

**Specific Initial Pricing information for Your Sphere Credit Card Account  
Part 1 of 2**

APR = Annual Percentage Rate

We reserve the right to change the APR's, fees and other charges as allowed by law.

**INTEREST RATES AND INTEREST CHARGES**

<b>ANNUAL PERCENTAGE RATES FOR PURCHASES</b>	<b>APR – 10.99% TO 24.99%</b> depending on creditworthiness  RATES VARY AND BASED ON THE PRIME RATE AS OF 6/1/2013
<b>Annual Percentage Rates for Cash Advances</b>	<b>24.99% APR</b> RATES VARY AND BASED ON THE PRIME RATE AS OF 6/1/2013
<b>Penalty APR and when it applies</b>	<b>APR - 29.99%</b> This APR may be applied to new transactions on your account if you miss a payment, a payment is returned, or you make a late payment. This APR may be applied to your existing balance if you make a late payment and as allowed by law. The Penalty APR will apply indefinitely to new purchases and to existing purchases until you have made six consecutive months of on-time payments as required and have not otherwise violated the terms of the account agreement.  RATES VARY AND BASED ON THE PRIME RATE AS OF 6/1/2013
<b>Annual Percentage Rates for Balance Transfers</b>	<b>0% Introductory APR</b> for the first 18 Statement Closing Dates following the opening of your account for transactions made within 90 days of opening your account.  <b>APR – 10.99% TO 24.99%</b> depending on creditworthiness  RATES VARY AND BASED ON THE PRIME RATE AS OF 6/1/2013
<b>Minimum Interest Charge</b>	If any balance on your account is subject to interest, then the interest charge will be no less than \$1.50 for each billing cycle.
<b>How to Avoid Paying interest</b>	Your due date will be at least 21 days after the close of each billing cycle. If you pay your entire balance in full each month by the payment due date we will not charge you interest on new purchases. Cash advances and balance transfers incur interest from the date posted to your account.
<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 at <a href="http://www.consumerfinance.gov/learnmore">http://www.consumerfinance.gov/learnmore</a>
<b>Fees</b>	
<b>Annual</b>	None
<b>Late Fee</b>	Up to \$35
<b>NSF (and Returned Payment) Fee</b>	Up to \$35. \$25 for balance transfer and convenience transactions returned.
<b>Cash Advance Fee</b>	For each Cash Advance that is not a Balance Transfer, 5% of the amount of the Cash Advance or \$10, whichever is greater
<b>Balance Transfer Fee</b>	Either \$10 or 3% of the amount of each transaction, whichever is greater for the first 90 days of the account; thereafter the greater of \$10 or 4% of the amount of each transaction unless a special promotion is offered.
<b>Foreign Transaction Fee</b>	Three percent (3%) of the gross amount of the Transaction in U.S. Currency. We charge this fee even if the Transaction is denominated in U.S. Dollars by the merchant or institution.
<b>Overlimit Fee</b>	None.
<b>Other Fees</b>	
Expedited Card Delivery Fee	\$35
Expedited PIN Delivery Fee	\$35
Research or additional statement printout	As allowed by law, charged at \$5 per statement printout unless required for tax audit

**METHOD OF COMPUTING THE BALANCE FOR PURCHASES: AVERAGE DAILY BALANCE METHOD (INCLUDING NEW PURCHASES) SEE YOUR CREDIT CARD AGREEMENT FOR MORE DETAILS AND EXCLUSIONS.**

**More Information about Loss of Introductory APR:** We may end your introductory APR and apply the Penalty APR if you miss or make a late payment.

**Billing Rights:** information on your rights to dispute transactions and how to exercise those rights is provided in your Credit Card Agreement included with this disclosure

**SPHERE CREDIT CARD AGREEMENT  
(RETAIL INSTALMENT CREDIT AGREEMENT)  
PART 2 of 2**

**SECTION 11 OF THIS AGREEMENT IS AN ARBITRATION PROVISION. UNLESS YOU HAVE REJECTED OR PROMPTLY REJECT THE ARBITRATION PROVISION (SEE SECTION 11(n)), THE ARBITRATION PROVISION WILL HAVE A SUBSTANTIAL EFFECT ON YOUR RIGHTS IN THE EVENT OF A DISPUTE. FOR EXAMPLE, YOU WILL NOT BE ABLE TO BRING OR PARTICIPATE IN ANY CLASS PROCEEDING SUBJECT TO ARBITRATION.**

1. General; Certain Definitions. This Agreement governs the terms of your credit card or other access device or number (the "Card") issued by Sovereign Bank, N.A., a national bank headquartered in Delaware (the "Bank"), and the related account (the "Account"). As used in this Agreement, the words "we," "us" and "our" mean the Bank, the Bank's successors and assigns, and, for purposes of the Arbitration Provision (Section 11), the other persons identified in the Arbitration Provision. "Our Notice Address" means Credit Card inquiries, MA1-MB3-01-99, P.O. Box 841002, Boston, MA 02284 or such other address as we subsequently specify by notice to you. The words "you," "your," "yours" and "Cardholder" mean each and every person liable as a holder of the Card. We are delivering this Agreement to you with the Card and a carrier for the Card (the "Card Carrier"). The Card Carrier and its contents is part of this Agreement, and this Agreement is dated as of the date of the Card Carrier. You should retain and carefully review this entire Agreement and you should sign your Card before using it. You and we agree that we are legally bound to the terms of this Agreement set forth below and that we may change the terms of this Agreement by giving notice as required by law.

2. Purchases, Cash Advances and Balance Transfers. You may use your Account to purchase or lease goods or services (each such transaction, a "Purchase") by presenting your Card or providing your Card number or access code and additional information to participating merchants and establishments that honor the Card. You may also receive "Cash Advances" on your Account: (a) to obtain cash or cash-like equivalents (for example, money orders, traveler's checks, stamps or other instruments convertible into cash) from any bank or other person that accepts the Card for such purpose; (b) to make a withdrawal of cash from an automated teller machine ("ATM"); (c) to make a person-to-person transfer conducted through the Internet or otherwise (unless we tell you we will treat the transfer as a Purchase); (d) to transfer funds into a deposit account you have with us (an "Account Transfer"); (e) to cash or make a payment using any check we provide to access the Account (a "Convenience Check"); and/or (f) to obtain a "Balance Transfer" by writing a Convenience Check to pay an existing credit account with another party or by using other procedures we establish for making a Balance Transfer. For all purposes of this Agreement, and no matter how they are implemented, Balance Transfers are treated as Cash Advances unless we state otherwise with the particular offer. If a Balance Transfer or Convenience check is presented to us after its expiration date, we will treat it as a cash advance request at the cash advance rate for a period of thirty days and then we will no longer honor the request. **If the total amount you request for a Balance Transfer exceeds your total credits line, we may send full or partial payment to your creditors in any order convenient for us. Allow at least 2 weeks from account opening for processing of any initially requested Balance Transfers. Continue paying each creditor until the transfer appears on their statement. If you have a dispute with a creditor and pay that balance by transferring it to your new Sphere account, you may lose certain dispute rights. Balance transfers may not be used to pay off or pay down any account issued by Sovereign Bank, N.A.**

Purchases and Cash Advances (including Account Transfers and Balance Transfers) are collectively referred to as "Transactions." We will not be liable to you (or anyone else) if any ATM, merchant or other person cannot or will not process a Transaction permitted under this Agreement. Unless prohibited by applicable law, we may from time to time limit the type, number and dollar amount of any Transaction, even if you have sufficient available credit to complete the Transaction, and may terminate or suspend your use of the Card or the Account, with or without notice to you before or at the time we take such

action. We will not stop payment on any Convenience Check. Any amount as cash back over the purchase amount will be treated as a purchase at the Merchant where done.

3. Prohibited Uses of Account. You agree that you will only use the Account for personal, family and household purposes and will not use the Account for any unlawful purpose or to engage in or facilitate internet gambling. However, if you do, you will still be liable to us with respect to such Transactions. If you authorize or allow any other person to use your Account (an "Authorized User"), either by requesting additional cards or by voluntarily providing your Card and/or related Personal Identification Number (PIN) to any other person, to the extent permitted by applicable law such authorization will be deemed to extend to all Transactions by such Authorized User, and will continue until you have taken all steps necessary to prevent any further use of the Account by such Authorized User and/or have advised us that such Authorized User is no longer authorized to use the Account. You agree to pay for all charges incurred by any Authorized User, even if you did not intend to be responsible for those charges..

4. Credit Line; Transaction Limits. Your Credit Line will be shown each month on your monthly statement. We are not required to honor any Transaction if, immediately after the Transaction, the outstanding balance of your Account would exceed your Credit Line. We may establish a separate limit on the total amount of outstanding Cash Advances at any time ("Cash Credit Limit"). The Cash Credit Limit will be inclusive of all fees to initiate that cash advance. When you make any payment, we may delay increasing your available credit until the payment has cleared. We may decrease your Credit Line or Cash Credit Limit, suspend or terminate your credit privileges, limit the number or dollar amount of Transactions that can be charged to your Account or close your Account at any time, with or without prior notice, subject to any limitations under applicable law. We will promptly notify you in writing if we take any such action except if your account is closed due to inactivity. We may increase your Credit Line or Cash Credit Limit at any time or from time to time, whether or not you request an increase, provided that any increase will be subject to our underwriting approval in our absolute discretion and you agree that any such increase shall also be subject to the terms of this Agreement. You agree to provide us from time to time with any financial or other information we reasonably request and authorize us to verify financial or other information about you, including obtaining credit bureau reports, to determine your appropriate Credit Line and Cash Credit Limit.

#### 5. Interest Charges.

(a) *General; Minimum Interest Charge.* Each billing cycle, we separately determine the interest charges on transactions composed of Purchases, Cash Advances and each separate kind of promotional Transaction (collectively each a "Balance Type"). For each such "Balance Type," we determine interest charges each billing cycle by multiplying the Balance Subject to Interest Rate for such Balance Type by the Daily Periodic Rate for such Balance Type and by then multiplying the result by the number of days in the billing cycle. For each Balance Type, the Balance Subject to Interest Rate is the Average Daily Balance (including new Transactions), as calculated pursuant to Section 5(c) below. To get the total interest charges each billing cycle, we add together the interest charges for all Balance Types. However, for any billing period in which you are charged any interest charge, the minimum interest charge is \$1.50.

#### (b) *Interest Rates.*

(i) In connection with a special promotion, we may charge a promotional fixed rate of interest (which could be as low as a 0% Annual Percentage Rate ("APR")), and we may charge interest based on an index of our choice. Otherwise, all interest rates may vary based on the "Prime Rate," as defined below, plus an additional amount, or a "margin". The Daily Periodic Rate will equal the APR divided by 360 which results in more interest accrual than if a 365 day year is used, rounded to the nearest 1/100,000th of 1%. Information about your initial APRs, regular and penalty APRs have been provided on or with your Card Carrier. If you have an introductory rate for purchases or balance transfers, if you default on your account or fail to make payments when due, you will lose the introductory rate and the penalty rate may apply as allowed by applicable law. (ii) For each billing cycle, the "Prime Rate" is determined as of the first day of the calendar month in which the beginning of the billing cycle occurs (the "Determination Date"). The "Prime Rate" is the highest U.S. Prime Rate published in the "Money Rates" section of *The Wall Street Journal* on the Determination Date (or if *The Wall Street Journal* does not publish such rate on such day, the previous day, and the day previous to that and so on if it does not publish such rate until the date such a rate has been published). (If *The Wall Street Journal* stops publishing the U.S. Prime Rate in its

“Money Rates” section, then we may substitute another index and margin, in our sole discretion, subject to any notice and other requirements of applicable law.) Each billing cycle, the APR for each Balance Type will equal the Prime Rate as of the most recent Determination Date plus the applicable margin. (iii) If you fail to make any payment within 60 days of the due date, or you fail to comply with the terms of this Agreement, we may apply the penalty rate to your entire balance as allowed by law. (iv) If and when the APR for a Balance Type increases, more interest charges will accrue and more of each payment will be applied to interest charges and less to principal. This will result in higher and/or more payments if you pay the Minimum Payment Due each month. If and when the APR decreases, less interest charges will accrue and less of each payment will be applied to interest charges and more to principal. This will result in lower and/or fewer payments (subject to the minimum payment shown in the Payments section) if you pay the Minimum Payment Due each month. Your actual interest rates are disclosed in tabular format along with this Credit Card Agreement.

(c) *Balance Subject to Interest Rate; Grace Period on Purchases.* For each Balance Type, the Balance Subject to Interest Rate is the total of the closing daily balances for such Balance Type for all the days in the billing cycle (we treat any negative balance as \$0), divided by the number of days in such cycle. Normally, the closing daily balance for each Balance Type equals the balance at the beginning of the day, plus any new Transactions of such type and less any payments or credits applied to such Transactions. We do not include interest and fees from the current month in these balances. However, this is subject to certain adjustments: (i) When a promotional period for a particular promotion ends, as of the beginning of the next day we transfer the remaining promotional balance to the regular Purchases balance or regular Cash Advances balance, as applicable. (ii) You will only have a “grace period” on new Purchases if your Account balance is \$0 at the beginning of the last two billing cycles or you pay the entire Account balance as of the beginning of the billing cycle after the new purchase by the next Payment Due Date. In that case, the time period from the new Purchase to the Payment Due Date after the next billing cycle is a “grace period” and your Balance Subject to Interest Rate on Purchases and your interest charge on Purchases made in the current billing cycle are both \$0. Interest on New Purchase from the purchase date until the first billing cycle after that date are calculated but not charged until it is determined whether that new Purchase will receive a “grace period” or not which is at the second billing cycle date; (iii) If the billing cycle is not a grace period but immediately follows a grace period, all payments and credits that are made by the Payment Due Date and are applied to Purchases will be applied to Purchases as of the first day of the billing cycle instead of the day they were actually made or posted. (iv) If you get a grace period on Purchases for a billing cycle on account of a payment check that is dishonored in the next billing cycle or a credit that is reversed in the next billing cycle due to the resolution of a billing dispute, we will charge you in the next billing cycle the interest charges you avoided in the prior billing cycle due to the dishonored or reversed payment or credit. Balance Transfers and Cash Advances have no grace period.

(d) *Interest Accrual Periods.* On each new Balance Transfer or Cash Advance, we start charging interest charges from the date of the transaction; Balance Transfers or Cash Advances from previous billing cycles accrue interest beginning on the first day of the billing. On each Purchase: (i) If you get a grace period for the billing cycle in which the Purchase is posted to the Account (the “Purchase Cycle”) and for the next billing cycle (the “Next Cycle”), we charge no interest charges at all. (ii) If you get a grace period for the Purchase Cycle but not for the Next Cycle, we start charging interest charges from the first day of the Next Cycle. (iii) If you do not get a grace period for the Purchase Cycle, we charge interest charges from the later of the date of the Purchase or the first day of the billing cycle in which it is posted to your Account.

(e) *Classification of Fees as Purchases or Cash Advances.* For purposes of computing interest charges, Cash Advance Fees are treated as Cash Advances and all other Fees are treated as Purchases.

6. Fees. You agree to pay the following fees, provided that you never need to pay any fee that is not permitted by applicable law, including the federal Truth in Lending Act and Regulation Z:

(a) *Annual Fee.* None.

(b) *Cash Advance Fee:* For each Cash Advance that is not a Balance Transfer, we will charge a Cash Advance Fee equal to 5% of the amount of the Cash Advance or \$10, whichever is greater.

(d) *Balance Transfer Fee*: The greater of \$10 or 3% of the amount of the Balance Transfer if taken during the first 90 days of the account. Thereafter, unless otherwise stated in the promotional offer, for each Balance Transfer, we charge a Balance Transfer Fee of 4% of the amount of the Balance Transfer or \$10, whichever is greater.

(e) *Foreign Transaction Fee*. If you make a Purchase or obtain a Cash Advance from a merchant or financial institution outside the 50 United States, we charge a Foreign Transaction Fee equal to three percent (3%) of the gross amount of the Transaction in U.S. Currency. We charge this fee even if the Transaction is denominated in U.S. Dollars. The foreign merchant or financial institution may charge a separate fee. If the Transaction was made in a foreign currency, the Transaction will be converted into a U.S. dollar amount by [Visa] [MasterCard] or the foreign merchant or financial institution in accordance with its operating regulations or conversion procedures at the time the Transaction is processed. We do not make the currency conversions ourselves.

(f) *Late Fee*. Each time we do not receive the Minimum Payment Due in full by the Payment Due Date, we will charge you a Late Fee of \$25 for the first late fee in a six month period and a \$35 fee for each late payment until there are 6 consecutive months with no late payments.. However, we will never charge a Late Fee exceeding the Minimum Payment Due that is late.

(g) *NSF Fee* Each time that a check or other request drawn against your Account (except for convenience checks we send to you) is returned unpaid as it would exceed your limit or is otherwise improperly completed, or a check, instrument or other payment on your Account is returned to us unpaid for any reason or we must return any payment check or instrument you send us because it is not signed or is otherwise incomplete, we will charge you a Returned Payment Fee of \$25 for the first time in a 6 month period; \$35 for each subsequent returned payment until there are 6 consecutive months with no returned payments.. However, we will not charge a Returned Payment Fee if we are charging a Late Fee with respect to the same Minimum Payment Due and will not charge a Returned Payment Fee exceeding the related Minimum Payment Due. Convenience and Balance Transfer check returns we charge \$25.

(h) *Expedited Card Delivery Fee*. If you request us to expedite the delivery of a Card we will charge an Expedited Card Delivery Fee of \$35. If you request us to expedite the delivery of a PIN we will charge an Expedited PIN Delivery Fee of \$35.

(i) *Additional Fees*. If you request a special service – for example, if you ask for an additional copy of a statement or have a customer service representative of ours process a payment by phone on an expedited basis – we may charge a fee (e.g. \$5 per statement printout) for such service in accordance with applicable law.

7. Rewards. The terms of the Rewards Program are subject to change in the future. Unless there is a temporary rewards points bonus offer, and subject to any such offers, you will earn 2 reward points for each dollar spent on purchases for the first 6 months of the account. Thereafter, you will earn 1 reward point for each dollar spent on purchases. Balance Transfers, Cash Advances, including purchases of money orders or other cash equivalents, purchases made by or for a business or for a business purpose, fees, interest charges, unauthorized/fraudulent transactions and certain other charges do not earn points unless a promotional offer specifically states they do. You may not redeem any rewards points previously earned until your account has been returned to good standing. If you close your account or your account becomes severely delinquent, at 180 days past due, you will forfeit all rewards points. See the details about your rewards program in the supplemental materials that are provided with you account.

8. Monthly Statements. We will send you monthly statements if and when required by applicable law. Your monthly statements will show, among other matters: Transactions; payments; credits and adjustments; interest charges and fees; the Previous Balance and New Balance on your Account; your Credit Limit and Available Credit; and the Minimum Payment Due and Payment Due Date.

#### 9. Payments.

(a) Each month, you must pay at least the Minimum Payment shown on your monthly statement by the “Cut-Off Time” on the Payment Due Date shown on your monthly statement. The Payment Due Date will be at least 21 days from mailing of the monthly statement, on the same day of each calendar month.

If the Payment Due Date falls on a day we do not receive mail (a “non-business day”), we will not treat your payment as late for any purpose if we receive it by the Cut-Off Time on the next day we receive mail (a “business day”). The “Cut-Off Time” is 5:00 p.m. local time at the payment address specified on the monthly statement (or closing time of any retail office of ours you use to make payment in-person to one of our employees).

(b) If the total outstanding balance under your Account at the end of a billing cycle, as shown on your monthly statement (the “New Balance”), is less than \$25, the Minimum Payment Due equals the New Balance. Otherwise, the Minimum Payment Due equals the sum of: (i) any amount past due; and (ii) the greater of (a) \$25 or (b) 1% of the New Balance plus any penalty fees and interest incurred in the current billing period, with such sum rounded down to the nearest dollar.

(c) You agree to make all payments by check or other negotiable instrument drawn on a financial institution located in the U.S. or by money order or by some other method we expressly permit. Payments must be made in U.S. dollars. All payments, except disputed payments, must be mailed or delivered to us at the payment address shown on the front of your monthly statement (the “Payment Address”) or must be given to us in person at one of our branches. Any payments received after the Cut-Off Time on a business day will be credited on the next business day. However, credit to your Account may be delayed for up to five (5) days if we accept a payment that is: (i) not received by mail or messenger service at the Payment Address or in-person to one of our employees at one of our retail branch offices; (ii) not made in U.S. dollars by a check or other negotiable instrument drawn on a financial institution located in the U.S. or by money order; or (iii) not accompanied by the return portion of your monthly statement. Delayed crediting may cause you to incur additional fees and interest charges, subject to applicable law.

(d) Subject to applicable law, we may apply payments and other credits to your Account in any manner we choose in our sole discretion. For payments up to the Minimum Payment Due, we typically apply payments based on the APR of different Balance Types, first to the lowest APR, next to the next-lowest APR and so on. For payments in excess of the Minimum Payment Due, we apply payments in the reverse order, first to Balances Types with the highest APR.

(e) **At any time, you may pay all or any part of your outstanding Account balance.** Payment of more than the Minimum Payment Due in one billing cycle will not relieve you of the obligation to pay the entire Minimum Payment Due in subsequent billing cycles.

(f) **Notice About Electronic Check Conversion:** When you pay by check, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. When we use information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day we receive your payment and you will not receive your check back from your financial institution.

10. **Default.** Subject to applicable law, we may declare you to be in default under this Agreement if any one or more of the following events occurs: (a) you fail to pay any Minimum Payment Due on or before your Payment Due Date; (b) you exceed your Credit Limit or Cash Credit Limit; (c) you use a check or instrument for payment which is dishonored; (d) you die or are declared legally incompetent; (e) any other creditor tries by legal process to take money of yours in our possession; (f) a petition is filed or other proceeding is commenced by or against you under the Federal Bankruptcy Code or any other applicable federal or state insolvency laws; (g) you become generally unable to pay your debts or pay less than otherwise amount required due to working with credit counseling or debt settlement organizations; (h) you provide us with any false or misleading information; (i) you breach any of your other obligations under this Agreement; or (j) you are in default of any other unsecured agreement you have with us or any of our affiliates.

**Our Rights Upon Default.** Upon any default, we may take any of the following actions, subject to applicable law (including any applicable notice requirement and/or right to cure) or our agreement to forbear action: (a) either declare all or any portion of your outstanding Account balance to be immediately due and payable or, without waiving any rights, allow you to repay your Account balance by paying the Minimum Payment Due each billing cycle; (b) terminate or suspend your Account privileges and/or cancel your Card; (c) reduce your Credit Limit and/or Cash Credit Limit or otherwise limit your ability to make Transactions; (d) increase your interest rates to the default rate as allowed by law; or (e) commence an

action against you to collect all amounts owed in connection with this Agreement. We also may charge you court costs and reasonable attorneys' fees that we actually incur, as permitted by applicable law, if your Account is sent for collection to an attorney who is not our salaried employee. **You understand and agree that, subject to applicable law, if you are in default under this Agreement, we or any agent of ours may make collection calls to your home or cell phone numbers that you provided to us and you grant permission to use an automatic dialer and/or prerecorded messages with respect to such calls, even if the message is left on an answering machine.** You agree that such calls will not be considered "unsolicited" calls or telemarketing calls for purposes of state or federal law.

**11. Arbitration Provision. Unless you have exercised or exercise your right to reject arbitration under subsection (n) below, the following Arbitration Provision will apply:**

(a) *General:* Either you or we may elect to arbitrate or require the other party to arbitrate any Claim (as defined below) under the following terms and conditions. If you or we elect to arbitrate a Claim, neither you nor we will have the right to: (i) have a court or a jury decide the Claim; (ii) participate in a class action in court or in arbitration, either as a class representative or a class member; (iii) act as a private attorney general in court or in arbitration; or (iv) join or consolidate your Claim(s) with claims of any other person. The right to appeal and the right to pre-arbitration discovery are more limited in arbitration than in court. Other rights that you would have if you went to court may also not be available in arbitration.

(b) *Definitions:* The following definitions apply to this Arbitration Provision, even if terms defined in this Arbitration Provision are defined differently elsewhere in this Agreement:

(i) "We," "us" and "our" mean the Bank, together with any subsequent holder of this Agreement. Also, these terms include the parents, subsidiaries, affiliates and successors of such companies, as well as the officers, directors, agents and employees of any of the foregoing. These terms also include any party named as a co-defendant with us in a Claim asserted by you, such as marketing companies, credit bureaus, credit insurance companies, credit card servicers and debt collectors. "You," "your" and "yours" include each and every Cardholder or Authorized User.

(ii) "Administrator" means the American Arbitration Association ("AAA"), 1633 Broadway, 10th Floor, New York, NY 10019, [www.adr.org](http://www.adr.org), 800-778-7879; JAMS, 620 Eighth Avenue, 34th Floor, New York, NY 10018, [www.jamsadr.com](http://www.jamsadr.com), 800-352-5267; or any other company selected by mutual agreement of the parties. If both AAA and JAMS cannot or will not serve and the parties are unable to select an Administrator by mutual consent, the Administrator will be selected by a court. The party initiating an arbitration selects the Administrator. Notwithstanding any language in this Arbitration Provision to the contrary, no arbitration may be administered, without the consent of all parties to the arbitration, by any Administrator that has in place a formal or informal policy that would purport to override subsection (d) below, captioned "No Class Actions" (the "Class Action Waiver").

(iii) "Claim" means any claim, dispute or controversy between you and us that in any way arises from or relates to this Agreement or the Account, including disputes arising from actions or omissions prior to the date of this Agreement. "Claim" has the broadest reasonable meaning, and includes initial claims, counterclaims, cross-claims and third-party claims. It includes disputes based upon contract, tort, consumer rights, fraud and other intentional torts, constitution, statute, regulation, ordinance, common law and equity (including any claim for injunctive or declaratory relief). However, it does not include disputes about the validity, enforceability, coverage or scope of this Arbitration Agreement or any part thereof (including, without limitation, the Class Action Waiver, the final sentence in subsection (j) under the caption "Survival, Severability, Primacy" and/or this sentence); all such disputes are for a court and not an arbitrator to decide. However, any dispute or argument that concerns the validity or enforceability of the Agreement as a whole is for the arbitrator, not a court, to decide.

(c) *Starting or Demanding Arbitration:* To start an arbitration, the Claimant must commence the arbitration in accordance with the Administrator's rules. To require arbitration of a Claim, the Defending Party must give the Claimant a written demand for arbitration. This demand may be given after a lawsuit has been filed and may be given in papers or motions in the lawsuit. If an arbitration is commenced or an arbitration demand is given, the Claim shall be resolved by arbitration under this Arbitration Provision and the applicable rules of the Administrator then in effect. We will not elect to arbitrate any collection action we initiate or any individual action brought by you in

small claims court or your state's equivalent court, except if such action is transferred, removed, or appealed to a different court

(d) *No Class Actions:* **Notwithstanding any language herein to the contrary, if you or we elect to arbitrate a Claim, neither you nor we will have the right to: (i) participate in a class action in court or in arbitration, either as a class representative, class member or otherwise; (ii) act as a private attorney general in court or in arbitration; or (iii) join or consolidate Claims by or against you with claims by or against any other person, and the arbitrator shall have no authority to conduct any such class, private attorney general or multiple-party proceeding.**

(e) *Location and Costs:* Any arbitration hearing that you attend will take place in a location that is reasonably convenient for you. If you cannot obtain a waiver of the Administrator's or arbitrator's filing, administrative, hearing and/or other fees, we will consider in good faith any request by you for us to bear such fees. We will pay for our own attorneys, experts and witnesses and will pay the reasonable fees and charges of your attorneys, experts and witnesses if you win the arbitration. Even if you do not win the arbitration, we will pay any of the Administrator's or arbitrator's filing, administrative, hearing and/or other fees, and the fees and charges of your attorneys, experts and witnesses, if and to the extent we are required to pay such fees and charges by law or in order to make this Arbitration Provision enforceable.

(f) *Arbitrator Selection:* The arbitrator will be appointed by the Administrator in accordance with the rules of the Administrator. However, unless the parties agree otherwise, the arbitrator must be a retired or former judge or a lawyer with at least 10 years of experience.

(g) *Discovery; Getting Information:* In addition to the parties' rights under the Administrator's rules to obtain information prior to the hearing, either party may ask the arbitrator for more information from the other party. The arbitrator will decide the issue in his or her sole discretion, after allowing the other party the opportunity to object.

(h) *Effect of Arbitration Award:* Any court with jurisdiction may enter judgment upon the arbitrator's award. The arbitrator's award will be final and binding, except for: (1) any appeal right under the Federal Arbitration Act, 9 U.S.C. §1 *et seq.* (the "FAA"); and (2) Claims involving more than \$50,000. For Claims involving more than \$50,000, any party may appeal the award to a three-arbitrator panel appointed by the Administrator, which will reconsider anew any aspect of the initial award that is appealed. The panel's decision will be final and binding, except for any appeal right under the FAA. The costs of any appeal will be borne in accordance with subsection (e) above, captioned "Location and Costs."

(i) *Governing Law:* This Agreement governs transactions involving interstate commerce and accordingly this Arbitration Provision shall be governed by the FAA and not by any state law concerning arbitration. The arbitrator shall follow applicable substantive law to the extent consistent with the FAA and applicable statutes of limitation and privilege rules that would apply in a court proceeding, and shall be authorized to award all remedies available in an individual lawsuit under applicable substantive law, including, without limitation, compensatory, statutory and punitive damages (which shall be governed by the constitutional standards applicable in judicial proceedings), declaratory, injunctive and other equitable relief, and attorneys' fees and costs. Upon the timely request of either party, the arbitrator shall write a brief explanation of the basis of his or her award. The arbitrator will follow rules of procedure and evidence consistent with the FAA, this Arbitration Provision and the Administrator's rules.

(j) *Survival, Severability, Primacy:* This Arbitration Provision shall survive the termination of this Agreement, your fulfillment or default of your obligations under this Agreement and/or your or our bankruptcy or insolvency (to the extent permitted by applicable law). In the event of any conflict or inconsistency between this Arbitration Provision and the Administrator's rules or this Agreement, this Arbitration Provision will govern. If any portion of this Arbitration Provision, other than the Class Action Waiver, is deemed invalid or unenforceable, the remaining portions shall nevertheless remain in force. If a determination is made with respect to any Claim that the Class Action Waiver is unenforceable, only this sentence of the Arbitration Provision will remain in force and the remaining provisions shall be null and void, provided that the determination concerning the Class Action Waiver shall be subject to appeal.

(k) *Amendment/Termination:* Notwithstanding any provision of this Agreement to the contrary, we will not amend this Arbitration Provision in a manner that adversely affects your rights or responsibilities in a

material manner unless we give you a right to reject the amendment and/or the Arbitration Provision in its entirety.

(l) *Notice and Cure.* Prior to initiating a lawsuit or arbitration regarding a legal dispute or claim relating in any way to this Agreement (as more fully defined in the Arbitration Provision, a “Claim”), the party asserting the Claim (the “Claimant”) shall give the other party (the “Defending Party”) written notice of the Claim (a “Claim Notice”) and a reasonable opportunity, not less than 30 days, to resolve the Claim on an individual basis. Any Claim Notice to you shall be sent in writing by mail to the address for you maintained in our records. Any collection letter we send to this address shall be deemed to be a Claim Notice. Any Claim Notice to us shall be sent by mail to us at Credit Card Inquiries, MA1-MB3 01-09, P.O. Box 841002 Boston, MA 02284. Attn: Legal Claim (or such other address as we subsequently provide you). Any Claim Notice you send must provide your Account Number and telephone number. Any Claim Notice must explain the nature of the Claim and the relief that is demanded. The Claimant must reasonably cooperate in providing any information about the Claim that the Defending Party reasonably requests.

(m) *Special Payment:* If (i) you submit a Claim Notice on your own behalf (and not on behalf of any other party) in accordance with subsection (l), captioned “ Notice and Cure” (including the timing requirements thereof); (ii) we refuse to provide you with the relief you request; and (iii) an arbitrator subsequently determines that you were entitled to such relief (or greater relief), the arbitrator shall award you at least \$7,500 in addition to the attorney, witness and expert fees and costs to which you are entitled.

(n) ***RIGHT TO REJECT ARBITRATION.*** You may reject this Arbitration Provision by mailing a special rejection notice to Sovereign Bank, N.A., Credit Card Inquiries, MA1-MB3-01-99, P.O. Box 841002, Boston, MA 02284, Attn: Arbitration Rejection. You must sign the rejection notice, affirmatively state that you do not want arbitration to apply to your Sovereign Bank credit card and provide your name, address and telephone number and account number. We must receive your rejection notice within 45 days after the date of this Agreement (or any prior credit card agreement which contained an arbitration agreement you had a right to reject). You may not reject arbitration by phone or by any method other than the method described above.

## 12. Miscellaneous

(a) *Changes to this Agreement.* Subject to the Arbitration Provision and applicable law, including the Truth in Lending Act and Regulation Z: (i) You agree that we may, in our sole discretion, from time to time change any of the terms and conditions of, or add new terms and conditions to, this Agreement, including changing the formula used to compute interest charges or increasing or adding Fees. (ii) Any such changes will generally be effective immediately unless we are required by applicable law or elect, in our discretion, to provide you with advance written notice of the changes (and/or the reasons for the changes), afford you the right to reject the change and/or obtain your consent to the change (whether by written agreement, through the initiation of a Transaction after a specified date or through some other means). In such instances, those changes will be effective if, when and as stated in such notice. (iii) If permitted by applicable law, any changes may apply to your outstanding Account balance on the effective date of the change as well as to any future balances created after that date. (iv) No change to any term of this Agreement will excuse your obligation to pay all amounts owing under this Agreement.

(b) *Governing Law.* Except as set forth to the contrary in the Arbitration Provision, any claim, dispute or controversy arising from or relating to your Account or this Agreement, whether based in contract, tort, fraud or otherwise and regardless of the place of your residence, is governed by, and construed in accordance with, federal and Delaware law without regard to Delaware conflict of laws principles. However, the applicable statute of limitations period for all purposes under this Agreement (including the right to collect debt) will be the longer period provided by the law of Delaware or the jurisdiction where you live.

(c) *Correspondence.* All notices to us must be sent to Our Notice Address, with such attention as may be specified in this Agreement. To the extent permitted under applicable law, any notice you send us will not be effective until we receive and have had a reasonable opportunity to act on such notice. Any written or electronic correspondence we send to you will, however, be effective and deemed delivered when mailed to you at your mail address (or your email address if you have authorized electronic communications) as it appears on our records. If this is a joint account you authorize us to send all communications to the phone, mail address or email address of the primary (first listed) accountholder and that this will be effective as to all accountholders. You authorize us to share information about each accountholder with the other through these communications.

(d) *Reporting Information to Credit Bureaus; Identity Theft.* We may report information about your Account to other creditors, other financial institutions and credit bureaus. **Late payments, missed payments or other defaults on your Account may be reflected in your credit report.** You have the right to dispute the accuracy of information we have reported. If you believe that any information about your Account that we have reported to a credit bureau is inaccurate, or if you believe that you have been the victim of identity theft in connection with your Account or in connection with any other loan or extension of credit made by us, write us at Our Notice Address, Attn: Fraud/Dispute. Please include your name, address, Account number, telephone number and a brief description of the problem. If available, please include a copy of the credit report in question. If you believe that you have been the victim of identity theft, you should send us a police report or written statement in a form we provide you alleging that you are the victim of identity theft for a specific debt. Once we receive such documentation, we will cease all debt collection activity until we have reviewed the materials, determined that the debt is still collectible, complied with all obligations under Section 12(x) and sent you a written notice describing the basis for our determination.

(e) *Bankruptcy Notification.* All bankruptcy notices and related correspondence to us must be sent to us at Our Notice Address, Attn: Bankruptcy Notice.

(f) *Notices of Change in Circumstances.* You must notify us of any changes to your name, mailing or email address, home, cell or business phone number, employment or income within 15 days. You can notify us by calling us toll-free at 1-888-728-1222 (1-401-824-3400 from outside the United States and 1-800-428-9121 for the hearing impaired (TDD/TTY)), or by writing us at Our Notice Address. We will rely on your mail and email addresses as they appear on our records for any and all Account communications we send you unless and until either you or, in the case of your mailing address, the U.S. Postal Service, notifies us of a change of address and we have had a reasonable opportunity to act on such notice.

(g) *Partial Payments Marked Payment in Full.* **Any check or other payment you send us for less than the total outstanding balance on your Account that is marked "payment in full" or with any similar language or that you otherwise tender as full satisfaction of a disputed amount must be sent to Our Notice Address, Attn: Payment of Disputed Amount. We may deposit any such payment without such deposit effecting a satisfaction of the disputed amount.**

(h) *Inadvertent Overcharges.* It is not our intention to charge any interest charges, Fees or other amounts in excess of those permitted by applicable law or this Agreement. If any interest charge, Fee or other amount is finally determined to be in excess of that permitted by applicable law or this Agreement, the excess amount will be applied to reduce the outstanding balance in your Account or, if there is no outstanding balance, will be refunded to you.

(i) *Delay in Enforcement.* We may at any time and in our sole discretion delay or waive enforcing any of our rights or remedies under this Agreement or under applicable law without losing any of those or any other rights or remedies. Even if we do not enforce our rights or remedies at any one time, we may enforce them at a later date.

(j) *Unauthorized Use of Your Card or Account.* You agree to promptly notify us if you believe that your Card has been lost or stolen or that someone has used or may use your Card or Account without your permission by calling us toll-free at 1-888-728-1222 (1-401-824-3400 from outside the United States and 1-800-428-9121 for the hearing impaired (TDD/TTY)), or by writing to Our Notice Address, Attn: Fraud/Dispute. **TO HELP PROTECT AGAINST THE UNAUTHORIZED USE OF YOUR CARD OR ACCOUNT, YOU SHOULD NEVER WRITE YOUR PERSONAL IDENTIFICATION NUMBER (PIN) ON**

**YOUR CARD OR KEEP ANY WRITTEN RECORD OF IT ON ANY MATERIAL THAT IS KEPT WITH YOUR CARD.** You agree to assist us in determining the facts, circumstances and other pertinent information related to any loss, theft or possible unauthorized use of your Card or Account and to comply with such procedures as we may reasonably require in connection with our investigation, including the filing of one or more reports with the appropriate law enforcement authorities. Subject to applicable law, you acknowledge and agree that we may terminate our investigation if you fail to provide us with any such assistance or to comply with such procedures, and we otherwise have no knowledge of facts confirming the unauthorized use of your Card or Account. In such circumstances, we will deem any such use as having been authorized by you and you will be liable for the amount of any Transactions plus interest charges and fees incurred with any such use. Subject to applicable law, you also acknowledge and agree that unauthorized Card or Account use does not include use of your Card or Account by any person to whom you have given authority to use your Card or Account, even if you have attempted to limit the scope of the authority you have granted to any Authorized User and such Authorized User has exceeded his or her authority. You will be liable for all use of the Account or any Card by any such Authorized User, even if that person uses the Account or Card in ways you did not intend.

(k) *Verifications.* We verify your age, social security number, residence and other identifying information as required by applicable law and you agree to cooperate with such verification. You agree that we may verify your financial or other information for the purpose of managing your account.

(l) *Credit Reports; Evaluation of Financial Condition and Credit History.* **You understand and agree that we may obtain a consumer credit report in connection with your request for credit and in connection with any updates, renewals or extensions of any credit as a result of your request. If you ask, you will be informed whether or not such a report was obtained and, if so, the name and address of the agency that furnished the report. You understand and agree that we may obtain a consumer credit report in connection with the review or collection of any Transaction made by you or for other legitimate purposes related to such Transactions.**

(m) *Account Settlements.* Any settlement of your Account balance for less than what is owed requires our written agreement.

(n) *Telephone Monitoring and Recording and Contact Information.* You agree that we may monitor, record, retain and reproduce any calls or any other communications between you and us, regardless of how transmitted to us, for training, quality control, evidentiary and other purposes. However, we are not under any obligation to monitor, record, retain or reproduce such items, unless required to do so by applicable law. If we need to contact you to service your account or to collect amounts you owe to us, you authorize us (and our affiliates, agents, and contractors) to contact you at any number (i) you have provided to us (ii) from which you called us, or (iii) which we obtained and believe we can reach you at. We may contact you in any way, such as calling, texting, or email. We may contact you using an automated dialer or using pre-recorded messages. We may contact you on a mobile, wireless, or similar device, even if you are charged for it by your provider. You also authorize us to contact you for marketing purposes using the primary contact telephone number you provided to us, whether that is a home phone, or wireless or similar device, even if you are charged for it by your provider, unless you separately instruct us not to call that phone number.

(o) *Third-Party Claims or Defenses.* Except as otherwise provided in this Agreement or as required by applicable law (see Section 12(x)), we will not be responsible for any claim or defense you may have against any third party that arises out of or in connection with any Transaction.

(p) *Assignment.* You may not sell, assign or transfer your Account or Card or any of your rights and obligations under this Agreement. However, we may sell, assign or transfer your Account, or any balance due thereunder, and/or any of our rights and obligations under this Agreement, to another bank or other third party without prior notice to or consent by you. Should we do so, then to the extent of any such sale, assignment or transfer, that bank or third party will take our place in this Agreement.

(q) *Severability.* Except as provided otherwise in the Arbitration Provision, if any provision of this Agreement is deemed to be void or unenforceable by a court of competent jurisdiction or any governmental agency, that provision will continue to be enforceable to the extent permitted by that court.

or agency, and the remainder of that provision will no longer be considered as part of this Agreement. All other provisions of this Agreement will, however, remain in full force and effect.

(r) *Section Headings*. The section headings used in this Agreement are for convenience of reference only and do not in any way limit or define your or our rights or obligations hereunder.

(s) *Entire Agreement*. You acknowledge that this Agreement (which includes your Card Carrier) constitutes the entire agreement between you and us with respect to the Account and the Card, and supersedes and may not be contradicted by evidence of any prior or contemporaneous written or oral communications and understandings between you and us concerning the Account and the Card.

(t) *Security*. Notwithstanding any language in any other agreement to the contrary, the Account and your performance under this Agreement are not secured.

(u) *Multiple Cardholders and/or Guarantors*. If there are more than one of you and/or one or more guarantors of your obligations under this Agreement, each of you and each guarantor is jointly and individually liable for all of your obligations under this Agreement. We may proceed against any or all of you and/or any or all guarantor(s), and may choose not to proceed against any or all of you and/or any or all guarantor(s), without losing any of our rights against any or all of you and/or any or all guarantors.

(v) *Security at ATM Facilities*. Notice to New York residents: You should take precautions when using your Card (or any other credit or debit card) at an automated teller machine ("ATM"). **(i) Under New York law, the activity of each ATM facility must be recorded by a surveillance camera or cameras. (ii) You should close the entry door completely upon entering and exiting an ATM facility. (iii) You should not permit any unknown persons to enter an ATM facility after regular banking hours. (iv) You should place withdrawn cash securely upon your person before exiting the ATM facility. (v) Complaints concerning security in the ATM facility should be directed to the banking institution's security department (our phone number for such complaints is 1-888-728-1222 (1-401-824-3400 from outside the United States and 1-800-428-9121 for the hearing impaired (TDD/TTY)) or the New York State Department of Financial Services at 877-226-5697. The nearest available public telephone should be used to call the police if emergency assistance is needed.**

(w) **NOTICE TO THE BUYER: 1. Do not sign this credit agreement before you read it or if it contains any blank space. 2. You are entitled to a completely filled in copy of this credit agreement.**

(x) *Additional Notices*. **You may contact the New York State Banking Department to obtain a comparative listing of all credit card rates, fees and grace periods. (New York State Banking Department – 877-226-5697.)**

## **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 Monthly Statement**

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

Credit Card Inquiries  
Sovereign Bank  
MA1-MB3 01-09  
P.O. Box 841002  
Boston, MA 02284.

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 (and until we have complied with our obligations above):**

- 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 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:

Credit Card Inquiries  
Sovereign Bank  
MA1-MB3 01-09,  
P.O. Box 841002  
Boston, MA 02284.

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.

**SPHERE CREDIT CARD AGREEMENT  
(RETAIL INSTALMENT CREDIT AGREEMENT)**

Sovereign Bank, N.A.

By: \_\_\_\_\_

[Name and Title]

