

DANIEL'S PREFERRED CHARGE RETAIL INSTALLMENT CREDIT AGREEMENT

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| Annual Percentage Rate | 28.92% |
| Periodic Rate | 2.41% |
| Grace period for repayment of balances for purchases | There is no FINANCE CHARGE on new charges to your account when there is no balance outstanding at the start of the billing cycle. There is no additional charge if you pay the New Balance in full by the next payment due date shown on your statement. |
| Minimum FINANCE CHARGE | None, if paid during grace period, otherwise, 50¢. |

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| Method of computing the FINANCE CHARGE for purchases | Average Daily Balance Method (including current purchases). We figure the FINANCE CHARGE on your account by applying the periodic rate to the "average daily balance" of your account (including current transactions). To get the "Average Daily Balance" we take the beginning balance of your account each day, add any new purchases and subtract 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. |
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OTHER CHARGES

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| Late Charge | A late charge of \$10.00 may be assessed for any portion of a Past Due scheduled payment. |
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| Returned Check Fee | In the event that a check received from you as a payment or down payment on your account is not honored by your bank, a handling charge of \$15.00 may be assessed in addition to any other charges. |
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Each time you make a purchase, one of our associates will arrange terms with you to suit your budget. The new Minimum Payment schedule will be based on the highest New Balance on your account. This will change only if the New Balance is paid in full, added on with subsequent purchases to a higher New Balance, subsequently refinanced by written agreement between you and us or in default

under these terms, in which case, the entire New Balance will be immediately due and payable.

Payments to your account are applied in the following sequence: 1) To any unpaid late charge, 2) To any unpaid credit insurance, 3) To any unpaid finance charge, 4) To the balance of your account.

YOUR BILLING RIGHTS

Notify us in case of errors or questions about your bill. If you think your bill is wrong, or you need more information about a transaction on your bill, write us as soon as possible on a separate piece of paper and send it to Daniel's Jewelers, Customer Service, P.O. Box 3750, Culver City, CA 90231-3750. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us or contact the store where you made the purchase, but doing so will not preserve your rights. In your letter, please give us the following information:

1. Your name, address and account number. Please include your telephone number so that we can call you if we have a question about your letter.
2. The dollar amount of the suspected error or item in question and an explanation of why you believe there is an error. If you need more information, describe the transaction you are not sure about.

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill was correct. After we receive your letter, we cannot try to collect any amount you question

or report you as delinquent. We can continue to bill you for the amount in question, including finance charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question.

If we find that we made a mistake on your bill, you will not have to pay any finance charge related to any questioned amount. If we did not make a mistake, you have to pay the finance charges, and applicable late charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date it is due.

If you fail to pay the amount we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill, and we must tell you the name of anyone we reported you to. We must tell anyone we reported you to that the matter has been settled between us when it finally is. If we don't follow these rules, we can't collect the first \$50.00 of the questioned amount even if your bill was correct.

NOTICES

Notice: The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, sex or marital status. The Federal Agency which administers compliance with the law concerning this creditor is the Equal Credit Opportunity Section, Federal Trade Commission, Washington, D.C. 20550.

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.

Notice: As required by California State law you are hereby notified that a negative credit report, reflecting on your credit record, may be submitted to a credit reporting agency if you fail to pay your scheduled payments on time and keep your account current. If you pay your scheduled payments on time and keep your account current, a positive credit report, reflecting on your credit record, may be submitted to a credit reporting agency.

Renewal and Replacement Cards: Buyer hereby requests the periodic mailing of credit cards. You agree to promptly notify us, orally, or in writing, of the loss, theft, or actual or anticipated unauthorized use of any credit card issued by us. If notice is given orally, you agree to confirm such conversation in writing. Your liability for unauthorized use of your Daniel's Credit Card will not exceed \$50.00 providing you have notified us of such loss or theft.

Termination of Credit Privileges: You agree not to purchase on your account while it is past due or exceed your credit limit, or while you are otherwise in default under this agreement. Your credit card is not transferrable and only you are authorized to use it. Your account will be subject to the seller's approval of each individual sale. We reserve the right to require down-payments prior to delivery of any merchandise. We reserve the right to cancel credit privileges at any time.

Use of Card/Liability for Charges: Only the persons signing the application are permitted to use the card issued to them. We will look to you for payment on all charges made with the card issued to you, even if you let someone else use it. If you voluntarily relinquish possession of the card to another person, you will be liable for all charges incurred by that person to the full extent of applicable law. If you are married and sign the application, you agree that your separate property shall be liable for unpaid sums due.

Security Interest: You grant us a Purchase Money security interest in the goods purchased on your account. Further, items purchased previously on your account may secure later purchases. You also grant us a security interest in the proceeds of any credit insurance purchased on your account.

Customer Financial Condition: You represent and warrant that you will not make purchases on credit or on account at any time during which your financial net worth (available assets less debts owed) and financial condition (available net income) are materially less than what you disclosed to us in writing at the time you applied for credit with us or updated with us your credit and financial information. You further agree to promptly notify Daniel's Jewelers of any adverse change in your financial net worth and/or financial condition prior to attempting to make any purchase to be charged in whole or in part to your account. If you fail to notify us of such adverse change, we will consider this your affirmative representation that no such change has occurred. We will rely upon your current and future representations in granting future credit or in allowing you to make future purchases on account.

Posting of Additional Charges: For any reason we may stop the posting to your account of Finance Charges, Customer Insurance Premiums, Late Charge Fees and other additional charges to which we are entitled. We reserve the right to calculate and post to your account all charges which have become due and have not been previously posted or paid and these additional charges shall become immediately due and payable.

Default: You shall be in default under this agreement if you fail to make any payment as required, or if you are insolvent or cannot pay your debts. If you are in default, we reserve the right to cancel the Daniel's card and we may require immediate payment of any amounts due. You agree to pay reasonable costs for collecting amounts due, including attorneys fees and court costs.

Changing this Agreement: We have the right to change this Agreement at any time. If we need your consent for any change, we will inform you of the change in advance, as required by law. If your consent is not required, notice will be provided at the implementation of the change in this Agreement.

Assignment: We may assign any or all of our rights under this agreement to another person or organization at any time, without your consent.

We may periodically allow other companies access to our mailing list, and to a list of our credit card holders so that they can provide you with special offers. If you do not wish to receive the offers, please write to us at the address shown below, and we will remove your name prior to allowing the list to be used.

Notice to Buyer: The disclosures above are accurate as of the date of printing on September 22, 2010 and are effective September 22, 2010. These terms are subject to change after this date. Write to Daniel's Jewelers, P.O. Box 3750, Culver City, CA 90231-3750 or call (310) 665-2110 for the most recent version of this agreement or if you would like a copy of this agreement in Spanish.