> <li>1. Have a jury hear and decide your Dispute.</li> <li>2. Have courts, other than small-claims courts, decide Disputes.</li> <li>3. Serve as a private attorney general or in a representative capacity.</li> <li>4. Join your Dispute with a dispute between us and other borrowers.</li> <li>5. Bring or be a class member in a class action or class arbitration.</li> </ol> <b>We also give up the right to a jury trial and to have courts decide Disputes you wish to arbitrate.</b>   |
| <b>Is a class arbitration permitted?</b>   | <b>No</b>   | <b>The TPA is not allowed to handle any Dispute on a class, private attorney general or representative basis.</b> All Disputes subject to this Clause must be decided in an <b>individual</b> arbitration or an <b>individual</b> small-claims action. Any arbitral award on a class basis shall be void and shall not be subject to confirmation and no judgment shall enter thereon.  |
| <b>May a California borrower arbitrate a claim for public injunctive relief under this Clause?</b> | <b>Yes</b>  | This Clause shall not be construed to prevent you from seeking in the arbitration the remedy of public injunctive relief if (a) you reside in California, (b) you resided in California at the time you entered into this Clause, or (c) the billing address for your account is a California address.  |
| <b>Will borrower actions make this Clause ineffective?</b>   | <b>No</b>   | This Clause stays in force even if you: (1) close the Account; (2) default, renew, prepay or pay your Account in full; or (3) go into or through bankruptcy.  |

## PROCESS

| <b>Question</b>   | <b><u>Short Answer</u></b>   | <b><u>Further Detail</u></b>   |
|---|--|--|
| <b>What must you or we do before starting a lawsuit or arbitration?</b> | <b>Send a written Dispute notice and work to resolve the Dispute</b> | Before starting a lawsuit or arbitration, the complaining party must give the other party written notice of the Dispute. The notice must provide the complaining party's name, address and date. The notice must explain in reasonable detail the nature of the Dispute and any supporting facts. If you are the complaining party, you must send the notice in writing (and not electronically) to Card Services, attn. Compliance Department, PO Box 84064, Columbus, GA 31908. You, or an attorney representing you, must sign the notice and must provide a phone number where you (or your attorney) can be reached. A collections letter from us to you will serve as our written notice of a Dispute. Once a Dispute notice is sent, the complaining party must give the other party a reasonable opportunity over the next 30 days to resolve the Dispute on an individual basis.  |
| <b>How does arbitration start?</b>                                      | <b>Following the rules of the selected arbitration company</b>       | If the parties do not reach an agreement to resolve the Dispute within 30 days after notice of the Dispute is received, the complaining party may start a lawsuit or arbitration, subject to the right of the other to demand arbitration of the Dispute according to the terms of this Clause. To start arbitration, the complaining party picks the arbitration company and follows the arbitration company's rules. If one party starts or threatens a lawsuit, the other party can demand arbitration. This demand can be made in court papers. It can be made if a party starts a lawsuit on an individual basis and then tries to pursue a class action. Once an arbitration demand is made, no lawsuit can be brought and any existing lawsuit must stop. Either you or we may seek to stay a lawsuit or enforce arbitration as provided for in the FAA if either your or we fail to abide by the terms of this Clause.<br><br>Once an arbitration is started, the arbitration will be conducted under this Clause and the rules of the arbitration company in effect at the time the arbitration is commenced. But, arbitration rules that conflict with this Clause do not apply. |
| <b>Will any hearing be held nearby?</b>                                 | <b>Yes</b>   | The TPA may decide that an in-person hearing is unnecessary and that he or she can resolve a Dispute based on written filings and/or a conference call. But, any in-person arbitration hearing must be held at a place within the federal judicial district of the mailing address that you provided to us.  |
| <b>What about appeals?</b>  | <b>Very limited</b>  | Appeal rights under the FAA are very limited. Except for FAA appeal rights and except for Disputes involving more than \$50,000 (including Disputes involving requests for injunctive relief that could cost us more than \$50,000), the TPA's award will be final and binding. For Claims involving more than \$50,000, any party may appeal the award to a panel of three TPAs appointed by the arbitration company, which will reconsider from the start anything in the initial award that is appealed. The panel's decision will be final and binding, except for any FAA appeal right. Any appropriate court may enter judgment upon the arbitrator's award.   |

## ARBITRATION FEES AND AWARDS

| <b>Question</b>   | <b><u>Short Answer</u></b> | <b><u>Further Detail</u></b>  |
|---|----------------------------|---|
| <b>Who bears arbitration fees?</b>  | <b>Usually, we do.</b>     | Arbitration fees are fees charged by the arbitration company or the TPA. We will pay all filing, administrative, hearing and TPA fees if you cannot get a waiver of such fees, and ask us to pay.   |
| <b>When will we cover your legal fees and costs?</b>                                      | <b>If you win</b>          | If you win an arbitration, we will pay the reasonable fees and costs for your attorneys, experts, and witnesses. We will also pay these amounts if required under applicable law or the arbitration company's rules or if payment is required to enforce this Clause. The TPA shall not limit his or her award of these amounts because your Dispute is for a small amount.   |
| <b>Will you ever owe us for arbitration or attorneys' fees?</b>                           | <b>Only for bad faith</b>  | The TPA can require you to pay our fees if (and only if): (1) the TPA finds that you have acted in bad faith (as measured by the standards set forth in Federal Rule of Civil Procedure 11(b)); and (2) this power does not make this Clause invalid or require the TPA or arbitration company to decline to participate in the arbitration.  |
| <b>Can a failure to resolve a Dispute informally result in a larger recovery for you?</b> | <b>Yes</b>                 | You are entitled to an arbitration award of at least \$3,000 if: (1) You give us notice of a Dispute on your own behalf (and not on behalf of any other party) and comply with all of the requirements of this Clause (including the requirements described in response to the question reading "What must a party do before starting a lawsuit or arbitration?"); and (2) the TPA awards you money damages greater than the last amount you requested at least ten days before the arbitration commenced. This is in addition to the attorneys' fees and expenses (including expert witness fees and costs) to which you are otherwise entitled. This \$3,000 minimum award is a single award that applies to all Disputes you have raised or could have raised in the arbitration. Multiple awards of \$3,000 are not contemplated by this Clause. Settlement demands and offers are strictly confidential. They may not be used in any proceeding by either party except to justify a minimum recovery of \$3,000. |

|                                   |            |   |
|-----------------------------------|------------|---|
| <b>Can an award be explained?</b> | <b>Yes</b> | A party may request an explanation from the TPA, within 14 days of the ruling. Upon such request, the TPA will explain the ruling in writing. |
|-----------------------------------|------------|---|

## YOUR BILLING RIGHTS

### Keep This Document For Future Use

This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.

#### What To Do If You Find A Mistake On Your Statement

If you think there is an error on your bill, write to us at:

Card Services - Dispute Resolution  
PO Box 84064  
Columbus, GA 31908

In your letter, give us the following information:

- Account information: Your name and Account number.
- Dollar amount: The dollar amount of the suspected error.
- Description of problem: If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors in writing. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

#### What Will Happen After We Receive Your Letter

When we receive your letter, we must do two things:

1. Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

After we finish our investigation, one of two things will happen:

- If we made a mistake: You will not have to pay the amount in question or any interest or other fees related to that amount.
- If we do not believe there was a mistake: You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

#### Your Rights If You Are Dissatisfied With Your Credit Card Purchases

If you are dissatisfied with the goods or services that you have purchased with your credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the purchase.

To use this right, all of the following must be true:

1. The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these is necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.)
2. You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card account do not qualify.
3. You must not yet have fully paid for the purchase.

If all of the criteria above are met and you are still dissatisfied with the purchase, contact us in writing at:

Card Services - Dispute Resolution  
PO Box 84064  
Columbus, GA 31908

While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay, we may report you as delinquent.