

Terms and Conditions

Discover® Network Cardholder Agreement

This is the Agreement (“Terms and Conditions”) between you and Discover Bank for your Discover Network Gift Card (“Card”). Please read this Agreement carefully and retain it for future reference. By signing, accepting or using your Card, you agree to be bound by these terms and conditions. In this Agreement, “we”, “us” and “our” means Discover Bank, the issuer of the Card and/or its affiliate, Discover Financial Services LLC, the financial company that processes or services the Card. “Cardholder”, “you” and “your” means the recipient of the Card, and, if a different person, any user of the Card. “Available Funds” means the monetary value of your Card. These terms and conditions apply to both the recipient and any other user of the Card. It is the recipient’s obligation to provide these terms and conditions to any user.

You have the right to reject the Arbitration of Disputes provision with respect to your Card prior to using your Card. You may reject the Arbitration of Disputes section by providing us a notice of rejection prior to using your Card, at the following address: Discover Network, Gift Card Issuance/TPI Support, P.O. Box 52145, Phoenix, AZ 85072-2145. Your rejection notice must include your name, address, telephone number, Card number and signature and must not be sent with any other correspondence. Calling us to indicate that you reject the Arbitration of Disputes section or sending a rejection notice in a manner or format that does not comply with all applicable requirements is insufficient notice. In order to process your notice, we require that the notice be provided by you directly and not through a third party. Rejection of arbitration will not affect your other rights or responsibilities under this Agreement or your obligation to arbitrate disputes under any other account as to which you and we have agreed to arbitrate disputes. If you do not send a rejection notice, you will be obligated by the Arbitration of Disputes section with respect to this Card, even if you have previously held a different Card.

The Card, which is denominated with a predetermined value, may be used by the Cardholder to make purchases (up to the predetermined value) at participating merchant locations affiliated with Harrah’s Operating Company, that accept Discover Network Cards (“Merchants”).

I. USE OF YOUR CARD

1. Each time you use the Card, you represent and warrant to us that you are either the Cardholder or an authorized user of the Card.
2. Unless a Merchant chooses to refund your Card, each Card transaction is a final, non-cancellable, and nonrefundable transaction.
3. You may use any number of Cards subject to the imposition of reasonable sales policies by us or our Card distributing agents or a merchant. However, Available Funds cannot be transferred from one Card to another.
4. You cannot use the Card to access cash at an ATM or Merchant, and the Card is only redeemable for goods and services.
5. Certain Merchants may require that we verify your address when a user attempts to make certain types of transactions. Merchants send out for authorization approval and, in some cases, may check to make sure the name and mailing address indicated for purchased merchandise matches the Card address. Therefore, if the Card has not been registered or the user does not supply the address currently on file for the Card, the user may not be able to complete a transaction for which this information has been requested.

II. USING YOUR CARD

You do not have to call us to activate your Card. It is ready for purchases upon receipt. You can check your Available Funds at www.mycardinfo.discovernetwork.com or by calling 1-866-594-2082. You can also register your Card by visiting www.mycardinfo.discovernetwork.com. You are responsible for all transactions on your Card. It is therefore important for you to keep track of your Available Funds. If you permit others to use your Card, you are solely responsible for monitoring both the nature and amount of their purchases.

Your Card has a predetermined value and cannot be used for purchases in excess of that value, except where the Merchant allows you to make up the difference with another form of payment. You cannot add monetary value to your Card. Your Card is intended for use SOLELY at Merchants as defined above. As with cash, you cannot “stop payment” on Card transactions.

The use of your Card to purchase goods and services from Merchants constitutes a simultaneous debit to your Available Funds. If a Merchant authorizes a transaction and then you fail to make a purchase as planned, the authorization will result in a hold against your Available Funds for up to 10 days.

III. SPECIAL USE RESTRICTIONS

Cards are not accepted at ATMs, for reservations at restaurants, car rental companies, hotels, at check cashing or money order dispensing locations or at merchant locations where acceptance may not be feasible.

Restaurants: Most restaurant card authorization terminals are programmed to approve Card transactions for approximately 25% above the cost of the meal amount in order to cover the bill plus tip (for authorizations purposes only); your Card will likely be declined if its value is less than the cost of the meal plus 25%.

IV. TRANSFER OF THE CARD: U.S. ONLY

Your Card is transferable to others as a gift, subject to applicable law, but you may not sell the Card; there are no age restrictions on its use. However, your Card may only be used within the U.S. at Merchants identified in these Terms and Conditions, and should not be transferred to anyone located outside the U.S.

V. RETURNS AND DISPUTES

Please familiarize yourself with a Merchant's return policy prior to completing a Card transaction. If you wish to return any merchandise purchased with the Card, you will be subject to the Merchant's return policies. Merchants may credit your returns back to the Card. For this reason, it is very important that you keep your Card, even after you have used all of your Available Funds, until you are sure that you are not expecting a Merchant refund to your Card. Thereafter, you should destroy any Card that has no value. Value credited back to the Card by a Merchant will be available for use approximately three to seven (3-7) days after the return is processed. You are responsible for resolving all disputes (including disputes related to the quality, safety or legality of merchandise or services) arising out of Card transactions directly with the appropriate Merchant and you agree that we accept no liability in this regard.

VI. FEES AND CHARGES

A servicing fee of \$2.50 per month will be charged beginning in the 13th month after purchase date, subject to applicable law. We will deduct a \$5.00 Card replacement fee from your Available Funds, in the event you request a replacement Card via the customer service phone number for a lost or stolen Card, subject to applicable law. Cards with remaining value after the "Valid Thru" date has passed may also be replaced, via the customer service phone number, within ninety days of the "Valid Thru" date that appears on the front of the Card. A \$5.00 Card replacement fee will be deducted from your Available Funds.

VII. LOSS OR THEFT OF THE CARD

You should protect your Card against theft with the same level of care that you use to protect the cash in your wallet. We cannot prevent the unauthorized use of your Card by others and cannot replace funds used by any unauthorized user.

You should immediately notify us by calling the Customer Service phone number on the back of your Card, if your Card has been lost or stolen. You may receive a replacement Card for the remaining value of your Available Funds, if any, as of the time we have accepted notice less the applicable Card replacement fee. Your Card may only be replaced if you have registered your Card at www.mycardinfo.discovernetwork.com, and can validate additional information requested at the time of notification.

VIII. PRIVACY

We may disclose information to third parties about your Card or your Card transactions to: (a) complete Card transactions; (b) verify the existence or condition of your Card; (c) use the services of third parties who assist us in providing you the Card and for processing Card transactions and related services; (d) comply with requirements of law or any government agency regulation or any government agency or court order; (e) to pursue our legal rights under this Agreement, including to pursue any claims we might have against you; (f) to protect against fraud and other potential criminal activity; or (g) as otherwise authorized by you or permitted under applicable law.

IX. EXPIRATION

Unless prohibited by law, your Card plastic is valid until the first to occur of a) the "Valid Thru" date listed on the front of the Card has passed, or b) when the full value of your Available Funds has been exhausted. If the "Valid Thru" date on the front of the Card passes and the full value of Available Funds has not been used, you may contact Customer Service to obtain a replacement Card plastic within ninety days of the "Valid Thru" date. The replacement Card plastic will have a "Valid Thru" date at least 12 months from the reissue date and a value equal to the Available Funds of the expired Card plastic minus a \$5.00 replacement fee. Any remaining Available Funds on the unexpired Card will be handled in accordance with applicable laws.

X. CUSTOMER SERVICE

Visit www.mycardinfo.discovernetwork.com or call 1-866-594-2082 if you have any questions about your Card and its use.

XI. TRANSACTIONS IN EXCESS OF AVAILABLE FUNDS

If you attempt to use the Card when there are insufficient Available Funds for the particular transaction (e.g., \$100 purchase when the Card only has \$75 in Available Funds), and the Merchant does not fulfill a request to process a "split tender" transaction, the transaction will usually be declined. However, if due to a systems malfunction or for

any reason whatsoever, a transaction occurs despite insufficient Available Funds on the Card (creating a negative amount on the Card, referred to herein as a "Shortage"), you agree to reimburse us, upon request, for the amount of the Shortage.

XII. REFUSAL OF CARDS

We are not responsible or liable to you if any Merchant refuses to honor the Card or for any other problems you may have with any Merchant. If a Merchant fails to honor the Card, please call Customer Service to report the incident.

XIII. NO WARRANTY OF AVAILABILITY OR UNINTERRUPTED USE

From time to time the Card service may be inoperative, and when this happens, you may be unable to use your Card or obtain information about your Available Funds. Please notify us if you have any problems using your Card. You agree that we are not responsible for any interruption of service.

XIV. CHANGING THESE TERMS AND CONDITIONS/CARD CANCELLATION

We may change the terms of, or add new terms to, these Terms and Conditions at any time, with or without cause, and without giving you notice, in accordance with applicable law. In addition, we may suspend or cancel your Card or suspend, cancel, add, modify or delete any feature offered in connection with your Card at our sole discretion at any time, with or without cause, and without giving you notice, subject to applicable law. If we cancel your Card, you must surrender the Card to us by mailing it to Discover Network, Gift Card Issuance/TPI Support, P.O. Box 52145, Phoenix, AZ 85072-2145, and you may not attempt to make additional purchases using the Card. Any Available Funds remaining on the Card upon such cancellation, after payment of all applicable fees, will be returned to you. If the "valid thru" date on the Card has not expired, we may condition reimbursement upon return of the Card. The Card is our property.

XV. ASSIGNMENT AND WAIVER

We may assign these Terms and Conditions to a third party at any time without notice to you. However, if we assign these Terms and Conditions, the terms will remain substantially and materially the same unless you are notified. In the event we provide you with a credit or payment with respect to any problem arising out of any transaction made with the Card, you are automatically deemed to assign and transfer to us any rights and claims, excluding tort claims, that you have, had or may have against any third party for an amount equal to the amount we have paid to you or credited to your Card. You agree that you will not pursue any claim against, or reimbursement from, such third party for the amount that we paid or credited to your Card, and that you will cooperate with us if we decide to pursue the third party for the amount paid or credited. Neither our failure to exercise any of our rights under these Terms and Conditions, nor our delay in enforcing or exercising any of our rights, shall constitute a waiver of such rights. Furthermore, if we waive any right under these Terms and Conditions on one occasion, such waiver shall not operate as a waiver as to any other occasion.

XVI. APPLICABLE LAW

This agreement is governed exclusively by the laws of the State of Delaware.

XVII. LIMITATION OF LIABILITY

You agree that we have no liability with respect to any merchandise or services you purchase, or for any direct, indirect or consequential damages with respect to your use of the Card.

XVIII. ARBITRATION OF DISPUTES

In the event of any past, present or future claim, dispute or controversy (whether based upon contract, tort, statute, common law or equity) between you and us arising from or relating to your Card, any prior Card you have had with us, the relationships which result from your Card or the enforceability or scope of this arbitration provision, of this Agreement or of any prior agreement, you or we may elect to resolve the claim, dispute or controversy by binding arbitration. This includes but is not limited to any claim, dispute or controversy that arises from or relates to (a) your Card; (b) the amount of Available Funds on the Card; (c) advertisements, promotions or oral or written statements related to the Card, goods or services purchased with the Card; (d) any benefits and services related to the Card; and (e) your application for or activation of the Card.

IF EITHER YOU OR WE ELECT ARBITRATION, NEITHER YOU NOR WE SHALL HAVE THE RIGHT TO LITIGATE THAT CLAIM IN COURT OR TO HAVE A JURY TRIAL ON THAT CLAIM. PRE-HEARING DISCOVERY RIGHTS AND POSTHEARING APPEAL RIGHTS WILL BE LIMITED. NEITHER YOU NOR WE SHALL BE ENTITLED TO JOIN OR CONSOLIDATE CLAIMS IN ARBITRATION BY OR AGAINST OTHER CARDHOLDERS WITH RESPECT TO OTHER CARDS, OR LITIGATE IN COURT OR ARBITRATE ANY CLAIMS AS A REPRESENTATIVE OR MEMBER OF A CLASS OR IN A PRIVATE ATTORNEY GENERAL CAPACITY ("Class Action Waiver"). Notwithstanding anything else to the contrary in this arbitration provision, only a court, and not an arbitrator, shall determine the validity and effect of the Class Action Waiver. Even if all parties have opted to litigate a claim in court, you or we may elect arbitration with respect to any claim made by a new party or any new

claims later asserted in that lawsuit, and nothing undertaken therein shall constitute a waiver of any rights under this arbitration provision.

We will not invoke our right to arbitrate an individual claim you bring in small claims court or your state's equivalent court, if any, so long as the claim is pending only in that court and does not exceed \$5,000.00. Your Card involves interstate commerce, and this provision shall be governed by the Federal Arbitration Act (FAA). The arbitration shall be conducted, at the option of whoever files the arbitration claim, by either the American Arbitration Association (AAA) or the National Arbitration Forum (NAF) in accordance with their procedures in effect when the claim is filed. For a copy of their procedures, to file a claim or for other information, contact AAA at 335 Madison Avenue, Floor 10, New York, NY 10017-5905, www.adr.org (phone 1-800-778-7879) or NAF at P.O. Box 50191, Minneapolis, MN 55405 (phone 1-800-474-2371). No other arbitration forum will be permitted, except as agreed to pursuant to either the Changing These Terms and Conditions/ Card Cancellation section or a writing signed by both parties. Unless consented to by all parties, no arbitration may be administered by any administrator that has any formal or informal policy, rule or procedure that is inconsistent with or purports to override the terms of this section. At your written request, we will advance any arbitration filing, administrative and hearing fees which you would be required to pay to pursue a claim or dispute as a result of our electing to arbitrate that claim or dispute. Send requests to P.O. Box 15192, Wilmington, DE 19886-1020. The arbitrator will decide who will ultimately be responsible for paying those fees. You will only be responsible for paying or reimbursing our arbitration filing, administrative or hearing fees to the extent you would have been responsible for paying "attorneys' fees and court or other collection costs" had the action proceeded in court. In no event will you be required to pay or reimburse any fees or costs advanced or incurred by us in connection with an arbitration proceeding where such a payment or reimbursement is prohibited by applicable law.

Any arbitration hearing will take place in the federal judicial district where you reside. The arbitrator shall follow applicable substantive law to the extent consistent with the FAA and applicable statutes of limitations and shall honor claims of privilege recognized at law and shall be authorized to award all remedies permitted by the substantive laws that would apply if the action were pending in court. If requested by any party, the arbitrator shall write an opinion containing the reasons for the award. The arbitrator's decision will be final and binding except for any appeal rights under the FAA and except that if the amount in controversy exceeds \$100,000.00, any party may appeal the award within 30 days to a three-arbitrator panel, which shall review the award de novo. Unless applicable law provides otherwise, the appealing party will pay the cost of the appeal, regardless of its outcome. However, we will consider in good faith any reasonable request for us to bear the fees charged by the arbitration administrator and the arbitrators in connection with the appeal. Judgment upon any award by the arbitrator may be enforced in any court having jurisdiction.

Our rights and obligations under this arbitration provision shall inure to the benefit of and be binding upon our parent corporations, subsidiaries, affiliates (including, without limitation, Discover Financial Services LLC), predecessors, successors, assigns, as well as the officers, directors and employees of each of these entities, and will also inure to the benefit of any third party named as a co-defendant with us or with any of the foregoing in a claim which is subject to this arbitration provision. Your rights and obligations under this arbitration provision shall inure to the benefit of and be binding upon all persons contractually liable under this Agreement. This arbitration provision shall survive expiration of your Card.

If any part of this Arbitration of Disputes Section is deemed invalid or unenforceable under any principle or provision of law or equity, it shall not invalidate the remaining portions of this Arbitration Agreement each of which shall be enforceable regardless of such invalidity, except that if the Class Action Waiver set forth above in the Arbitration of Disputes section is invalidated in any proceeding in which you and we are involved, then the Arbitration of Disputes section will be void with respect to that proceeding.