

In consideration for us opening this Account in your name, you agree to the following:

1. PROMISE TO PAY AND ACCEPTANCE OF ACCOUNT. You will pay us as provided in this Agreement for all amounts owed under each Credit Plan on the Account for each purchase made by you, by any other Accountholder, or by any person who has your permission to use this Account, whether the purchase is made in person, or by telephone, Internet or mail. If there are two Accountholders, the Account is a joint Account and each Accountholder is jointly and individually liable for all amounts owed under this Agreement and is bound by the terms of this Agreement. This also means: (a) each joint Accountholder is an agent for and has the right and authority to bind the other in connection with this Agreement; (b) we can rely on and follow the instructions, information and requests we receive from either joint Accountholder even if they conflict with the instructions, information or requests we receive from the other joint Accountholder; and (c) we may collect all amounts owed on the Account from either joint Accountholder. When you use your Account or authorize others to use your Account, you represent that you have the ability and intention to pay us all amounts owed under this Agreement. Payments shall be made in U.S. Dollars. This Agreement supersedes any prior agreements you may have with us.

2. DOWN PAYMENTS; BILLING STATEMENT; MINIMUM PAYMENT DUE; LATE FEES. At the time of each purchase, you will make a down payment in an amount that is at least 25% of the cash price, plus sales tax. From time to time, at our option, we may allow you to make purchases with a reduced or no down payment. You will receive a statement from us each month showing your new balance and the minimum payment due. You will pay us each month the minimum payment due with respect to your Account; you may pay us a higher amount, including the entire balance of your Account, at any time. The minimum payment due shall be the total of: (1) the minimum monthly payment (which is a total of the minimum monthly payments required for each Credit Plan as described below), plus (2) any late payment fee or returned payment fee, plus (3) any amount past due. Except as otherwise expressly provided in this Agreement: (a) we will allocate payments and credits to your Account consistent with applicable law; and (b) we may, consistent with applicable law, change at any time, and from time to time, the manner in which we allocate such payments and credits to your Account. At our sole discretion, we may stop sending you statements if we deem your Account uncollectible, if delinquency or collection proceedings have been instituted or if otherwise permitted by applicable law. However, at our sole discretion, FINANCE CHARGES and fees will continue to accrue whether or not we send you statements. We reserve the right to obtain payment electronically for any check or other instrument that you send to us by initiating an ACH (electronic) debit to your banking account in the amount of your check or instrument. Your check or instrument may not be returned to you by us or your bank. You must continue to pay the minimum payment due even if you notify us of a dispute on your Account unless the whole balance is in dispute. If you make a payment on your Account, whether by check, other instrument, debit or other payment order (including an electronic payment or process), that is dishonored or returned unpaid for any reason, you authorize us to add to your Account an amount equal to the highest charge authorized by law for returned payment fees. If you fail to pay the minimum monthly payment within 10 days after the due date, you authorize us to add to your Account an amount not in excess of the highest charge authorized by law for late payment fees. We can, without losing any of our rights under this Agreement or otherwise, accept any check or other payment instrument marked with or accompanied by a document with words of condition, limitation, waiver, compromise or the like such as but not limited to "payment in full" or "without recourse." You agree that we can also return any such check or other payment instrument to you. We can, without losing any of our rights under this Agreement or otherwise, also accept a late payment and a partial payment.

3. CREDIT PLANS. As used in this Agreement, "Credit Plan" includes your regular revolving credit plan and any special purchase plan established under this Agreement from time-to-time, the terms of which will be set forth and provided to you at the time of your purchase. Except as expressly provided with respect to a special purchase plan, all terms of this Agreement apply to the special purchase plans. If the sales slip or other documentation honoring your Account does not specify that the purchase is subject to the terms of a special purchase plan, then the purchase is subject to the terms of your regular revolving credit plan. We may cancel the availability of any of the Credit Plans at any time at our sole discretion.

4. FINANCE CHARGES. You will pay us a FINANCE CHARGE each month based on the average daily balance (including new purchases) computation method. Except to the extent, if any, another daily periodic rate is then expressly applicable under the terms of this Agreement, a periodic rate of 1.992% (ANNUAL PERCENTAGE RATE of 23.9%) will be applied to the portion of the average daily balance of your Account which is \$5000 or less and a periodic rate of 1.5% (ANNUAL PERCENTAGE RATE of 18%) will be applied to the portion of the average daily balance of your Account which is more than \$5000 (This rate is authorized pursuant to Sections 516.031 and 687.12 of the Florida Statutes). To get the "average daily balance" we take the beginning balance of your Account each day, add any new purchases and other transactions 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." FINANCE CHARGES will be charged from the date of purchase (even if you pay your next bill in full). Notwithstanding the above, no FINANCE CHARGE will be imposed in any month in which there is no previous balance shown on your statement, and no additional FINANCE CHARGES will be imposed on your next monthly statement if you pay your account balance in full within 26 days after the closing (billing) date on your statement. The closing (billing) date is the last day of each monthly cycle that payments and transactions will post to your Account for that cycle.

5. OTHER CHARGES. You will pay us all other charges under your Account. These other charges include fees for delivery and setup, and charges for insurance, warranties, or service contracts that you voluntarily elect to purchase.

6. NOTICES; BILLING ERRORS. The delivery of your monthly statement or other notice to any Accountholder at the billing address then shown on our records will constitute delivery and notice to all Accountholders. You agree to provide us at least 10 days prior written notice of any change in your name, home address, billing address, or place of employment and if you have not already done so, you will note any such changes on the payment stub of your current monthly statement and return it to us. You agree that you have read the notice at the end of this Agreement regarding your rights and responsibilities with respect to billing errors. The monthly statement of your Account, indicating any purchases or payments, will be considered correct unless you tell us in writing of any possible mistake within 60 days after the first monthly statement which shows the possible mistake was mailed to your billing address. If you violate any terms of this Agreement, a negative report may be submitted to credit reporting agencies and entered on your credit record. If you believe we have reported inaccurate information regarding the account, you should follow the procedures described in the Billing Rights section at the end of this Agreement. All billing inquiries or notices should be sent to 3931 RCA Boulevard, Suite 3122, Palm Beach Gardens, Florida 33410.

7. ACCOUNT PURCHASES. You will sign a sales slip or other document that evidences each purchase; and in case a purchase is made by telephone, Internet or by mail, you will accept our sales slip or other document showing such sale and our record of delivery of goods purchased as conclusive evidence (complete proof) of such sale and delivery. The fact there is no signature on a sales slip or other document for the purchase of goods will not relieve you of your obligations under this Agreement. You consent to the use of secure electronic signature capture for storing and documenting any purchase you make on the Account. You may order items for delivery at a later date, but the amount of the order will be added to your Account at the time of purchase. Title to the merchandise you purchase will pass when you accept possession at our store location or when the merchandise is loaded onto a common carrier or our delivery truck if you choose our delivery service.

8. SECURITY INTEREST. You hereby grant us a purchase money security interest in each item of property purchased on the Account (unless a security interest is not permitted by law), except for any property that, when installed, will become a fixture. You and we intend that floor coverings and unit air conditioners will not be fixtures no matter how they are installed. Each item will be described and identified on one or more separate sales slips or other documents which are incorporated by reference herein, that is, this document and all sales slips and other documentation regarding the Account are one integrated agreement. Granting us a security interest means we

keep an interest in the property until you pay us for it in full as explained in this Agreement. Such security interest will secure the total amount due from time to time on each item and will remain in such item until the total cash price has been paid in full. For the purpose of determining the extent of our purchase money security interest in the items purchased with your Account, and subject to applicable law, we will apply payments on your Account (including any special purchase plan) in the following order: first to the payment of finance charges in the order of their entry to the Account and then to the payment of any other debts (including without limitation, taxes, insurance charges, late fees, court costs, returned payment fees, delivery charges, set-up or installation fees and the unpaid purchase price of items) in the order of their entry to the Account. If you purchase more than one item on the same date, payments will be applied first to the payment of the smallest debt. You agree that the security interest will give both us and you all the rights and remedies granted by the Uniform Commercial Code as it applies from time to time in the State of Florida.

9. DEFAULTS; APPLICABLE LAW. Unless otherwise provided by law, you will be in default of this Agreement and your Account upon the occurrence of any of the following: 1) if you do not pay all of any required minimum payment due when it is due; 2) if you die, are declared legally incompetent or file a petition for bankruptcy protection or other insolvency action; 3) if we determine that you have provided incomplete, incorrect, false or misleading information or signatures relating to this Account; 4) if you default on any other account or agreement you have with us; 5) if you in any other way fail to meet your obligations under this Agreement; or 6) if we receive information that you are unable or unwilling to perform the terms or conditions of this Agreement. If you are in default, we may: (a) terminate your credit privileges under this Agreement; (b) declare the entire balance of your Account immediately due and payable without notice and require you to pay immediately your entire Account balance, including all special purchase plan balances; (c) cancel any credit insurance applicable to your Account pursuant to the insurance policy; and/or (d) bring an action or proceeding to recover property or to collect all amounts owed. We may also repossess, and you will immediately surrender to our possession, any and all property for which you have not fully paid and in which we still have a security interest. If we repossess any goods purchased with your Account, we may charge you our repossession costs including necessary repairs, storage fees, and costs of sale, when and as permitted by applicable law. Upon your default under this Agreement, you agree to pay all costs, including court costs, incurred by us for collection of your Account, including replevin or other legal action, in each case to the fullest extent permitted by law, and such costs will be added to your Account. In addition to the foregoing costs, if your failure to meet your obligations under this Agreement results in our placing your Account with an attorney who is not a salaried employee of ours, for collection, including replevin or other legal action, you agree to pay us reasonable attorneys' fees which will be added to your Account. In any proceeding to collect on your Account, we may use a photographic copy or electronic image of any sales slip or other document to establish the validity of any sale. You hereby consent to attachment, garnishment and/or other legal process of your wages and other earnings to the extent permitted by applicable state and federal laws. Unless otherwise provided by this Agreement, this Agreement is governed by the internal laws of the State of Florida.

10. A. TERMINATION. We or you may terminate this Agreement at any time upon written notice to the other; provided, the termination of this Agreement by either party will in no way change your responsibility to pay the entire balance due on your Account under the terms of this Agreement, including purchases made and other amounts incurred but not yet billed, and to do everything else required by this Agreement until payment has been made in full. Once notice of termination has been given, no further purchases may be made under the Agreement. We may also suspend your Account privileges at any time. Your Account will be classified as inactive, and terminated, if there is no current balance and there has been no activity for a period of 36 months.

B. CHANGES TO AGREEMENT. To the fullest extent permitted by applicable law, we may change this Agreement in any respect by mailing written notice of the change to the billing address as then shown on our records. When we change this Agreement, we will comply with the applicable notice requirements of federal and state laws that are in effect at that time. Without limiting the foregoing, such changes may change terms by the addition of new terms or by the deletion or modification of then-existing terms, whether relating to benefits or features of your Account or this Agreement, fees, credit limit, the periodic rate or rates, the manner of calculating the FINANCE CHARGE or outstanding unpaid indebtedness, the manner for amending the terms of this Agreement, arbitration or other alternative dispute resolution mechanisms, and/or other matters of any kind whatsoever. Except as otherwise prohibited by law or as otherwise provided in the notice, all changes will apply to all outstanding indebtedness as well as new transactions; provided, that you may reject the changes by providing us written notice, prior to the effective date of the change, of your rejection. Any such notice of rejection shall be mailed to us at the address in the Billing Rights section at the end of this Agreement. If you timely provide such written notice to us and make no further purchases on your Account, then the changes will not apply to your Account or to this Agreement; however, in such event, we may restrict or prohibit any additional purchases on your Account and/or terminate this Agreement. The failure to provide such notice on a timely basis or any further use of your Account (even if a notice rejecting the changes has been sent) will be considered an acceptance of all changes in terms.

11. ARBITRATION. Except as expressly set forth in the following paragraph, you and we agree that any controversy or dispute between us and you (all of which are called "Claims") exceeding \$7,500 as described below, shall be submitted to mandatory, binding arbitration. This arbitration provision is made pursuant to a transaction involving interstate commerce, and shall be governed by, and enforceable under, the Federal Arbitration Act (the "FAA"), 9 U.S.C. §1 et seq. and, not by any state arbitration statutes or rules.

Where arbitration is not required. This arbitration provision does not affect the rights of either party to exercise any right to self-help repossession or judicial (including appeal) recovery regarding collateral to secure the Account. We and you further understand and agree that arbitration will be required only in the event that the aggregate amount(s) at issue arising from all of the Claims between us exceeds \$7,500 (including but not limited to the value of any property at issue, money, attorneys' fees, punitive damages, injunctive relief, declaratory relief, and any and all other Claims that we or you attempt to assert on behalf of ourselves or any others). Other than in small claims or similar proceeding, if any party fails to specify the amount being sought for any relief, or any form or component of relief, the amount being sought shall be deemed to exceed \$7,500.

CLAIMS COVERED: Claims subject to arbitration include, but are not limited to, any and all claims or controversies arising out of or related to any aspect of the relationship between us and you, including any claims by either party's agents, assigns, attorneys, employees, officers, insurers, or any other representatives. This arbitration clause applies to all transactions occurring before or after the execution of this Agreement. This includes (but is not limited to) any Claims relating to services that we or our affiliates offer in connection with your Account or this Agreement; Claims for any violation of any federal, state or local statute, rule, regulation or ordinance; Claims made under common law, whether in tort (whether or not intentional), contract or otherwise; Claims made under any other sources of law; or any Claims involving or against any of our affiliates, successors or assigns and our and their officers, employees or agents. The Claims subject to this arbitration provision include but are not limited to any Claims that arose or arise in the past, present or future, including Claims that arose before you opened your Account. Any questions about whether a Claim is subject to arbitration shall be resolved by interpreting this arbitration provision in the broadest way the law will allow it to be enforced.

INITIATION OF ARBITRATION: The party filing arbitration must choose one of the following arbitration administrators: American Arbitration Association or JAMS. All parties must follow their rules and procedures for initiating and pursuing arbitration. If you initiate the arbitration, you must also notify us in writing to the Arbitration Officer at 3931 RCA Boulevard, Suite 3122, Palm Beach Gardens, Florida 33410. If we initiate the arbitration, we will notify you in writing at your then current billing address or (if your Account is closed) the last address at which we contacted you. Any arbitration hearing that you attend will be held at a place chosen by the arbitrator or arbitration administrator in the same city as the U.S. District Court closest to your then current billing address, or at some other place to which we and you agree in writing. You may obtain copies of the current rules of each of the arbitration administrators named above, and other related materials, including forms and instructions for initiating an arbitration, by contacting the arbitration administrators as follows: American Arbitration Association, 335 Madison Avenue, Floor 10, New York, NY 10017-4605, Web site: www.adr.org or JAMS, 1920 Main Street, Suite 300, Irvine, CA 92610, Web site: www.jamsadr.com.

PROCEDURES AND LAW APPLICABLE IN ARBITRATION: A single, neutral arbitrator will resolve the Claims. The arbitrator will be selected in accordance with the rules of the arbitration administrator. The arbitration will be conducted under the applicable procedures and rules of the arbitration administrator that are in effect on the date the arbitration is filed unless this arbitration provision is inconsistent with those procedures and rules, in which case this Agreement will prevail. You may choose to have a hearing and be represented by counsel. The arbitrator will take reasonable steps to protect your customer account information and other confidential information, including the use of protective orders to prohibit disclosure outside the arbitration, if requested to do so by us. The arbitrator will have the power to award to a party any damages or other relief provided for under applicable law, and will not have the power to award relief to, against, or for the benefit of, any person who is not a party to the proceeding. The arbitrator will make any award in writing but need not provide a statement of reasons unless requested by a party. Upon a request by us or you, the

arbitrator will provide a brief statement of the reasons for the award.

COSTS: Unless the arbitration rules require allocation more beneficial to you: (a) the party making demand for arbitration shall pay the filing fee required by the arbitration rules when the demand is made, except that if you are the party making such demand, we will pay the amount of the filing fee in excess of the lesser of \$125 or the amount of the fee that would be required for you to file a lawsuit in the county or parish of your residence; (b) we will pay the fees of the arbitrator; and (c) each party shall pay that party's own attorneys', experts' and witnesses' fees and expenses unless otherwise required by law or by other terms of this Agreement. Despite our agreement to pay filing fees and the arbitrator's fees as described above, you have the option to pay your share of the filing fees and the arbitrator's fees consistent with the arbitration rules. If the arbitrator determines that a Claim was made in bad faith or lacks any justification, the arbitrator may, in accordance with the arbitration rules: (a) award the party against whom such Claim was made the amount of the filing fees such party paid; and (b) require the party making such Claim to pay the amount of the arbitrator's fees or award the amount of the arbitrator's fees to the party against whom such Claim was made if the party against whom such Claim was made pays the arbitrator's fees.

NO CONSOLIDATION OR JOINDER OF PARTIES: Arbitration is not available and shall not be conducted on a class-wide basis. All parties to the arbitration must be individually named. Claims by persons other than individually named parties shall not be raised or determined. Unless consented to by all parties to the arbitration, Claims of two or more persons may not be joined, consolidated or otherwise brought together in the same arbitration (unless those persons are applicants, co-applicants or authorized users on a single Account and/or related accounts or parties to single transaction or related transactions); this is so whether or not the Claims (or any interest in the Claims) may have been assigned.

ENFORCEMENT; FINALITY; APPEALS: We or you may bring an action, including a summary or expedited motion, to compel arbitration of Claims subject to arbitration, or to stay the litigation of any Claims pending arbitration, in any court having jurisdiction. Failure or forbearance to enforce this arbitration provision at any particular time, or in connection with any particular Claims, will not constitute a waiver of any rights to require arbitration at a later time or in connection with any other Claims. Any additional or different agreement between us and you regarding arbitration must be in writing. An award by the arbitrator after 15 days have passed shall be final and binding on the parties, subject to judicial review that may be permitted under the FAA. An award in arbitration will be enforceable as provided by the FAA or other applicable law by any court having jurisdiction. An award in arbitration shall determine the rights and obligations between the named parties only, and only in respect of the Claims in arbitration, and shall not have any bearing on the rights and obligations of any other person, nor on the resolution of any other dispute or controversy.

SEVERABILITY; SURVIVAL: This arbitration provision shall survive: (i) termination or changes in this Agreement, your Account and the relationship between us and you concerning your Account; (ii) any suspension of your Account privileges; (iii) the bankruptcy of any party; and (iv) any transfer or assignment of your Account, or any amounts owed on your Account, to any other person. If any portion of this arbitration provision is deemed invalid or unenforceable, the remaining portions shall nevertheless remain in force.

12. RIGHTS CUMULATIVE; NO WAIVER. We may delay or choose not to enforce any right in this Agreement without losing or waiving that right, including, but not limited to, accepting late or partial payments. Any waiver of rights by us must be in writing and signed by our authorized representative. All of our rights and remedies under this Agreement or otherwise are cumulative.

13. CREDIT LIMIT. We will set a limit on the amount of credit we will give to you and we may increase, decrease, suspend or terminate this limit at any time without prior notice. You will be notified of your credit limit when the Account is opened and on each monthly statement. You agree not to let your Account balance, including FINANCE CHARGES and all other amounts, exceed the credit limit established for you by us from time to time and shown on your monthly statement or other documents we send you. We do not have to honor a transaction that would cause you to exceed your credit limit. If we do and you go over your established credit limit at any time, you will still be charged for all purchases made and the amount exceeding your credit limit will be immediately due and payable.

14. UPDATED FINANCIAL INFORMATION. Upon request, you will promptly give us accurate updated financial information about yourself.

15. CREDIT INVESTIGATIONS AND REPORTING. You agree that we may investigate your credit, employment and income records and verify your credit references, and that we also may report the status and payment history of your Account to credit reporting agencies. You authorize us to obtain a consumer report from consumer reporting agencies in considering your application, and for the purpose of an update, renewal, extension or increase of credit, review or collection of your Account. If you ask whether or not a consumer report was requested, we will tell you and if we received a report, we will give you the name and address of the agency that furnished it. If you believe any information provided to a credit reporting agency is incorrect, you should notify us in writing at 3931 RCA Boulevard, Suite 3122, Palm Beach Gardens, Florida 33410, including the specific reason you believe there is a discrepancy.

16. MONITORING PRACTICES. You agree that our supervisory personnel may listen to and record telephone calls between our representatives and you in order to evaluate the quality of our service to you and other accountholders.

17. ASSIGNMENT OF ACCOUNT. We may sell, assign, or transfer your Account or any portion thereof without notice to you. You may not sell, assign, or transfer your Account.

18. SEVERABILITY. If any provision of this Agreement is determined to be void or unenforceable under any law, rule, or regulation, all other provisions of the Agreement will remain valid and enforceable.

19. MISCELLANEOUS. If we have provided this Agreement or a translation of this Agreement in a language other than English, we may still provide all monthly statements, amendments to this Agreement and any other documents, correspondence, notices, communications and the like regarding this Agreement (including your Account) in English without translation. If there is a conflict between the English version of this Agreement and any translation of this Agreement we have provided, the English version shall control. References in this Agreement to our sole discretion mean our sole and absolute discretion, and references in this Agreement to "including" mean including but not limited to the matter referred to. Time is of the essence of this Agreement. Copies of your application, sales slips and other documents you sign in connection with your Account shall be admissible in evidence in any legal or arbitration proceeding without regard to any requirement that the original be produced.

20. MISCELLANEOUS. CONSENT TO CONTACT AND REVOCATION OF CONSENT. You understand that if you have provided us with your telephone number (whether cellular or land line, and referred to in the remainder of this paragraph as your "telephone number") and/or email address, by signing this Agreement, you understand and agree that you are providing Badcock and its agents and service providers with your express consent to use written, electronic, or verbal means to contact you. This consent includes, but is not limited to, contact by manual calling methods, prerecorded or artificial voice messages, text messages, emails, and/or automatic telephone dialing systems. Your consent to our ability to contact you by using any or all of these methods at the telephone number(s) and/or email addresses provided by you was an essential part of the consideration for our decision to open this Account in your name. You may revoke consent for us to contact you by any of these methods or otherwise restrict your permissions as provided in this form at any time by simply submitting a written request via mail to 3931 RCA Blvd., Suite 3122, Palm Beach Gardens, Florida 33410 stating in clear and concise terms that you are revoking consent or restricting your permissions and identifying the telephone number(s) and/or email addresses for which you are revoking consent or restricting your permissions. By providing your telephone number(s) and/or email address and signing this Agreement, you understand and agree that you may not orally revoke consent for us to contact you at that telephone number and/or email address by any of these methods or otherwise orally restrict your permissions as provided in this form, and that you may revoke consent or otherwise restrict your permissions only in writing by using the particular revocation procedures described in this paragraph. If the telephone number you provide is later converted to a cellular number, you agree that we or our service providers can contact you at that number by auto dialer, recorded or artificial voice, or a text. This includes contacting you for informational and account service purposes. International phone charges may apply. Thank you for your attention to this matter.

YOUR BILLING RIGHTS KEEP THIS NOTICE 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 on a separate sheet of paper (not on the monthly statement or payment receipt) at Badcock's Economy Furniture Store, Inc, 3931 RCA Boulevard, Suite 3122, Palm Beach Gardens, Florida 33410. 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 any, 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 have 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.

BADCOCK'S ECONOMY FURNITURE STORE, INC. EASY PURCHASE PLAN CREDIT/SECURITY AGREEMENT AND DISCLOSURE STATEMENT

INTEREST RATES AND INTEREST CHARGES	
Annual Percentage Rate (APR) for Purchases	<p>23.90% (to the portion of the average daily balance of your Account which is \$5000 or less)</p> <p>18% (to the portion of the average daily balance of your Account which is more than \$5000)</p>
How to avoid paying Interest	We will not charge you interest in any month in which there is no prior balance shown on your statement. Also we will not charge you any additional interest if you pay your entire account balance within 26 days after the closing (billing) date on your statement.

FEE	
Penalty Fees	
<ul style="list-style-type: none"> • Late Payment 	\$15.00, if you fail to pay the minimum monthly payment within 10 days after the payment due date.
<ul style="list-style-type: none"> • Returned Payment 	\$25.00, if payment doesn't exceed \$50; \$30.00, if payment exceeds \$50 but not \$300; \$40, if payment exceeds \$300.

How We Will Calculate Your Balance: We use a method called "average daily balance (including new purchases)." See your Badcock's Economy Furniture Store, Inc. Easy Purchase Plan Credit/Security Agreement for more details.

Billing Rights: Information on your rights to dispute transactions and how to exercise those rights is provided in your Badcock's Economy Furniture Store, Inc. Easy Purchase Plan Credit/Security Agreement.