

Credit Card Offer 3
Discover Miles Card

Annual Percentage Rate ("APR") for Purchases	0% until the last day of the billing period ending during May 2007**; then the standard APR, an estimated rate between 10.99% and 17.99%* (see Variable Rate Information)
Other APRs	<p>Balance Transfers: 0.00% until the last day of the billing period ending during May 2007**; thereafter the standard APR for purchases</p> <p>Default Rate: Between 15.99% and 28.99%, based on payment history</p> <p>Cash Advances: 20.99% or 22.99%</p>
Variable Rate Information	The following APRs may vary monthly: Standard purchase APR equals the Prime Rate plus an amount (the Margin) between 3.49% and 10.49% [†] . Default Rate equals the Prime Rate plus the Margin plus 5 percentage points for each late payment (maximum 28.99%)*.
Grace Period for Repayment of the Balance of Purchases	At least 25 days when you pay your balance in full each month.
Method of Computing the Balance for Purchases	Two-cycle Average Daily Balance (including new purchases).
Annual Fee: NONE	Minimum Finance Charge: \$.50

Nicole Schmauder
Comment: Brand
Nicole Schmauder
Comment: Card Name

Nicole Schmauder
Comment: Balance Transfer APR

Nicole Schmauder
Comment: Cash Advance APR

Nicole Schmauder
Comment: Rate Basis

Nicole Schmauder
Comment: Grace Period

Nicole Schmauder
Comment: Billing Method

Nicole Schmauder
Comment: Minimum Finance Charge

CASH ADVANCE TRANSACTION FEE: 3% for each cash advance, with a minimum of \$5 and no maximum.

LATE FEES: \$15 on balances up to \$500, and \$39 on balances over \$500.

OVERLIMIT FEE: \$15 on balances up to \$500, and \$39 on balances over \$500.

Nicole Schmauder
Comment: Cash advance fee

Nicole Schmauder
Comment: Late-Payment fee

Nicole Schmauder
Comment: Over-the-Limit fee

***DEFAULT RATE:** *If you are late making a payment, any rates not exceeding the Default Rate will change to be the same rate and type (fixed or variable) as the Default Rate. See Cardmember Agreement for details.

****You agree that if your application for a Discover Card with a minimum credit limit of \$5,000 and the APRs shown above is not approved, your application will also constitute your request for a Discover Card with the APRs shown above and a minimum credit limit of \$500.**

[†] The Prime Rate used is the highest prime rate listed in *The Wall Street Journal* on the last business day of the month. Actual amount will be based on our evaluation of your credit and will be disclosed with your card.

INTRODUCTORY/SPECIAL APR OFFERS: If you are approved for an account

Credit Card Offer 3

INTRODUCTORY/SPECIAL APR OFFERS: If you are approved for an account, you will be able to make balance transfers under this offer until August 1, 2006. If you request balance transfers after this date, we will not make the balance transfers. Please allow up to 4 weeks before payments to your other accounts are made. Accordingly, you should continue to make all required payments until you confirm that the balance transfers were made. Balance transfers may not be used to pay any Discover accounts. Balance transfer requests will be processed from the lowest to highest dollar amount. If a balance transfer transaction would cause you to exceed your account credit limit, you authorize us to process your balance transfers for an amount less than the full amount requested. Making additional transactions may still cause you to exceed your account credit limit. You may only make balance transfers to accounts that list you as an accountholder. **There is no grace period on balance transfers.** Any introductory/special rates will terminate if you are late making a payment or your account is overlimit as discussed in the Default Rate section above and in the Cardmember Agreement. If you make a balance transfer with this application, there is no balance transfer transaction fee.

Nicole Schmauder

Comment: Balance Transfer Fee = \$0

PAYMENT ALLOCATION: We apply payments and credits to balances with low introductory/special APRs (such as special balance transfer and purchase APRs) prior to balances with standard APRs. Therefore, your savings will be reduced by making additional transactions or having balances that are subject to standard APRs. In addition, the length of time the introductory/special APRs will apply to your account may be reduced by the amount of your payments.

APPLICATION INFORMATION: Federal law requires that we obtain certain information about you such as your date of birth and street address in order to verify your identity. You authorize us to obtain a consumer report from consumer reporting agencies in considering this application. Upon your request, we will inform you of the name and address of each consumer reporting agency from which we obtained a consumer report relating to you. Offer available to U.S. citizens and permanent residents only. To apply with a joint applicant, write to us at PO Box 30943, Salt Lake City, UT 84130-0943. Every applicant, including a spouse, may apply for a separate account. **THIS OFFER SUPERSEDES ALL PRIOR OFFERS.** Terms of this offer, including fees and calculation of variable rates, are accurate as of March 2006 and may change after that date. To find out what may have changed after that date write to us at PO Box 15410, Wilmington, DE 19886-0820.

CARDMEMBER AGREEMENT: You agree to be bound by the terms of the Cardmember Agreement, which will be sent with the Card. You also agree that the Cardmember Agreement and the account are governed by Delaware and federal law. The Cardmember Agreement, which includes rates and fees, is subject to change.

ARBITRATION: The Cardmember Agreement includes an arbitration provision that allows either of us to choose to resolve a claim or dispute relating to your Account by binding arbitration, in which case, neither of us will have the right to have that claim resolved by a judge or jury. You will have the right to reject the arbitration provision with respect to your new Account within 30 days after

Credit Card Offer 3

receiving your Card. For restrictions and additional information, see the Cardmember Agreement or write to us at PO Box 15192, Wilmington, DE 19886-1020.

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.

NEW YORK RESIDENTS: Call the New York State Banking Department at (800) 518-8866 for a comparative list of credit card rates, fees and grace periods.

WISCONSIN RESIDENTS: No agreement, court order or individual statement applying to marital property will adversely affect a creditor's interests unless prior to the time credit is granted the creditor is furnished with a copy of the agreement, court order or statement, or has actual knowledge of the adverse provision.

Married Wisconsin residents must furnish the name and address of their spouse to: The Miles Card from Discover Card at PO Box 15410, Wilmington, DE 19886-0820.

REWARDS: You earn one Mile per dollar of net purchases made (purchases less returns, credits, and adjustments), subject to a maximum award of 60,000 Miles per account each year. Airfare rewards start at \$100 travel credit for 10,000 miles. Air travel reservations and ticketing require a Saturday night stay and twenty-one days advance notice. Cash redemptions will be in the form of a credit to your Miles Card account. Other redemption offers are subject to restrictions, which will be disclosed in the offer. Miles expire if you do not make at least one transaction every thirty-six months. Miles cannot be redeemed if your account is closed, or if you are in default on your account. More detailed Miles Program Terms and Conditions will be sent upon enrollment. We may change or terminate the Miles Program at any time. The Cashback Bonus® Program is not a feature of The Miles Card.

TERMS OF 5,000 BONUS MILES OFFER: This Bonus Miles offer is in addition to the Standard Miles earned on purchases. Earn 5,000 bonus Miles when you make your first purchase. Please allow 6-8 weeks for the Bonus Miles to be added to your Miles balance. If, as of the date we determine whether you meet the terms of this offer, your Account is closed or delinquent, you will not receive Bonus Miles. Restrictions apply. See Miles Program Terms and Conditions for additional information. Offer valid 3/1/06-7/1/06.

Upon approval, you will receive your new card within 30 days. PLEASE ALLOW 30 DAYS FOR US TO PROCESS YOUR APPLICATION. In order to ensure the security of your confidential information, we will never use the Internet to request that you re-enter or verify any information regarding this Discover® Card application.