Target Consumer Credit Agreement

In NY: RETAIL INSTALMENT CREDIT AGREEMENT

This Agreement explains the terms that you agree to follow for your Target Credit Card Account ("Account"). The card carrier we send with your credit card is a part of this Agreement. In this Agreement "we," "us," and "our" mean Target National Bank. "You" and "your" mean everyone who is liable for payment on this Account. "Card" refers to your Target Credit Card.

Notice to New York Residents: This Agreement will not become effective unless and until you or a person authorized by you signs or accepts a sales slip or memorandum evidencing a purchase or lease of property or services or the payment of a fine by use of the credit card and prior thereto you will not be responsible for any purchase or lease of property or services by use of the credit card after its loss or theft.

1. **USE OF YOUR ACCOUNT** — When you apply for an Account, you promise to be bound by the terms of this Agreement. You promise to pay us for all credit extended under this Agreement and all other amounts owed to us by you according to the terms of this Agreement. If the Account is a joint Account, each of you is bound by this Agreement and each of you jointly and individually promises to pay us, and may be held liable for, all amounts owed to us on your Account. You also promise to pay us for charges incurred by anyone you allow to use your Account. If you give your Card to someone and authorize their use of the Card, you must regain possession to terminate their authorized use. This Account may be used only for personal, family or household purposes. You agree that you will not use or allow use of your Card or Account for any illegal transaction or purpose.

   You may use your Card to make purchases of goods and services ("Purchase(s)"). A Target Credit Card can be used to make Purchases at Target stores located in the United States and at the Target.com website.
2. **CREDIT LIMIT** — You agree that we may establish a credit limit for your Account ("Credit Limit"). You agree that we may change a Credit Limit at any time for any reason not prohibited by law, including, but not limited to, changes in your credit capacity, your pattern of payments to us, or your purchasing behavior. We may also change a Credit Limit based on any information provided to us by a consumer reporting agency, including your risk score at the consumer reporting agency or information about credit accounts you have with other companies. We may, but are not required to, approve transactions that exceed your Credit Limit without liability to you and without obligating us to do so in the future. You agree to prevent your Account balance from exceeding the Credit Limit.
3. **SPECIAL PROMOTIONS** — Occasionally, we may provide you the opportunity to use your Account in connection with special promotions. These promotions may be subject to terms and conditions in addition to or different from those provided in this Agreement, which will be described in our offer. Unless otherwise stated, however, all terms of this Agreement shall apply to any promotion.
4. **PAYMENTS** — We will send you a billing statement each month that your Account has a balance. Your billing statement will show the amount you owe us, which is called the New Balance, and the smallest amount you have agreed to pay us for that billing period, which is called the Minimum Payment Due. If any portion of the New Balance is delinquent, the statement will show the Amount Past Due. The statement will also tell you the Payment Due Date.

   The Minimum Payment Due each month will equal the greater of a) $25.00; or b) the sum of the following: 1% of your New Balance (rounded to the next higher whole dollar amount), any Interest Charges, any Returned Payment Fees, and any Late Payment Fees. We may round your Minimum Payment Due to the next higher whole dollar amount. If there is an Amount Past Due, we will also add that amount and include it in your Minimum Payment Due. If your New Balance is less than $25.00, the Minimum Payment Due will be the entire New Balance.

   You agree to pay us in United States dollars. If you pay by check, your check must be drawn on a depository institution located in the United States. If you do not pay the New Balance in full, you agree to pay by your Payment Due Date at least the Minimum Payment Due. You may, at any time, pay the total amount owing on your Account. Payments are posted to your Account in a timely manner as required by law. However, we may delay restoring your available Credit Limit in the amount of the payment to make sure we receive the funds.

   At our option, we may obtain payment for any check or other instrument that you send to us by initiating an electronic (including Automated Clearing House) transfer from your depository institution account in the amount of your check or instrument. Your check or instrument will not be returned to you by us or by your depository institution. Your depository institution account may be debited as early as the same day we receive your payment. If we cannot process the electronic transfer or if the electronic transfer is returned to us, we may present the original check or other instrument, a substitute check, draft or similar instrument to obtain payment.
5. **UNAUTHORIZED USE** — If your Card is lost or stolen, or you think that someone is using your Account without your permission, you agree to notify us immediately.

   Target Card Services
   P.O. Box 1581
   Minneapolis, MN 55440-1581
   Or by calling 1-800-659-2396.

   If you notify us by telephone, you agree to confirm your notification in writing. You are not liable for unauthorized use of the Account. You agree to assist us in determining the facts relating to any theft or possible unauthorized use of your Account and to comply with the procedures we may require for our investigation. All Cards are issued by us to you and you must return or destroy your Card if we request you to do so.
6. **CREDIT AUTHORIZATIONS** — Some transactions will require our prior authorization and you may be asked to provide identification. If our authorization system is not working, we may not be able to authorize a transaction. We will not be liable to you if any of these events happen or for any failure to authorize a transaction. We are also not responsible for the refusal of anyone to accept your Card.
7. **INTEREST CHARGES**
   - ANNUAL PERCENTAGE RATE - Your Annual Percentage Rate and corresponding Daily Periodic Rate may vary with changes in the Prime Rate. The card carrier sent with your Card tells you the Annual Percentage Rate and the Daily Periodic Rate applicable to your Account and is part of this Agreement.

     The Annual Percentage Rate ("APR") and corresponding Daily Periodic Rate ("DPR") will be determined by adding a margin to the Prime Rate. The "Prime Rate" means the highest U.S. Prime Rate published in the "Money Rates" section of the *The Wall Street Journal*. For each billing period we look at the Prime Rate on the last business day of the previous calendar month. Any change in the APR and corresponding DPR will take effect on the first day of the billing period. Your rate may increase when the Prime Rate increases. If the APR and corresponding DPR increase, the Minimum Payment Due and the amount of Interest Charges on your Account may also increase.
   - PURCHASES – The APR for Purchases is determined by adding to the Prime Rate a margin of 19.65%. Please see the Pricing Information for the APRs and corresponding DPRs that currently apply to billing periods ending this month.
   - BALANCE COMPUTATION AND PAYING INTEREST CHARGES – We calculate a Daily Balance for your Account. We may maintain separate balances for your Purchases and special promotional Purchase balances (each, a "Balance Type") and calculate a Daily Balance for each. To determine the Daily Balance for a Balance Type, each day we take the beginning balance for the Balance Type, add any new charges included in that Balance Type, and subtract any payments and credits applied to that Balance Type. We then multiply the resulting balance by the applicable Daily Periodic Rate. The resulting daily Interest Charges is included in the beginning balance of that Balance Type for the next day. Purchases are included in the Daily Balance as of the later of the transaction date or the first day of the billing period in which the Purchase is posted to the Account.

     We figure the Interest Charge on your Account for each Balance Type by multiplying your Daily Balance of each Balance Type by the applicable Daily Periodic rate for each day in the billing cycle. At the end of the billing period, we will add up the daily Interest Charges on all Balance Types for each day in the billing period to get the total Interest Charge for the billing period.

     Interest Charges begin to accrue on Purchases as of the day the Purchase is included in the Daily Balance. However, if you paid the New Balances that was shown on your previous billing statement by the Payment Due Date on that statement, then (1) we will not impose Interest Charges on Purchases during your current billing period if you pay the New Balance shown on your current billing statement by the Payment Due Date on that statement, and (2) we will credit any payment (to the extent the payment is applied to Purchases) as of the first day in your current billing period if you make a payment by the Payment Due

Date that is less than the current billing period's New Balance.

If a New Balance was shown on your previous billing statement and you did not pay the New Balance by the Payment Due Date on that statement, then we will not impose Interest Charges on any Purchases during the current billing period if you pay the New Balance shown on your current billing statement by the Payment Due Date on that statement.

Please not that if you Account has a promotion balance, this may impact how we are required to apply your payments and whether you can take advantage of these terms regarding Interest Charges on Purchases.

MINIMUM CHARGE FOR BILLING PERIOD – For any billing period in which an Interest Charges is imposed on your Account, there is a minimum interest charge of $1.00.

8. **FEES** — The following fees may be assessed on your Account.
   - LATE PAYMENT FEE – You will pay a Late Payment Fee of $25.00 when any amount due remains unpaid after your Payment Due Date. Any subsequent Late Payment Fees will be $35.00 until you make your required Minimum Payment Due by the Payment Due Date for six consecutive billing periods. In any event, the Late Payment Fee will not be greater than your Minimum Payment Due for the billing period for which your payment was late.
   - RETURN PAYMENT FEE – You will pay $25.00 each time any check or other payment order (including an electronic payment) is not honored by a depository institution. In any event, the Returned Payment Fee will not be greater than the Minimum Payment Due that was due immediately prior to the date on which the payment was returned to us.
   - PHONE PAYMENT FEE – Each time you request over the phone that we transfer or draw funds from a deposit account to pay your Account we may charge a fee for such service. The amount of the fee will be disclosed to you before you authorize the Phone Payment transaction.
   - EXPEDIATED DELIVERY FEE – At your request, we will expedite the delivery of an additional or replacement Card for your Account. You will reimburse us for delivery and other charges imposed on us by third parties for this expedited service.
   - DOCUMENTATION REPRODUCTION FEE – You may be charged $2.00 for each duplicate Account document we reproduce for you at your request. We will not charge you for duplicate documents we reproduce for you in connection with a billing error notice or if our investigation indicates a billing error occurred.
9. **ACCORD AND SATISFACTION** — We may accept letters, checks or other types of payments showing "payment in full" or using other language to indicate satisfaction of your debt ("Disputed Amounts") without waiving any of our rights to receive full payment under the terms of this Agreement. You agree to send any Disputed Amounts to the address for billing inquiries shown on your billing statement.
10. **CONSUMER REPORT USE AND FURNISHING INFORMATION** — We may check information about you or your credit history with consumer reporting agencies (including credit bureaus) or others. We may also report information about you, your Account, and our experiences with you to consumer reporting agencies, to other companies that are affiliated with us or to others as allowed by law and our Privacy Policy. If you do not fulfill the terms of this Agreement, we may submit a negative report reflecting on your credit record to one or more consumer reporting agencies. If you believe we have reported inaccurate information about your Account to a consumer reporting agency, you should notify us by sending your Account number and a description of the information you believe to be inaccurate, along with any documentation supporting the inaccuracy, such as your credit report, to Target Card Services, P.O. Box 673, Minneapolis, MN 55440-0673.
11. **DEFAULT/TERMINATION OF CREDIT PRIVILEGES** — Subject to applicable law, you will be in default under this Agreement if you violate any term of this Agreement, fail to make the Minimum Payment Due by the Payment Due Date, or become the subject of bankruptcy or insolvency proceedings. Upon default or death, subject to applicable law, we may, in our sole discretion: (a) reduce your Credit Limit; (b) terminate the Account, at which time the terms of this Agreement will continue until we have been paid in full; (c) require immediate payment of the total balance on your Account including all related fees and charges described in this Agreement; (d) bring a legal action against you to collect money owed to us; (e) terminate any special promotional credit terms; or (f) take any other action permitted by applicable law. If we refer your Account to an attorney for collection, you must pay to us all costs and expenses of collection, including attorneys' fees, to the extent not prohibited by law. Even if you are not in default, we reserve the right to terminate your privileges to obtain credit on the Account at any time. If your Account is past due, as permitted by law, we may require that any merchandise purchased on your Account which you return be processed as an Account credit. **Upon any termination of this Agreement by you or us, you will continue to be obligated to pay all amounts owing under this Agreement, and to otherwise perform the terms and conditions of this Agreement.**
12. **COMMUNICATIONS WITH YOU** — We or our agents may call by telephone regarding your Account. You agree that we may place such calls using an automatic dialing/announcing device. You agree that we may make such calls to a mobile telephone or other similar device. You agree that we may, for training purposes or to evaluate the quality of our service, listen to and record phone conversations you have with us.
13. **WHAT LAW APPLIES** — This Agreement will be governed by federal law and to the extent state law applies, by the law of South Dakota. If there is any conflict between any of the terms and conditions of this Agreement and applicable federal or state law, this Agreement will be considered changed to the extent necessary to comply with the law.
14. **CHANGE OF PERSONAL INFORMATION** — You agree to tell us right away of any change in your name, address or telephone numbers.
15. **ASSIGNMENT OF ACCOUNT** — We may sell, assign or transfer your Account or any receivables created under your Account without notice to you. You may not sell, assign or transfer your Account without first obtaining our written consent.
16. **NO WAIVER** — We may waive or delay enforcing any of our rights under this Agreement without losing them.
17. **CHANGES TO THIS AGREEMENT** — We have the right to change this Agreement (including the right to add additional terms) and to apply those changes to any existing balance on the Account. We will provide you with notice of any such changes as required by applicable law.

You may at any time pay the unpaid balance of the account in whole or in part without incurring any additional charge for prepayment.

Notice to California Residents: Married applicants may apply for separate accounts. Interest is compounded under the terms of this Agreement.

Notice of Delaware Residents: Service charges not in excess of those permitted by law will be charged on the outstanding balances from month to month.

Notice to Maryland Residents: Finance charges will be imposed in amounts or at rates not in excess of those permitted by law. You have a right under Section 12-510 of the Commercial Law Code to an answer to a written inquire concerning the status of your account.

Notice to New Jersey Residents: Because certain provisions of this Agreement are subject to applicable laws, they may be void, unenforceable or inapplicable in some jurisdictions. None of these provisions, however, is void, unenforceable or inapplicable in New Jersey.

Notice to New York Residents: A consumer credit report may be ordered in connection with this application, or subsequently with the update, renewal or extension of credit. Upon your request, you will be informed of whether or not a consumer credit report was ordered and if it was, you will be given the name and address of the customer reporting agency that furnished the report.

Notice to Ohio Residents: The Ohio Laws against discrimination require that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.

Notice to Rhode Island and Vermont Residents: A consumer credit report may be ordered in connection with this application, increasing the credit line on the account, or subsequently for purposes of review or collection of the account, or other legitimate purposes associated with the account. If you are a Vermont resident, you consent to the obtaining of such reports by signing or otherwise submitting a credit application.

Notice to Married Wisconsin Residents: No provision of any marital property agreement, unilateral statement under Section 766.59 of the Wisconsin statutes or court order under Section 766.70, adversely affects the interest of the creditor, Target National Bank, unless the Bank, prior to the time of the credit is granted or an open-end credit plan is entered into, is furnished a copy of the Agreement, Statement or Decree, or has actual knowledge of the adverse provision. IF I AM A MARRIED RESIDENT, CREDIT EXTENDED UNDER THIS ACCOUNT WILL BE INCURRED IN THE INTEREST OF MY MARRIAGE OR FAMILY. Married applicants must provide their Social Security number and address and their spouse's name and address to Target Card Services, P.O. Box 673, Minneapolis, MN 55440.

Notice to Wisconsin Residents: If you do not pay on time, we can declare the entire New Balance due and payable after we have given you proper written notice and you have failed to cure the default within fifteen (15) days notice; however, a right to cure does not exist if two defaults have been cured within the preceding twelve (12) months.

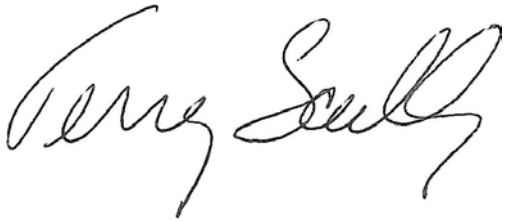
NOTICE TO THE BUYER – DO NOT SIGN THIS AGREEMENT BEFORE YOU READ IT OR IF IT CONTAINS BLANK SPACES. YOU ARE ENTITLED TO A COPY OF THE AGREEMENT YOU SIGN.

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 agreement.

RETAIL INSTALMENT CREDIT AGREEMENT

Applicant: Your name, address and signature (including any electronic or digital signature) on any application or solicitation or on any sales slip or other evidence of indebtedness on your Account represents your name, address and signature on this Agreement.



Terry Scully
President
Target National Bank
3901 West 53rd Street
Sioux Falls, SD 57106-4216

YOUR BILLING RIGHTS
(KEEP THIS NOTICE FOR FUTURE USE)

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

NOTIFY US IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR BILL

If you think your bill is wrong, or if you need more information about a transaction on your bill, write to us on a separate sheet at the address listed on your bill where it says, "In Case of Errors or Questions About Your Bill." Write as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter:

- Give us your name and Account number;
- State the dollar amount of the suspected error; and
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

YOUR RIGHTS AND OUR RESPONSIBILITIES AFTER WE RECEIVE YOUR WRITTEN NOTICE

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill was correct.

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

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

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill, and we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we don't follow these rules, we can't collect the first $50 of the questioned amount, even if your bill was correct.

SPECIAL RULE FOR CREDIT CARD PURCHASES

If you have a problem with the quality of property or services that you purchased with a 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 property or services.

Pricing Information

Annual Percentage Rate (APR) for Purchases	Your Annual Percentage Rates and corresponding Daily Periodic Rates may vary with changes in the Prime Rate. The Annual Percentage Rate ("APR") and corresponding Daily Periodic Rate ("DPR") will be determined by adding a margin to the Prime Rate. The "Prime Rate" means the highest U.S. Prime Rate published in the "Money Rates" section of *The Wall Street Journal*. For each billing period we look at the Prime Rate on the last business day of the previous calendar month. Any change in the APR and corresponding DPR will take effect on the first day of the billing period. Your rates may increase when the Prime Rate increases. If the APR and corresponding DPR increase, the Minimum Payment Due and the amount of Interest Charges on your Account may also increase. The APR for Purchases may vary and is determined by adding to the Prime Rate a margin of 19.65%. For your billing period ending this month, your Purchase APR is 22.90% (corresponding to a DPR of 0.06273%).
How to Avoid Paying Finance Charges	Your due date is at least 25 days after the close of each billing cycle. We will not charge you interest on purchases if you pay your entire balance by the due date each month.
Annual Fee	None
Penalty Fees	
• Late Payment	Up to $35.00
• Returned	Up to $25.00

How We Will Calculate Your Balance: We use a method called "Daily Balance." We calculate a Daily Balance for your Account. We maintain separate balances for your Purchase and special promotional Purchase balances (each, a "Balance Type") and calculate a Daily Balance for each. To determine the Daily Balance for a Balance Type, each day we take the beginning balance for the Balance Type, add any new charges included in that Balance Type, and subtract any payments and credits applied to that Balance Type. We then multiply the resulting balance by the applicable Daily Periodic Rate. The resulting daily Interest Charge is included in the beginning balance of that Balance Type for the next day. Purchases are included in the Daily Balance as of the later of the transaction date or the first day of the billing period in which the Purchase is posted to the Account. Other Charges are included in the Daily Balance when posted to the Account.