

RETAIL REVOLVING ACCOUNT AGREEMENT, SECURITY AGREEMENT AND  
DISCLOSURE STATEMENT.  
Effective December 5, 2012

| <b>Interest Rates and Interest Charges</b>                                |  |
|---|--|
| <b>Annual Percentage Rate (APR) for Purchases</b>                         | <b>23.40%</b>  |
| <b>How To Avoid Paying Interest</b>                                       | We will not charge you interest for the first billing cycle after the first purchase (a range of 1 to 7 days). We will also not charge interest for any billing cycle if you pay the entire balance by the last day of the cycle (range of 28 to 31 days). |
| <b>Minimum Interest Charge</b>  | If you are charged interest, the charge will be no less than \$.50.  |
| <b>For Credit Card Tips from the Consumer Financial Protection Bureau</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.<br><a href="http://www.consumerfinance.gov/learnmore">http://www.consumerfinance.gov/learnmore</a>        |

| <b>Fees</b>         |                   |
|---------------------|-------------------|
| <b>Annual Fee</b>   | <b>None</b>       |
| <b>Penalty Fees</b> |                   |
| • Late Payment      | up to <b>\$15</b> |
| • Returned Payment  | up to <b>\$15</b> |

**How We Will Calculate Your Balance:** We use a method called "Average Daily Balance (including new purchases)". See below for more details.

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

This is the agreement which covers your Don Roberto Jewelers revolving credit card account. The words "Card" and "Account" refer to the card issued to you and the related account established for you by Don Roberto Jewelers. "You" and "your" refer to everyone who signed the application for your Card and Account and anyone you authorize to use either the Card or Account. "We," "us" and "our" refer to Don Roberto Jewelers, Inc. If you have agreed to a previous version of this agreement, this more recent version supersedes the earlier version as of the effective date shown above.

- 1. Using Your Account.** You may use your account by presenting your Card or your Account number at any of our locations.
- 2. Promise to Pay.** You agree to pay us for all credit extended on your Account, whether incurred by you or anyone you authorize to do so, even if the authorized person exceeds the authority you have given him or her.

- 3. Interest.** Interest will be added to your Account balance on the last day of each monthly billing period if there is a balance owing on your Account on that day.

We will figure the interest on your Account by applying monthly rate of 1.95%, which corresponds to an *ANNUAL PERCENTAGE RATE* of 23.40% to the average daily balance of your account for the billing cycle (including new purchases and deducting payments and credits made during the billing period.) To get the “average daily balance” we take the beginning balance of your account each day, add any new purchases, including premiums due for any Payment Protection Plan (PPP), and subtract any payments or credits. This gives us the daily balance. Then, we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the “average daily balance”. If interest is imposed for a billing period, it will be at least 50¢.

Grace period. We will not charge you interest for the first cycle after the first purchase (a short cycle ranging between 1 to 7 days). We will also not charge interest for any billing cycle if you pay the entire balance by the last day of cycle (a range of 28 to 31 days).

- 4. Payments.** You may pay the outstanding balance owing on your Account in full each month or you can pay in monthly installments. If you decide to pay in monthly installments, you must pay at least the Minimum Payment Amount on or before the payment due date.

The “Minimum Payment Amount” will be an amount you and we agree upon at the time of your initial or any subsequent purchase. Once agreed, the Minimum Payment Amount will remain the same until your next purchase or your Account balance is repaid, whether or not you decide to make higher payments in between.

- 5. Security Interest.** For the purpose of securing your payment of the purchase price and related interest and other charges identified by this Agreement, we reserve and retain, and you hereby grant to us, a security interest in the goods you purchase from us (the “Collateral”) pursuant to the California Commercial Code (“UCC”) Sections 2401, 9201 and 9203, respectively. This means that if you default in making your payments, or fail to meet any other obligation under this Agreement we may repossess the Collateral. You hereby agree to surrender the Collateral to us upon our demand after any default of your payment obligations. Following recovery of the Collateral, we will dispose of it in accordance with State law under the provisions of Division 9 of the California UCC.

You acknowledge that our security interest is properly perfected under Division 9 of the UCC. Because State law controls the validity of liens under Federal bankruptcy law, our ability to recover the Collateral is valid upon the filing of a bankruptcy case and cannot be avoided by a bankruptcy trustee under 11 U.S.C. Section 544.

We also reserve the right to decide whether to apply the proceeds of any insurance you purchase from us covering the Collateral (Payment Protection Plan) to reduce the amount you owe, or to allow the proceeds to be used to repair or replace the Collateral.

- 6. Other Charges.** Your account will also be charged:
- A Late Charge of up to \$15 if we do not receive your payment within 15 days of its due date.
  - A Dishonored Check Charge of up to \$15 if your payment check or similar item is not paid by your financial institution upon presentation.
  - A charge equal to the amount of the extra expenses we incur to collect the amount you owe us because (a) you have removed the Collateral from California without our permission; (b) you have moved your residence but failed to notify us of your new address; or (c) you have failed to communicate with us for a least 45 days following your default.

7. **Payment Protection Plan.** If you enroll in the optional Payment Protection Plan (“PPP”), we will charge your Account for the monthly premiums. The premiums are **\$.902 (Gold Plan) or \$.522 (Silver Plan)** per \$100 balance on your Account. Other important terms and information about the PPP appear on the separate enrollment documents you received.
8. **Changes in Terms.** You agree that we may modify or delete any of the terms of this agreement, or add new terms to this agreement, at any time; provided that we give you advance written notice of such changes, if then required by law. Unless we otherwise specify, any such changes will apply to your then existing Account balance and to any new purchases made thereafter.
9. **Credit and Financial Information.** You agree to give us updated financial information upon request or if there is a material adverse change to your financial condition, such as loss of income. You agree that from time to time we may (a) obtain from other sources credit and other information relating to your employment and/or financial condition, and (b) provide information concerning your Account to credit bureaus and others as permitted by applicable privacy law.
10. **Default.** You will be in default if one or more of your payments has not been received by us on or before the payment due date or if you breach any other provision in this agreement. If you are in default, we may (a) suspend your right to obtain more credit under this agreement, (b) declare all of the outstanding balance in your Account to be immediately due and payable, (c) enforce our rights against the Collateral in accordance with this agreement and the law, and/or (d) terminate the Account.
11. **Termination.** You or we may terminate your Account by giving the other party written notice of the termination at any time. Our notice to you will be at least 30 days in advance of the termination unless you are then in default under this agreement, in which case no advance notice is required. Upon termination of your Account, you agree to surrender you Card to us.
12. **Governing Law.** This agreement will be governed by the laws of the State of California without regard to that state’s choice of law provisions.
13. **Liability for Loss of Card.** Unauthorized Use. You agree to notify us promptly if you lose your Card. If you notice the loss or theft of your credit card or a possible unauthorized use of your card, you should write to us immediately at the address listed on your bill, or call us at the telephone number shown on your bill. You will not be liable for any unauthorized use that occurs after you notify us. You may, however, be liable for unauthorized used that occurs before your notice to us. In any case, your liability will not exceed \$50.

**NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.**

*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 statement, write to us at:

Don Roberto Jewelers, Inc.  
205 Avenida Fabricante  
San Clemente CA 92672

JLPLEMA11/17/12

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.

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 is 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 your 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 are 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:

Don Roberto Jewelers, Inc.  
205 Avenida Fabricante  
San Clemente CA, 92672

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.

The English version of this Agreement will be controlling for all purposes.