

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended October 31, 1996

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number 0-6074

Nordstrom, Inc.

(Exact name of Registrant as specified in its charter)

Washington

91-0515058

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification No.)

1501 Fifth Avenue, Seattle, Washington 98101

(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: (206) 628-2111

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO
 _____ _____

Common stock outstanding as of November 26, 1996: 80,198,803 shares of common stock.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The Company is not involved in any material pending legal proceedings, other than routine litigation in the ordinary course of business.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

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- (10.1) Master Pooling and Servicing Agreement dated August 14, 1996 between Nordstrom National Credit Bank and Norwest Bank Colorado, National Association is filed in paper format under Form SE.
 - (10.2) Series 1996-A Supplement to Master Pooling and Servicing Agreement dated August 14, 1996 between Nordstrom National Credit Bank, Nordstrom Credit, Inc. and Norwest Bank Colorado, National Association is filed in paper format under Form SE.
 - (10.3) Transfer and Administration Agreement dated August 14, 1996 between Nordstrom National Credit Bank, Enterprise Funding Corporation and Nationsbank, N.A. is filed in paper format under Form SE.
- (27.1) Financial Data Schedule is filed herein as an Exhibit.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter for which this report is filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NORDSTROM, INC.
(Registrant)

/s/ John A. Goesling

John A. Goesling, Executive Vice President
and Treasurer
(Principal Financial and Accounting Officer)

Date: January, 6, 1997

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NORDSTROM, INC. AND SUBSIDIARIES

Exhibit Index

Exhibit	Method of Filing
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10.1 Master Pooling and Servicing Agreement	Filed herewith electronically
10.2 Series 1996-A Supplement to Master Pooling and Servicing Agreement	Filed herewith electronically
10.3 Transfer and Administration Agreement	Filed herewith electronically

NORDSTROM NATIONAL CREDIT BANK

Transferor and Servicer

and

NORWEST BANK COLORADO, NATIONAL ASSOCIATION

Trustee

on behalf of the Certificateholders
of Nordstrom Credit Card Master Trust

MASTER POOLING AND SERVICING AGREEMENT

Dated as of August 14, 1996

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EXHIBITS

Exhibit A:	Form of Exchangeable Transferor Certificate
Exhibit B:	Form of Assignment of Receivables in Supplemental Accounts
Exhibit C:	Form of Reassignment of Receivables
Exhibit D:	Form of Series Closing Date Report
Exhibit E:	Form of Monthly Servicer's Certificate
Exhibit F:	Form of Annual Servicer's Certificate
Exhibit G:	Form of Opinion of Counsel with Respect to the Pooling and Servicing Agreement and Supplemental Accounts
Exhibit H:	Form of Annual Opinion of Counsel
Exhibit I:	Account Agreements
Exhibit J:	Form of Depository Agreement (Letter of Representations)

SCHEDULES

Schedule 1	List of Accounts
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MASTER POOLING AND SERVICING AGREEMENT, dated as of August 14, 1996, between NORDSTROM NATIONAL CREDIT BANK, a national banking association, as Transferor and Servicer, and NORWEST BANK COLORADO, NATIONAL ASSOCIATION, a national banking association, as Trustee.

In consideration of the mutual agreements herein contained, each party agrees as follows for the benefit of the other party and for the benefit of the Certificateholders and any Enhancement Provider:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Whenever used in this Agreement, the following words and phrases shall have the following meanings:

Account shall mean each Initial Account, each Automatic Additional Account and each Supplemental Account, but shall exclude any Account all the Receivables in which are either reassigned or assigned to the Transferor or its designee or the Servicer in accordance with the terms of this Agreement. The term "Account" shall include each Transferred Account. The term "Account" shall be deemed to refer to an Automatic Additional Account or a Supplemental Account only from and after the Addition Date with respect thereto, and the term "Account" shall be deemed to refer to any Removed Account only prior to the Removal Date with respect thereto.

Account Agreements shall mean the agreements substantially in the forms attached as Exhibit I, as such agreements may be amended from time to time.

Account Guidelines shall mean the policies and procedures of the Transferor relating to the operation of its consumer revolving credit card business, including, without limitation, the policies and procedures for determining the creditworthiness of customers, the extension of credit to customers and relating to the maintenance of consumer revolving credit card accounts and the collection of receivables, as such policies and procedures may be amended from time to time.

Accumulation Period with respect to any Series, shall have the meaning specified in the related Supplement.

Addition Cut Off Date shall mean with respect to any Supplemental Account the last day of the Due Period preceding the Addition Date.

Addition Date shall mean (i) with respect to Supplemental Accounts, the date on which Supplemental Accounts will be included as Accounts pursuant to Section 2.6 and (ii) with respect to Automatic Additional Accounts, the date on which such accounts are created.

Additional Account shall mean an Automatic Additional Account or a Supplemental Account.

Adjustment Payment shall have the meaning specified in Section 3.8(a).

Affiliate of any Person shall mean any other Person directly or indirectly controlling, controlled by or under common control with such Person.

Aggregate Invested Amount shall mean with respect to any date of determination the sum of the Invested Amounts with respect to all Series of Investor Certificates then outstanding.

Aggregate Invested Percentage shall mean with respect to any date of determination the sum of the applicable Invested Percentages with respect to all Series of Investor Certificates then outstanding.

Aggregate Principal Receivables shall mean, for any date of determination, the aggregate amount of Principal Receivables at the end of such day.

Agreement shall mean this Master Pooling and Servicing Agreement and all amendments hereof and supplements hereto including any Supplement.

Amortization Period shall mean, with respect to any Series, the period following the Revolving Period which shall be the Accumulation Period, Controlled Amortization Period, Early Amortization Period or Rapid Amortization Period (each as defined in any related Supplement).

Applicants shall have the meaning specified in Section 6.7.

Appointment Day shall have the meaning specified in Section 9.2(a).

Assignment shall have the meaning specified in Section 2.6(c)(ii).

Authorized Newspaper shall mean one or more newspapers of general circulation in the Borough of Manhattan, The City of New York printed in the English language and customarily published on each Business Day, whether or not published on Saturdays, Sundays and holidays.

Automatic Addition Suspension Date shall mean the Business Day specified as such in Section 2.6(d).

Automatic Addition Termination Date shall mean the Business Day specified as such by the Transferor pursuant to Section 2.6(d) as of which new VISA and MasterCard accounts originated or acquired by the Transferor shall cease to become Automatic Additional Accounts.

Automatic Additional Account shall mean each VISA or MasterCard account originated or acquired by the Transferor (i) after the Cut Off Date and prior to the earlier of the Automatic Addition Termination Date or an Automatic Addition Suspension Date and (ii) following an Automatic Addition Suspension Date and after a Restart Date and prior to a subsequent Automatic Addition Suspension Date or any Automatic Addition Termination Date.

Bearer Certificates shall mean any certificates issued in bearer form.

Bearer Rules shall mean the provisions of the Internal Revenue Code, in effect from time to time, governing the treatment of bearer obligations, including sections 163(f), 871, 881, 1441, 1442 and 4701, and any regulations thereunder including, to the extent applicable to any Series, proposed or temporary regulations.

Book-Entry Certificates shall mean beneficial interests in the Investor Certificates, ownership and transfers of which shall be evidenced or made through book entries by a Clearing Agency as described in Section 6.11; provided, that after the occurrence of a condition whereupon book-entry registration and transfer are no longer permitted and Definitive Certificates are issued to the Certificate Owners, such Definitive Certificates shall replace Book-Entry Certificates.

Business Day shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in Denver, Colorado, New York, New York (or, with respect to any Series, any additional city specified in the related Supplement) are authorized or obligated by law or executive order to be closed.

CEDEL shall mean Cedel Bank soci_t_ anonyme or any successor thereto.

Certificate shall mean one of any Series of the Investor Certificates or the Exchangeable Transferor Certificate.

Certificateholder or "Holder" shall mean in respect of any Certificate, in the case of a Registered Certificate, the Person in whose name the Registered Certificate is registered in the Certificate Register and, in the case of a Bearer Certificate or any Coupon, the bearer thereof.

Certificate Interest shall mean interest payable with respect to the Investor Certificates of a Series, as specified in the related Supplement.

Certificate Owner shall mean, with respect to a Book-Entry Certificate, the Person who is the beneficial owner of such Book-Entry Certificate, as reflected on the books of the Clearing Agency, or on the books of a Person maintaining an account with such Clearing Agency (directly or as an indirect participant, in accordance with the rules of such Clearing Agency).

Certificate Principal shall mean principal payable with respect to the Investor Certificates of a Series, as specified in the related Supplement.

Certificate Rate shall mean, with respect to any Series of Investor Certificates (or, for any Series with more than one class, for each class of such Series), the percentage (or formula on the basis of which such rate shall be determined) stated in the related Supplement; provided that, unless otherwise provided in the applicable Supplement, in each case such rate shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Certificate Register shall mean the register maintained pursuant to Section 6.3, providing for the registration of the applicable Certificates and transfers and exchanges thereof.

Clearing Agency shall mean an organization registered as a "clearing agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as amended, or any successor provision thereto.

Clearing Agency Participant shall mean a broker, dealer, bank, other financial institution or other Person for whom from time to time a Clearing Agency effects book-entry transfers and pledges of securities deposited with the Clearing Agency.

Closing Date shall mean, with respect to any Series, the date of issuance of the Certificates of such Series, as specified in the related Supplement.

Collection Account shall have the meaning specified in Section 4.1(a).

Collections shall mean all payments (including Recoveries) received by the Servicer with respect to the Receivables, in the form of cash, checks, wire transfers, ATM transfers or other form of payment in accordance with the related Account Agreement in effect from time to time on any Receivable. Collections with respect to any Due Period shall include (i) the amount (if any) deposited by the Transferor into the Collection Account pursuant to Section 2.8 and (ii) the amount of Interchange (if any) allocable to any Series pursuant to any Supplement with respect to such Due Period (to the extent received by the Trust).

Common Depository shall mean the Person appointed as such as specified in the related Supplement, in its capacity as common depository for the respective accounts of a Foreign Clearing Agency.

Controlled Amortization Period with respect to any Series, shall have the meaning specified in the related Supplement.

Corporate Trust Office shall mean the principal office of the Trustee at which at any particular time its corporate business shall be administered, which office at the date of the execution of this Agreement is located at 1740 Broadway, Denver, Colorado 80274-8693, Attention: Corporate Trust and Escrow Services.

Coupons shall have the meaning specified in Section 6.1.

Cut Off Date shall mean, for each Account, the close of business on July 31, 1996.

Date of Processing shall mean, with respect to any transaction, the second Business Day after such transaction is first recorded on the Servicer's computer master file of consumer revolving credit card accounts (without regard to the effective date of such recordation).

Default Amount shall mean, for any Due Period, the amount of the Principal Receivables in all Accounts which became Defaulted Accounts during such Due Period at the time such Accounts became Defaulted Accounts, plus any Receivables created in such Due Period on Defaulted Accounts, minus Recoveries, if any, received in such Due Period.

Defaulted Account shall mean each Account with respect to which, in accordance with the Account Guidelines pursuant to which such Account is governed or the customary and usual servicing procedures of the Servicer for servicing consumer revolving credit card receivables comparable to the Receivables, the Servicer has charged off the Receivables in such Account as uncollectible; in any event, an Account shall be deemed a Defaulted Account no later than when such Account becomes 150 days delinquent on a contractual basis. Notwithstanding

any other provision hereof, any Receivables in a Defaulted Account which are Ineligible Receivables shall be treated as Ineligible Receivables rather than Receivables in Defaulted Accounts.

Definitive Certificates shall have the meaning specified in Section 6.11.

Definitive Euro-Certificates shall have the meaning specified in Section 6.10(a).

Depository Agreement shall mean the agreement among the Transferor, the Trustee and the initial Clearing Agency, in the form attached hereto as Exhibit J, or as otherwise provided in the related Supplement.

Determination Date shall mean the fifth Business Day prior to each Distribution Date.

Dissolution Event shall have the meaning specified in Section 9.2(a).

Distribution Date shall mean, unless otherwise specified in the applicable Supplement, the twentieth day of each calendar month, or, if such twentieth day is not a Business Day, the next succeeding Business Day.

Due Period shall mean, unless otherwise provided in a Supplement, with respect to a Distribution Date for each Account, the period from and including the first day of a calendar month and ending at the close of business on the last day of such calendar month.

Early Amortization Event shall have, with respect to each Series, the meaning specified in Section 9.1.

Early Amortization Period with respect to any Series, shall have the meaning specified in the related Supplement.

Eligible Account shall mean each Account which, as of the Selection Date (or, with respect to Additional Accounts, as of the relevant Addition Date) (i) is an Account and was in existence and owned by the Transferor at the close of business on the Selection Date or the Addition Date, as applicable, (ii) is payable in

United States dollars, (iii) the credit card or cards related to which have not been reported lost or stolen or designated fraudulent, (iv) has not been identified by the Transferor in its computer files as having been cancelled due to the Obligor's bankruptcy or insolvency, (v) the receivables in which have not been written off as uncollectible prior to the Selection Date or the Addition Date, as applicable, in accordance with the Account Guidelines, (vi) the receivables in which have not been assigned, pledged or sold (other than pursuant to this Agreement or any Receivables Purchase Agreement), (vii) the Obligor of which has provided, as its most recent billing address, an address in the United States or its territories or possessions or Canada and (viii) is not an account with respect to which the Transferor or any Affiliate of the Transferor is the Obligor.

Eligible Institution shall mean a (i) depository institution, which may include the Trustee, organized under the laws of the United States or any one of the States thereof including the District of Columbia, the deposits in which are insured by the FDIC and which at all times has a short-term unsecured debt rating of at least P-1 and A-1+ from Moody's and Standard & Poor's, respectively, or (ii) a depository institution, which may include the Trustee, which is acceptable to each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series.

Eligible Investments shall mean, unless otherwise specified in the Supplement with respect to any Series, (a) negotiable instruments or securities represented by instruments in bearer or registered or in book-entry form which evidence (i) obligations fully guaranteed by the United States of America; (ii) time deposits in, or bankers acceptances issued by, any depository institution or trust company incorporated under the laws of the United States of America or any state thereof (or any domestic branch or agency of any foreign bank) and subject to supervision and examination by Federal or state banking or depository institution authorities; provided, however, that at the time of the Trust's investment or contractual commitment to invest therein, the certificates of deposit or short-term deposits, if any, or long-term unsecured debt obligations (other than such obligation whose rating is based on collateral or on the credit of a Person other than such institution or trust

company) of such depository institution or trust company shall have a credit rating from Moody's and Standard & Poor's of P-1 and A-1+, respectively, in the case of the certificates of deposit or short-term deposits, or a rating not lower than one of the two highest investment categories granted by Moody's and AAA by Standard & Poor's in the case of long-term unsecured debt obligations; (iii) certificates of deposit having, at the time of the Trust's investment or contractual commitment to invest therein, a rating from Moody's and Standard & Poor's of P-1 and A-1+, respectively; (iv) investments in money market funds rated in the highest investment category (in case of Standard & Poor's, such rating category being AAAM or AAAM-G) or otherwise approved in writing by the applicable Rating Agencies, (b) demand deposits in the name of the Trust or the Trustee on behalf of the Trust in any depository institution or trust company referred to in (a)(ii) above, (c) commercial paper (having original or remaining maturities of no more than 270 days) having, at the time of the Trust's investment or contractual commitment to invest therein, a credit rating from Moody's and Standard & Poor's of P-1 and A-1+, respectively, (d) Eurodollar time deposits having a credit rating from Moody's and Standard & Poor's of P-1 and A-1+, respectively, (e) repurchase agreements involving any of the Eligible Investments described in clauses (a)(i), (a)(iii) and (d) hereof so long as the other party to the repurchase agreement has at the time of the Trust's investment therein, a rating from Moody's and Standard & Poor's of P-1 and A-1+, respectively, and (f) any other investment if the applicable Rating Agency confirms in writing that such investment will not adversely affect its then current rating of the Investor Certificates.

Eligible Receivable shall mean each Receivable:

(i) which has arisen under an Eligible Account;

(ii) which was created in compliance with all applicable requirements of law and pursuant to an agreement which complies with all applicable requirements of law in either case the failure to comply with which would have a material adverse effect upon Certificateholders;

(iii) with respect to which all material consents, licenses, approvals or authorizations of, or registrations with, any Governmental Authority required to be obtained or given by the Transferor in connection with the creation of such Receivable or the execution, delivery and performance by the Transferor of the related agreement have been duly obtained or given and are in full force and effect as of such date of creation;

(iv) as to which at the time of the transfer of such Receivable to the Trust, the Trust will have good and marketable title, free and clear of all liens, encumbrances, charges and security interests (except those permitted by subsection 2.5(b));

(v) which has been the subject of either a valid transfer and assignment from the Transferor to the Trust of all of the Transferor's right, title and interest therein or the grant of a first priority perfected security interest therein (and in the proceeds thereof to the extent set forth in Section 9-306 of the UCC as in effect in the Relevant UCC State), effective until the termination of the Trust;

(vi) which will at all times be the legal, valid and binding payment obligation of the Obligor thereof enforceable against such Obligor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, now or hereafter in effect, affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(vii) which constitutes either an "account" or a "general intangible" under and as defined in Article 9 of the UCC as then in effect in the Relevant UCC State;

(viii) which, at the time of its transfer to the Trust, has not been waived or modified except as permitted hereunder;

(ix) which is not subject to any setoff, right of rescission, counterclaim or other defense (including the defense of usury), other than defenses arising out of applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general;

(x) as to which the Transferor has satisfied all obligations to be fulfilled at the time it is transferred to the Trust; and

(xi) as to which the Transferor has done nothing, at the time of its transfer to the Trust, to impair the rights of the Trust or Certificateholders therein.

Eligible Servicer shall mean Nordstrom National Credit Bank, Nordstrom Credit, Inc., the Trustee or any entity which, at the time of its appointment as Servicer, (i) is an established financial institution having capital or net worth of not less than \$50,000,000, (ii) is servicing a portfolio of consumer revolving credit card accounts, (iii) is legally qualified and has the capacity to service the Accounts, (iv) has demonstrated the ability to professionally service a portfolio of similar accounts in accordance with standards of skill and care customary in the industry and (v) is qualified to use the software that is then currently being used to service the Accounts or obtains the right to use or has its own software which is adequate to perform its duties under this Agreement.

Enhancement shall mean, with respect to any Series or class of Certificates within a Series, any letter of credit, guaranteed rate agreement, maturity guaranty facility, liquidity facility, cash collateral account, cash collateral guaranty, surety bond, insurance policy, tax protection agreement, interest rate swap, interest rate cap, spread account, reserve account or other contract, agreement or arrangement (including the subordination of a Series or class to another Series or

class) for the benefit of Certificateholders of such Series or class, as specified in the related Supplement.

Enhancement Invested Amount shall have, with respect to each Series, the meaning specified in the related Supplement.

Enhancement Provider shall mean, with respect to any Series, that Person designated as such in the related Supplement.

Euro-Certificate Exchange Date shall mean, with respect to any Series, the date specified in the related Supplement.

Euroclear Operator shall mean Morgan Guaranty Trust Company of New York, Brussels office as operator of the Euroclear System or any successor thereto.

Excess Funding Account shall have the meaning specified in Section 4.1(c).

Excess Principal Collections shall mean, with respect to a Distribution Date, the aggregate amount for all outstanding Series of Collections of Principal Receivables which the related Supplements specify are to be treated as "Excess Principal Collections" for such Distribution Date.

Exchange shall mean the procedure described under Section 6.9.

Exchangeable Transferor Certificate shall mean the certificate executed by the Transferor and authenticated by the Trustee, substantially in the form of Exhibit A and exchangeable as provided in Section 6.9 for one or more Series of Investor Certificates and a reissued Exchangeable Transferor Certificate; provided, that at any time there shall be only one Exchangeable Transferor Certificate.

Exchange Date shall have the meaning, with respect to any Series issued pursuant to an Exchange, specified in Section 6.9.

Exchange Notice shall have the meaning, with respect to any Series issued pursuant to an Exchange, specified in Section 6.9.

Excluded Receivables Balance shall mean, with respect to any date of determination, the amount, if any, by which the aggregate amount of Eligible Receivables which are Principal Receivables on which the Obligor has provided, as its most recent address, an address located in Canada exceeds 0.5% of the aggregate outstanding balance of all Eligible Receivables which are Principal Receivables.

FDIC shall mean the Federal Deposit Insurance Corporation, or any successor thereto.

Final Termination Date shall have the meaning specified in subsection 12.1(a).

Finance Charge Receivables shall mean Receivables created in respect of Periodic Finance Charges, cash advance fees, annual cardholder fees, credit insurance premiums, late fees, overlimit fees, return check fees and all other fees and charges on the Accounts. Finance Charge Receivables with respect to any Due Period shall include the amount of Interchange (if any) allocable to any Series pursuant to any Supplement with respect to such Due Period (to the extent received by the Trust).

Fixed/Floating Allocation Percentage shall have, with respect to each Series, the meaning specified in the related Supplement.

Floating Allocation Percentage shall have, with respect to each Series, the meaning specified in the related Supplement.

Foreign Clearing Agency shall mean with respect to any Series, CEDEL or the Euroclear Operator or any other established clearing agency for securities outside the United States designated in the related Supplement.

Funding Period shall have the meaning specified in Section 4.1(f).

Global Certificate shall have the meaning specified in subsection 6.10(a).

Governmental Authority shall mean the United States of America, any state or other political subdivision thereof and any United States entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

Ineligible Receivable shall have the meaning specified in subsection 2.4(d)(iii).

Initial Account shall mean each VISA or MasterCard account or other revolving consumer credit card account of the Transferor or which was acquired by the Transferor and chosen from all Eligible Accounts of the Transferor, which Account is identified as of the Cut Off Date in the computer file or microfiche list delivered to the Trustee by the Transferor pursuant to Section 2.1.

Initial Closing Date shall mean August 14, 1996.

Initial Invested Amount shall mean, with respect to any Series, the amount stated in the related Supplement.

Interchange shall mean interchange fees payable to the Transferor, in its capacity as credit card issuer, through VISA USA, Inc. and MasterCard International Incorporated, including any interchange fees payable directly by an Affiliate of the Transferor to the Transferor, in its capacity as credit card issuer.

Internal Revenue Code shall mean the Internal Revenue Code of 1986, as amended from time to time.

Invested Amount shall mean, with respect to each Series, the meaning specified in the related Supplement.

Invested Percentage shall have, with respect to each Series, the meaning specified in the related Supplement.

Investor Certificate shall mean any one of the certificates executed by the Transferor and authenticated by the Trustee substantially in the form attached to the applicable Supplement.

Investor Certificateholder shall mean the holder of record of an Investor Certificate.

Investor Charge Offs shall have, with respect to each Series, the meaning specified in the related Supplement.

Investor Default Amount shall mean, with respect to each Series for any Due Period, an amount equal to the product of (a) the Default Amount and (b) the related Floating Allocation Percentage for such Due Period.

Investor Monthly Servicing Fee shall have, with respect to each Series, the meaning specified in Section 3.2.

Lien shall mean any mortgage, deed of trust, pledge, hypothecation, assignment, participation, deposit arrangement, encumbrance, lien (statutory or other), preference, priority right or interest or other security agreement or preferential arrangement of any kind or nature whatsoever, including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing and the filing of any financing statement under the Uniform Commercial Code (other than any such financing statement filed for informational purposes only) or comparable law of any jurisdiction to evidence any of the foregoing; provided, however, that any assignment pursuant to Section 7.2 shall not be deemed to constitute a Lien.

Manager shall mean the managing underwriter of any Series.

Minimum Aggregate Principal Receivables shall mean, as of any date of determination, the sum of the numerators used at such date to calculate the Invested Percentages with respect to Collections of Principal Receivables for all Series outstanding on such date, less the amount on deposit in the Excess Funding Account.

Minimum Transferor Amount shall mean, as of any date of determination, the product of (i) the sum of (a) the Aggregate Principal Receivables and (b) the amounts on deposit in the Excess Funding Account or any principal funding account and (ii) the Minimum Transferor Interest Percentage.

Minimum Transferor Interest Percentage shall mean, as of any date of determination, the highest percentage specified as the "Minimum Transferor Interest Percentage" in any Supplement for any outstanding Series.

Monthly Servicing Fee shall have the meaning specified in Section 3.2.

Moody's shall mean Moody's Investors Service, Inc.

1940 Act shall have the meaning specified in Section 9.1.

Obligor shall mean, with respect to any Account, the Person or Persons obligated to make payments with respect to such Account, including any guarantor thereof.

Officer's Certificate shall mean a certificate signed by any Vice President or more senior officer of either of the Transferor or the Servicer and delivered to the Trustee.

Opinion of Counsel shall mean a written opinion of independent counsel, who may be counsel for the Transferor, and which shall be acceptable to the Trustee.

Paying Agent shall mean any paying agent appointed pursuant to Section 6.6 and shall initially be the Trustee.

Periodic Finance Charges shall have the meaning specified in the Account Agreement applicable to each Account for finance charges (due to periodic rate) or any similar term.

Person shall mean any legal person, including any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Authority or other entity of similar nature.

Pre-Funding Account shall have the meaning specified in Section 4.1(f).

Principal Receivables shall mean Receivables other than Finance Charge Receivables and Receivables in Defaulted Accounts.

Principal Shortfalls shall mean, with respect to a Distribution Date, the aggregate amount for all outstanding Series which the related Supplements specify are "Principal Shortfalls" for such Distribution Date.

Principal Terms shall have the meaning, with respect to any Series issued pursuant to an Exchange, specified in Section 6.9.

Publication Date shall have the meaning specified in Section 9.2(a).

Rapid Amortization Period shall have, with respect to any Series, the meaning specified in the related Supplement.

Rating Agency shall mean, with respect to any Series, each statistical rating agency, if any, selected by the Transferor to rate the Investor Certificates of such Series and specified in the related Supplement.

Reassignment shall have the meaning specified in Section 2.7(b)(i).

Receivable shall mean any amount owing, from time to time, by an Obligor under an Account including, without limitation, amounts owing for the purchase of merchandise and services, Periodic Finance Charges, cash advances and cash advance fees, access checks, annual cardholder fees, credit insurance premiums, late fees, overlimit fees, return check fees and all other fees and charges. In calculating the aggregate amount of Receivables on any day, the amount of Receivables shall be reduced by the aggregate amount of credit balances, and

other adjustments stated in Section 3.8 hereof, in the Accounts on such day. Any Receivables which the Transferor is unable to transfer as provided in subsection 2.5(d) shall not be included in calculating the aggregate amount of Receivables.

Receivables Purchase Agreement shall mean any receivables purchase agreement as may be entered into from time to time by the Transferor providing for the purchase by the Transferor of receivables arising under VISA or MasterCard accounts or other revolving consumer credit card accounts, which agreement relates to receivables which have been transferred to the Trust pursuant to this Agreement.

Record Date shall mean, unless otherwise specified with respect to a Series in the related Supplement, with respect to any Distribution Date, the last Business Day of the immediately preceding calendar month.

Recoveries shall mean all amounts received with respect to Receivables in Defaulted Accounts, net of expenses allocable thereto.

Registered Certificateholder shall mean the Holder of a Registered Certificate.

Registered Certificates shall have the meaning specified in Section 6.1.

Relevant UCC State shall mean all jurisdictions where UCC filing is required to perfect and maintain the security interest of the Trustee.

Removal Date shall mean the date on which the Receivables in certain designated Removed Accounts will be reassigned by the Trustee to the Transferor.

Removal Notice Date shall mean the fifth Business Day prior to a Removal Date.

Removed Accounts shall have the meaning specified in Section 2.7.

Repurchase Terms shall mean, with respect to any Series issued pursuant to an Exchange, the terms and

conditions under which the Transferor may repurchase such Series of Certificates pursuant to Section 12.2.

Requirements of Law for any Person shall mean the certificate of incorporation or articles of association and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation, or determination of an arbitrator or Governmental Authority, in each case applicable to or binding upon such Person or to which such Person is subject, whether Federal, state or local (including, but not limited to, usury laws, the Federal Truth in Lending Act and Regulation Z and Regulation B of the Board of Governors of the Federal Reserve System).

Responsible Officer shall mean any officer of the Trustee assigned by it to administer its corporate trust matters.

Restart Date shall mean the date specified as such in the notice delivered by the Transferor to the Trustee pursuant to Section 2.6(d).

Revolving Period shall mean, with respect to each Series, the period from and including the date of initial issuance of the Investor Certificates of such Series to, but not including, the day on which an Amortization Period for such Series commences.

Securities Act shall mean the Securities Act of 1933, as amended.

Selection Date shall mean July 31, 1996.

Series shall mean any Series of Investor Certificates, each as designated in the related Supplement (including any Enhancement Invested Amount related thereto).

Series Factor shall mean a number carried out to eight decimals (and rounded to seven decimals) representing the ratio of the applicable Invested Amount as of the end of the last day of the preceding Due Period to the applicable Initial Invested Amount.

Servicer shall mean initially Nordstrom National Credit Bank and thereafter any Person appointed

as successor as herein provided to service the Receivables.

Servicer Default shall have the meaning specified in Section 10.1.

Service Transfer shall have the meaning specified in Section 10.1.

Servicing Fee Percentage shall mean, with respect to any Series, the percentage specified in the related Supplement.

Servicing Officer shall mean any officer of the Servicer involved in, or responsible for, the administration and servicing of the Receivables whose name appears on a list of servicing officers furnished to the Trustee by the Servicer, as such list may from time to time be amended.

Standard & Poor's shall mean Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

Stated Series Termination Date shall mean, with respect to any Series, the date stated in the related Supplement as the termination date for such Series.

Subsidiary of a Person shall mean any Person more than 50% of the outstanding voting interests of which shall at any time be owned or controlled, directly or indirectly, by such Person or by one or more Subsidiaries of such Person or any similar business organization which is so owned or controlled.

Successor Servicer shall have the meaning specified in Section 10.2(a).

Supplement shall mean, with respect to any Series, a supplement to this Agreement complying with the terms of Section 6.9, executed in conjunction with any issuance of any Series.

Supplemental Account shall mean each VISA or MasterCard account or other revolving consumer credit card account of the Transferor or which was acquired by the Transferor and chosen from all Eligible Accounts of

the Transferor, which Account is designated pursuant to Section 2.6(a) or 2.6(b) to be included as an Account, and is identified as of the related Addition Date in the computer file or microfiche list delivered to the Trustee by the Transferor pursuant to Section 2.1.

Supplemental Account Selection Date shall have the meaning specified in Section 2.6.

Tax Opinion shall have the meaning specified in subsection 6.9(b).

Termination Notice shall have, with respect to any Series, the meaning specified in Section 10.1.

Transfer Agent and Registrar shall have the meaning specified in Section 6.3(a) and shall initially be the Trustee.

Transferor shall mean Nordstrom National Credit Bank, as transferor of the Receivables.

Transferor Amount shall mean, on any date of determination, the Aggregate Principal Receivables at the end of the day immediately prior to such date of determination, minus the Aggregate Invested Amount at the end of such day, minus any Enhancement Invested Amount at the end of such day and plus the principal amount on deposit in the Excess Funding Account or any principal funding account at the end of such day.

Transferor Interest shall have the meaning specified in Section 4.1(a).

Transferor Interest Percentage shall mean, on any date of determination, the Transferor Amount divided by the Aggregate Principal Receivables.

Transferor Percentage shall mean, on any date of determination, when used with respect to Collections of Principal Receivables, Finance Charge Receivables and Receivables in Defaulted Accounts or otherwise, one hundred percent minus the Aggregate Invested Percentages calculated on such date with respect to such categories of Receivables as calculated by the Servicer.

Transferred Account shall mean a consumer revolving credit card account (including an upgraded account) with respect to which a new credit card account number has been issued by the Servicer in accordance with the Servicer's usual customary servicing practices and in accordance with the Account Guidelines, and which can be traced or identified by reference to or by way of the computer files or microfiche lists delivered to the Trustee pursuant to Sections 2.1 and 2.6 as an account into which an Account has been transferred (including such transfers occurring between the Cut Off Date and the Initial Closing Date).

Trust shall mean the trust created by this Agreement, the corpus of which shall consist of the Trust Property.

Trust Property shall have the meaning specified in Section 2.1(b).

Trustee shall mean the institution executing this Agreement as trustee, or its successor in interest, or any successor trustee appointed as herein provided.

UCC shall mean the Uniform Commercial Code, as amended from time to time, as in effect in any specified jurisdiction.

Undistributed Principal Collections shall have the meaning specified in subsection 4.1(g).

Undivided Interest shall mean the undivided interest of any Certificateholder in the Trust.

Section 1.2 Other Definitional Provisions.

(a) All terms defined in any Supplement or this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions of all terms defined herein shall include the singular as well as the plural form of such terms and the masculine of such terms as well as the feminine and neuter genders of such terms.

(b) As used herein and in any certificate or other document made or delivered pursuant hereto or thereto, accounting terms not defined in Section 1.1, and accounting terms partly defined in Section 1.1 to the extent not defined, shall have the respective meanings given to them under generally accepted accounting principles on the date of determination. To the extent that the definitions of accounting terms herein are inconsistent with the meanings of such terms under generally accepted accounting principles, the definitions contained herein shall control.

(c) The agreements and representations and warranties of Nordstrom National Credit Bank in this Agreement in its capacity as Servicer, shall be deemed to be the agreements, representations and warranties of Nordstrom National Credit Bank solely in such capacity for so long as it acts in such capacity under this Agreement.

(d) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to any Supplement or this Agreement as a whole and not to any particular provision of such Supplement or this Agreement, as the case may be; Section, subsection, Schedule and Exhibit references contained in this Agreement or any Supplement are references to Sections, subsections, Schedules and Exhibits in or to this Agreement or any Supplement unless otherwise specified; and the word "including" means including without limitation.

(END OF ARTICLE I)

ARTICLE II

APPOINTMENT OF TRUSTEE;
CONVEYANCE OF RECEIVABLES;
ISSUANCE OF CERTIFICATES

Section 2.1 Appointment of Trustee; Conveyance of Receivables. (a) The Transferor appoints and authorizes Norwest Bank Colorado, National Association to act as Trustee as provided herein and to exercise such powers under this Agreement as are delegated to the Trustee by the terms hereof together with all such powers as are reasonably incidental thereto. The Trustee hereby accepts such appointment and agrees to exercise such powers and perform such functions on behalf of the Certificateholders from time to time as are specifically delegated to the Trustee by the terms hereof.

(b) The Transferor does hereby transfer, assign, set-over, and otherwise convey to the Trust for the benefit of the Certificateholders, without recourse, all right, title and interest of the Transferor in, to and under (i) the Receivables existing at the close of business on the Cut Off Date and thereafter created from time to time and arising in the Initial Accounts and the Receivables existing on each applicable Addition Date and thereafter created from time to time and arising in any Automatic Additional Account, and in each case, thereafter created from time to time until the termination of the Trust, all monies due or to become due with respect to any of the foregoing (including Recoveries) on and after the Cut Off Date, and all proceeds (including "proceeds" as defined in the UCC) of such Receivables, and (ii) any Receivables Purchase Agreement. Such property, together with all monies as are from time to time deposited in the Collection Account, the Excess Funding Account and any other account or accounts maintained for the benefit of the Certificateholders and all monies as are from time to time available under any Enhancement for any Series for payment to Certificateholders shall constitute the property of the Trust (the "Trust Property"). The foregoing transfer, assignment, set-over and conveyance does not constitute and is not intended to result in a creation or an assumption by the Trust, the Trustee or any Certificateholder of any obligation of the Servicer, the Transferor or any other Person in connection with the Accounts, the Receivables or under any agreement or

instrument relating thereto including, without limitation, any obligation to any Obligors, merchant service establishments, VISA USA, Inc. or MasterCard International Incorporated or any insurers.

In connection with such transfer, the Transferor agrees to record and file, at its own expense, financing statements (and continuation statements with respect to such financing statements when applicable) with respect to the Receivables now existing and hereafter created in Accounts and other Trust Property meeting the requirements of applicable state law in such manner and in such jurisdictions as are necessary to perfect, and maintain the perfection of, the transfers and assignments of the Receivables by the Transferor to the Trust, and to deliver a file-stamped copy of such financing statements or other evidence of such filings to the Trustee on or prior to the Closing Date, in the case of Receivables arising in the Initial Accounts and Automatic Additional Accounts, and (if any additional filing is necessary) the applicable Addition Date or Restart Date, in the case of Receivables arising in Supplemental Accounts or Automatic Additional Accounts, respectively.

In connection with such transfer, the Transferor agrees, at its own expense, on or prior to the Initial Closing Date to indicate clearly and unambiguously in its computer files that the Receivables created in connection with the Accounts (other than any Additional Account) have been transferred to the Trust pursuant to this Agreement for the benefit of the Certificateholders.

The Transferor further agrees to deliver to the Trustee (a) on the Initial Closing Date, a computer file or microfiche list containing a true and complete list of all such Accounts, identified by account number and by Receivable balance as of the Cut Off Date and (b) within twenty Business Days of any request by the Trustee, a new computer file or microfiche list containing a true and complete list of all Accounts identified as described in the preceding clause (a) as of the last day of the most recent Due Period. Such file or list shall be marked as Schedule 1 to this Agreement, delivered to the Trustee as confidential and proprietary, and is hereby incorporated into and made a part of this Agreement. The Transferor agrees, at its own expense, by the end of the Due Period in which any Transferred Accounts have been originated to indicate clearly and unambiguously in its computer files

that the Receivables created in connection with the Transferred Accounts have been transferred to the Trust pursuant to this Agreement for the benefit of the Certificateholders.

The Transferor further agrees, at its own expense, (a) on (x) the Automatic Addition Termination Date or any Automatic Addition Suspension Date, in the case of the Initial Accounts and any Additional Accounts designated pursuant hereto prior to such date, (y) the applicable Addition Date, in the case of Supplemental Accounts, and (z) the applicable Removal Date, in the case of Removed Accounts, to indicate in the appropriate computer files that Receivables created in connection with the Accounts owned by the Transferor (other than Removed Accounts) have been conveyed to the Trust pursuant to this Agreement for the benefit of the Certificateholders (or conveyed to the Transferor or its designee in accordance with Section 2.7, in the case of Removed Accounts) by including in such computer files the code identifying each such Account (or, in the case of Removed Accounts, either including such a code identifying the Removed Accounts only if the removal occurs prior to the Automatic Addition Termination Date or any Automatic Addition Suspension Date, or subsequent to a Restart Date, or deleting such code thereafter) and (b) on the date referred to in clauses (x), (y) or (z) above, as applicable, to deliver to the Trustee a computer file, microfiche list or printed list containing a true and complete list of all such Accounts, specifying for each such Account, as of the Automatic Addition Termination Date or any Automatic Addition Suspension Date, in the case of clause (x) above, the applicable Addition Cut Off Date, in the case of Supplemental Accounts, and the Removal Date, in the case of Removed Accounts, its account number, the aggregate amount outstanding in such Account and the aggregate amount of Principal Receivables outstanding in such Account. Such file or list shall be supplemented from time to time to reflect Supplemental Accounts and Removed Accounts. Once the code referenced in this paragraph has been included with respect to any Account, the Transferor further agrees not to alter such code during the remaining term of this Agreement unless and until (a) such Account becomes a Removed Account, (b) a Restart Date has occurred on which the Transferor starts including Automatic Additional Accounts as Accounts or (c) the Transferor shall have delivered to the

Trustee at least 30 days prior written notice of its intention to do so and has taken such action as is necessary or advisable to cause the interest of the Trustee in the Receivables and other Trust Property to continue to be perfected with the priority required by this Agreement.

The Transferor hereby grants to the Trustee a first priority perfected security interest in all of the Transferor's right, title and interest in and to the Receivables and all other Trust Property, now existing and hereafter created, all monies due or to become due with respect thereto on and after the Cut Off Date (including Recoveries), all proceeds of such Receivables, such funds as are from time to time deposited in the Collection Account, the Excess Funding Account and any other account or accounts maintained for the benefit of Certificateholders, and the benefits of any Enhancement for any Series for payment to Certificateholders in order to secure the payment of the unpaid principal amount of the Investor Certificates issued hereunder or to be issued pursuant to this Agreement and the interest accrued at the related Certificate Rate, and agrees that this Agreement shall constitute a security agreement under applicable law.

Section 2.2 Acceptance by Trustee.

(a) The Trustee hereby acknowledges its acceptance, to the extent validly transferred, assigned, set over or otherwise conveyed to the Trust as provided in subsection 2.1(b) hereof, on behalf of the Trust, of all right, title and interest previously held by the Transferor in and to the Receivables, now existing and hereafter created, all monies due or to become due with respect thereto on and after the Cut Off Date (including Recoveries), all proceeds of such Receivables, such funds as are from time to time deposited in the Collection Account, the Excess Funding Account and any other account or accounts maintained for the benefit of Certificateholders, and benefits of any Enhancement for any Series, and declares that it shall hold such right, title and interest, upon the trust herein set forth, and subject to the terms hereof for the benefit of all Certificateholders. The Trustee further acknowledges that, prior to or simultaneously with the execution and delivery of this Agreement, the Transferor delivered to the Trustee, the com-

puter file or microfiche list represented by the Transferor to be the computer file or microfiche list described in the third paragraph of Section 2.1(b).

(b) The Trustee hereby agrees not to disclose to any Person (including any Certificateholder or Certificate Owner) any of the account numbers or other information contained in the computer files or microfiche lists delivered to the Trustee by the Transferor pursuant to Sections 2.1 and 2.6, except as is required in connection with the performance of its duties hereunder or in enforcing the rights of the Certificateholders or to a Successor Servicer appointed pursuant to Section 10.2 or a successor Trustee appointed pursuant to Section 11.8. The Trustee agrees to take such measures as shall be necessary or reasonably requested by the Transferor to protect and maintain the security and confidentiality of such information, and, in connection therewith, shall allow the Transferor or the Servicer on behalf of the Transferor to inspect the Trustee's security and confidentiality arrangements from time to time during normal business hours. The Trustee shall provide the Transferor with written notice five Business Days prior to any disclosure pursuant to this subsection 2.2(b).

(c) The Trustee shall have no power to create, assume or incur indebtedness or other liabilities in the name of the Trust other than as contemplated in this Agreement.

Section 2.3 Representations and Warranties. The Transferor hereby represents and warrants to the Trustee, on behalf of the Trust, with respect to any Series of Certificates, as of the date of any Supplement and the related Closing Date, unless otherwise stated in such Supplement that:

(i) Organization and Good Standing. The Transferor is a national banking association duly organized and validly existing in good standing under the laws of the United States of America, and has full power, authority and legal right to own its properties and conduct its business as such properties are presently owned and such business is presently conducted, to execute, deliver and perform its obligations under this Agreement and any Sup-

plement and to execute and deliver to the Trustee the Certificates pursuant hereto.

(ii) Due Qualification. The Transferor is duly qualified to do business and is in good standing (or is exempt from such requirement) in any state where such qualification is required in order to conduct business, and has obtained all necessary licenses and approvals with respect to the Transferor required under Federal and Colorado law; provided, however, that no representation or warranty is made with respect to any qualifications, licenses or approvals which the Trustee would have to obtain to do business in any state in which the Trustee seeks to enforce any Receivable.

(iii) Due Authorization. The execution and delivery of this Agreement and any Supplement and the execution and delivery to the Trustee of the Certificates and the consummation of the transactions provided for in this Agreement and any Supplement have been duly authorized by the Transferor by all necessary action on the part of the Transferor.

(iv) No Violation. The execution and delivery of this Agreement, any Supplement and the Certificates, the performance of the transactions contemplated by this Agreement and any Supplement and the fulfillment of the terms hereof will not conflict with, violate or result in any breach of any of the material terms and provisions of, or constitute (with or without notice or lapse of time or both) a material default under, any Requirement of Law applicable to the Transferor or any material indenture, contract, agreement, mortgage, deed of trust or other instrument to which the Transferor is a party or by which it or any of its properties are bound.

(v) No Proceedings. There are no proceedings or investigations pending or, to the best knowledge of the Transferor, threatened against the Transferor, before any court,

regulatory body, administrative agency, arbitrator or other tribunal or governmental instrumentality (i) asserting the invalidity of this Agreement, any Supplement or the Certificates, (ii) seeking to prevent the issuance of the Certificates or the consummation of any of the transactions contemplated by this Agreement, any Supplement or the Certificates, (iii) seeking any determination or ruling that, in the reasonable judgment of the Transferor, would materially and adversely affect the performance by the Transferor of its obligations under this Agreement or any Supplement, (iv) seeking any determination or ruling that would materially and adversely affect the validity or enforceability of this Agreement, any Supplement or the Certificates or (v) seeking to affect adversely the Federal income tax attributes of the Trust.

(vi) Eligibility of Accounts.

As of the applicable Selection Date or Addition Date, each Account was an Eligible Account.

(vii) All Consents Required.

All approvals, authorizations, consents, orders or other actions of any Person or of any Governmental Authority required to be obtained on or prior to the date as of which this representation is being made in connection with the execution and delivery of this Agreement, any Supplement and the Certificates, the performance of the transactions contemplated by this Agreement and the fulfillment of the terms hereof, have been obtained.

(viii) Amount of Receivables;

Computer File. As of the Cut Off Date, the amount of Receivables was \$208,462,983.38. The computer file or microfiche list delivered pursuant to Section 2.1 hereof is complete and accurately reflects the information regarding the Receivables under the Accounts in all material respects as of the applicable time referred to in Section 2.1.

The representations and warranties set forth in this Section 2.3 shall survive the transfer and assignment of the Receivables to the Trust, and termination of the rights and obligations of the Servicer pursuant to Section 10.1. Upon discovery by either of the Transferor, the Servicer or the Trustee of a breach of any of the foregoing representations and warranties, the party discovering such breach shall give prompt written notice to the others.

Section 2.4 Representations and Warranties of the Transferor Relating to the Agreement and any Supplement and the Receivables.

(a) Binding Obligation; Valid Transfer and Assignment. The Transferor hereby represents and warrants to the Trustee, on behalf of the Trust, with respect to any Series of Certificates, as of the date of any Supplement and the related Closing Date, unless otherwise stated in such Supplement that:

(i) Each of this Agreement and any Supplement constitutes a legal, valid and binding obligation of the Transferor, enforceable against the Transferor, in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights in general and the rights of creditors of national banking associations and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity).

(ii) This Agreement constitutes either (A) a valid transfer and assignment to the Trust of all right, title and interest of the Transferor in and to the Receivables now existing and hereafter created, all monies due or to become due with respect thereto on and after the Cut Off Date, Recoveries, and all proceeds (as defined in the UCC as in effect in the Relevant UCC State) of such Receivables, such funds as are from time to time deposited in the Collection Account, the Excess Funding Account and any other account or accounts main-

tained for the benefit of Certificateholders and the benefits of any Enhancement, and such Receivables and all proceeds thereof will be held by the Trust free and clear of any Lien of any Person except for (x) Liens permitted under subsection 2.5(b), (y) the interest of the Transferor as holder of the Exchangeable Transferor Certificate and (z) any right of the holder of the Exchangeable Transferor Certificate to receive interest accruing on, and investment earnings with respect to, the Collection Account, the Excess Funding Account or any other account or accounts maintained for the benefit of Certificateholders as provided in this Agreement and any Supplement or (B) a grant of a security interest (as defined in the UCC as in effect in the Relevant UCC State) in such property to the Trustee on behalf of the Trust, which is enforceable with respect to existing Receivables (other than Receivables in Additional Accounts) and the proceeds thereof (to the extent set forth in Section 9-306 of the UCC in effect in the Relevant UCC State) upon execution and delivery of this Agreement, and which will be enforceable with respect to such Receivables thereafter created and the proceeds thereof to such extent, upon such creation. If this Agreement constitutes the grant of a security interest to the Trust in such property, upon the filing of the applicable financing statements and in the case of the Receivables hereafter created and proceeds thereof upon such creation, the Trust shall have a first priority perfected security interest in such property and the proceeds thereof (to the extent set forth in Section 9-306 of the UCC in effect in the Relevant UCC State), except for Liens permitted under subsection 2.5(b) hereunder. Neither the Transferor nor any Person claiming through or under the Transferor shall have any claim to or interest in the Collection Account, the Excess Funding Account or any other account or accounts maintained for the benefit of Certificateholders, except for any right of the Transferor to receive interest accruing on, and investment earnings with respect to, any such account as

provided in this Agreement and any Supplement and, if this Agreement constitutes the grant of a security interest in such property, except for the interest of the Transferor in such property as a debtor for purposes of the UCC as in effect in the Relevant UCC State.

(b) Eligibility of Receivables. The Transferor hereby represents and warrants to the Trustee, on behalf of the Trust as of the Cut Off Date with respect to each Initial Account, on the date of its creation with respect to each Automatic Additional Account and on each Addition Cut Off Date with respect to each related Supplemental Account that (i) each Receivable then existing is an Eligible Receivable, (ii) all material information with respect to the Accounts and Receivables provided to the Trustee by the Transferor was true and correct in all material respects as of the Selection Date or the related Addition Date, (iii) each Receivable then existing has been conveyed to the Trust free and clear of any Lien of any Person (other than Liens permitted under subsection 2.5(b)) and in compliance, in all material respects, with all Requirements of Law applicable to the Transferor, (iv) with respect to each Receivable then existing, all consents, licenses, approvals or authorizations of or registrations or declarations with any Governmental Authority required to be obtained, effected or given by the Transferor, in connection with the conveyance of such Receivable to the Trust have been duly obtained, effected or given and are in full force and effect, (v) as of the Initial Closing Date, as of the Automatic Addition Termination Date or any Automatic Addition Suspension Date with respect to the Initial Accounts and any Additional Accounts designated pursuant hereto prior to such date, as of the applicable Addition Date with respect to Supplemental Accounts and as of the applicable Removal Date with respect to Removed Accounts, Schedule 1 to this Agreement is and will be an accurate and complete listing of all the Accounts in all material respects as of each such date, and the information contained therein with respect to the identity of such Accounts and the Receivables existing thereunder is and will be true and correct in all material respects as of each such date and (vi) no selection procedure believed by the Transferor to be adverse to the interests of the Investor Certificateholders has been used in selecting the Accounts. On each day on which any new Receivable is created, the Transfer-

or shall be deemed to represent and warrant to the Trust that (A) each Receivable created on such day is an Eligible Receivable, (B) each Receivable created on such day has been conveyed to the Trust free and clear of any Lien of any Person claiming through or under the Transferor or any of its Affiliates (other than Liens permitted under subsection 2.5(b)) and in compliance, in all material respects, with all Requirements of Law applicable to the Transferor, (C) with respect to each such Receivable, all consents, licenses, approvals or authorizations of or registrations or declarations with, any Governmental Authority required to be obtained, effected or given by the Transferor, in connection with the conveyance of such Receivable to the Trust have been duly obtained, effected or given and are in full force and effect and (D) the representations and warranties set forth in subsection 2.4(a) are true and correct with respect to each Receivable created on such day as if made on such day.

(c) Notice of Breach. The representations and warranties set forth in this Section 2.4 shall survive the transfer and assignment of the Receivables to the Trust and the termination of the rights and obligations of the Servicer pursuant to Section 10.1. Upon discovery by the Transferor, the Servicer or the Trustee of a breach of any of the representations and warranties set forth in this Section 2.4, the party discovering such breach shall give prompt written notice to the others.

(d) Transfer of Ineligible Receivables.

(i) Automatic Removal. In the event of a breach with respect to a Receivable of any of the representations and warranties set forth in subsection 2.4(b)(iii) or in the event that a Receivable is not an Eligible Receivable as a result of the failure to satisfy the conditions set forth in clause (iv) of the definition of an Eligible Receivable, and either of the following two conditions is met:

(A) the Lien upon the subject Receivable (1) ranks prior to the Lien created pursuant to this Agreement, (2) arises in favor of the United States of America or any state or any agency or instrumentality

thereof or involves taxes or liens arising under Title IV of the Employee Retirement Income Security Act of 1974, or (3) has been consented to by the Transferor; or

(B) the Lien on the subject Receivable is not of the types described in clause (A) above, but, as a result of such breach or event, such Receivable becomes a Receivable in a Defaulted Account or the Trust's rights in, to or under such Receivable or its proceeds are materially impaired or the proceeds of such Receivable are not available for any reason to the Trust free and clear of any Lien except Liens permitted pursuant to subsection 2.5(b);

then, upon the earlier to occur of the discovery of such breach or event by the Transferor or the Servicer or receipt by the Transferor or the Servicer of written notice of such breach or event given by the Trustee, each such Receivable or, at the option of the Transferor, all such Receivables with respect to the related Account, shall be automatically removed from the Trust on the terms and conditions set forth below in subsection 2.4(d)(iii).

(ii) Removal after Cure Period.

In the event of a breach of any of the representations and warranties set forth in subsection 2.4(b)(i), (ii), (iv), (v) or (vi) with respect to a Receivable (other than in the event that a Receivable is not an Eligible Receivable as a result of the failure to satisfy the conditions set forth in clause (iv) of the definition of Eligible Receivable), and as a result of such breach or event such Receivable becomes a Receivable which is not an Eligible Receivable, the Account related to such Receivable becomes a Defaulted Account or the Trust's rights in, to or under such Receivable or its proceeds are materially impaired or the proceeds of such Receivable are not available

for any reason to the Trust free and clear of any Lien except Liens permitted pursuant to subsection 2.5(b), then, upon the expiration of 60 days or any longer period agreed upon by the Trustee (not to exceed an additional 60 days) from the earlier to occur of the discovery of any such event by the Transferor or the Servicer, or receipt by the Transferor or the Servicer of written notice of any such event given by the Trustee, each such Receivable or, at the option of the Transferor, all such Receivables with respect to the related Account, shall be removed from the Trust on the terms and conditions set forth in subsection 2.4(d)(iii); provided, however, that no such removal shall be required to be made if, on any day within such applicable period, (A) such representations and warranties with respect to such Receivable shall then be true and correct in all material respects as if such Receivable had been created on such day, and (B) such Receivable is an Eligible Receivable, the related Account is no longer a Defaulted Account as the result of the breach of such representation and warranty, and the Trust's rights in, to or under such Receivable or its proceeds are no longer impaired as the result of the breach of such representation and warranty, and the proceeds of such Receivable have become available to the Trust free and clear of all Liens resulting in the breach of such representation or warranty, as applicable.

(iii) Removal Terms and Conditions. When required or permitted with respect to a Receivable by the provisions of subsection 2.4(d)(i) or subsection 2.4(d)(ii) above (an "Ineligible Receivable"), the Transferor shall accept reassignment of such Ineligible Receivable by directing the Servicer to deduct the principal balance of such Ineligible Receivable from the Aggregate Principal Receivables and to decrease the Transferor Amount by such amount.

On and after the date of such removal, each Ineligible Receivable shall be deducted from the Aggregate Principal Receivables used in the calculation of any Invested Percentage, the

Transferor Percentage, the Transferor Amount or the Excluded Receivables Balance. In the event that the exclusion of an Ineligible Receivable from the calculation of the Transferor Amount and the Excluded Receivables Balance would cause the Transferor Amount minus the Excluded Receivables Balance to be reduced below zero or would otherwise not be permitted by law, the Transferor shall immediately, but in no event later than 10 Business Days after such event, make a deposit in the Excess Funding Account in immediately available funds prior to the next succeeding Distribution Date in an amount equal to the amount by which the Transferor Amount minus the Excluded Receivables Balance would be reduced below zero. Any such deposit into the Excess Funding Account in connection with the reassignment of an Ineligible Receivable shall be considered a payment in full of the Ineligible Receivable. Upon the reassignment to the Transferor of an Ineligible Receivable, the Trust shall, without further action, be deemed to transfer, assign, set-over and otherwise convey to the Transferor, without recourse, representation or warranty, all the right, title and interest of the Trust in and to such Ineligible Receivable, all monies due or to become due with respect thereto and all proceeds thereof. The Trustee shall execute such documents and instruments of transfer or assignment and take such other actions as shall reasonably be requested by the Transferor to effect the conveyance of such Ineligible Receivable pursuant to this subsection. In the event that on any day within 60 days, or any longer period agreed upon by the Trustee (not to exceed an additional 60 days), of the date on which the removal of Receivables which are not Eligible Receivables from the Trust pursuant to this Section is effected, (A) the applicable representations and warranties with respect to such Receivable shall be true and correct in all material respects on such date and (B) the Receivable is an Eligible Receivable, the Account corresponding to the Receivable is no longer a Defaulted Account and the Trust's rights in, to or under such Receivable

or its proceeds are no longer impaired as a result of the breach of such representation or warranty and the proceeds of such Receivable are available to the Trust free and clear of all Liens resulting in the breach of such representation and warranty, the Transferor may, but shall not be required to, direct the Servicer to include such Receivable in the Trust. Upon reinclusion of a Receivable in the Trust pursuant to this subsection, the Transferor shall have been deemed to have made the applicable representations and warranties in subsection 2.4(b) as of the date of such addition, as if the Receivable had been created on such date, and shall execute all such necessary documents and instruments of transfer or assignment and take such other actions as shall be necessary to effect and perfect the reconveyance of such Receivable to the Trust. The obligation of the Transferor set forth in this subsection shall constitute the sole remedy respecting any breach of the representations and warranties set forth in the above-referenced subsections with respect to such Receivable available to Certificateholders or the Trustee on behalf of Certificateholders.

Notwithstanding any other provision of this subsection 2.4(d), a reassignment of an Ineligible Receivable shall not occur if the Transferor fails to make a deposit required by this subsection 2.4(d) with respect to such Ineligible Receivable.

(iv) No Impairment. For the purposes of subsections 2.4(d)(i) and 2.4(d)(ii) above, proceeds of a Receivable shall not be deemed to be impaired hereunder solely because such proceeds are held by the Servicer for more than the applicable period under Section 9-306(3) of the UCC as in effect in the Relevant UCC State.

(e) Reassignment of Trust Portfolio. In the event of (1) a breach of any of the representations or warranties set forth in subsection 2.3(i), 2.3(iii) or 2.4(a) or (2) a material amount of Receivables are not

Eligible Receivables, and in either case such event has a materially adverse effect on Investor Certificateholders (without regard to the amount of any Enhancement), either the Trustee or the Holders of Investor Certificates evidencing Undivided Interests aggregating more than 50% of the Aggregate Invested Amount, by notice then given in writing to the Transferor (and to the Trustee and the Servicer, if given by the Investor Certificateholders), may direct the Transferor to accept reassignment of all Receivables within 60 days of such notice, or within such longer period as may be specified in such notice (not to exceed an additional 60 days) and the Transferor shall be obligated to accept such reassignment on a Distribution Date specified by the Transferor occurring within such applicable period on the terms and conditions set forth below; provided, however, that no such reassignment shall be required to be made, and the Transferor shall not be obligated to accept such reassignment, if, at any time during such applicable period, the representations and warranties contained in subsection 2.3(i), 2.3(iii) and 2.4(a) shall then be true and correct in all material respects, or there shall no longer be a material amount of Receivables which are not Eligible Receivables, as the case may be. The Transferor shall deposit on the Business Day prior to the Distribution Date (in immediately available funds) an amount equal to the reassignment deposit amount for such Receivables in the Collection Account for distribution pursuant to the provisions of Section 12.3. The deposit amount for such reassignment shall be equal to the Aggregate Invested Amount on the Record Date related to the applicable Distribution Date on which such deposit is made (less the aggregate principal amount on deposit in any principal funding account), plus (i) an amount equal to all accrued but unpaid interest on the Certificates of all Series at the applicable Certificate Rates through the end of the respective interest accrual period(s) of such Series and (ii) any unpaid amounts payable to any Enhancement Provider under the applicable Enhancement agreement. Payment of the reassignment deposit amount and all other amounts in the Collection Account in respect of the preceding Due Period shall be considered a prepayment in full of all such Receivables. On the Distribution Date with respect to which such amount has been deposited in full into the Collection Account, the Receivables and all monies due or to become due with respect thereto and all proceeds relating thereto shall be released to the Transferor and

the Trustee shall execute and deliver such instruments of transfer or assignment, in each case without recourse, representation or warranty, as shall be reasonably requested by the Transferor to vest in the Transferor or its designee or assignee, all right, title and interest of the Trust in and to the Receivables, all monies due or to become due with respect thereto and all proceeds thereof. If the Trustee or the Investor Certificateholders give a notice directing the Transferor to accept reassignment as provided herein and the Transferor is obligated to accept such reassignment as provided herein, then such obligation of the Transferor shall constitute the sole remedy respecting a breach of the representations and warranties contained in subsection 2.3(i), 2.3(iii) or 2.4(a) or there being a material amount of Receivables which are not Eligible Receivables available to the Investor Certificateholders or the Trustee on behalf of the Investor Certificateholders.

(f) Nothing contained in this Section 2.4 shall create an obligation on the part of the Trustee to verify the accuracy or continued accuracy of the representations or warranties contained in this Section 2.4. The Trustee shall have no obligation to give any notice pursuant to this Section 2.4 unless it has actual knowledge of facts which would permit the giving of such notice.

Section 2.5 Covenants of the Transferor. The Transferor hereby covenants that:

(a) Receivables Not to be Evidenced by Promissory Notes or Chattel Paper. The Transferor will take no action to cause any Receivable to be evidenced by any instrument (as defined in the UCC as in effect in the Relevant UCC State). Each Receivable shall be payable pursuant to a contract which does not create a Lien on any goods purchased thereunder.

(b) Security Interests. Except for the conveyances hereunder, the Transferor will not sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any Lien on any Receivable, whether now existing or hereafter created, or any interest therein; the Transferor will notify the Trustee of the existence of any Lien on any Receivable transferred by the Transferor immediately upon discovery

thereof; and the Transferor will defend the right, title and interest of the Trust in, to and under the Receivables, whether now existing or hereafter created, against all claims of third parties claiming through or under the Transferor; provided, however, that nothing in this subsection 2.5(b) shall prevent or be deemed to prohibit the Transferor from suffering to exist upon any of the Receivables any Liens for municipal or other local taxes and other governmental charges if such taxes or governmental charges shall not at the time be due and payable or if the Transferor shall currently be contesting the validity thereof in good faith by appropriate proceedings and shall have set aside on its books adequate reserves with respect thereto; provided, further, that nothing in this subsection shall prohibit the Transferor from conveying an interest in the Exchangeable Transferor Certificate in accordance with subsection 6.3(b) hereof.

(c) Account Agreements and Guidelines. The Transferor shall comply with and perform its obligations under the applicable Account Agreements relating to the Accounts and the Account Guidelines except insofar as any failure so to comply or perform would not materially and adversely affect the rights of the Trust or the Investor Certificateholders hereunder (without regard to the amount of any Enhancement) or under the Certificates. Subject to compliance with all Requirements of Law the failure to comply with which would have a material adverse effect on the Investor Certificateholders (without regard to the amount of any Enhancement), the Transferor may change the terms and provisions of the Account Agreements or the Account Guidelines in any respect (including, without limitation, the reduction of the minimum monthly payment, the calculation of the amount, or the timing, of charge-offs and the amount of Periodic Finance Charges or other fees and charges) as follows: (a) if the Transferor owns a comparable segment of accounts, then such change shall be made applicable to such comparable segment of the accounts owned and serviced by the Transferor that have characteristics the same as, or substantially similar to, the Accounts that are the subject of such change, and (b) if the Transferor does not own such a comparable segment, then the Transferor will not make any such change with the intent to materially benefit the Transferor over the Investor Certificateholders.

(d) Account Allocations. In the event that the Transferor is unable for any reason to transfer Receivables to the Trust in accordance with the provisions of this Agreement (including, without limitation, by reason of the application of the provisions of Section 9.2 or an order by any Federal governmental agency having regulatory authority over the Transferor or an order of any court of competent jurisdiction that the Transferor not transfer any additional Receivables to the Trust) then, in any such event, (A) the Transferor agrees (except as prohibited by any such order) to allocate and pay to the Trust, after the date of such inability, all Collections (including Collections with respect to Finance Charge Receivables) with respect to Principal Receivables transferred to the Trust prior to the occurrence of such event, and all amounts which would have constituted Collections (including Collections with respect to Finance Charge Receivables) with respect to such Receivables which would have been Principal Receivables but for the Transferor's inability to transfer such Receivables (up to an aggregate amount equal to the Receivables in the Trust on such date); (B) the Transferor agrees to have such amounts applied as Collections in accordance with Article IV, and (C) for only so long as the allocation and application of such Collections are made in accordance with clauses (A) and (B) above, Collections of Principal Receivables and all amounts which would have constituted Collections of Principal Receivables but for the Transferor's inability to transfer Receivables to the Trust which are charged off as uncollectible in accordance with this Agreement shall continue to be allocated in accordance with the related Supplement, and all amounts which would have constituted Collections of Principal Receivables but for the Transferor's inability to transfer Receivables to the Trust shall be deemed to be Collections of Principal Receivables for the purpose of calculating the applicable Invested Percentage thereunder. If the Transferor is unable pursuant to any Requirement of Law to allocate Collections as described above, the Transferor agrees that it shall, in any such event, and to the extent not prohibited by law, allocate, after the date that the Transferor becomes unable to allocate Collections as described above, payments on each Account with respect to the balance of such Account first to the oldest receivable in such Account and to have such payments applied as Collections in accordance with Article IV.

(e) Delivery of Collections. In the event that the Transferor receives Collections, the Transferor agrees to pay to the Servicer all payments received by the Transferor with respect to Collections on the Receivables as soon as practicable after receipt thereof by the Transferor, but in no event later than two Business Days after the receipt thereof by the Transferor.

Section 2.6. Addition of Accounts.

(a) Required Additions. If, (1) as of the end of any Due Period the Transferor Amount minus the Excluded Receivables Balance is less than the Minimum Transferor Amount, the Transferor shall designate additional Eligible Accounts (the "Supplemental Accounts") to be included as Accounts in a sufficient amount such that the Transferor Amount minus the Excluded Receivables Balance, each after giving effect to such addition, at least equals the Minimum Transferor Amount or (2) as of the end of any Due Period the Aggregate Principal Receivables are less than the Minimum Aggregate Principal Receivables, then the Transferor shall designate Supplemental Accounts to be included as Accounts in a sufficient amount such that the Aggregate Principal Receivables will be equal to or greater than the Minimum Aggregate Principal Receivables. Receivables from such Supplemental Accounts shall be transferred to the Trust, on or before 10 days following the Determination Date related to such Due Period (the "Addition Date"). Failure to add Supplemental Accounts as required by this subsection 2.6(a) shall be an Early Amortization Event with respect to the affected Series.

(b) Permitted Additions. In addition to its obligation under subsection 2.6(a), the Transferor may, but shall not be obligated to, designate from time to time, at its sole discretion, subject to the conditions specified in paragraph (c) below, additional Eligible Accounts as Supplemental Accounts to be included as Accounts as of the applicable Addition Date.

(c) Conditions to Addition. The Transferor agrees that any such transfers of Receivables from Supplemental Accounts under subsection 2.6(a) or (b) shall satisfy the following conditions:

(i) On or before the fifth Business Day prior to the Addition Date, the Transferor shall give the Trustee and the Servicer written notice that such Supplemental Accounts will be included and specifying the approximate aggregate amount of the Receivables to be transferred;

(ii) On or prior to the Addition Date, the Transferor shall have delivered to the Trustee a written assignment (and the Trustee shall have accepted such assignment on behalf of the Trust for the benefit of the Investor Certificateholders and any Enhancement Provider) in substantially the form of Exhibit B (the "Assignment") and shall have clearly indicated in its computer files that the Receivables created in connection with the Supplemental Accounts have been transferred to the Trust and the Transferor shall have delivered to the Trustee a computer file or microfiche list represented by the Transferor to contain a true and complete list of all Supplemental Accounts identified by account number and by Receivable balance in such Supplemental Accounts as of the Addition Cut Off Date, which computer file or microfiche list shall be as of the date of such Assignment incorporated into and made a part of such Assignment and this Agreement;

(iii) The Transferor shall represent and warrant that (x) each Supplemental Account was, as of the date of its selection (the "Supplemental Account Selection Date"), an Eligible Account, (y) no selection procedures believed by the Transferor to be materially adverse to the interests of any Series of Investor Certificates or any Enhancement Provider were utilized in selecting the Supplemental Accounts from the available Eligible Accounts in the Transferor's portfolio; and (z) as of the Addition Date, the Transferor is not insolvent and will not be made insolvent by the transfer of the Receivables of such Supplemental Accounts;

(iv) The Transferor shall represent and warrant, that, as of the Addition Date, the Assignment constitutes either (x) a valid transfer and assignment to the Trust of all right, title and interest of the Transferor in and to the Receivables then existing and thereafter created in the Supplemental Accounts, all monies due or to become due with respect thereto on and after the Addition Cut Off Date, Recoveries and all proceeds of such Receivables (to the extent set forth in Section 9-306 of the UCC as in effect in the Relevant UCC State), and such Receivables and all proceeds thereof will be conveyed to the Trust free and clear of any Lien of any Person claiming through or under the Transferor or any of its Affiliates, except for (i) Liens permitted under subsection 2.5(b) hereunder, (ii) the interest of the holder of the Exchangeable Transferor Certificate and (iii) any right of the holder of the Exchangeable Transferor Certificate to receive interest accruing on, and investment earnings with respect to, the Collection Account, the Excess Funding Account and any other account or accounts maintained for the benefit of Certificateholders as provided in this Agreement and any Supplement or (y) a grant of a security interest (as defined in the UCC as in effect in the Relevant UCC State) in such property to the Trustee on behalf of the Trust, which is enforceable with respect to then existing Receivables of the Supplemental Accounts, and the proceeds thereof (to the extent set forth in Section 9-306 of the UCC as in effect in the Relevant UCC State) upon the conveyance of such Receivables to the Trust, and which will be enforceable with respect to the Receivables thereafter created in respect of Supplemental Accounts, and the proceeds thereof to such extent, upon such creation; and (z) if the Assignment constitutes the grant of a security interest to the Trust in such property, upon the filing of financing statements as described in Section 2.1 with respect to such Supplemental Accounts and in the case of such Receivables of Supplemental Accounts thereafter created and the proceeds thereof (to

the extent set forth in Section 9-306 of the UCC in effect in the Relevant UCC State) upon such creation, the Trust shall have a first priority perfected security interest in such property, except for Liens permitted under subsection 2.5(b) hereunder;

(v) The Transferor shall deliver to the Trustee (with a copy to each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series) an Officer's Certificate confirming the items set forth in paragraphs (ii) and (iii) above and (vi) and (vii) below and the Trustee may rely on such Officer's Certificate;

(vi) The Transferor shall deliver to the Trustee and each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series, an Opinion of Counsel with respect to the Receivables in the Supplemental Accounts substantially in the form of Part One of Exhibit G;

(vii) The Transferor shall record and file financing statements with respect to the Receivables then existing and thereafter created in the Supplemental Accounts for the transfer of accounts and general intangibles (both as defined in the UCC in effect in the Relevant UCC State) meeting the requirements of applicable state law in such manner and in such jurisdictions as are necessary to perfect the transfer and assignment of the Receivables in Supplemental Accounts by the Transferor to the Trust; and

(viii) Each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series shall have received ten Business Days' notice of such proposed addition of Supplemental Accounts; in the event that Supplemental Accounts are being added pursuant to subsection 2.6(b), the Transferor shall have received written confirmation from each such Rating Agency that such addition would not result in a downgrading

or withdrawal of its then current rating of any outstanding Series of Investor Certificates.

(d) Automatic Additional Accounts. All accounts which meet the definition of Automatic Additional Accounts shall be included as Accounts from and after the date upon which such Automatic Additional Accounts are created and all Receivables in such Automatic Additional Accounts, whether such Receivables are then existing or thereafter created, shall be transferred automatically to the Trust upon creation by the Transferor. For all purposes of this Agreement, all receivables of such Automatic Additional Accounts shall be treated as Receivables upon their creation. The Transferor may elect at any time to terminate the inclusion in Accounts of new accounts which would otherwise be Automatic Additional Accounts as of any Business Day (the "Automatic Addition Termination Date"), or suspend any such inclusion as of any Business Day (an "Automatic Addition Suspension Date") until a date (the "Restart Date") to be notified in writing by the Transferor to the Trustee by delivering to the Trustee, the Servicer and each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series, prior written notice of such election at least 10 days prior to such Automatic Addition Termination Date or Automatic Addition Suspension Date. Unless otherwise specified in such notice, any date specified as a date as of which new accounts will cease to be included in Accounts will be an Automatic Addition Suspension Date. Promptly after an Automatic Addition Termination Date or any Automatic Addition Suspension Date, or a Restart Date, the Transferor and the Trustee agree to execute and the Transferor agrees to record and file at its own expense an amendment to the financing statements referred to in Section 2.1 hereof to specify the accounts then subject to this Agreement (which specification may incorporate a list of accounts by reference) and, except in connection with any such filing made after a Restart Date, to release any security interest in any accounts created after the Automatic Addition Termination Date or any Automatic Addition Suspension Date.

(e) Representations and Warranties. The Transferor hereby represents and warrants to the Trust as of the related Addition Date that the file or list delivered pursuant to paragraph (f) below is, as of the appli-

cable Addition Cut Off Date, true and complete in all material respects.

(f) Delivery of Documents. In the case of the designation of Supplemental Accounts, the Transferor shall deliver to the Trustee (i) the computer file, microfiche list or printed list required to be delivered pursuant to Section 2.1 with respect to such Supplemental Accounts on the applicable Addition Date.

Section 2.7 Removal of Accounts.

(a) Subject to the conditions set forth below, on each Determination Date on which the Transferor Amount minus the Excluded Receivables Balance exceeds the Minimum Transferor Amount at the end of the related Due Period, the Transferor may, but shall not be obligated to, designate, from time to time, Accounts for deletion and removal ("Removed Accounts") from the Accounts; provided, however, that the Transferor shall not make more than one such designation in any Due Period. On or before the fifth Business Day (the "Removal Notice Date") prior to the date on which the designated Removed Accounts will be reassigned by the Trustee to the Transferor (the "Removal Date"), the Transferor shall give the Trustee and the Servicer written notice that the Receivables from such Removed Accounts are to be reassigned to the Transferor.

(b) The Transferor shall be permitted to designate and require reassignment to it of Receivables from Removed Accounts only upon satisfaction of the following conditions:

(i) On or prior to the Removal Date, the Transferor shall have delivered to the Trustee for execution a written instrument of reassignment in substantially the form of Exhibit C (the "Reassignment") and, within five Business Days thereafter, a computer file or microfiche list containing a true and complete list of all Removed Accounts identified by account number and by the aggregate balance of the Receivables in such Removed Accounts as of the Removal Notice Date, which computer file or microfiche list shall as of the Removal Date modify and amend and be made a part of this Agreement;

(ii) The Transferor shall represent and warrant that no selection procedures believed by the Transferor to be materially adverse to the interests of any outstanding Series of Investor Certificates or any Enhancement Provider were utilized in selecting the Removed Accounts to be removed from the Trust;

(iii) The removal of any Receivables of any Removed Accounts on any Removal Date shall not, (a) in the reasonable belief of the Transferor, cause an Early Amortization Event to occur or an event which with notice or lapse of time or both would constitute an Early Amortization Event and (b) cause the Transferor Amount minus the Excluded Receivables Balance to be less than the Minimum Transferor Amount on such Removal Date;

(iv) Each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series shall have received ten Business Days' notice of such proposed removal of Accounts and the Transferor shall have received written notice from each such Rating Agency that such removal would not result in a downgrading or withdrawal of the then current rating of any outstanding Series of the Investor Certificates; and

(v) The Transferor shall have delivered to the Trustee and each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series, an Officer's Certificate confirming the items set forth in (i) through (iii) above. The Trustee may rely on such Officer's Certificate, shall have no duty to make inquiries with regard to the matters set forth therein and shall incur no liability in so relying.

Upon satisfaction of the above conditions, the Trustee shall execute and deliver the Reassignment to the Transferor, and the Receivables from the Removed Accounts shall no longer constitute a part of the Trust.

(END OF ARTICLE II)

ARTICLE III

ADMINISTRATION AND SERVICING
OF RECEIVABLES

Section 3.1 Acceptance of Appointment and Other Matters
Relating to the Servicer.

(a) Nordstrom National Credit Bank, hereby agrees to act as the Servicer under this Agreement. The Investor Certificateholders by their acceptance of the Investor Certificates consent to Nordstrom National Credit Bank acting as Servicer.

(b) The Servicer shall service and administer the Receivables and shall collect payments due under the Receivables in accordance with its customary and usual servicing procedures for servicing credit card receivables comparable to the Receivables and in accordance with the applicable Account Guidelines and shall have full power and authority, acting alone or through any party properly designated by it hereunder, to do any and all things in connection with such servicing and administration which it may deem necessary or desirable. Without limiting the generality of the foregoing and subject to Section 10.1, the Servicer is hereby authorized and empowered (i) to make withdrawals and payments and to instruct the Trustee to make withdrawals and payments from the Collection Account, the Excess Funding Account or any other account or accounts maintained for the benefit of the Certificateholders as set forth in this Agreement and any Supplement, (ii) unless such power and authority is revoked by the Trustee on account of the occurrence of a Servicer Default pursuant to Section 10.1 of the Agreement, to instruct the Trustee to take any action permitted or required under any Enhancement at such time as is set forth in this Agreement and any Supplement, (iii) to execute and deliver, on behalf of the Trust for the benefit of the Certificateholders, any and all instruments of satisfaction or cancellation, or of partial or full release or discharge, and all other comparable instruments, with respect to the Receivables and, after the delinquency of any Receivable and to the extent permitted under and in compliance with applicable law and regulations, to commence enforcement proceedings with respect to such Receivables and (iv) to make any filings, reports, notices, applications, or registrations

with, and to seek any consents or authorizations from, the Securities and Exchange Commission and any state securities laws authority on behalf of the Trust as may be necessary or advisable to comply with any Federal or state securities laws or reporting requirements. The Trustee agrees that it shall promptly follow the written instructions of the Servicer to withdraw funds from the Collection Account, Excess Funding Account and any other account or accounts maintained for the benefit of Certificateholders and with regard to any Enhancement. The Trustee shall furnish the Servicer with any powers of attorney and other documents necessary or appropriate to enable the Servicer to carry out its servicing and administrative duties hereunder.

(c) In the event that the Transferor is unable for any reason to transfer Receivables to the Trust in accordance with the provisions of this Agreement (including, without limitation, by reason of the application of the provisions of Section 9.2 or the order of any Federal governmental agency having regulatory authority over the Transferor or any court of competent jurisdiction that the Transferor not transfer any additional Receivables to the Trust) then, in any such event, (A) the Servicer agrees to allocate, after such date, all Collections (including Collections with respect to Finance Charge Receivables) with respect to Principal Receivables, and all amounts which would have constituted Collections (including Collections with respect to Finance Charge Receivables) with respect to such Receivable which would have been Principal Receivables but for the Transferor's inability to transfer such Receivables (up to an aggregate amount equal to the Aggregate Principal Receivables in the Trust as of such date) in accordance with subsection 2.5(d) and to apply such amounts as Collections in accordance with Article IV and (B) for only so long as all Collections and all amounts which would have constituted Collections are allocated and applied in accordance with clause (A) above, Collections of Principal Receivables and all amounts which would have constituted Collections of Principal Receivables but for the Transferor's inability to transfer Receivables to the Trust which are charged off as uncollectible in accordance with this Agreement shall continue to be allocated in accordance with Article IV and all amounts which would have constituted Collections of Principal Receivables but for the Transferor's inability to transfer Receivables to

the Trust shall be deemed to be Collections of Principal Receivables for the purpose of calculating the applicable Invested Percentage thereunder; provided, that if the Servicer is unable pursuant to any Requirement of Law to allocate payments on the Accounts as described above, the Servicer agrees that it shall, in any such event, allocate, after the date that the Servicer becomes unable to allocate payments on the Accounts as described above, payments on each Account with respect to the balance of such Account first to the oldest Receivable in such Account.

(d) The Servicer shall not be obligated to use separate servicing procedures, offices, employees or accounts for servicing the Receivables from the procedures, offices, employees and accounts used by the Servicer in connection with servicing other revolving consumer credit card receivables.

(e) The Servicer shall maintain fidelity bond coverage insuring against losses through wrongdoing of its officers and employees who are involved in the servicing of Receivables covering such actions with such insurers and in such amounts as the Servicer believes to be reasonable from time to time.

Section 3.2 Servicing Compensation. As compensation for its servicing activities hereunder and reimbursement for its expenses as set forth in the immediately following paragraph, the Servicer shall be entitled to receive a monthly servicing fee in respect of any Due Period (or portion thereof) prior to the termination of the Trust pursuant to Section 12.1 (the "Monthly Servicing Fee"), payable in arrears on each Distribution Date in an amount equal to the sum of, with respect to all Series then outstanding, one-twelfth of the product of the applicable Servicing Fee Percentages and the sum of an allocable portion of the Transferor Amount and the Invested Amount of each Series, each as of the last day of the Due Period preceding the Due Period for which the Monthly Servicing Fee is being paid. The share of the Monthly Servicing Fee allocable to each Series of Investor Certificateholders with respect to any Due Period (or portion thereof) shall be equal to one-twelfth of the product of (A) the Servicing Fee Percentage for such Series and (B) the Invested Amount of such Series (after subtracting from the Invested Amount the aggregate amount of any deposits

previously made into any principal funding account) on the last day of the applicable Due Period (or, in the case of the first Distribution Date, the Initial Invested Amount, unless otherwise specified in any Supplement) (with respect to any such Series, the "Investor Monthly Servicing Fee"), and shall be paid to the Servicer pursuant to the applicable Supplement. The remainder of the Monthly Servicing Fee shall be paid by the Transferor and in no event shall the Trust, the Trustee, any Enhancement Provider or the Investor Certificateholders be liable for the share of the Monthly Servicing Fee to be paid by the Transferor. In the case of the first Due Period, the Monthly Servicing Fee and the Investor Monthly Servicing Fee shall accrue from the Cut Off Date.

The Servicer's expenses include the amounts due to the Trustee pursuant to Section 11.5 and any authenticating agent pursuant to Section 6.8 and the reasonable fees and disbursements of independent accountants and all other expenses incurred by the Servicer in connection with its activities hereunder, and include, without limitation, all other fees and expenses of the Trust provided for in Section 8.4 hereof; provided, that the Servicer shall not be liable for any liabilities, costs or expenses of the Trust, the Investor Certificateholders or the Certificate Owners arising under any tax law, including without limitation any Federal, state or local income or franchise taxes or any other tax imposed on or measured by income (or any interest or penalties with respect thereto or arising from a failure to comply therewith), except to the extent incurred as a result of the Servicer's violation of the provisions of this Agreement. The Servicer shall be required to pay such expenses for its own account and shall not be entitled to any payment therefor other than the Monthly Servicing Fee.

Section 3.3 Representations, Warranties and Covenants of the Servicer. Nordstrom National Credit Bank, as initial Servicer, hereby makes, and any successor Servicer by its appointment hereunder shall make, the following representations, warranties and covenants with respect to any Series of Certificates, as of the date of the related Supplement and its Closing Date, unless otherwise stated in such Supplement, on which the Trustee has relied in accepting the Receivables and the other property conveyed

pursuant to Section 2.1 in trust and in authenticating the Certificates:

(a) Organization and Good Standing. The Servicer is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America, and has full power, authority and legal right to own its properties and conduct its business as such properties are presently owned and such business is presently conducted, and to execute, deliver and perform its obligations under this Agreement and any Supplement.

(b) Due Qualification. The Servicer is duly qualified to do business and is in good standing (or is exempt from such requirements) in any state where such qualification is necessary in order to service the Receivables as required by this Agreement and any Supplement and has obtained all necessary licenses and approvals as required under Federal and state law, and if the Servicer shall be required by any Requirement of Law to so qualify or register or obtain such license or approval, then it shall do so, in each case except where the failure to obtain such license or approval does not materially affect the Servicer's ability to perform its obligations hereunder or the enforceability of any Receivable.

(c) Due Authorization. The execution, delivery, and performance of this Agreement and any Supplement, and the consummation of the transactions provided for in this Agreement and any Supplement have been duly authorized by the Servicer by all necessary action on the part of the Servicer.

(d) Binding Obligation. Each of this Agreement and any Supplement constitutes a legal, valid and binding obligation of the Servicer, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereinafter in effect affecting the enforcement of creditors' rights in general and the rights of creditors of national banking associations and except as such enforceability may be limited by general principles of equity (whether considered in a proceeding at law or in equity).

(e) No Violation. The execution and delivery of this Agreement and any Supplement by the Servicer, and the performance of the transactions contemplated by this Agreement and any Supplement and the fulfillment of the terms hereof and thereof applicable to the Servicer, will not conflict with, violate, result in any breach of any of the material terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, any Requirement of Law applicable to the Servicer or any material indenture, contract, agreement, mortgage, deed of trust or other instrument to which the Servicer is a party or by which it is bound.

(f) No Proceedings. There are no proceedings or investigations pending or, to the best knowledge of the Servicer, threatened against the Servicer before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality seeking to prevent the issuance of the Certificates or the consummation of any of the transactions contemplated by this Agreement or any Supplement, seeking any determination or ruling that, in the reasonable judgment of the Servicer, would materially and adversely affect the performance by the Servicer of its obligations under this Agreement or any Supplement, or seeking any determination or ruling that would materially and adversely affect the validity or enforceability of this Agreement or any Supplement.

(g) Compliance with Requirements of Law. The Servicer shall duly satisfy its obligations in all material respects on its part to be fulfilled under or in connection with each Receivable and the corresponding Account, will maintain in effect all material qualifications required under Requirements of Law in order to service properly each Receivable and the corresponding Account and will comply in all material respects with all other Requirements of Law in connection with servicing each Receivable and the related Account the failure to comply with which would have a material adverse effect on the Certificateholders (without regard to the amount of any Enhancement).

(h) No Rescission or Cancellation. Except in connection with an Adjustment Payment pursuant to Section 3.8, the Servicer shall not permit any rescission or cancellation of any Receivable except as ordered by a

court of competent jurisdiction or other Governmental Authority.

(i) Protection of Certificateholders' Rights.

The Servicer shall take no action which, nor omit to take any action the omission of which, would impair the rights of Certificateholders in any Receivable or the rights of any Enhancement Provider, nor shall it reschedule, revise, waive or defer payments due on any Receivable except in accordance with the applicable Account Guidelines.

(j) All Consents Required. All approvals, authorizations, consents, orders or other actions of any Person or of any Governmental Authority required in connection with the execution and delivery by the Servicer of this Agreement, the performance by the Servicer of the transactions contemplated by this Agreement and the fulfillment by the Servicer of the terms hereof, have been obtained, except such as are required by state securities or "Blue Sky" laws in connection with the distribution of any Series.

(k) Receivables Not to be Evidenced by Promissory Notes or Chattel Paper. The Servicer will take no action to cause any Receivable to be evidenced by any instrument (as defined in the UCC as in effect in the Relevant UCC State). Each Receivable shall be payable pursuant to a contract which does not create a Lien on any merchandise purchased thereunder.

In the event of a breach of any of the representations and warranties set forth in subsection 3.3(g), (h), (i) or (j) with respect to a Receivable, and such breach has a material adverse effect on the Certificateholders' interest in such Receivable (without regard to the amount of any Enhancement) then, upon the expiration of 60 days or any longer period agreed upon by the Trustee (not to exceed an additional 60 days) from the earlier to occur of the discovery of any such event by the Servicer, or receipt by the Servicer of written notice of any such event given by the Trustee, each such Receivable or, at the option of the Transferor, all such Receivables with respect to the related Account, shall be assigned and transferred to the Servicer upon the deposit by the Servicer into the Collection Account in immediately available funds prior to the next succeeding Distribution

Date an amount equal to the amount of each such Receivable at the end of the Due Period for such Distribution Date, plus the amount of finance charges at the monthly periodic rate applicable to such Receivable from the last date billed through the end of such Due Period to the extent not included in the amount of such Receivable. Any such deposit into the Collection Account in connection with any such assignment of a Receivable shall be considered a payment in full of such Receivable and such deposit shall be applied in accordance with the provisions of Article IV. Upon the assignment to the Servicer of such a Receivable, the Trust shall, without further action, be deemed to transfer, assign, set-over and otherwise convey to the Servicer, without recourse, representation or warranty (including those implied by law), all the right, title and interest of the Trust in and to such Receivable, all monies due or to become due with respect thereto and all proceeds thereof. The Trustee shall execute such documents and instruments of transfer or assignment and take such other actions as shall reasonably be requested by the Servicer to effect the conveyance of any such Receivable pursuant to this Section and as shall be specified in an Opinion of Counsel delivered to the Trustee to the effect that such documents and instruments comply herewith. The obligation of the Servicer set forth in this Section shall constitute the sole remedy respecting any breach by the Servicer of the representations and warranties set forth in the above-referenced subsections with respect to such Receivable available to Certificateholders or the Trustee on behalf of Certificateholders. Notwithstanding any other provision of this Section 3.3, no assignment of a Receivable to the Servicer pursuant to this Section 3.3 shall occur if the Servicer fails to make the deposit required by this Section 3.3 with respect to such Receivable.

Section 3.4 Reports and Records for the Trustee.

(a) Initial Report. On the day on which a Series of the Investor Certificates are issued (the "Closing Date"), the Servicer shall prepare and deliver, as provided in Section 13.5, to the Trustee and each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series, an Officer's Certificate substantially in the form of Exhib-

it D setting forth the Aggregate Principal Receivables, the Transferor Amount, the Excluded Receivables Balance and the Transferor Interest Percentage as of the end of the day two Business Days preceding the Closing Date and the expected Transferor Interest Percentage after giving effect to the issuance of such Series.

(b) Daily Reports. For so long as deposits of Collections are required to be made daily by the Servicer pursuant to Section 4.1(h), on each Business Day commencing on the Closing Date, the Servicer shall prepare, and make available for inspection by the Trustee and maintain at the office of the Servicer a record setting forth the aggregate amount of Collections processed by the Servicer on the immediately preceding Business Day.

(c) Monthly Servicer's Certificate. On each Determination Date, the Servicer shall forward, as provided in Section 13.5, to the Trustee, the Paying Agent and each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series, an Officer's Certificate signed by a Servicing Officer substantially in the form of Exhibit E (with the Monthly Certificateholder's Statement required pursuant to the applicable Supplement attached) setting forth the following information (which, in the case of clauses (iii), (iv) and (v) below, will be stated on the basis of an original principal amount of \$1,000 per Certificate): (i) the aggregate amount of Collections processed for the Due Period for such Determination Date and the aggregate amount of Collections of Finance Charge Receivables and the aggregate amount of Collections of Principal Receivables processed during such Due Period; (ii) the Invested Percentage on the last day of the preceding Due Period of each Series of Certificates with respect to Collections of Principal Receivables and the Invested Percentage on the last day of the preceding Due Period of each Series of Certificates with respect to Collections of Finance Charge Receivables and Defaulted Receivables; (iii) for each Series and for each class within any such Series, the total amount to be distributed to Investor Certificateholders on the next succeeding Distribution Date; (iv) for each Series and for each class within any such Series, the amount of such distribution allocable to principal; (v) for each Series and for each class within any such Series, the amount of such distribution allocable to interest; (vi) the aggregate outstanding balance

of the Accounts which were delinquent by 30 to 59, 60 to 89, 90 to 119 and by 120 days or more as of the close of business on the last day of the Due Period immediately preceding such Distribution Date; (vii) for each Series and each class within a Series, the Investor Default Amount for the immediately preceding Due Period; (viii) for each Series and each class within a Series, the amount of the Investor Charge Offs and the amount of the reimbursements of Investor Charge Offs for such Distribution Date; (ix) for each Series, the Investor Monthly Servicing Fee for such Distribution Date; (x) for each Series, the existing deficit controlled amortization amount or deficit controlled accumulation amount, if applicable; (xi) the aggregate amount of Receivables and the Excluded Receivables Balance in the Trust at the close of business on the last day of the Due Period preceding such Distribution Date; (xii) for each Series, the Invested Amount at the close of business on the last day of the Due Period immediately preceding such Distribution Date; (xiii) the available amount of any Enhancement for each Series; (xiv) for each Series and each class within a Series, the Series Factor as of the end of the related Due Period; and (xv) whether an Early Amortization Event with respect to any Series shall have occurred during or with respect to the related Due Period.

The Trustee shall be under no duty to recalculate, verify or recompute the information supplied to it under this Section 3.4.

Section 3.5 Annual Servicer's Certificate. The Servicer will deliver, as provided in Section 13.5, to the Trustee and each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series, on or before April 30 of each calendar year, beginning with 1997, an Officer's Certificate substantially in the form of Exhibit F (a) stating that a review of the activities of the Servicer during the preceding calendar year (or, in the case of the initial such Officer's Certificate, during the period from the Initial Closing Date until December 31, 1996) and of its performance under this Agreement was made under the supervision of the officer signing such certificate and (b) stating that to the best of such officer's knowledge, based on such review, either there has occurred no event which, with the giving of notice or passage of time or both, would constitute a Servicer Default and the Servicer has fully performed all its obligations under this Agreement

throughout such year, or, if there has occurred such an event, specifying each such event known to such officer and the nature and status thereof. A copy of such Officer's Certificate may be obtained by any Investor Certificateholder or Certificate Owner by a request in writing to the Trustee addressed to the Corporate Trust Office.

Section 3.6 Annual Independent Public Accountants' Servicing Report. On or before April 30 of each calendar year, beginning with 1997, the Servicer shall cause a firm of nationally recognized independent public accountants (who may also render other services to the Servicer or the Transferor) to furnish, as provided in Section 13.5, a report to the Trustee, each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series and, as required, any Enhancement Provider to the effect that such firm has applied certain procedures agreed upon with the Servicer to certain documents and records relating to the administration and servicing of Accounts under this Agreement and any Supplement, and that, based upon such agreed upon procedures, such firm will provide a report stating that the servicing was conducted in compliance with Article III and IV and Section 8.8 of this Agreement and any Supplement, except for such exceptions or errors as they believe to be immaterial and such other exceptions as shall be set forth in such statement. Such procedures will include the comparison of the mathematical calculations of amounts set forth in the monthly certificates forwarded by the Servicer pursuant to subsection 3.4(c) during the period covered by such report (which shall be the period from January 1 (except for the calendar year ending December 31, 1996, which shall be from the Initial Closing Date to December 31, 1996) of the preceding calendar year to and including December 31 of such calendar year) with the Servicer's computer reports which were the source of such amounts. A copy of such report may be obtained by any Investor Certificateholder or Certificate Owner by a request in writing to the Trustee addressed to the Corporate Trust Office.

Section 3.7 Tax Treatment. The Transferor has structured this Agreement and the Investor Certificates (other than any Investor Certificates held by the Transferor) and any Enhancement Invested Amount have been (or will be) issued with the intention that such Investor Certificates will

qualify under applicable tax law as indebtedness of the Transferor, and the Transferor, any entity acquiring any direct or indirect interest in the Exchangeable Transferor Certificate, each Investor Certificateholder (or Certificate Owner) by acceptance of its Certificate (or, in the case of a Certificate Owner, by virtue of such Certificate Owner's acquisition of a beneficial interest therein) and each holder of an interest in any Enhancement Invested Amount by its acceptance thereof agree, and shall be deemed to agree, to treat such Investor Certificates (or beneficial interest therein) or Enhancement Invested Amount for purposes of Federal, state and local income or franchise taxes and any other tax imposed on or measured by income, as indebtedness. Each Certificateholder agrees that it will cause any Certificate Owner acquiring an interest in a Certificate through it to comply with this Agreement as to treatment as indebtedness for certain tax purposes. Consistent with the foregoing, the Trustee shall not file a Federal income tax return on behalf of the Trust or apply for a taxpayer identification number on behalf of the Trust unless required to do so as a result of a determination by the Internal Revenue Service.

Section 3.8 Adjustments. (a) If the Servicer adjusts downward the amount of any Receivable because of a rebate, refund, dividend credit under the Transferor's Purchase Dividend Program, unauthorized charge or billing error to an Obligor, because such Receivable was created in respect of merchandise or services which were refused, returned or not received by an Obligor, or if the Servicer otherwise adjusts downward the amount of any Receivable without receiving Collections therefor or without charging off such amount as uncollectible, then, in any such case, the amount of the Aggregate Principal Receivables used to calculate the Transferor Amount, the Transferor Interest Percentage, the Excluded Receivables Balance and the Floating Allocation Percentage and the Fixed/Floating Allocation Percentage applicable to any Series will be reduced by the amount of such adjustment. Similarly, the amount of the Aggregate Principal Receivables used to calculate the Transferor Amount, the Transferor Interest Percentage, the Excluded Receivables Balance and the Floating Allocation Percentage and the Fixed/Floating Allocation Percentage applicable to any Series will be reduced by the amount of any Receivable which was discovered as having been created through a

fraudulent or counterfeit charge or with respect to which the covenant contained in subsection 2.5(b) was breached.

Any adjustment required pursuant to either of the two preceding sentences shall be made on or prior to the end of the Due Period in which such adjustment obligation arises. In the event that, following any such exclusion, the Transferor Amount minus the Excluded Receivables Balance would be less than zero, within two Business Days of the date on which such adjustment obligation arises, the Transferor shall pay to the Servicer, for deposit into the Excess Funding Account, in immediately available funds an amount equal to the amount by which the Transferor Amount minus the Excluded Receivables Balance would be reduced below zero. Any amount deposited into the Excess Funding Account in connection with the adjustment of a Receivable (an "Adjustment Payment") shall be considered Collections of Principal Receivables and shall be applied in accordance with Article IV and the terms of each Supplement. In the event that the Servicer adjusts upwards the amount of any Receivable, the Aggregate Principal Receivables shall be increased by the product of such upward adjustment.

(b) If (i) the Servicer makes a deposit into the Collection Account in respect of a Collection of a Receivable and such Collection was received by the Servicer in the form of a check which is not honored for any reason or (ii) the Servicer makes a mistake with respect to the amount of any Collection and deposits an amount that is less than or more than the actual amount of such Collection, the Servicer shall appropriately adjust the amount subsequently deposited into the Collection Account to reflect such dishonored check or mistake.

Any Receivable in respect of which a dishonored check is received shall be deemed not to have been paid. Notwithstanding the first two sentences of this paragraph, no adjustments shall be made pursuant to this paragraph that will change any amount of Collections previously reported pursuant to Section 3.4(c).

Section 3.9 Notices to the Transferor. In the event that the Transferor is no longer acting as Servicer, any Successor Servicer appointed pursuant to Section 10.2 shall deliver or make available to the Transferor each certificate and report required to be prepared, forwarded or delivered thereafter pursuant to Sections 3.4, 3.5 and 3.6.

(END OF ARTICLE III)

ARTICLE IV

RIGHTS OF CERTIFICATEHOLDERS AND ALLOCATION
AND APPLICATION OF COLLECTIONS

Section 4.1 Establishment of Collection Account and
Excess Funding Account and Allocation of Collections.

(a) The Collection Account. The Trustee, for the benefit of the Certificateholders, shall establish and maintain or cause to be established and maintained in the name of the Trustee, on behalf of the Trust, with an Eligible Institution a segregated account (the "Collection Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Certificateholders. The Trustee shall possess all right, title and interest in all funds on deposit from time to time in the Collection Account and in all proceeds thereof. The Collection Account shall be under the sole dominion and control of the Trustee for the benefit of the Certificateholders. If, at any time, the institution holding the Collection Account ceases to be an Eligible Institution, the Trustee (or the Servicer on its behalf) shall within five Business Days establish a new Collection Account meeting the conditions specified above with an Eligible Institution, transfer any cash and/or any investments to such new Collection Account and from the date such new Collection Account is established, it shall be the "Collection Account." Pursuant to the authority granted to the Servicer in Section 3.1(b), the Servicer shall have the power, revocable by the Trustee, to make withdrawals and payments from the Collection Account and to instruct the Trustee to make withdrawals and payments from the Collection Account for the purposes of carrying out the Servicer's or Trustee's duties hereunder.

Each Series shall represent interests in the Trust, including the benefits of any Enhancement to be provided by an Enhancement Provider issued with respect to such Series as indicated in the Supplement relating to such Series and the right to receive Collections and other amounts at the times and in the amounts specified in this Article IV to be deposited in the Collection Account, the Excess Funding Account and any other accounts maintained for the benefit of the Certificatehold-

ers or paid to the Investor Certificateholders. The Exchangeable Transferor Certificate shall represent the interest in the Trust not represented by any Series of Investor Certificates then outstanding, including the right to receive Collections and other amounts at the times and in the amounts specified in this Article IV to be paid to the Transferor (the "Transferor Interest"); provided, however, that such Exchangeable Transferor Certificate shall not represent any interest in the Collection Account and any other accounts maintained for the benefit of the Certificateholders or the benefits of any Enhancement to be provided by an Enhancement Provider issued with respect to any Series, except as specifically provided in this Article IV.

(b) Administration of the Collection Account.

At the written direction of the Servicer, funds on deposit in the Collection Account to be so invested shall be invested by the Trustee in Eligible Investments. All such Eligible Investments shall be held by the Trustee for the benefit of the Certificateholders. Investments of funds representing Collections collected during any Due Period shall be invested in Eligible Investments that will mature so that such funds will be available by the close of business on the Business Day preceding the Distribution Date related to such Due Period. Any funds on deposit in the Collection Account to be so invested shall be invested solely in Eligible Investments. No Eligible Investment shall be disposed of prior to its maturity; provided, however, that the Trustee may sell, liquidate or dispose of an Eligible Investment before its maturity, if so directed by the Servicer, the Servicer having reasonably determined that the interest of the Certificateholders may be adversely affected if such Eligible Investment is held to its maturity. The Trustee shall maintain possession of the negotiable instruments or securities, if any, evidencing the Eligible Investments described in clause (a) of the definition thereof from the time of purchase thereof until the time of maturity.

On each Distribution Date, all interest and other investment earnings (net of losses and investment expenses) on funds on deposit in the Collection Account shall be paid to the Holder of the Exchangeable Transferor Certificate. The Transferor at its option may direct the Servicer's investment of funds pursuant to this subsection 4.1(b).

(c) The Excess Funding Account. The Trustee, for the benefit of the Certificateholders, shall establish and maintain or cause to be established and maintained in the name of the Trustee, on behalf of the Trust, with an Eligible Institution a segregated account (the "Excess Funding Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Certificateholders. The Trustee shall possess all right, title and interest in all funds on deposit from time to time in the Excess Funding Account and in all proceeds thereof. The Excess Funding Account shall be under the sole dominion and control of the Trustee for the benefit of the Certificateholders. If, at any time, the institution holding the Excess Funding Account ceases to be an Eligible Institution, the Trustee (or the Servicer on its behalf) shall within five Business Days establish a new Excess Funding Account meeting the conditions specified above with an Eligible Institution, transfer any cash and/or any investments to such new Excess Funding Account and from the date such new Excess Funding Account is established, it shall be the "Excess Funding Account." Pursuant to the authority granted to the Servicer in Section 3.1(b), the Servicer shall have the power, revocable by the Trustee, to make withdrawals and payments from the Excess Funding Account and to instruct the Trustee to make withdrawals and payments from the Excess Funding Account for the purposes of carrying out the Servicer's or Trustee's duties hereunder.

(d) Administration of the Excess Funding Account. Funds on deposit in the Excess Funding Account shall be invested at the written direction of the Servicer by the Trustee in Eligible Investments. Funds on deposit in the Excess Funding Account on any Distribution Date shall be invested in such investments that will mature so that such funds will be available for withdrawal on or prior to the following Distribution Date. The Trustee shall maintain for the benefit of the Certificateholders possession of the negotiable instruments or securities, if any, evidencing such Eligible Investments. No Eligible Investment shall be disposed of prior to its maturity; provided, however, that the Trustee may sell, liquidate or dispose of an Eligible Investment before its maturity, if so directed by the Servicer, the Servicer having reasonably determined that the interest of the Certificateholders may be adversely affected if such

Eligible Investment is held to its maturity. On each Distribution Date, all interest and earnings (net of losses and investment expenses) received during the preceding Due Period on funds on deposit in the Excess Funding Account shall be retained in the Excess Funding Account (to the extent that the amount required to be on deposit in the Excess Funding Account is less than the amount on deposit in the Excess Funding Account) and the balance, if any, shall be deposited in the Collection Account and treated as a portion of Collections of Finance Charge Receivables allocable to the Investor Certificates for such Distribution Date. For purposes of determining the availability of funds or the balance in the Excess Funding Account for any reason under this Agreement, except as otherwise provided in the preceding sentence, such net interest and earnings shall be deemed not to be available or on deposit.

(e) Allocations For the Exchangeable Transferor Certificate. Throughout the existence of the Trust, the Servicer shall allocate to the Holder of the Exchangeable Transferor Certificate an amount equal to the product of (A) the Transferor Percentage and (B) the aggregate amount of Collections allocated to Principal Receivables and Finance Charge Receivables, respectively, in respect of such Due Period. Notwithstanding anything to the contrary in Section 4.1(h), unless otherwise specified in any Supplement, the Servicer need not deposit this amount, and any other amounts so allocated to the Exchangeable Transferor Certificate pursuant to any Supplement, into the Collection Account and shall pay such amounts as collected to the Holder of the Exchangeable Transferor Certificate, except as provided in Section 4.1(g).

(f) Allocations During Funding Period. To the extent that the Servicer establishes an account with an Eligible Institution as a pre-funding account (the "Pre-Funding Account") with respect to any Series, bearing a designation indicating that the funds deposited therein are for the benefit of such Series, during the period (the "Funding Period"), as set forth in the related Supplement, that the Pre-Funding Account maintains a balance, the date upon which an increase in the Invested Amount of such Series in accordance with the terms of such related Supplement occurs shall be treated as an Addition Date solely for the purpose of calculating the

Floating Allocation Percentage and the Fixed/Floating Allocation Percentage. Such Addition Date shall be deemed to occur on the date of each such increase and the Floating Allocation Percentage and Fixed/Floating Allocation Percentage shall be calculated accordingly.

(g) Undistributed Principal Collections. On each Distribution Date, (a) the Servicer shall allocate Excess Principal Collections to each Series as set forth in the related Supplement and (b) the Servicer shall withdraw from the Collection Account or otherwise allocate and pay to the Transferor (i) an amount equal to the excess, if any, of (x) the aggregate amount for all outstanding Series of Collections which the related Supplements specify are to be treated as "Excess Principal Collections" for such Distribution Date over (y) the aggregate amount for all outstanding Series which the related Supplements specify are "Principal Shortfalls" for such Distribution Date and, without duplication, (ii) the aggregate amount for all outstanding Series of that portion of Collections which the related Supplements specify are to be allocated and paid to the Transferor with respect to such Distribution Date; provided, however, that such amounts shall be paid to the Transferor only if the Transferor Amount minus the Excluded Receivables Balance (each determined after giving effect to any Receivables transferred to the Trust on such date) exceeds zero. The amount held in the Excess Funding Account as a result of the proviso in the preceding sentence ("Undistributed Principal Collections") shall be paid to the Transferor at the time the Transferor Amount minus the Excluded Receivables Balance exceeds zero; provided, however, that any Undistributed Principal Collections on deposit in the Excess Funding Account at any time during which any Series is in its Accumulation Period, Rapid Amortization Period, Controlled Amortization Period, or Early Amortization Period shall be allocated and distributed in accordance with the terms of the related Supplement.

(h) Collections. The Servicer will apply all Collections with respect to the Receivables for each Due Period as described in this Article IV and each Supplement. Except as otherwise provided below, the Servicer shall deposit Collections into the Collection Account on the Date of Processing of such Collections, and shall deposit all amounts received from the Transferor pursuant

to subsection 2.4(d)(iii) and all Adjustment Payments received from the Transferor pursuant to subsection 3.8(a) in the Excess Funding Account on the Date of Processing of such payments. Subject to the express terms of any Supplement, but notwithstanding anything else in this Agreement to the contrary, for so long as, and only so long as, Nordstrom National Credit Bank or an Affiliate of Nordstrom National Credit Bank shall be the Servicer hereunder and (i) Nordstrom National Credit Bank or such Affiliate shall maintain a short-term certificate of deposit rating or commercial paper rating (which in each case may be an implied rating), as applicable, of P-1 by Moody's and of A-1 by Standard & Poor's, or (ii) Nordstrom National Credit Bank shall obtain a written notification from each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series to the effect that such Rating Agency does not intend to downgrade or withdraw its then current rating of any outstanding Series of Investor Certificates despite the Servicer's inability to satisfy the rating requirement specified in clause (i), and for two Business Days following any reduction of either such rating or failure to satisfy the conditions of clause (ii), the Servicer may, but need not, deposit Collections into the Collection Account or make payments to the holder of the Exchangeable Transferor Certificate prior to the close of business on the Date of Processing, but rather may make a single deposit in the Collection Account in immediately available funds on the Business Day prior to each Distribution Date in an amount equal to the Collections with respect to the Due Period for each such Distribution Date to the extent such Collections are allocated to the Investor Certificateholders in accordance with Article IV. Collections shall not be required to be invested in Eligible Investments until such time as they are deposited into the Collection Account. The Servicer shall notify the Trustee of any downgrade or withdrawal of its short-term credit rating or the short-term certificate of deposit rating of its Affiliate maintaining the Collection Account.

Should the Servicer be required to make daily deposits of Collections into the Collection Account pursuant to this subsection, during any Amortization Period, the Servicer may, subject to the provisions of the applicable supplement, cease depositing Collections of Principal Receivables received in any Due Period and

allocable to a Series in any Amortization Period at such time as an amount of Collection of Principal Receivables allocable to such Series and deposited into the Collection Account equals the amount of principal scheduled or permitted to be paid on the next succeeding Distribution Date with respect to such Series. Collections of Principal Receivables allocable to such Series in excess of such amount shall, subject to the provisos in subsection 4.1(g) and the next succeeding paragraph, be distributed on a daily basis as they are collected to the Transferor.

Should the Servicer be required to make daily deposits of Collections into the Collection Account pursuant to this subsection, during any Amortization Period, the Servicer may, subject to the provisions of the applicable Supplement, cease depositing Excess Principal Collections received with respect to a Due Period at such time as such Excess Principal Collections deposited into the Collection Account with respect to each Series in an Amortization Period together with Collections of Principal Receivables allocable to such Series and deposited into the Collection Account with respect to such Due Period equals the amount of principal scheduled or permitted to be paid with respect to such Series on the next succeeding Distribution Date.

Should the Servicer be required to make daily deposits of Collections in the Collection Account pursuant to this subsection, Excess Principal Collections in excess of amounts allocable to Series which are in their Amortization Period and deposited in the Collection Account pursuant to the preceding sentence shall, subject to the provisos in subsection 4.1(g), be distributed to the Transferor on a daily basis.

(THE REMAINDER OF ARTICLE IV IS RESERVED
AND MAY BE SPECIFIED IN ANY SUPPLEMENT
WITH RESPECT TO ANY SERIES)

ARTICLE V

(ARTICLE V IS RESERVED AND MAY
BE SPECIFIED IN ANY SUPPLEMENT
WITH RESPECT TO ANY SERIES)

ARTICLE VI

THE CERTIFICATES

Section 6.1 The Certificates. Subject to Sections 6.10 and 6.11, the Investor Certificates of each Series and any class thereof may be issued in bearer form (the "Bearer Certificates") with attached interest coupons and a special coupon (collectively, the "Coupons") or in fully registered form (the "Registered Certificates"), and shall be substantially in the form of the exhibits with respect thereto attached to the applicable Supplement. The Exchangeable Transferor Certificate shall be substantially in the form of Exhibit A. The Investor Certificates and the Exchangeable Transferor Certificate shall, upon issue pursuant hereto or to Section 6.9 or Section 6.11, be executed and delivered by the Transferor to the Trustee for authentication and redelivery as provided in Section 6.2. Any Investor Certificates shall be issued in minimum denominations of \$1,000 and in integral multiples of \$1,000 in excess thereof, unless otherwise specified in any Supplement. If specified in the related Supplement for any Series, the Investor Certificates shall be issued upon initial issuance as a single certificate in an original principal amount equal to the Initial Invested Amount as described in Section 6.10. The Exchangeable Transferor Certificate may also be issued in two or more certificates. Each Certificate shall be executed by manual or facsimile signature on behalf of the Transferor by its President, its Treasurer or any Vice President. Certificates bearing the manual or facsimile signature of the individual who was, at the time when such signature was affixed, authorized to sign on behalf of the Transferor or the Trustee shall not be rendered invalid, notwithstanding that such individual has ceased to be so authorized prior to the authentication and delivery of such Certificates or does not hold such office at the date of such Certificates. No Certificate shall be entitled to any benefit under this Agreement or any applicable Supplement, or be valid for any purpose, unless there appears on such Certificate a certificate of authentication substantially in the form provided for herein executed by or on behalf of the Trustee by the manual signature of a duly authorized signatory, and such certificate upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly authenticated and

delivered hereunder. All Certificates shall be dated the date of their authentication, except Bearer Certificates which shall be dated the Closing Date.

Section 6.2 Authentication of Certificates.

Contemporaneously with the assignment and transfer of the Receivables, whether now existing or hereafter created, and the other Trust Property to the Trust, the Trustee shall authenticate and deliver the initial Series of Investor Certificates that is issued upon original issuance to or upon the order of the Transferor against payment to the Transferor of the purchase price therefor.

The Trustee shall authenticate and deliver the Exchangeable Transferor Certificate to the Transferor simultaneously with its delivery of the initial Series of Investor Certificates. Upon an Exchange as provided in Section 6.9 of the Agreement and the satisfaction of the conditions specified therein, the Trustee shall authenticate and deliver the Investor Certificates of additional Series (with the designation provided in the applicable Supplement), upon the order of the Transferor, to the Persons designated in such Supplement. Upon the order of the Transferor, the Certificates of any Series shall be duly authenticated by or on behalf of the Trustee, in authorized denominations equal to (in the aggregate) the Initial Invested Amount of such Series of Investor Certificates. If specified in the related Supplement for any Series, the Trustee shall authenticate and deliver outside the United States the Global Certificate that is issued upon original issuance thereof, upon the written order of the Transferor, to the Common Depositary as provided in Section 6.10 against payment of the purchase price therefor. If specified in the related Supplement for any Series, the Trustee shall authenticate Book-Entry Certificates that are issued upon original issuance thereof, upon the written order of the Transferor, to a Clearing Agency or its nominee as provided in Section 6.11 against payment of the purchase price thereof.

Section 6.3 Registration of Transfer and Exchange of Certificates.

(a) The Trustee shall cause to be kept at the office or agency to be maintained by a transfer agent and registrar (which may be the Trustee) (the "Transfer Agent and Registrar") in accordance with the provisions of subsection 6.3(c) of the Agreement a register (the "Cer-

tificate Register") in which, subject to such reasonable regulations as it may prescribe, the Transfer Agent and Registrar shall provide for the registration of the Registered Certificates and of transfers and exchanges of the Registered Certificates as herein provided. The Trustee is hereby initially appointed Transfer Agent and Registrar for the purpose of registering the Registered Certificates and transfers and exchanges of the Registered Certificates as herein provided. The Trustee shall be permitted to resign as Transfer Agent and Registrar upon 30 days' prior written notice to the Transferor and the Servicer; provided, however, that such resignation shall not be effective and the Trustee shall continue to perform the duties of Transfer Agent and Registrar until the Transferor has appointed a successor Transfer Agent and Registrar acceptable to the Transferor and the Trustee. If specified in the related Supplement for any Series of Certificates, the Transferor shall appoint any co-transfer agent and co-registrar chosen by the Transferor, and acceptable to the Trustee, including, if and so long as the Registered Certificates are listed on the Luxembourg Stock Exchange or other stock exchange and such exchange shall so require, a co-transfer agent and co-registrar in Luxembourg or the location required by such other stock exchange. If specified in such related Supplement, so long as the Registered Certificates relating to such Supplement are outstanding, the Transferor shall maintain a co-transfer agent and co-registrar in New York City or any other city designated in such Supplement and any reference in this Agreement to the Transfer Agent and Registrar shall include any co-transfer agent and co-registrar unless the context requires otherwise.

Upon surrender for registration of transfer of any Registered Certificate at any office or agency of the Transfer Agent and Registrar maintained for such purpose, the Transferor shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Registered Certificates in authorized denominations of the same Series representing like aggregate Undivided Interests.

At the option of any Registered Certificateholder, Registered Certificates may be exchanged for other Registered Certificates of the same Series in authorized denominations of like aggregate Undivided

Interests, upon surrender of the Registered Certificates to be exchanged at any office or agency of the Transfer Agent and Registrar maintained for such purpose. At the option of a Bearer Certificateholder, subject to applicable laws and regulations (including, without limitation, the Bearer Rules), Bearer Certificates may be exchanged for other Bearer Certificates or Registered Certificates of the same Series in authorized denominations of like aggregate Undivided Interests, upon surrender of the Bearer Certificates to be exchanged at an office or agency of the Transfer Agent and Registrar located outside the United States. Each Bearer Certificate surrendered pursuant to this Section 6.3 shall have attached thereto all unmatured Coupons, provided that any Bearer Certificate so surrendered after the close of business on the Record Date preceding the relevant Distribution Date after the related Stated Series Termination Date need not have attached the Coupon relating to such Distribution Date. No Registered Certificates may be exchanged for a Bearer Certificate.

The preceding provisions of this Section 6.3 notwithstanding, the Trustee or the Transfer Agent and Registrar, as the case may be, shall not be required to register the transfer of or exchange any Certificate of any Series for a period of 15 days preceding the due date for any payment with respect to the Certificates of such Series.

Whenever any Investor Certificates of any Series are so surrendered for exchange, the Transferor shall execute, and the Trustee shall authenticate and the Transfer Agent and Registrar shall deliver (in the case of Bearer Certificates, outside the United States), the Investor Certificates of such Series which the Certificateholder making the exchange is entitled to receive. Every Investor Certificate presented or surrendered for registration of transfer or exchange shall be accompanied by a written instrument of transfer in a form satisfactory to the Trustee and the Transfer Agent and Registrar duly executed by the Certificateholder thereof or his attorney-in-fact duly authorized in writing.

Except as provided in any Supplement, no service charge shall be made for any registration of transfer or exchange of Investor Certificates, but the Transfer Agent and Registrar and the Trustee or any co-trans-

fer agent and co-registrar or co-trustee may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer or exchange of Investor Certificates.

All Investor Certificates (together with any Coupons attached to Bearer Certificates) surrendered for registration of transfer or exchange shall be cancelled by the Transfer Agent and Registrar and disposed of in a manner satisfactory to the Trustee and the Transferor. The Trustee shall cancel and mutilate the Global Certificate upon its exchange in full for Definitive Certificates and shall deliver such cancelled and mutilated Global Certificate to the Transferor. The Trustee shall state that a certificate or certificates of each Foreign Clearing Agency to the effect referred to in Section 6.10 of this Agreement were received by the Trustee with respect to each portion of the Global Certificate exchanged for Definitive Certificates and shall also forward to the Transferor a copy of each such certificate or certificates.

The Transferor shall execute and deliver to the Trustee or the Transfer Agent and Registrar, as applicable, Bearer Certificates and Registered Certificates in such amounts and at such times as are necessary to enable the Trustee to fulfill its responsibilities under this Agreement and the Certificates.

(b) Except as provided in Sections 6.9 and 7.2, the Transferor's interest in the Exchangeable Transferor Certificate and other amounts payable to the Transferor pursuant to this Agreement shall not be sold, transferred, assigned, exchanged, pledged, participated or otherwise conveyed, unless (i) the Servicer has delivered to the Trustee an Officer's Certificate stating that such sale, transfer, assignment, exchange, pledge or conveyance will not, while any Series of Certificates remains outstanding, reduce the Transferor's retained interest in the Exchangeable Transferor Certificate below the Minimum Transferor Interest Percentage (or such greater percentage as may be specified in any Supplement) and (ii) the Trustee receives prior to such sale, transfer, assignment, exchange, pledge, participation or conveyance written confirmation from each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series that such transfer, as-

signment, exchange, pledge, participation or conveyance will not result in such Rating Agency's reducing or withdrawing its rating on any then outstanding Series rated by it and (iii) the Trustee receives prior thereto an Opinion of Counsel to the effect that (x) the conveyed interest in the Exchangeable Transferor Certificate will be treated as either debt or an interest in a partnership for Federal income tax purposes and that the conveyance of such interest will not cause the Trust to be characterized for Federal income tax purposes as an association or a publicly traded partnership taxable as a corporation or otherwise have any material adverse impact on the Federal or applicable state income taxation of any outstanding Series of Investor Certificates or any Certificate Owner and (y) such transfer will not cause a taxable event for Federal income tax purposes to any Investor Certificateholder.

(c) The Transfer Agent and Registrar will maintain at its expense in the Borough of Manhattan, The City of New York (and, if specified in the related Supplement for any Series, Luxembourg (or subject to Section 6.3(a) of the Agreement any other city designated in such Supplement)), an office or offices or agency or agencies where Investor Certificates may be surrendered for registration of transfer or exchange (except that Bearer Certificates may not be surrendered for exchange at any such office or agency in the United States).

(d) Unless otherwise provided in any related Supplement, registration of transfer of Registered Certificates containing a legend relating to the restrictions on transfer of such Registered Certificates (which legend shall be set forth in the Supplement relating to such Investor Certificates) shall be effected only if:

(i) the sale is of at least U.S. \$500,000 principal amount of such Certificates and (b) a letter from the purchaser satisfactory to counsel to the Servicer is executed and received; or

(ii) (a) the Registered Certificates are transferred in compliance with Rule 144 (or any amendment thereto) or Rule 144A (or any amendment thereto) under the Securities Act, and (b) a letter from the purchaser satis-

factory to counsel to the Servicer is executed and received; or

(iii) the Registered Certificates are sold or otherwise transferred in any other transaction that does not require registration under the Securities Act, and, if the Transferor, the Servicer, the Trustee or the Transfer Agent and Registrar so request, an Opinion of Counsel satisfactory to it, in form and substance satisfactory to it, is furnished to such effect.

Registered Certificates issued upon registration of transfer of, or Registered Certificates issued in exchange for, Registered Certificates bearing the legend referred to above shall also bear such legend unless the Transferor, the Servicer, the Trustee and the Transfer Agent and Registrar receive an Opinion of Counsel satisfactory to each of them, to the effect that such legend may be removed.

Whenever a Registered Certificate containing the legend set forth in the related Supplement is presented to the Transfer Agent and Registrar for registration of transfer, the Transfer Agent and Registrar shall promptly seek written instructions from the Servicer regarding such transfer. The Transfer Agent and Registrar and the Trustee shall be entitled to receive written instructions signed by a Servicing Officer prior to registering any such transfer or authenticating new Registered Certificates, as the case may be. The Servicer hereby agrees to indemnify the Transfer Agent and Registrar and the Trustee and to hold each of them harmless against any loss, liability or expense incurred without negligence or bad faith on their part arising out of or in connection with actions taken or omitted by them in reliance on and in accordance with any such written instructions furnished pursuant to this subsection 6.3(d).

Section 6.4 Mutilated, Destroyed, Lost or Stolen Certificates. If (a) any mutilated Certificate (together, in the case of Bearer Certificates, with all unmatured Coupons (if any) appertaining thereto) is surrendered to the Transfer Agent and Registrar, or the Transfer Agent and Registrar receives evidence to its satisfaction of

the destruction, loss or theft of any Certificate and (b) there is delivered to the Transfer Agent and Registrar, the Trustee and the Transferor such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Trustee that such Certificate has been acquired by a bona fide purchaser, the Transferor shall execute and the Trustee shall authenticate and the Transfer Agent and Registrar shall deliver (in the case of Bearer Certificates, outside the United States), in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a new Certificate of like tenor and aggregate Undivided Interest, if applicable. In connection with the issuance of any new Certificate under this Section 6.4, the Trustee or the Transfer Agent and Registrar may require the payment by the Certificateholder of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including those incurred by the Trustee or the Transfer Agent and Registrar) connected therewith. Any duplicate Certificate issued pursuant to this Section 6.4 shall constitute complete and indefeasible evidence of ownership in the Trust, as if originally issued, whether or not the lost, stolen or destroyed Certificate shall be found at any time.

Section 6.5 Persons Deemed Owners. Prior to due presentation of a Certificate (other than a Bearer Certificate) for registration of transfer, the Trustee, the Paying Agent, the Transfer Agent and Registrar and any agent of any of them may treat the person in whose name any Certificate is registered as the owner of such Certificate for the purpose of receiving distributions pursuant to Article IV and Article XII hereof and for all other purposes whatsoever, and neither the Trustee, the Paying Agent, the Transfer Agent and Registrar nor any agent of any of them shall be affected by any notice to the contrary. In the case of a Bearer Certificate, the Trustee, the Paying Agent, the Transfer Agent and Registrar and any agent of any of them may treat the bearer of a Bearer Certificate or Coupon as the owner of such Bearer Certificate or Coupon for the purpose of receiving distributions pursuant to Article IV and Article XII hereof and for all other purposes whatsoever, and neither the Trustee, the Paying Agent, the Transfer Agent and Registrar nor any agent of any of them shall be affected by any notice to the contrary. Notwithstanding the

foregoing provisions of this Section 6.5, in determining whether the holders of the requisite Undivided Interests have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Certificates owned by the Transferor, the Servicer or any affiliate thereof (as defined in Rule 405 under the Securities Act) shall be disregarded and deemed not to be outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Certificates which the Trustee knows to be so owned shall be so disregarded. Certificates so owned which have been pledged in good faith shall not be disregarded and may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Certificates and that the pledgee is not the United States, the Servicer or an affiliate thereof (as defined above).

Section 6.6 Appointment of Paying Agent. The Paying Agent shall make distributions to Investor Certificateholders from the Collection Account (or any other account or accounts maintained for the benefit of Certificateholders as specified in the related Supplement for any Series) pursuant to Articles IV and V hereof. Any Paying Agent shall have the revocable power to withdraw funds from the Collection Account (or any other account or accounts maintained for the benefit of Certificateholders as specified in the related Supplement for any Series) for the purpose of making distributions referred to above. The Trustee (or the Transferor if the Trustee is the Paying Agent) may revoke such power and remove the Paying Agent if the Trustee (or the Transferor if the Trustee is the Paying Agent) determines in its sole discretion that the Paying Agent shall have failed to perform its obligations under this Agreement in any material respect. The Paying Agent shall initially be the Trustee and any co-paying agent chosen by the Transferor and acceptable to the Trustee, including, if and so long as any Series of Investor Certificates is listed on the Luxembourg Stock Exchange or other stock exchange and such exchange so requires, a co-paying agent in Luxembourg or the location of such other stock exchange. The Trustee shall be permitted to resign as Paying Agent upon 30 days' written notice to the Servicer and the Transferor. Such resignation of the Trustee shall become effective only upon the appointment of a successor Paying

Agent, pursuant to this Section 6.6. The Transferor shall notify each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series of any resignation or replacement of the Paying Agent. In the event that the Trustee shall no longer be the Paying Agent, the Transferor shall appoint a successor to act as Paying Agent. The Trustee shall cause the initial Paying Agent and each successor Paying Agent or any additional Paying Agent appointed by the Transferor to execute and deliver to the Trustee an instrument in which such initial or successor Paying Agent or additional Paying Agent shall agree with the Trustee that, as Paying Agent, such initial or successor Paying Agent or additional Paying Agent will hold all sums, if any, held by it for payment to the Investor Certificateholders in trust for the benefit of the Investor Certificateholders entitled thereto until such sums shall be paid to such Certificateholders. The Paying Agent shall return all unclaimed funds to the Trustee and upon removal of a Paying Agent shall also return all funds in its possession to the Trustee. The provisions of Sections 11.1, 11.2 and 11.3 of the Agreement shall apply to the Trustee also in its role as Paying Agent, for so long as the Trustee shall act as Paying Agent. Any reference in this Agreement to the Paying Agent shall include any co-paying agent unless the context requires otherwise.

If specified in the related Supplement for any Series, so long as the Investor Certificates of such Series are outstanding, the Transferor shall, if the Paying Agent is not located in New York City, appoint a co-paying agent in New York City (for Registered Certificates only) or any other city designated in such Supplement which, if and so long as any Series of Investor Certificates is listed on the Luxembourg Stock Exchange or other stock exchange and such exchange so requires, shall be in Luxembourg or the location required by such other stock exchange.

Section 6.7 Access to List of Certificateholders' Names and Addresses. The Trustee will furnish or cause to be furnished by the Transfer Agent and Registrar to the Servicer or the Paying Agent (or any agent thereof), within five Business Days after receipt by the Trustee of a request therefor from the Servicer or the Paying Agent, respectively, in writing, a list in such form as the

Servicer or the Paying Agent may reasonably require, of the names and addresses of the Investor Certificateholders (other than Bearer Certificateholders). Unless otherwise provided in the related Supplement, if Holders representing Undivided Interests aggregating not less than 10% of the Invested Amount of the Investor Certificates of such Series (the "Applicants") apply in writing to the Trustee, and such application states that the Applicants desire to communicate with other Investor Certificateholders of such Series with respect to their rights under this Agreement or under the Investor Certificates and is accompanied by a copy of the communication which such Applicants propose to transmit, then the Trustee, after having been adequately indemnified by such Applicants for its costs and expenses, shall afford or shall cause the Transfer Agent and Registrar to afford such Applicants access during normal business hours to the most recent list of Certificateholders (other than Bearer Certificateholders) held by the Trustee, and shall give the Servicer notice that such request has been made within five Business Days after the receipt of such application. Such list shall be as of a date no more than 45 days prior to the date of receipt of such Applicants' request.

Every Certificateholder, by receiving and holding a Certificate agrees with the Trustee that neither the Trustee, the Transfer Agent and Registrar, nor any of their respective agents shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Certificateholders (other than Bearer Certificateholders) hereunder, regardless of the sources from which such information was derived.

Section 6.8 Authenticating Agent.

(a) The Trustee may appoint one or more authenticating agents with respect to the Certificates which shall be authorized to act on behalf of the Trustee in authenticating the Certificates in connection with the issuance, delivery, registration of transfer, exchange or repayment of the Certificates. Whenever reference is made in this Agreement to the authentication of Certificates by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication on behalf of the Trustee by an authenticating agent and a certificate of authentication executed

on behalf of the Trustee by an authenticating agent. Each authenticating agent must be reasonably acceptable to the Transferor.

(b) Any institution succeeding to the corporate agency business of an authenticating agent shall continue to be an authenticating agent without the execution or filing of any paper or any further act on the part of the Trustee or such authenticating agent.

(c) An authenticating agent may at any time resign by giving written notice of resignation to the Trustee and to the Transferor. The Trustee may at any time terminate the agency of an authenticating agent by giving notice of termination to such authenticating agent and to the Transferor. Upon receiving such a notice of resignation or upon such a termination, or in case at any time an authenticating agent shall cease to be acceptable to the Trustee or the Transferor, the Trustee promptly may appoint a successor authenticating agent. Any successor authenticating agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an authenticating agent. No successor authenticating agent shall be appointed unless acceptable to the Trustee and the Transferor.

(d) The Servicer agrees to pay, on behalf of the Trust, to each authenticating agent from time to time reasonable compensation for its services under this Section 6.8.

(e) The provisions of Sections 11.1, 11.2 and 11.3 of the Agreement shall be applicable to any authenticating agent.

(f) Pursuant to an appointment made under this Section 6.8, the Certificates may have endorsed thereon, in lieu of the Trustee's certificate of authentication, an alternate certificate of authentication in substantially the following form:

This is one of the Certificates described in the Master Pooling and Servicing Agreement.

as Authenticating Agent
for the Trustee,

By: _____
Authorized Officer

Section 6.9 Tender of Exchangeable Transferor Certificate.

(a) Upon any Exchange, the Trustee shall issue to the Transferor under Section 6.1 of the Agreement for execution and redelivery to the Trustee for authentication under Section 6.2 of the Agreement one or more new Series of Investor Certificates. Any such Series of Investor Certificates shall be substantially in the form specified in the applicable Supplement and shall bear, upon its face, the designation for such Series to which it belongs so selected by the Transferor. Except as specified in any Supplement for a related Series, all Investor Certificates of any Series shall be equally and ratably entitled as provided herein to the benefits hereof without preference, priority or distinction on account of the actual time or times of authentication and delivery, all in accordance with the terms and provisions of this Agreement and the applicable Supplement.

(b) The Transferor may tender the Exchangeable Transferor Certificate to the Trustee in exchange for (i) one or more newly issued Series of Investor Certificates and (ii) a reissued Exchangeable Transferor Certificate (any such tender an "Exchange"). The Transferor may perform an Exchange by notifying the Trustee, in writing at least three days in advance (an "Exchange Notice") of the date upon which the Exchange is to occur (an "Exchange Date"). Any Exchange Notice shall state the designation of any Series to be issued on the Exchange Date and, with respect to each such Series: (x) its Initial Invested Amount (or the method for calculating such Initial Invested Amount), if any, which, in the aggregate, at any time, may not be greater than the current principal amount of the Exchangeable Transferor Certificate less the product of the Minimum Transferor Percentage and the Aggregate Principal Receivables at such time, and (y) its Certificate Rate (or the method

for allocating interest payments or other cash flow to such Series), if any. On the Exchange Date, the Trustee shall only authenticate and deliver any such Series upon delivery to it of the following: (A) a Supplement in form satisfactory to the Trustee executed by the Transferor and specifying the Principal Terms of such Series, (B) the applicable Enhancement, if any, (C) an Opinion of Counsel to the effect that the newly issued Series of Investor Certificates will be characterized as either indebtedness or an interest in a partnership under existing law for Federal income tax purposes and that the issuance of the newly issued Series of Investor Certificates will not have any material adverse impact on the Federal income tax characterization of any outstanding Series of Investor Certificates that have been the subject of a previous opinion of tax counsel or result in the Trust being taxable as an association or as a publicly traded partnership taxable as a corporation for Federal or applicable state tax purposes (such opinion, a "Tax Opinion"), (D) an agreement, if any, pursuant to which the Enhancement Provider agrees to provide Enhancement, (E) written confirmation from each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series that the Exchange will not result in such Rating Agency's reducing or withdrawing its rating on any then outstanding Series rated by it and (F) the existing Exchangeable Transferor Certificate. Upon satisfaction of such conditions, the Trustee shall cancel the existing Exchangeable Transferor Certificate and issue, as provided above, such Series of Investor Certificates and new Exchangeable Transferor Certificate, dated the Exchange Date. There is no limit to the number of Exchanges that may be performed under this Agreement.

(c) In conjunction with an Exchange, the parties hereto shall execute a Supplement, which shall specify the relevant terms with respect to any Series of Investor Certificates, which may include, without limitation: (i) its name or designation, (ii) an Initial Invested Amount or the method of calculating the Initial Invested Amount, (iii) a Certificate Rate (or formula for the determination thereof), (iv) the rights of the Holder of the Exchangeable Transferor Certificate that have been transferred to the Holders of such Series pursuant to such Exchange (including any rights to allocations of Principal Collections), (v) the interest payment date or dates and the date or dates from which interest shall

accrue, (vi) the method of allocating Collections of Principal Receivables for such Series and, if applicable, with respect to other Series and the method by which the principal amount of Investor Certificates of such Series shall amortize or accrete and the method for allocating Collections of Finance Charge Receivables and Receivables in Defaulted Accounts, (vii) the names of any accounts to be used by such Series and the terms governing the operation of any such account, (viii) the Servicing Fee Percentage, (ix) the Minimum Transferor Interest Percentage, (x) the Minimum Aggregate Principal Receivables, (xi) the Stated Series Termination Date, (xii) the terms of any Enhancement, (xiii) the Enhancement Provider, (xiv) the base rate, if any, (xv) the Repurchase Terms or the terms on which the Certificates of such Series may be remarketed to other investors, (xvi) any deposit into any account provided for such Series, (xvii) the number of classes of such Series, and if more than one class, the rights and priorities of each such class, (xviii) the extent to which the Investor Certificates will be issuable in temporary or permanent global form, and in such case, the depository for such global certificate or certificates, the terms and conditions, if any, upon which such global certificate may be exchanged in whole or in part for Definitive Certificates, and the manner in which any interest payable on a temporary or global certificate will be paid, (xix) whether the Certificates may be issued in bearer form and any limitations imposed thereon and provisions relating to compliance with applicable laws and rules for bearer instruments, (xx) the priority of any Series with respect to any other Series, and (xxi) any other relevant terms of such Series (all such terms, the "Principal Terms" of such Series). If on the date of the issuance of such Series there is issued and outstanding no Series of Investor Certificates which is currently rated by a Rating Agency, then as a condition to such Exchange a nationally recognized investment banking firm or commercial bank shall also deliver to the Trustee an officer's certificate stating, in substance, that the Exchange will not have an adverse effect on the timing or distribution of payments to such other Series of Investor Certificates then issued and outstanding.

(d) In connection with the creation or sale of any additional interest in the Trust or the Receivables, whether or not designated as an Exchange (including, but not limited to, the receipt by the Trust or the Transfer-

or of the proceeds of any loan or additional loan provided by an Enhancement Provider), the Transferor shall deliver to the Trustee and each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series a Tax Opinion with respect to such interest if so requested by any such Rating Agency.

Section 6.10 Global Certificate; Euro-Certificate Exchange Date.

(a) If specified in the related Supplement for any Series, the Investor Certificates may be initially issued in the form of a single temporary Global Certificate (the "Global Certificate") in bearer form, without interest coupons, in the denomination of the Initial Invested Amount and substantially in the form attached to the applicable Supplement. Unless otherwise specified in the applicable Supplement, the provisions of this Section 6.10 shall apply to such Global Certificate. The Global Certificate will be authenticated by the Trustee upon the same conditions, in substantially the same manner and with the same effect as the Definitive Certificates. The Global Certificate may be exchanged as described in this Section 6.10 or in the applicable Supplement for Bearer and/or Registered Certificates in definitive form (the "Definitive Euro-Certificates"). Notwithstanding the foregoing, no Certificates shall be issued in bearer form unless the Transferor has determined, and delivers an Opinion of Counsel to the Trustee substantially to the effect that, the terms and procedures governing issuance and transfer of such Certificates result in favorable treatment to Investor Certificateholders under the Bearer Rules.

(b) The Manager shall, upon its determination of the date of completion of the distribution of the Certificates, so advise the Trustee, the Transferor, the Common Depositary, and each Foreign Clearing Agency in writing forthwith. Without unnecessary delay, but prior to the Euro-Certificate Exchange Date, the Transferor will execute and deliver to the Trustee at its office or to the Trustee's designated agent outside the United States definitive Bearer Certificates in an aggregate principal amount equal to the Initial Invested Amount. All Bearer Certificates so issued and delivered will have Coupons attached. The Global Certificate may be exchanged for an equal aggregate principal amount of Definitive

itive Euro-Certificates only on or after the Euro-Certificate Exchange Date. A United States institutional investor will be required to deliver to the Transferor, the Trustee and the Manager at the time of its purchase of Registered Certificates a signed certificate substantially in the form attached to the Supplement for the related Series. Upon any demand for exchange for Definitive Certificates in accordance with this paragraph, the Transferor shall cause the Trustee to authenticate and deliver the Definitive Certificates to the Holder (x) outside the United States, in the case of Bearer Certificates, and (y) according to the instructions of the Holder, in the case of Registered Certificates, but only upon presentation to the Trustee of a written statement substantially in the form attached to the Supplement for the related Series with respect to the Global Certificate or portion thereof being exchanged, signed by a Foreign Clearing Agency, to the effect that it has received in writing or by tested telex a certification substantially in the form of the certificate attached to the Supplement for the related Series, such certificate being dated no earlier than 15 days prior to the Euro-Certificate Exchange Date and signed by or on behalf of the person appearing in the records of a Foreign Clearing Agency as the beneficial owner of the Global Certificate or portion thereof being exchanged. Upon receipt of such certification, the Trustee shall cause the Global Certificate to be endorsed in accordance with paragraph (d) below. Unless otherwise provided in the applicable Supplement, any exchange as provided in this subsection 6.10(b) shall be made free of charge to the holders and the beneficial owners of the Global Certificate and to the beneficial owners of the Definitive Euro-Certificates issued in exchange, except that a person receiving Definitive Euro-Certificates must bear the cost of insurance, postage, transportation and the like in the event that such person does not receive such Definitive Euro-Certificates in person at the offices of a Foreign Clearing Agency.

(c) The delivery to the Trustee by a Foreign Clearing Agency of any written statement referred to above may be relied upon by the Transferor and the Trustee as conclusive evidence that a corresponding certification or certifications has or have been delivered to such Foreign Clearing Agency, pursuant to the terms of this Agreement.

(d) Upon any such exchange of all or a portion of the Global Certificate for a Definitive Euro-Certificate or Certificates, such Global Certificate shall be endorsed by or on behalf of the Trustee to reflect the reduction of its principal amount by an amount equal to the aggregate principal amount of such Definitive Euro-Certificate or Certificates. Until so exchanged in full, such Global Certificate shall in all respects be entitled to the same benefits under this Agreement as Definitive Euro-Certificates authenticated and delivered hereunder except that the beneficial owners of such Global Certificate shall not be entitled to receive payments of interest on the Certificates until they have exchanged their beneficial interests in such Global Certificate for Definitive Euro-Certificates.

Section 6.11 Book-Entry Certificates. Unless otherwise provided in any related Supplement, the Investor Certificates, upon original issuance, will be issued in the form of the requisite number of typewritten Certificates representing the Book-Entry Certificates, to be delivered to The Depository Trust Company, the initial Clearing Agency, by, or on behalf of, the Transferor. The Investor Certificates shall initially be registered on the Certificate Register in the name of CEDE & Co., the nominee of the Clearing Agency, and no Certificate Owner will receive a definitive certificate representing such Certificate Owner's interest in the Investor Certificates, except as provided in Section 6.13 of the Agreement. Unless and until definitive, fully registered Investor Certificates (the "Definitive Certificates") have been issued to Certificate Owners pursuant to Section 6.13 of the Agreement:

(i) the provision of this Section 6.11 shall be in full force and effect;

(ii) the Transferor, the Servicer, the Paying Agent, the Transfer Agent and Registrar and the Trustee may deal with the Clearing Agency and the Clearing Agency Participants for all purposes (including the making of distributions on the Investor Certificates) as the authorized representatives of the Certificate Owners;

(iii) to the extent that the provisions of this Section 6.11 conflict with any other provisions of this Agreement, the provisions of this Section 6.11 shall control;

(iv) the rights of Certificate Owners shall be exercised only through the Clearing Agency and the Clearing Agency Participants and shall be limited to those established by law and agreements between such Certificate Owners and the Clearing Agency and/or the Clearing Agency Participants. Pursuant to the Depository Agreement, unless and until Definitive Certificates are issued pursuant to Section 6.13 of the Agreement, the initial Clearing Agency will make book-entry transfers among the Clearing Agency Participants and receive and transmit distributions of principal and interest on the Investor Certificates to such Clearing Agency Participants; and

(v) whenever this Agreement requires or permits actions to be taken based upon instructions or directions of a specified percentage of the Invested Amount of any or all Series of Certificates outstanding, the Clearing Agency shall be deemed to represent such percentage only to the extent that it has received instructions to such effect from Certificate Owners and/or Clearing Agency Participants owning or representing, respectively, such required percentage of the beneficial interest in Investor Certificates.

Section 6.12 Notices to Clearing Agency. Whenever notice or other communication to the Investor Certificateholders is required under this Agreement or any Supplement, unless and until Definitive Certificates shall have been issued to Certificate Owners pursuant to Section 6.13 of the Agreement, the Trustee, the Servicer and the Paying Agent, to the extent any of them is obligated hereunder or under any Supplement to give notices and communications to Investor Certificateholders, shall give or cause to be given all such notices and communications specified herein or therein to be given to Holders of the Investor Certificates to the Clearing Agencies.

Section 6.13 Definitive Certificates. If Book-Entry Certificates have been issued pursuant to Section 6.11 and if (i)(A) the Transferor advises the Trustee in writing that the Clearing Agency is no longer willing or able to discharge properly its responsibilities under the Depository Agreement, and (B) the Trustee or the Transferor is unable to locate a qualified successor (which successor must be treated as maintaining a book-entry system within the meaning of Section 163(f)(3) of the Internal Revenue Code), (ii) the Transferor at its option, advises the Trustee in writing that it elects to terminate the book-entry system through the applicable Clearing Agency with respect to the Certificates or (iii) after the occurrence of a Servicer Default, Certificate Owners representing beneficial interests aggregating more than 50% of the Invested Amount of any Series advise the Trustee and the Clearing Agency through the applicable Clearing Agency Participants in writing that the continuation of a book-entry system through the Clearing Agency is no longer in the best interests of the Certificate Owners, the Trustee shall notify all Certificate Owners, through each applicable Clearing Agency Participant, of the occurrence of any such event and of the availability of Definitive Certificates to Certificate Owners requesting the same. Upon surrender to the Trustee of the Investor Certificates by the Clearing Agency, accompanied by registration instructions from the Clearing Agency for registration, the Trustee shall issue the Definitive Certificates. Neither the Transferor, the Transfer Agent and Registrar nor the Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such instructions. Upon the issuance of Definitive Certificates all references herein to obligations imposed upon or to be performed by the Clearing Agency shall be deemed to be imposed upon and performed by the Trustee to the extent applicable with respect to such Definitive Certificates and the Trustee shall recognize the Holders of the Definitive Certificates as Certificateholders hereunder.

Section 6.14 Meetings of Certificateholders.

(a) Unless not permitted by the Supplement for any Series issued in whole or in part in Bearer Certificates, the Transferor, the Servicer or the Trustee may at any time call a meeting of the Certificateholders of such

Series or of all Series, to be held at such time and at such place as the Transferor, the Servicer or the Trustee, as the case may be, shall determine, for the purpose of approving a modification of or amendment to, or obtaining a waiver of, any covenant or condition set forth in this Agreement with respect to such Series or in the Certificates of such Series, subject to Section 13.1 of the Agreement. References in this Section to Certificateholders shall be deemed to refer to the Exchangeable Transferor Certificates and only those Series of Investor Certificates for which this Section 6.14 is applicable. Notice of any meeting of Certificateholders, setting forth the time and place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given in accordance with Section 13.5 of the Agreement and at least once in an Authorized Newspaper and, if and for so long as the Certificates are listed on the Luxembourg Stock Exchange or other stock exchange and such exchange so requires, in a newspaper of general circulation in Luxembourg (which newspaper shall be printed in the English or French language and customarily published on each business day in Luxembourg) or the location required by such other stock exchange, the first publication to be not less than 20 nor more than 180 days prior to the date fixed for the meeting. To be entitled to vote at any meeting of Certificateholders, a person shall be (i) a Holder of one or more Certificates of the applicable Series or (ii) a person appointed by an instrument in writing as proxy by the Holder of one or more Certificates. The only Persons who shall be entitled to be present or to speak to any meeting of Certificateholders shall be the Persons entitled to vote at such meeting and their counsel and any representatives of the Transferor, the Servicer and the Trustee and their respective counsels.

(b) At a meeting of Investor Certificateholders, persons entitled to vote Investor Certificates evidencing Undivided Interests aggregating a majority of the Invested Amount of the applicable Series or all outstanding Series, as the case may be, shall constitute a quorum. No business shall be transacted in the absence of a quorum, unless a quorum is present when the meeting is called to order. In the absence of a quorum at any such meeting, the meeting may be adjourned for a period of not less than 10 days; in the absence of a quorum at any such adjourned meeting, such adjourned meeting may be

further adjourned for a period of not less than 10 days; at the reconvening of any meeting further adjourned for lack of a quorum, the Persons entitled to vote at least 25% in Undivided Interest of the applicable Series or all outstanding Series, as the case may be, shall constitute a quorum for the taking of any action set forth in the notice of the original meeting. Notice of the reconvening of any adjourned meeting shall be given as provided above except that such notice must be given not less than five days prior to the date on which the meeting is scheduled to be reconvened. Notice of the reconvening of an adjourned meeting shall state expressly the percentage of the aggregate principal amount of the outstanding Investor Certificates which shall constitute a quorum.

(c) Any Certificateholder who has executed an instrument in writing appointing a person as proxy shall be deemed to be present for the purposes of determining a quorum and be deemed to have voted; provided that such Certificateholder shall be considered as present or voting only with respect to the matters covered by such instrument in writing. Subject to the provisions of Section 13.1 of the Agreement, any resolution passed or decision taken at any meeting of Investor Certificateholders duly held in accordance with this Section 6.14 shall be binding on all the Investor Certificateholders whether or not present or represented at the meeting.

(d) The holding of Bearer Certificates shall be proved by the production of such Bearer Certificates or by a certificate, satisfactory to the Servicer and the Trustee, executed by any bank, trust company or recognized securities dealer, wherever situated, satisfactory to the Servicer and the Trustee. Each such certificate shall be dated and shall state that on the date thereof a Bearer Certificate bearing a specified serial number was deposited with or exhibited to such bank, trust company or recognized securities dealer by the person named in such certificate. Any such certificate may be issued in respect of one or more Bearer Certificates specified therein. The holding by the person named in any such certificate of any Bearer Certificate specified therein shall be presumed to continue for a period of one year from the date of such certificate unless at the time of any determination of such holding (i) another certificate bearing a later date issued in respect of the same Bearer Certificate shall be produced, (ii) the Bearer Certifi-

cate specified in such certificate shall be produced by some other person or (iii) the Bearer Certificate specified in such certificate shall have ceased to be outstanding. The appointment of any proxy shall be proved by having the signature of the person executing the proxy guaranteed by any bank, trust company or recognized securities dealer satisfactory to the Trustee. The holding of Registered Certificates shall be proved by the Certificate Register or by a certificate or certificates of the Transfer Agent and Registrar.

(e) The Trustee shall appoint a temporary chairman of the meeting. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the holders of a majority in Undivided Interest of the Certificates of such Series represented at the meeting. No vote shall be cast or counted at any meeting in respect of any Certificate challenged as not outstanding and ruled by the chairman of the meeting to be not outstanding. The chairman of the meeting shall have no right to vote except as a Certificateholder or proxy. Any meeting of Certificateholders duly called at which a quorum is present may be adjourned from time to time, and the meeting may be held as so adjourned without further notice.

(f) The vote upon any resolution submitted to any meeting of Certificateholders shall be by written ballot on which shall be subscribed the signatures of the Certificateholders or proxies and on which shall be inscribed the serial number or numbers of the Certificates held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Certificateholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was published as provided above. The record shall be signed and verified by the permanent chairman and secretary of the meeting and one of the duplicates shall

be delivered to the Servicer and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

(END OF ARTICLE VI)

ARTICLE VII

OTHER MATTERS RELATING
TO THE TRANSFEROR

Section 7.1 Liability of the Transferor. The Transferor shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by such Transferor.

Section 7.2 Merger or Consolidation of, or Assumption of the Obligations of, the Transferor. (a) The Transferor shall not consolidate with or merge into any other business entity or convey or transfer its properties and assets substantially as an entirety to any Person, unless:

(i) the business entity formed by such consolidation or into which the Transferor is merged or the Person which acquires by conveyance or transfer the properties and assets of the Transferor substantially as an entirety shall be organized and existing under the laws of the United States of America or any State or the District of Columbia, and shall be a national banking association, state banking corporation or other entity which is not subject to the bankruptcy laws of the United States of America, and if the Transferor is not the surviving entity, shall expressly assume, by an agreement supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the performance of every covenant and obligation of the Transferor, as applicable hereunder and shall benefit from all the rights granted to the Transferor, as applicable hereunder. (To the extent that any right, covenant or obligation of the Transferor is inapplicable to the successor entity, such successor entity shall be subject to such covenant or obligation, or benefit from such right, as would apply, to the extent practicable, to such successor entity);

(ii) the Transferor has delivered to the Trustee an Officer's Certificate signed by a Vice President or more senior officer of the

Transferor stating that such consolidation, merger, conveyance or transfer and such supplemental agreement comply with this Section 7.2 and that all conditions precedent herein provided for relating to such transaction have been complied with and an Opinion of Counsel stating that such supplemental agreement is legal, valid and binding with respect to the Transferor; and

(iii) the Transferor shall have delivered written notice to each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series of such consolidation, merger, conveyance or transfer.

(b) The obligations of the Transferor hereunder shall not be assignable nor shall any Person succeed to the obligations of the Transferor hereunder except in each case in accordance with the provisions of the foregoing paragraph.

Section 7.3 Limitation on Liability of the Transferor. The directors, officers, employees or agents of the Transferor shall not be under any liability to the Trust, the Trustee, the Certificateholders, any Enhancement Provider or any other Person hereunder or pursuant to any document delivered hereunder, it being expressly understood that all such liability is expressly waived and released as a condition of, and as consideration for, the execution of this Agreement and any Supplement and the issuance of the Certificates; provided, however, that this provision shall not protect the officers, directors, employees or agents of the Transferor against any liability which would otherwise be imposed by reason of willful misfeasance, bad faith or gross negligence in the performance of duties hereunder. Except as provided in Section 7.4, the Transferor shall not be under any liability to the Trust, the Trustee, the Certificateholders, any Enhancement Provider or any other Person for any action taken or for refraining from the taking of any action in its capacity as Transferor pursuant to this Agreement or any Supplement whether arising from express or implied duties under this Agreement or any Supplement; provided, however, that this provision shall not protect the Transferor against any liability which would otherwise be imposed by reason of willful misfeasance, bad faith or

gross negligence in the performance of duties hereunder.

The Transferor and any director, officer, employee or agent of the Transferor may rely in good faith on any document of any kind prima facie properly executed and submitted by any Person respecting any matters arising hereunder.

Section 7.4 Liabilities. Notwithstanding Section 7.3, by entering into this Agreement, the Transferor agrees to be liable, directly to the injured party, for the entire amount of any losses, claims, damages, penalties or liabilities (other than those incurred by a Certificateholder in the capacity of an investor in the Investor Certificates as a result of the performance of the Receivables, market fluctuations, a shortfall in any Enhancement or other similar market or investment risks) arising out of or based on the arrangement created by this Agreement and the actions of the Servicer taken pursuant hereto as though this Agreement created a partnership under the Uniform Partnership Act. The Transferor agrees to pay, indemnify and hold harmless each Investor Certificateholder against and from any and all such losses, claims, damages and liabilities (other than those incurred by a Certificateholder in the capacity of an investor in the Investor Certificates as a result of the performance of the Receivables, market fluctuations, a shortfall in any Enhancement or other similar market or investment risks) except to the extent that they arise from any action by such Investor Certificateholder. Subject to Sections 8.3 and 8.4, in the event of a Service Transfer, the Successor Servicer will indemnify and hold harmless the Transferor for any losses, claims, damages and liabilities of the Transferor as described in this Section 7.4 arising from the actions or omissions of such Successor Servicer.

(END OF ARTICLE VII)

ARTICLE VIII

OTHER MATTERS RELATING
TO THE SERVICER

Section 8.1 Liability of the Servicer. The Servicer shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Servicer in such capacity herein.

Section 8.2 Merger or Consolidation of, or Assumption of the Obligations of, the Servicer. (a) The Servicer shall not consolidate with or merge into any other business entity or convey or transfer its properties and assets substantially as an entirety to any Person, unless:

(i) the business entity formed by such consolidation or into which the Servicer is merged or the Person which acquires by conveyance or transfer the properties and assets of the Servicer substantially as an entirety shall be organized and existing under the laws of the United States of America or any State or the District of Columbia, and shall be a national banking association, state banking corporation or other entity which is not subject to the bankruptcy laws of the United States of America, and if the Servicer is not the surviving entity, shall be an Eligible Servicer and shall expressly assume, by an agreement supplemental hereto, executed and delivered to the Trustee, the performance of every covenant and obligation of the Servicer hereunder. (To the extent that any right, covenant or obligation of the Servicer is inapplicable to the successor entity, such successor entity shall be subject to such covenant or obligation, or benefit from such right, as would apply, to the extent practicable, to such successor entity.);

(ii) the Servicer has delivered to the Trustee an Officer's Certificate stating that such consolidation, merger, conveyance or transfer and such supplemental agreement comply with this Section 8.2 and that all conditions precedent herein provided for relating to such

transaction have been complied with and an Opinion of Counsel stating that such supplemental agreement is legal, valid and binding with respect to the Servicer; and

(iii) the Servicer shall have delivered written notice to each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series of such consolidation, merger, conveyance or transfer.

Section 8.3 Limitation on Liability of the Servicer and Others. The directors, officers, employees or agents of the Servicer shall not be under any liability to the Trust, the Transferor, the Trustee, the Certificateholders, any Enhancement Provider or any other Person hereunder or pursuant to any document delivered hereunder, it being expressly understood that all such liability is expressly waived and released as a condition of, and as consideration for, the execution of this Agreement and any Supplement and the issuance of the Certificates; provided, however, that this provision shall not protect the directors, officers, employees and agents of the Servicer against any liability which would otherwise be imposed by reason of willful misfeasance, bad faith or gross negligence in the performance of duties hereunder.

Except as provided in Section 8.4, the Servicer shall not be under any liability to the Trust, the Trustee, the Certificateholders or any other Person for any action taken or for refraining from the taking of any action in its capacity as Servicer pursuant to this Agreement or any Supplement whether arising from express or implied duties under this Agreement or any Supplement; provided, however, that this provision shall not protect the Servicer against any liability which would otherwise be imposed by reason of willful misfeasance, bad faith or gross negligence in the performance of duties hereunder.

The Servicer may rely in good faith on any document of any kind prima facie properly executed and submitted by any Person respecting any matters arising hereunder. The Servicer shall not be under any obligation to appear in, prosecute or defend any legal action which is not incidental to its duties to service the Receivables in accordance with this Agreement or any Supplement which in its reasonable opinion may involve it in any expense or liability.

Section 8.4 Indemnification of the Trust and the Trustee.

The Servicer shall indemnify and hold harmless the Trust, for the benefit of the Certificateholders, and the Trustee, including its officers, directors and employees, from and against any reasonable loss, liability, expense, damage or injury arising out of or relating to any claims, actions or proceedings brought or asserted by third parties which are suffered or sustained by reason of any acts or omissions of the Servicer pursuant to this Agreement or any Supplement, including but not limited to any judgment, award, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim; provided, however, that the Servicer shall not indemnify the Trust for the benefit of the Certificateholders or the Trustee or its officers, directors or employees for any liability, cost or expense of the Trust or the Trustee or its officers, directors or employees if any such claims, actions or proceedings relate to (i) any action taken by the Trustee at the request of the Investor Certificateholders, (ii) any Federal, state, local or foreign income or franchise taxes or any other tax imposed or measured by income (or any interest or penalties with respect thereto) required to be paid by the Trust, the Trustee or the Investor Certificateholders in connection herewith to any taxing authority or (iii) with respect to the Trustee and its officers, directors and employees, any fraud, negligence, willful misconduct or wrongful actions taken by or omissions of the Trustee. Subject to Sections 7.1 and 7.4 and subsection 10.2(b) of the Agreement, any indemnification pursuant to this Section shall only be from the assets of the Servicer. The provisions of this indemnity shall run directly to and be enforceable by an injured party subject to the limitations hereof and shall survive the termination of the Agreement and payment in full of the certificates.

Section 8.5 The Servicer Not to Resign. The Servicer shall not resign from the obligations and duties hereby imposed on it as such except upon determination that (i) the performance of its duties hereunder is or will become impermissible under applicable law, regulation or order and (ii) there is no reasonable action which the Servicer could take to make the performance of its duties hereunder permissible under applicable law, regulation or order. Any such determination permitting the resignation

of the Servicer shall be evidenced as to clause (i) of this Section by an Opinion of Counsel to such effect delivered to the Trustee. If the Trustee is unable within 120 days of the date of such determination to appoint a Successor Servicer pursuant to subsection 10.2(a), the Trustee or its duly appointed agent (which may not be the outgoing Servicer) shall serve as Successor Servicer hereunder but the Trustee shall have continued authority to appoint another Person as Successor Servicer.

Section 8.6 Access to Certain Documentation and Information Regarding the Receivables. The Servicer shall provide to the Trustee access to the documentation regarding the Accounts and the Receivables in such cases where the Trustee is required in connection with the enforcement of the rights of the Investor Certificate-holders, or by applicable statutes or regulations, to review such documentation, such access being afforded without charge but only (i) upon reasonable request, (ii) during normal business hours, (iii) subject to such security and confidentiality procedures as the Servicer may deem reasonably necessary and (iv) at offices designated by the Servicer. Nothing in this Section 8.6 shall derogate from the obligation of the Transferor, the Trustee or the Servicer to observe any applicable law prohibiting disclosure of information regarding the Obligors and the failure of the Servicer to provide access as provided in this Section 8.6 as a result of such obligation shall not constitute a breach of this Section 8.6.

Section 8.7 Delegation of Duties. It is understood and agreed by the parties hereto that the Servicer may delegate certain of its duties hereunder to any Person who agrees to conduct such duties in accordance with the applicable Account Guidelines. The fees of any Person to whom such duties are delegated shall be for the account of the Servicer. Any such delegations shall not relieve the Servicer of its liability and responsibility with respect to such duties, and shall not constitute a resignation within the meaning of Section 8.5 hereof. If any such delegation is not in the ordinary course of business, notification thereof shall be given to each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series.

Section 8.8 Examination of Records. The Transferor and the Servicer shall clearly and unambiguously identify each Account (including any Supplemental Account designated pursuant to Section 2.6) in its computer or other records to reflect that the Receivables arising in such Account have been conveyed to the Trust pursuant to this Agreement. The Transferor and the Servicer shall, prior to the sale or transfer to a third party of any receivable held in its custody, examine its computer and other records to determine that such receivable is not a Receivable.

(END OF ARTICLE VIII)

ARTICLE IX

EARLY AMORTIZATION EVENTS

Section 9.1 Early Amortization Events. Unless modified with respect to any Series of Investor Certificates by any related Supplement, if any one of the following events shall occur:

(a) the Transferor or Nordstrom Credit, Inc. shall consent to the appointment of a trustee, conservator, receiver, liquidator, custodian or other similar official in any bankruptcy, insolvency, readjustment of debt, marshalling of assets and liabilities, receivership, conservatorship or similar proceedings of or relating to either the Transferor or Nordstrom Credit, Inc. or of or relating to all or substantially all of its property; or a decree or order of a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a trustee, conservator, receiver, liquidator, custodian or other similar official in any bankruptcy, insolvency, readjustment of debt, marshalling of assets and liabilities, receivership, conservatorship or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against either the Transferor or Nordstrom Credit, Inc. and, only in the case of Nordstrom Credit, Inc., such decree or order shall have remained in force undischarged or unstayed for a period of sixty (60) days; either the Transferor or Nordstrom Credit, Inc. shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable bankruptcy, insolvency, receivership, conservatorship or reorganization statute, make an assignment for the benefit of its creditors or voluntarily suspend payment of its obligations; an involuntary petition shall be filed with respect to the Transferor or Nordstrom Credit, Inc. in a court of competent jurisdiction seeking to take advantage of any applicable bankruptcy, insolvency, receivership, conservatorship or reorganization statute and, only in the case of Nordstrom Credit, Inc., such proceeding or petition shall continue undismissed for sixty (60) days; or the Transferor shall become unable for any reason to transfer Receivables in accordance with the provisions of this Agreement; and

(b) the Trust shall become an "investment company" within the meaning of the Investment Company Act of 1940, as amended (the "1940 Act");

then, an Early Amortization Event with respect to all Series of Certificates then outstanding shall occur without any notice or other action on the part of the Trustee or all Investor Certificateholders immediately upon the occurrence of such event. The Trustee shall advise each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series in writing of the occurrence of any Early Amortization Event.

Section 9.2 Additional Rights Upon the Occurrence of Certain Events.

(a) If the Transferor voluntarily goes into liquidation or consents to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings of or relating to the Transferor or of or relating to all or substantially all their respective property, or a decree or order of a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against the Transferor; or the Transferor shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors or voluntarily suspend payment of its obligations; or the Transferor shall become unable for any reason to transfer Receivables to the Trust in accordance with the provisions of this Agreement (such voluntary liquidation, appointment, entering of such decree, admission, filing, making, suspension or inability, a "Dissolution Event"), the Transferor shall promptly give notice of such event to the Trustee, and the Transferor shall on the day of such appointment, voluntary liquidation, entering of such decree, admission, filing, making, suspension or inability, as the case may be (the "Appointment Day"), immediately cease to transfer Principal Receivables to the Trust hereunder. Notwithstanding

any cessation of the transfer to the Trust of additional Principal Receivables, Principal Receivables transferred to the Trust prior to the occurrence of such Dissolution Event and Collections in respect of such Principal Receivables and Finance Charge Receivables whenever created shall continue to be part of the Trust, and such Collections shall continue to be allocated and deposited in accordance with the provisions of Article IV. Within 15 days of the receipt by the Trustee of the notice of a Dissolution Event, the Trustee shall (i) publish a notice in an Authorized Newspaper that a Dissolution Event has occurred and that the Trustee intends to sell, dispose of or otherwise liquidate the Receivables in a commercially reasonable manner and (ii) send written notice to the Investor Certificateholders and any Enhancement Provider entitled thereto describing the provisions of this Section 9.2 and requesting instructions from such Holders, which notice shall request each Investor Certificateholder to advise the Trustee in writing that it elects one of the following options: (A) the Investor Certificateholder wishes the Trustee to instruct the Servicer not to sell, dispose of or otherwise liquidate the Receivables and to instruct the Servicer to reconstitute the Trust upon the same terms and conditions set forth herein, or (B) the Investor Certificateholder wishes the Trustee to instruct the Servicer to sell, dispose of or otherwise liquidate the Receivables, or (C) the Investor Certificateholder refuses to advise the Trustee as to the specific action the Trustee shall instruct the Servicer to take. If after 90 days from the day notice pursuant to clause (i) above is first published (the "Publication Date"), the Trustee shall not have received written instructions of Holders (other than the Transferor or any of its Affiliates) of Investor Certificates representing Undivided Interests aggregating in excess of 50% of the related Invested Amount of each Series (or in the case of a Series having more than one class of Investor Certificates, each class of such Series) to the effect that the Trustee shall instruct the Servicer not to sell, dispose of, or otherwise liquidate the Receivables and to instruct the Servicer to reconstitute the Trust upon the same terms and conditions as set forth herein, the Trustee shall instruct the Servicer to proceed to sell, dispose of, or otherwise liquidate the Receivables in a commercially reasonable manner and on commercially reasonable terms, which shall include the solicitation of competitive bids and the Servicer shall proceed to con-

summate the sale, liquidation or disposition of the Receivables as provided above with the highest bidder for the Receivables. If, however, with respect to the portion of the Receivables allocable to any outstanding Series, the holders (other than the Transferor or any of its Affiliates) of more than 50% of the principal amount of each class of such Series instruct the Trustee not to sell the portion of the Receivables allocable to such Series, the Trust shall continue with respect to such Series pursuant to the terms of the Agreement and the Supplement. If specified in the applicable Supplement, the holder (other than the Transferor or any of its Affiliates) of an Enhancement Invested Amount with respect to a Series shall be entitled to give instructions pursuant to this Section 9.2 as if such Enhancement Invested Amount were a class of such Series. The portion of the Receivables allocable to any Series shall be equal to the sum of (1) the product of (A) the Transferor Percentage, (B) the Aggregate Principal Receivables and (C) a fraction the numerator of which is the related Percentage with respect to Finance Charge Receivables and the denominator of which is the sum of all Invested Percentages with respect to Finance Charge Receivables of all Series outstanding and (2) the Invested Amount of such Series. The Transferor or any of its Affiliates shall be permitted to bid for the Receivables. In addition the Transferor or any of its Affiliates shall have the right to match any bid by a third person and be granted the right to purchase the Receivables at such matched bid price. The Trustee may obtain a prior determination from the conservator or receiver that the terms and manner of any proposed sale, disposition or liquidation are commercially reasonable. The provisions of Sections 9.1 and 9.2 shall not be deemed to be mutually exclusive.

(b) The proceeds from the sale, disposition or liquidation of the Receivables pursuant to subsection (a) above shall be treated as Collections on the Receivables allocable to the Investor Certificateholders and shall be allocated and deposited as Collections allocable to the Investor Certificateholders of the applicable series in accordance with the provisions of Article IV; provided that the Trustee shall determine conclusively without liability for such determination the amount of such proceeds which are allocable to Finance Charge Receivables and the amount of such proceeds which are allocable

to Principal Receivables. On the day following the Distribution Date on which such proceeds are distributed to the Investor Certificateholders (assuming that no Series elects to reconstitute the Trust), the Trust shall terminate.

(END OF ARTICLE IX)

ARTICLE X

SERVICER DEFAULTS

Section 10.1 Servicer Defaults. If any one of the following events (a "Servicer Default") shall occur and be continuing:

(a) any failure by the Servicer to make any payment, transfer or deposit or to give instructions or notice to the Trustee to make such payment, transfer or deposit or to give notice to the Trustee as to any required drawing or payment under any Enhancement on or before the date occurring five Business Days after the date such payment, transfer, deposit or drawing or such instruction or notice is required to be made or given, as the case may be, under the terms of this Agreement or any Supplement; provided, however, that any such failure caused by a non willful act of the Servicer shall not constitute a Servicer Default if the Servicer promptly remedies such failure within five Business Days after receiving notice of such failure or otherwise becoming aware of such failure;

(b) failure on the part of the Servicer duly to observe or perform any other covenants or agreements of the Servicer set forth in this Agreement or any Supplement, which has a material adverse effect on the Certificateholders of any Series then outstanding (without regard to the amount of any Enhancement) and which continues unremedied for a period of 60 days after the date on which the written notice of such failure requiring the same to be remedied shall have been given to the Servicer by the Trustee, or to the Servicer and the Trustee by the Holders of Investor Certificates evidencing Undivided Interests aggregating not less than 50% of the Invested Amount of any Series materially adversely affected thereby, and which continues to materially adversely affect the rights of the Holders of Investor Certificates of such Series (without regard to the amount of any Enhancement) for such period; or the Servicer shall delegate its duties under this Agreement, except as permitted by Section 8.7;

(c) any representation, warranty or certification made by the Servicer in this Agreement or any Supplement or in any certificate delivered pursuant to this

Agreement or any Supplement shall prove to have been incorrect when made, which has a material adverse effect on the rights of the Certificateholders of any Series then outstanding (without regard to the amount of any Enhancement) and which continues to be incorrect in any material respect and which continues to affect materially and adversely the rights of the Certificateholders of any Series (without regard to the amount of any Enhancement) for a period of 60 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer by the Trustee, or to the Servicer and the Trustee by the Holders of Investor Certificates evidencing Undivided Interests aggregating more than 50% of the Invested Amount of any Series adversely affected thereby; or

(d) the Servicer shall consent to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings of or relating to the Servicer or of or relating to all or substantially all of its property, or a decree or order of a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against the Servicer and such decree or order shall have remained in force undischarged or unstayed for a period of 60 days; or the Servicer shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable insolvency or reorganization statute, make any assignment for the benefit of its creditors or voluntarily suspend payment of its obligations;

then, so long as such Servicer Default shall not have been remedied, either the Trustee or the Holders of Investor Certificates evidencing Undivided Interests aggregating more than 50% of the Aggregate Invested Amount, by notice then given in writing to the Servicer (and to the Trustee if given by the Investor Certificateholders) (a "Termination Notice"), may terminate all of the rights and obligations of the Servicer as Servicer under this Agreement and in and to the Receivables and the proceeds thereof and appoint a new Servicer (a "Ser-

vice Transfer"). The rights and interests of the Transferor Interest will not be affected by any Service Transfer. The Trustee, upon giving or receiving a Termination Notice shall immediately notify each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series and any Enhancement Provider of such notice. After receipt by the Servicer of such Termination Notice, and on the date that a Successor Servicer shall have been appointed by the Trustee pursuant to Section 10.2, all authority and power of the Servicer under this Agreement shall pass to and be vested in a Successor Servicer; and, without limitation, the Trustee is hereby authorized and empowered (upon the failure of the Servicer to cooperate) to execute and deliver, on behalf of the Servicer, as attorney-in-fact or otherwise, all documents and other instruments upon the failure of the Servicer to execute or deliver such documents or instruments, and to do and accomplish all other acts or things necessary or appropriate to effect the purposes of such Service Transfer. The Servicer agrees to take all reasonable actions to cooperate with the Trustee and such Successor Servicer in effecting the termination of the responsibilities and rights of the Servicer to conduct servicing hereunder, including, without limitation, the transfer to such Successor Servicer of all authority of the Servicer to service the Receivables provided for under this Agreement, including, without limitation, all authority over all Collections which shall on the date of transfer be held by the Servicer for deposit, or which have been deposited by the Servicer, in the Collection Account, or which shall thereafter be received with respect to the Receivables, and in assisting the Successor Servicer and in enforcing all rights to Recoveries. The Servicer shall promptly transfer its electronic records relating to the Receivables to the Successor Servicer in such electronic form as the Successor Servicer may reasonably request and shall promptly transfer to the Successor Servicer all other records, correspondence and documents necessary for the continued servicing of the Receivables in the manner and at such times as the Successor Servicer shall reasonably request. To the extent that compliance with this Section 10.1 shall require the Servicer to disclose to the Successor Servicer information of any kind which the Servicer reasonably deems to be confidential, the Successor Servicer shall be required to enter into such custom-

ary licensing and confidentiality agreements as the Servicer shall deem necessary to protect its interest.

Notwithstanding the foregoing, a delay in or failure of performance referred to in subsection 10.1(a) for a period of 10 Business Days after the applicable grace period or under subsection 10.1(b) or (c) for a period of 60 Business Days after the applicable grace period shall not constitute a Servicer Default if such delay or failure could not be prevented by the exercise of reasonable diligence by the Servicer and such delay or failure was caused by an act of God or the public enemy, acts of declared or undeclared war, public disorder, rebellion, riot or sabotage, epidemics, landslides, lightning, fire, hurricanes, tornadoes, earthquakes, nuclear disasters or meltdowns, floods, power outages, swarms of locusts or similar causes. The preceding sentence shall not relieve the Servicer from using its best reasonable efforts to perform its obligations in a timely manner in accordance with the terms of this Agreement and the Servicer shall provide the Trustee, any Enhancement Provider, the Transferor and the Holders of Investor Certificates with an Officer's Certificate giving prompt notice of such failure or delay by it, together with a description of the cause of such failure or delay and its efforts so to perform its obligations. The Servicer shall immediately notify the Trustee in writing of any Servicer Default.

Section 10.2 Trustee to Act; Appointment of Successor.

(a) On and after the receipt by the Servicer of a Termination Notice pursuant to Section 10.1, the Servicer shall continue to perform all servicing functions under this Agreement until the date specified in the Termination Notice or otherwise specified by the Trustee in writing or, if no such date is specified in such Termination Notice, or otherwise specified by the Trustee, until a date mutually agreed upon by the Servicer and Trustee (not to exceed 120 days from the date of delivery of such notice). The Trustee shall as promptly as possible after the giving of a Termination Notice appoint a successor servicer (the "Successor Servicer"), with the consent of any Enhancement Provider, and such Successor Servicer shall accept its appointment by a written assumption in a form acceptable to the

Trustee, the Transferor and any Enhancement Provider. The Transferor shall have the right to nominate to the Trustee the name of a potential successor servicer which nominee shall be selected by the Trustee as the Successor Servicer, subject to the consent of any Enhancement Provider. The Trustee may obtain bids from any potential successor servicer. If the Trustee is unable to obtain any bids from any potential successor servicer and the Servicer delivers an Officer's Certificate to the effect that it cannot in good faith cure the Servicer Default which gave rise to a transfer of servicing, then the Trustee shall offer to the Transferor the right to accept reassignment of all the Receivables; provided, however, that no such reassignment shall occur unless the Transferor shall deliver to the Trustee and each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series an Opinion of Counsel reasonably acceptable to the Trustee that such reassignment would not constitute a fraudulent conveyance by the Transferor. The reassignment deposit amount for such a reassignment shall be equal to the Aggregate Invested Amount (less the aggregate principal amount on deposit in any principal funding account), plus (i) an amount equal to all accrued but unpaid interest on the Certificates of all Series at the applicable Certificate Rates through the end of the applicable interest accrual periods of such Series and (ii) any unpaid amounts payable to any Enhancement Provider under the applicable Enhancement agreement. In the event that a Successor Servicer has not been appointed and has not accepted its appointment at the time when the Servicer ceases to act as Servicer, the Trustee (as trustee hereunder) without further action shall automatically be appointed the Successor Servicer.

Notwithstanding the above, the Trustee shall, if it is legally unable so to act, petition a court of competent jurisdiction to appoint any established financial institution having a net worth of not less than \$50,000,000 and whose regular business includes the servicing of charge card or revolving credit receivables as the Successor Servicer hereunder. Notwithstanding anything to the contrary in this Agreement, the entire amount of the reassignment deposit amount shall be distributed to the Investor Certificateholders of the related Series on the subsequent Distribution Date for such Series pursuant to Section 12.3 (except for amounts payable to any Enhancement Provider under the applicable Enhancement Agreement, which amounts shall be distributed to such Enhancement Provider.)

(b) Upon its appointment, the Successor Servicer shall be the successor in all respects to the Servicer with respect to servicing functions under this Agreement and shall be subject to all the responsibilities, duties and liabilities relating thereto placed on the Servicer by the terms and provisions hereof, and all references in this Agreement to the Servicer shall be deemed to refer to the Successor Servicer; provided, however, that, the outgoing Servicer shall not be relieved of any liability hereunder for its actions prior to the transfer of servicing hereunder; and provided further, that, (i) the outgoing Servicer shall not indemnify the Trust or the Trustee under Section 8.4 for acts, omissions or alleged acts or omissions by a Successor Servicer and (ii) the outgoing Servicer shall not pay or reimburse the Trustee pursuant to Section 11.5 for any expense, disbursement or advance of the Trustee related to or arising as a result of the negligence or bad faith of the Successor Servicer. Any Successor Servicer, by its acceptance of its appointment, will automatically agree to be bound by the terms and provisions of any applicable Enhancement agreement.

(c) In connection with such appointment and assumption, the Trustee shall be entitled to such compensation, or may make such arrangements for the compensation of the Successor Servicer out of Collections, as it and such Successor Servicer shall agree; provided, however, that no such compensation shall be in excess of the Monthly Servicing Fee permitted to the Servicer pursuant to Section 3.2.

(d) All authority and power granted to the Successor Servicer under this Agreement shall automatically cease and terminate upon termination of the Trust pursuant to Section 12.1 and shall pass to and be vested in the Transferor and, without limitation, the Transferor is hereby authorized and empowered to execute and deliver, on behalf of the Successor Servicer, as attorney-in-fact or otherwise, all documents and other instruments, and to do and accomplish all other acts or things necessary or appropriate to effect the purposes of such transfer of servicing rights. The Successor Servicer agrees to cooperate with the Transferor in effecting the termination of the responsibilities and rights of the Successor Servicer to conduct servicing on the Receivables. The Successor Servicer shall transfer its electronic

records relating to the Receivables to the Transferor in such electronic form as the Transferor may reasonably request and shall transfer all other records, correspondence and documents to the Transferor in the manner and at such times as the Transferor shall reasonably request.

To the extent that compliance with this Section 10.2 shall require the Successor Servicer to disclose to the Transferor information of any kind which the Successor Servicer deems to be confidential, the Transferor shall be required to enter into such customary licensing and confidentiality agreements as the Successor Servicer shall deem necessary to protect its interests.

Section 10.3 Notification to Certificateholders. Upon the occurrence of any Servicer Default, the Servicer shall give prompt written notice thereof to the Trustee, each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series and any Enhancement Provider, and the Trustee shall give notice to the Investor Certificateholders at their respective addresses appearing in the Certificate Register.

Upon any termination or appointment of a Successor Servicer pursuant to this Article X, the Trustee shall give prompt written notice thereof to Investor Certificateholders at their respective addresses appearing in the Certificate Register, each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series and to any Enhancement Provider. Notice to Holders of Bearer Certificates shall be given by publication in the manner described in Section 13.5 of the Agreement.

Section 10.4 Waiver of Past Defaults. The Holders of Investor Certificates evidencing Undivided Interests aggregating more than 66-2/3% of the Invested Amount of any Series then outstanding affected by any default by the Servicer or a Transferor may, on behalf of all Holders of Certificates of such affected Series, waive any default by the Servicer or such Transferor in the performance of their respective obligations hereunder and its consequences, except a default in the failure to make any required deposits or payments of interest or principal with respect to any Series of Certificates. Upon any such waiver of a past default, such default shall cease to exist, and any default arising therefrom shall be deemed to have been remedied for every purpose of this Agreement. No such waiver shall extend to any

subsequent or other default or impair any right consequent thereon except to the extent expressly so waived.

(END OF ARTICLE X)

ARTICLE XI

THE TRUSTEE

Section 11.1 Duties of Trustee.

(a) The Trustee, prior to the occurrence of a Servicer Default and after the curing or waiving of all Servicer Defaults which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Agreement. If a Servicer Default has occurred (which has not been cured or waived), the Trustee (as Trustee and not Successor Servicer) shall exercise such of the rights and powers vested in it by this Agreement or any Supplement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) The Trustee, upon receipt of all resolutions, certificates, statements, opinions, reports, documents, orders or other instruments furnished to the Trustee which are specifically required to be furnished pursuant to any provision of this Agreement or any Supplement, shall examine them to determine whether they conform as to form to the requirements of this Agreement or any Supplement, but shall not be required to verify the accuracy of any information, calculations or conclusions stated therein. The Trustee shall give prompt written notice to the Certificateholders (or, in the case of Holders of Bearer Certificates, notice by publication in the manner described in Section 13.5 of the Agreement) of any material lack of conformity of any such instrument to the applicable requirements of this Agreement or any Supplement discovered by the Trustee which would entitle a specified percentage of the Investor Certificateholders to take any action pursuant to this Agreement or any Supplement.

(c) Subject to Section 11.1(a) of this Agreement, no provision of this Agreement or any Supplement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct; provided, however, that:

(i) the Trustee shall not be personally liable for an error of judgment made in good faith by a Responsible Officer or Responsible Officers of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(ii) the Trustee shall not be personally liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction of the Holders of Investor Certificates evidencing Undivided Interests aggregating more than 50% of the Invested Amount of any Series adversely affected thereby relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Agreement or any Supplement;

(iii) the Trustee shall not be charged with knowledge of any failure by the Servicer (other than the Trustee, in its capacity as Successor Servicer) to comply with the obligations of the Servicer referred to in clauses (a), (b) and (c) of Section 10.1 unless a Responsible Officer of the Trustee obtains actual knowledge of such failure (it being understood that knowledge of the Servicer, in its capacity as agent for the Trustee, is not attributable to the Trustee) or the Trustee receives written notice of such failure from the Servicer, any Holders of Investor Certificates evidencing Undivided Interests aggregating more than 10% of the Invested Amount of any Series adversely affected thereby or any Enhancement Provider;

(iv) in making a determination of any material and adverse effect upon Certificateholders, the Trustee may, as to matters of law, rely exclusively upon an Opinion of Counsel.

(d) The Trustee (in its capacity as such) shall not be required to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder, or in exercise of any of its rights or powers, if there is reasonable ground for

believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it, and none of the provisions contained in this Agreement or any Supplement shall in any event require the Trustee to perform, or be responsible for the manner of performance of, any of the obligations of the Servicer or the Successor Servicer under this Agreement or any Supplement except during such time, if any, as the Trustee shall be the Successor Servicer in accordance with the terms of this Agreement or any Supplement.

(e) Except for actions expressly authorized by this Agreement or any Supplement, the Trustee shall take no action reasonably likely to impair the interests of the Trust in any Receivable now existing or hereafter created or to impair the value of any Receivable now existing or hereafter created.

(f) Except as specifically provided in this Agreement, the Trustee shall have no power to vary the corpus of the Trust.

(g) In the event that the Paying Agent or the Transfer Agent and Registrar shall not be the Trustee and fail to perform any obligation, duty or agreement in the manner or on the day required to be performed by the Paying Agent or the Transfer Agent and Registrar, as the case may be, under this Agreement, the Trustee shall be obligated promptly upon its knowledge thereof to perform such obligation, duty or agreement in the manner so required but shall not be required to make a payment out of its own funds.

(h) Any action, suit or proceeding brought in respect of one or more particular Series shall have no effect on the Trustee's rights, duties and obligations hereunder with respect to any one or more Series not the subject of such action, suit or proceeding.

Section 11.2 Certain Matters Affecting the Trustee.
Except as otherwise provided in Section 11.1:

(a) the Trustee may request, rely on and shall be protected in acting on, or in refraining from acting in accord with, any resolution, Officer's Certificate, Opinion of Counsel, certificate of independent public accountants or any other certificate, statement, instru-

ment, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document, including, without limitation, any request or instruction by the Servicer or the Transferor to make any deposit or payment or any draw on any Enhancement or to transfer any Receivables or Accounts, prima facie properly executed and submitted to it pursuant to this Agreement or any Supplement by the proper party or parties;

(b) the Trustee may consult with counsel as to matters of law and any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it hereunder in good faith and in accordance with such Opinion of Counsel as to any actions required to be taken or withheld hereunder;

(c) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement or any Supplement, or to institute, conduct or defend any litigation hereunder or in relation hereto, at the request, order or direction of any of the Certificateholders pursuant to the provisions of this Agreement or any Supplement, unless such Certificateholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby; nothing contained herein shall, however, relieve the Trustee (as Trustee but not as Successor Servicer) of the obligations, upon the occurrence of any Servicer Default (which has not been cured or waived), to exercise such of the rights and powers vested in it by this Agreement or any Supplement, and to use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs;

(d) the Trustee shall not be liable for any action taken, suffered or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement or any Supplement;

(e) except as may be required by Section 11.1(a) or 11.1(b), the Trustee shall not be bound to make any investigation into the facts of matters stated in any resolution, certificate, statement, instrument,

opinion, report, notice, request, consent, order, approval, bond or other paper or document, except to the extent specifically requested in writing so to do by Holders of Investor Certificates evidencing Undivided Interests aggregating more than 50% of the Invested Amount of any Series which could be adversely affected if the Trustee does not perform such acts and the Trustee is reasonably indemnified therefor;

(f) the Trustee (in its capacity as such) may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys or a custodian, and the Trustee (in its capacity as such) shall not be responsible for any misconduct or negligence on the part of any such agent, attorney or custodian appointed with due care by it hereunder;

(g) except as may be required by Section 11.1(a) or 11.1(b) hereof, the Trustee shall not be required to make any initial or periodic examination of any documents or records related to the Receivables or the Accounts for the purpose of establishing the presence or absence of defects, the compliance by the Transferor or Servicer with their representations, warranties or covenants or for any other purpose;

(h) the permissive right of the Trustee to take actions enumerated in this Agreement or any Supplement shall in no event be construed as a duty;

(i) whenever in the administration of this Agreement or any Supplement, the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate;

(j) no implied covenants or obligations shall be read into this Agreement against the Trustee;

(k) except with respect to any Enhancement Invested Amount, the Trustee shall not be deemed to be a fiduciary for the Enhancement Provider, if any, in its capacity as such, and the Trustee's sole responsibility with respect to the Enhancement Provider in its capacity

as such shall be to perform those duties with respect to the Enhancement Provider as are specifically set forth in the Agreement and no implied covenants shall be read into the Agreement against the Trustee with respect to the Enhancement Provider; and

(1) the Trustee shall have no duty (i) to see to any recording, filing or depositing of the Agreement or any agreement referred to therein or any financing statement or continuation statement evidencing a security interest in the Receivables or the Accounts, or to see to the maintenance of any such recording, filing or depositing or any rerecording, refiling or redepositing of any thereof or (ii) to confirm or verify the contents of any reports or certificates of the Servicer delivered to the Trustee pursuant to the Agreement believed by the Trustee to be genuine and to have been signed or presented by the proper party or parties.

Section 11.3 Trustee Not Liable for Recitals in Certificates. The Trustee assumes no responsibility for the correctness of the recitals contained herein and in the Certificates (other than the certificates of authentication on the Certificates). Except as set forth in Section 11.15, the Trustee makes no representations as to (i) the validity or sufficiency of this Agreement or any Supplement or of the Certificates (other than the certificates of authentication on the Certificates), (ii) the existence or validity of any Receivable, (iii) the validity of any transfer or assignment of any Receivable to the Trust, (iv) the validity of any grant of a security interest to the Trust in any Receivable, (v) the perfection of any security interest (whether as of the date hereof or at any future time) in any Receivable, (vi) the maintenance of or the taking of any action to maintain such perfection, (vii) the receipt by the Trustee or the Servicer of any Receivable, (viii) the performance or enforcement of any Receivable, (ix) the compliance by the Transferor or the Servicer with any covenant or representation, (x) the breach by the Transferor or the Servicer of any warranty or representation made hereunder or in any related document or the accuracy of any such warranty or representation or (xi) any action taken by the Servicer in the name of the Trustee. The Trustee shall not be accountable for the use or application by the Transferor of any of the Certificates or of the proceeds of such Certificates, or for the use or

application of any funds paid to the Transferor in respect of the Receivables or deposited in or withdrawn from the Collection Account, the Excess Funding Account or other accounts now or hereafter established to effectuate the transactions contemplated herein and in accordance with the terms hereof.

Section 11.4 Trustee May Own Certificates. The Trustee in its individual or any other capacity may become the owner or pledgee of Investor Certificates with the same rights as it would have if it were not the Trustee.

Section 11.5 The Servicer to Pay Trustee's Fees and Expenses. The Servicer covenants and agrees to pay to the Trustee from time to time out of its own funds, and the Trustee shall be entitled to receive, reasonable compensation (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) for all services rendered by it in the execution of the trust hereby created and in the exercise and performance of any of the powers and duties hereunder of the Trustee, and, subject to Section 8.4, the Servicer will pay or reimburse the Trustee (without reimbursement from the Collection Account or otherwise) upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Agreement or any Supplement (including the reasonable fees and expenses of its agents and counsel) except any such expense, disbursement or advance as may arise from its negligence or bad faith and except as provided in the following sentence. If the Trustee is appointed Successor Servicer pursuant to Section 10.2, the provisions of this Section 11.5 shall not apply to expenses, disbursements and advances made or incurred by the Trustee in its capacity as Successor Servicer; provided that the Transferor will indemnify, defend and save harmless the Trustee for any loss, liability or expense incurred by it as Successor Servicer which is not otherwise reimbursed hereunder, except to the extent such loss, liability or expense is due to its negligence or bad faith as Successor Servicer.

The obligations of the Servicer and the Transferor under this Section 11.5, Section 7.4 and Section

8.4 shall survive the termination of the Trust and the resignation or removal of the Trustee or the Servicer.

Section 11.6 Eligibility Requirements for Trustee. The Trustee hereunder shall at all times be a corporation or national banking association organized and doing business under the laws of the United States of America or any state thereof authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000, a rating as to its long-term unsecured debt obligations of at least Baa3 by Moody's and BBB- by Standard & Poor's and a rating as to its short-term deposits or long-term unsecured debt obligations that satisfies the rating requirement of any other Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series and subject to supervision or examination by Federal or state authority. If such corporation or national banking association publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purpose of this Section 11.6, the combined capital and surplus of such corporation or national banking association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 11.6, the Trustee shall resign immediately in the manner and with the effect specified in Section 11.7.

Section 11.7 Resignation or Removal of Trustee.

(a) The Trustee may at any time resign as Trustee and be discharged from the trust hereby created by giving written notice thereof to the Transferor and the Servicer. Upon receiving such notice of resignation, the Transferor shall promptly appoint a successor trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed and have accepted within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee.

(b) If at any time the Trustee shall cease to be eligible in accordance with the provisions of Section 11.6 hereof and shall fail to resign after written request therefor by the Transferor, or if at any time the Trustee shall be legally unable to act, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Transferor may, but shall not be required to, remove the Trustee and promptly appoint a successor trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee and shall promptly pay all fees owed to the outgoing Trustee.

(c) Any resignation or removal of the Trustee and appointment of a successor trustee pursuant to any of the provisions of this Section 11.7 shall not become effective until acceptance of appointment by the successor trustee as provided in Section 11.8 hereof and payment of all fees and expenses owed to the outgoing Trustee. Any such liability of the Trustee arising hereunder shall survive such appointment of a successor trustee.

Section 11.8 Successor Trustee.

(a) Any successor trustee appointed as provided in Section 11.7 hereof shall execute, acknowledge and deliver to the Transferor and to its predecessor Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, powers, duties and obligations of its predecessor hereunder and under any Supplement, with like effect as if originally named as Trustee herein. The predecessor Trustee shall upon payment of its fees and expenses deliver to the successor trustee all documents held by it hereunder, and the Transferor and the predecessor Trustee shall execute and deliver such instruments and do such other things as may reasonably be required for fully and certainly vesting and confirming in the successor trustee all such rights, powers, duties and obligations.

(b) No successor trustee shall accept appointment as provided in this Section 11.8 unless at the time of such acceptance such successor trustee shall be eligible under the provisions of Section 11.6 hereof and shall be an Eligible Servicer.

(c) Upon acceptance of appointment by a successor trustee as provided in this Section 11.8 hereof, such successor trustee shall mail notice of such succession hereunder to each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series and all Certificateholders (other than Holders of Bearer Certificates) at their addresses as shown in the Certificate Register. Notice to Holders of Bearer Certificates shall be given by publication in the manner described in Section 13.5 of the Agreement.

Section 11.9 Merger or Consolidation of Trustee.

Any Person into which the Trustee may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any Person succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such Person shall be eligible under the provisions of Section 11.6 hereof, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 11.10 Appointment of Co-Trustee or Separate Trustee.

(a) Notwithstanding any other provision of this Agreement or any Supplement, at any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust may at the time be located, the Trustee shall have the power and may execute and deliver all instruments to appoint one or more Persons to act as a co-trustee, or separate trustee, of all or any part of the Trust, and to vest in such Person, in such capacity and for the benefit of the Certificateholders, such title to the Trust, or any part thereof, and, subject to the other provisions of this Section 11.10, such powers, duties, obligations, rights and trusts as the Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required

to meet the terms of eligibility as a successor trustee under Section 11.6 and no notice to Certificateholders of the appointment of any co-trustee or separate trustee shall be required under Section 11.8 hereof.

(b) Every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) all rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Trustee joining in such act), except to the extent that under any laws of any jurisdiction in which any particular act or acts are to be performed (whether as Trustee hereunder or as successor to the Servicer hereunder), the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Trust or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Trustee;

(ii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder appointed with due care; and

(iii) the Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Agreement and the conditions of this Article XI. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with

the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Agreement or any Supplement, specifically including every provision of this Agreement or any Supplement relating to the conduct of, affecting the liability of, or affording protection to, the Trustee. Every such instrument shall be filed with the Trustee and a copy thereof given to the Servicer.

(d) Any separate trustee or co-trustee may at any time appoint the Trustee, its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect to this Agreement or any Supplement on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

Section 11.11 Tax Returns and Compliance.

(a) In the event the Trust shall be required to file tax returns, the Servicer shall prepare or cause to be prepared and is authorized hereunder to sign any tax returns required to be filed by the Trust and, to the extent possible, shall file such returns at least five days before such returns are due to be filed. The Servicer shall prepare or shall cause to be prepared all tax information required by law to be distributed to Certificateholders and Certificate Owners and shall deliver such information to the Paying Agent at least five days prior to the date it is required by law to be distributed to Certificateholders and Certificate Owners.

In no event shall the Trustee, the Paying Agent or the Servicer be liable for any liabilities, costs or expenses of the Trust, the Investor Certificateholders or the Certificate Owners arising under any tax law, including without limitation, Federal, state, local or foreign income or excise taxes or any other tax imposed on or measured by income (or any interest or penalty with respect thereto or arising from a failure to comply therewith), except to the extent that such tax is imposed as a result of a violation by such Person of the provisions of this Agreement or any Supplement.

(b) The Trustee and each Paying Agent shall comply with all Federal withholding requirements respecting payments to Investor Certificateholders or persons receiving funds from the Trust that the Trustee reasonably believes are applicable under the Code. In the event the Trustee or Paying Agent does withhold any amount from interest, principal, or other payments pursuant to Federal withholding requirements, the Trustee or Paying Agent shall indicate the amount withheld in writing with any payment to the person otherwise entitled to such amount.

Section 11.12 Trustee May Enforce Claims Without Possession of Certificates. All rights of action and claims under this Agreement or any Supplement or the Certificates may be prosecuted and enforced by the Trustee without the possession of any of the Certificates or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Certificateholders in respect of which such judgment has been obtained.

Section 11.13 Suits for Enforcement. If a Servicer Default shall occur and be continuing, the Trustee, in its discretion may, subject to the provisions of Section 10.1, proceed to protect and enforce its rights and the rights of the Certificateholders under this Agreement or any Supplement by such suit, action or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in this Agreement or any Supplement or in aid of the execution of any power granted in this Agreement or any Supplement or for the enforcement of any other legal, equitable or other remedy as the Trustee, being advised by counsel, shall deem effectual to protect and enforce any of the rights of the Trustee or the Certificateholders.

Section 11.14 Rights of Certificateholders to Direct Trustee. Holders of Investor Certificates evidencing Undivided Interests aggregating more than 50% of the Invested Amount of any Series affected by the conduct of any proceeding or the exercise of any right conferred on

the Trustee shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee; provided, however, that, subject to Section 11.1, the Trustee shall have the right to decline to follow any such direction if the Trustee being advised by counsel determines that the action so directed may not lawfully be taken, or if the Trustee in good faith shall, by a Responsible Officer or Responsible Officers of the Trustee, determine that the proceedings so directed would be illegal or involve it in personal liability or be unduly prejudicial to the rights of Certificateholders of such Series not parties to such direction or to the rights of Certificateholders of other Series; and provided further that nothing in this Agreement or any Supplement shall impair the right of the Trustee to take any action deemed proper by the Trustee and which is not inconsistent with such direction.

Section 11.15 Representations and Warranties of Trustee. The Trustee represents and warrants that:

(i) The Trustee is a corporation, organized, existing and in good standing under the laws of the United States;

(ii) The Trustee has full power, authority and right to execute, deliver and perform this Agreement and any Supplement, and has taken all necessary action to authorize the execution, delivery and performance by it of this Agreement and any Supplement; and

(iii) This Agreement and any Supplement has been duly executed and delivered by the Trustee, and assuming due execution and delivery by the other parties thereto constitutes a legal, valid and binding obligation of the Trustee enforceable against the Trustee in accordance with its terms.

Section 11.16 Maintenance of Office or Agency. If so specified in any Supplement, the Trustee will maintain at its expense in the Borough of Manhattan, The City of New York, an office or offices or agency or agencies where notices and demands to or upon the Trustee in respect of the Certificates and this Agreement may be served. The

address of such office or agency will be specified in the related Supplement. The Trustee will give prompt written notice (or in the case of Holders of Bearer Certificates, notice by publication in the manner described in Section 13.5 of the Agreement) to the Servicer and to Certificateholders of any change in the location of the Certificate Register or any such office or agency, as applicable.

(END OF ARTICLE XI)

ARTICLE XII

TERMINATION

Section 12.1 Termination of Trust.

(a) The respective obligations and responsibilities of the Transferor, the Servicer, the Paying Agent and the Trustee and their agents hereunder created hereby (other than the obligation of the Trustee to make payments to Certificateholders as hereafter set forth) shall terminate, except with respect to the duties described in Sections and subsections 2.4(c), 7.4, 8.4, 11.5 and 12.3(b), upon the earlier of (i) the latest Stated Series Termination Date for all Series outstanding or (ii) August 14, 2096 (the "Final Termination Date").

(b) If on the Distribution Date in the month immediately preceding the month in which the Final Termination Date occurs (after giving effect to all transfers, withdrawals, deposits and drawings to occur on such date and the payment of principal on any Series of Certificates to be made on such Distribution Date pursuant to Article IV), the Invested Amount or any Enhancement Invested Amount of any Series would be greater than zero, the Servicer shall sell on or prior to the succeeding Distribution Date all of the Receivables in a commercially reasonable manner and on commercially reasonable terms which shall include the solicitation of competitive bids and shall consummate the sale with the highest bidder for the Receivables. The Transferor or any of its Affiliates shall be permitted to bid for the Receivables. In addition, the Transferor or any Affiliate shall have the right to match any bid by a third Person and be granted the right to purchase the Receivables at such matched bid price. The proceeds of any such sale shall be treated as Collections on the Receivables and shall be allocated in accordance with Article IV; provided, however, that the Trustee shall determine conclusively the amount of such proceeds which are allocable to Finance Charge Receivables and the amount of such proceeds which are allocable to Principal Receivables. Prior to such sale of Receivables, the Servicer shall continue to collect Collections on the Receivables and allocate such payments in accordance with the provisions of Article IV.

Section 12.2. Optional Purchase; Final Termination Date of Investor Certificates of any Series.

(a) If provided in any Supplement with respect to a Series on any Distribution Date the Transferor may, but shall not be obligated to, purchase any such Series of Investor Certificates by depositing into the Collection Account, on the Distribution Date, an amount equal to the Invested Amount thereof plus interest accrued and unpaid thereon at the applicable Certificate Rate through the interest accrual period related to such Distribution Date on which the purchase will be made; provided, however that no such purchase of any Series of Investor Certificates shall occur unless the Transferor shall deliver to the Trustee and each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series an Opinion of Counsel reasonably acceptable to the Trustee that such purchase of any Series of Investor Certificates would not constitute a fraudulent conveyance of the Transferor. Nothing herein limits the right of the Transferor or any Affiliate to purchase Investor Certificates on the open market and submit them to the Trustee for cancellation.

(b) The amount deposited pursuant to subsection 12.2(a) of the Agreement shall be paid to the Investor Certificateholders of the related Series pursuant to Article IV on the Distribution Date following the date of such deposit. All Certificates of a Series which are purchased by the Transferor pursuant to subsection 12.2(a) of the Agreement shall be delivered by the Transferor upon such purchase to, and be cancelled by, the Transfer Agent and Registrar and be disposed of in a manner satisfactory to the Trustee and the Transferor.

(c) All principal or interest with respect to any Series of Investor Certificates shall be due and payable no later than the Stated Series Termination Date with respect to such Series. Unless otherwise provided in a Supplement, in the event that the Invested Amount or any Enhancement Invested Amount of any Series of Certificates is greater than zero on its Stated Series Termination Date (after giving effect to all transfers, withdrawals, deposits and drawings to occur on such date and the payment of principal to be made on such Series on such date), the Trustee will sell or cause to be sold, and pay the proceeds to all Certificateholders of such

Series pro rata in final payment of all principal of and accrued interest on such Series of Certificates, an amount of Receivables or interests in Receivables up to 110% of the Invested Amount and any Enhancement Invested Amount of such Series at the close of business on such date (but not more than an amount of Receivables equal to the sum of (1) the product of (A) the Transferor Percentage, (B) the Aggregate Principal Receivables and (C) a fraction the numerator of which is the related Invested Percentage with respect to Finance Charge Receivables and the denominator of which is the sum of all Invested Percentages with respect to Finance Charge Receivables of all Series outstanding and (2) the Invested Amount and any Enhancement Invested Amount of such Series). The Trustee shall conduct the sale of Receivables in a commercially reasonable manner and on commercially reasonable terms which shall include the solicitation of competitive bids and shall consummate the sale with the highest bidder for the Receivables. The Transferor or any of its Affiliates shall be permitted to bid for the Receivables. In addition, the Transferor or any Affiliate shall have the right to match any bid by a third Person and be granted the right to purchase the Receivables at such matched bid price. Any proceeds of such sale in excess of the outstanding principal and interest due to Certificateholders of the applicable Series (which shall be paid to such Holders) shall be paid to the Holder of the Exchangeable Transferor Certificate, unless the applicable Supplement shall provide otherwise. Upon such Stated Series Termination Date with respect to the applicable Series of Certificates, final payment of all amounts allocable to any Investor Certificates of such Series shall be made in the manner provided in Section 12.3 of the Agreement.

Section 12.3 Final Payment with Respect to any Series.

(a) Written notice of any termination, specifying the Distribution Date upon which the Investor Certificateholders of any Series may surrender their Certificates for payment of the final distribution with respect to such Series and cancellation, shall be given (subject to at least two Business Days' prior notice from the Servicer to the Trustee) by the Trustee to Investor Certificateholders of such Series mailed not later than the fifth day of the month of such final distribution (or

in the case of the Holders of Bearer Certificates by the publication by the Trustee of a notice at least once in a newspaper of general circulation in Luxembourg (which newspaper shall be printed in the English language and customarily published on each business day in Luxembourg) and, so long as the Investor Certificates are listed on the Luxembourg Stock Exchange or other stock exchange and such exchange so requires, in Luxembourg or the location required by such other stock exchange) specifying (a) the Distribution Date (which shall be the Distribution Date in the month in which the deposit is made pursuant to Section 2.4 or subsection 12.2(a) of the Agreement) upon which final payment of such Investor Certificates will be made upon presentation and surrender of such Investor Certificates at the office or offices therein designated, (which, in the case of Bearer Certificates, shall be outside the United States), (b) the amount of any such final payment and (c) that the Record Date otherwise applicable to such Distribution Date is not applicable, payments being made only upon presentation and surrender of the Investor Certificates at the office or offices therein specified. The Servicer's notice to the Trustee in accordance with the preceding sentence shall be accompanied by an Officer's Certificate setting forth the information specified in the applicable Supplement covering the period during the then current calendar year through the date of such notice and setting forth the date of such final distribution. The Trustee shall give such notice to the Transfer Agent and Registrar and the Paying Agent at the time such notice is given to such Investor Certificateholders.

(b) Notwithstanding the termination of the Trust pursuant to subsection 12.1(a) of the Agreement or the occurrence of the Stated Series Termination Date with respect to any Series pursuant to Section 12.2 of the Agreement, all funds then on deposit in the Collection Account shall continue to be held in trust for the benefit of the Certificateholders and the Paying Agent or the Trustee shall pay such funds to the Certificateholders upon surrender of their Certificates (which surrenders and payments, in the case of Bearer Certificates, shall be made only outside the United States). In the event that all of the Investor Certificateholders of such Series shall not surrender their Certificates for cancellation within six months after the date specified in the above-mentioned notice, the Trustee shall give a second

written notice (or in the case of Bearer Certificates, publication notice) to the remaining Investor Certificateholders of such Series upon receipt of the appropriate records from the Transfer Agent and Registrar to surrender their Certificates for cancellation and receive the final distribution with respect thereto. If within one and one-half years after the second notice all the Investor Certificates of such Series shall not have been surrendered for cancellation, the Trustee may take appropriate steps, or may appoint an agent to take appropriate steps, to contact the remaining Investor Certificateholders of such Series concerning surrender of their Certificates, and the cost thereof shall be paid out of the funds in the Collection Account held for the benefit of such Investor Certificateholders.

(c) All Certificates surrendered for payment of the final distribution with respect to such Certificates and cancellation shall be cancelled by the Transfer Agent and Registrar and be disposed of in a manner satisfactory to the Trustee and the Transferor.

Section 12.4 Transferor's Termination Rights. Upon the termination of the Trust pursuant to Section 12.1 and the surrender of the Exchangeable Transferor Certificate, the Trustee shall return to the Transferor (without recourse, representation or warranty) all right, title and interest of the Trust in the Receivables, whether then existing or thereafter created, and all monies due or to become due with respect thereto, all proceeds thereof except for amounts held by the Paying Agent pursuant to subsection 12.3(b). The Trustee shall execute and deliver such instruments of transfer and assignment, in each case without recourse, as shall be reasonably requested by the Transferor to vest in itself all right, title and interest which the Trust had in the applicable Receivables and the Trustee shall be entitled to receive and rely conclusively upon an Opinion of Counsel as to its execution and delivery of such instruments being in compliance herewith.

(END OF ARTICLE XII)

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 13.1 Amendment.

(a) This Agreement and any Supplement may be amended from time to time by the Servicer, the Transferor and the Trustee, without the consent of any of the Investor Certificateholders, to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other provisions herein or to add any other provisions with respect to matters or questions raised under this Agreement which shall not be inconsistent with the provisions of this Agreement, including any matters arising under subsection 2.5(d) of the Agreement necessary to effect the conveyance contemplated thereunder; provided, however, that such action shall not adversely affect in any material respect the interests of any of the Investor Certificateholders. Additionally, this Agreement and any Supplement may be amended from time to time by the Servicer, the Transferor and the Trustee, without the consent of any of the Certificateholders, to add to or change any of the provisions of this Agreement to enable Bearer Certificates to be issued in conformity with the Bearer Rules, to provide that Bearer Certificates may be registrable as to principal, to change or eliminate any restrictions on the payment of principal of (or premium, if any) or any interest on Bearer Certificates to comply with the Bearer Rules, to permit Bearer Certificates to be issued in exchange for Registered Certificates (if then permitted by the Bearer Rules), to permit Bearer Certificates to be issued in exchange for Bearer Certificates of other authorized denominations or to permit the issuance of Certificates in uncertificated form, provided any such action shall not adversely affect the interests of the Holders of Bearer Certificates of any Series or any related Coupons in any material respect unless such amendment is necessary to comply with the Bearer Rules. Prior to executing any amendment in accordance with this subsection 13.1(a), the Trustee shall receive and shall be permitted to rely upon an Opinion of Counsel to the effect that the conditions and requirements of this subsection 13.1(a) have been satisfied. The Transferor shall deliver prior written notice of any amendment pursuant to this subsection 13.1(a) to each Rating Agency assigning a rating for any

class of Investor Certificates of any then outstanding Series.

(b) This Agreement and any Supplement may also be amended from time to time by the Servicer, the Transferor and the Trustee, without the consent of any of the Certificateholders, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement, or of modifying, in any manner the rights of the Holders of Investor Certificates; provided that (i) the Servicer shall have provided an Opinion of Counsel to the Trustee to the effect that such amendment will not materially and adversely affect the interests of the Investor Certificateholders of any outstanding Series, which Opinion of Counsel may rely as to any rated Series solely on the rating confirmation referred to in clause (iii) below (or 100% of the class of Certificateholders so affected shall have consented), (ii) such amendment shall not, as evidenced by an Opinion of Counsel, cause any outstanding Series to fail to qualify as debt for Federal income tax purposes, cause the Trust to be characterized for Federal income tax purposes as an association or a publicly traded partnership taxable as a corporation or otherwise have any material adverse impact on the Federal income tax characterization of any outstanding Series of Investor Certificates or the Federal income taxation of any Investor Certificateholder or any Certificate Owner and (iii) each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series shall confirm that such amendment shall not cause a reduction or withdrawal of the rating of any outstanding Series of Certificates; provided, further, that such amendment shall not reduce in any manner the amount of, or delay the timing of, distributions which are required to be made on any Investor Certificate of such Series without the consent of the related Investor Certificateholder, change the definition of or the manner of calculating the interest of any Investor Certificateholder of such Series without the consent of the related Investor Certificateholder or reduce the aforesaid percentage required to consent to any such amendment, in each case without the consent of all such Investor Certificateholders.

(c) This Agreement and any Supplement may also be amended from time to time by the Servicer, the Transferor and the Trustee with the consent of the Holders of

Investor Certificates evidencing Undivided Interests aggregating not less than 66-2/3% of the Invested Amount of all Series adversely affected, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement or modifying in any manner the rights of the Investor Certificateholders of any Series then issued and outstanding; provided, however, that no such amendment shall (i) reduce in any manner the amount of, or delay the timing of, distributions which are required to be made on any Investor Certificate of such Series without the consent of the related Investor Certificateholders, (ii) change the definition of or the manner of calculating the Invested Amount, the Invested Percentage, the applicable available amount under any Enhancement or the Investor Default Amount of such Series without the consent of each related Investor Certificateholders or (iii) reduce the aforesaid percentage required to consent to any such amendment, without the consent of each related Investor Certificateholder. Any amendment pursuant to this subsection 13.1(c) shall require that each Rating Agency rating the affected Series confirm that such amendment will not cause a reduction or withdrawal of the rating of any outstanding Series of Certificates.

(d) Promptly after the execution of any such amendment or consent the Trustee shall furnish written notification (or in the case of Bearer Certificates, publication notice in the manner described in Section 13.5 of the Agreement) of the substance of such amendment to each Investor Certificateholder, and the Servicer shall furnish written notification of the substance of such amendment to any related Enhancement Provider and each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series.

(e) It shall not be necessary for the consent of Investor Certificateholders under this Section 13.1 to approve the particular form of any proposed amendment, but it shall be sufficient if such Certificateholders shall approve the substance thereof. The manner of obtaining such consents and of evidencing the authorization of the execution thereof by Investor Certificateholders shall be subject to such reasonable requirements as the Trustee may prescribe.

(f) Any Assignment or Reassignments regarding the addition to or removal of Receivables from the Trust respectively, as provided in Sections 2.6 and 2.7, re-

spectively, of the Agreement executed in accordance with the provisions hereof shall not be considered amendments to this Agreement, including, without limitation, for the purpose of subsections 13.1(a), (b), (c) and (g) of the Agreement.

(g) Prior to the execution of any amendment to the Agreement, the Trustee shall be entitled to receive and rely upon an Opinion of Counsel substantially in the form of Part Two of Exhibit G. The Trustee may, but shall not be obligated to enter into any such amendment which affects the Trustee's own rights, duties or immunities under the Agreement or otherwise.

Section 13.2 Protection of Right, Title and Interest to Trust.

(a) The Servicer shall cause this Agreement, any Supplement, all amendments hereto and/or all financing statements, amendments and continuation statements and any other necessary documents covering the right, title and interest of the Trust in the property conveyed hereunder to be promptly recorded, registered and filed, and at all times to be kept recorded, registered and filed, all in such manner and in such places as may be required by law fully to preserve and protect the right, title and interest of the Trustee hereunder to all property comprising the Trust. The Servicer shall deliver to the Trustee file-stamped copies of, or filing receipts for, any document recorded, registered or filed as provided above, as soon as available following such recording, registration or filing. The Transferor shall cooperate fully with the Servicer in connection with the obligations set forth above and will execute any and all documents reasonably required to fulfill the intent of this subsection 13.2(a).

(b) Within 30 days after the Transferor makes any change in its name, identity or corporate structure which would make any financing statement, amendment or continuation statement filed in accordance with paragraph (a) above seriously misleading within the meaning of Section 9-402(7) of the UCC as in effect in the Relevant UCC State, the Transferor shall give the Trustee notice of any such change and shall file such financing statements, amendments or continuation statements as may be necessary to continue the perfection of the Trust's interest in the property conveyed hereunder.

(c) The Transferor and the Servicer will give the Trustee prompt written notice of any relocation of any office from which the Servicer services Receivables or keeps records concerning the Receivables or of its principal executive office and whether, as a result of such relocation, the applicable provisions of the UCC would require the filing of any amendment of any previously filed financing or continuation statement or of any new financing statement and shall file such financing statements, continuation statements or amendments as may be necessary to continue the perfection of the Trust's security interest in the Receivables and the proceeds thereof notwithstanding any relocation of any office from which the Servicer services Receivables or keeps records concerning the Receivables or of its principal executive office. The Servicer will at all times maintain each office from which it services Receivables, and the Transferor and the Servicer will at all times maintain their respective principal executive offices within the United States of America.

(d) The Servicer will deliver to the Trustee and each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series, on or before April 30 of each year, beginning with 1997 an Opinion of Counsel, dated as of a date within 90 days of such day, substantially in the form of Exhibit H.

Section 13.3 Limitation on Rights of Certificateholders.

(a) The death or incapacity of any Investor Certificateholder shall not operate to terminate this Agreement or the Trust, nor shall such death or incapacity entitle such Certificateholder's legal representatives or heirs to claim an accounting or to take any action or commence any proceeding in any court for a partition or winding up of the Trust, nor otherwise affect the rights, obligations and liabilities of the parties hereto or any of them.

(b) No Investor Certificateholder shall have any right to vote (except as provided herein) or in any manner otherwise control the operation and management of the Trust, or the obligations of the parties hereto, nor shall any Investor Certificateholder be under any liability to any third person by reason of any action taken by the parties to this Agreement pursuant to any provision hereof.

(c) No Investor Certificateholder shall have any right by virtue of any provisions of this Agreement to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Agreement, unless such Certificateholder previously shall have given notice to the Trustee, and unless the Holders of Certificates evidencing Undivided Interests aggregating more than 66-2/3% of the Invested Amount of any Series which may be adversely affected but for the institution of such suit, action or proceeding shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee, for 60 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding; it being understood and intended, and being expressly covenanted by each Certificateholder with every other Certificateholder and the Trustee, that no one or more Certificateholders shall have the right in any manner whatever by virtue or by availing itself or themselves of any provisions of this Agreement to affect, disturb or prejudice the rights of the Certificateholders of any other of the Certificates, or to obtain or seek to obtain priority over or preference to any other such Certificateholder, or to enforce any right under this Agreement, except in the manner herein provided and for the equal, ratable and common benefit of all Certificateholders. For the protection and enforcement of the provisions of this Section 13.3, each and every Certificateholder and the Trustee shall be entitled to such relief as can be given either at law or in equity. Each Certificate Owner by its acquisition of a Book Entry Certificate shall be deemed to have consented to the provisions of this Section 13.3.

Section 13.4 Governing Law. This Agreement shall be construed in accordance with the laws of the State of Colorado, including the UCC as in effect in the State of Colorado, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

Section 13.5 Notices. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if sent by facsimile transmission to the telephone number designated by the

receiving party and confirmed by personal delivery or overnight delivery, to (a) in the case of the Transferor and the Servicer, to Nordstrom National Credit Bank, 13531 East Caley Avenue, Englewood, Colorado 80111, Attention: Michael A. Karmil, telecopy number (303) 397-4775, (b) in the case of the Trustee, to Norwest Bank Colorado, National Association, 1740 Broadway, Denver, Colorado 80274, Attention: Corporate Trust and Escrow Services, telecopy number (303) 863-5645, (c) in the case of any Enhancement Provider for a particular Series, the address, if any, specified in the Supplement relating to such Series, and (d) in the case of the Rating Agency for a particular Series, the address, if any, specified in the Supplement relating to such Series; or, as to each party, at such other address as shall be designated by such party in a written notice to each other party. Any notice required or permitted to be mailed to a Certificateholder shall be given by first class mail, postage prepaid, at the address of such Certificateholder as shown in the Certificate Register. Any notice so mailed within the time prescribed in this Agreement shall be conclusively presumed to have been duly given, whether or not the Certificateholder receives such notice.

Any notice required or permitted to be made to Holders of Bearer Certificates by publication shall be published in an Authorized Newspaper and, if the Certificates of such Series are then listed on the Luxembourg Stock Exchange and such stock exchange shall so require, in a newspaper of general circulation in Luxembourg (which newspaper shall be printed in the English language and customarily published on each business day in Luxembourg) and, if the Certificates of such Series are listed on any other stock exchange and such stock exchange shall so require, in any other city required by such stock exchange outside the United States, or, if not practicable, elsewhere in Europe.

In case by reason of the suspension of publication of any Authorized Newspaper or permitted newspaper with respect to Luxembourg or by reason of any other cause it shall be impracticable to publish any notice to Holders of Bearer Certificates as provided above, then such notification to Holders of Bearer Certificates as shall be given with approval of the Trustee shall constitute sufficient notice to such Holders for every purpose hereunder. Neither the failure to give notice by publication to Holders of Bearer Certificates as provided above, nor any defect in any notice so published, shall

affect the sufficiency of any notice mailed to Holders of Registered Certificates as provided above.

Section 13.6 Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Agreement shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement or of the Certificates or rights of the Certificateholders thereof.

Section 13.7 Assignment. Notwithstanding anything to the contrary contained herein, except as provided in Section 7.2, 7.5, 8.2 and 8.5, this Agreement, including any Supplement, may not be assigned by the Transferor or the Servicer, as the case may be, without the prior consent of Holders of Investor Certificates evidencing Undivided Interests aggregating more than 66-2/3% of the Aggregate Invested Amount.

Section 13.8 Certificates Nonassessable and Fully Paid. It is the intention of the parties to this Agreement that the Investor Certificateholders (and the Certificate Owners) shall not be personally liable for obligations of the Trust, that the Undivided Interests represented by the Investor Certificates shall be nonassessable for any losses or expenses of the Trust or for any reason whatsoever, and that Investor Certificates upon authentication thereof by the Trustee pursuant to Section 6.2 are and shall be deemed fully paid.

Section 13.9 Further Assurances. The Transferor and the Servicer agree to do and perform, from time to time, any and all acts and to execute any and all further instruments required or reasonably requested by the Trustee more fully to effect the purposes of this Agreement including, without limitation, the execution of any financing statements or continuation statements relating to the property of the Trust for filing under the provisions of the UCC of the Relevant UCC State.

Section 13.10 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Trustee or the Investor Certificateholders, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or

partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers and privileges provided by law.

Section 13.11 Counterparts. This Agreement and any Supplement may be executed in two or more counterparts (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

Section 13.12 Third-Party Beneficiaries. This Agreement and any Supplement will inure to the benefit of and be binding upon the parties hereto, the Certificateholders and the Certificate Owners and their respective successors and permitted assigns. Except as otherwise provided in this Agreement, no other person will have any right or obligation hereunder; provided, however, that if so specified in the applicable Supplement, an Enhancement Provider may be deemed to be a third party beneficiary of this Agreement.

Section 13.13 Actions by Certificateholders.

(a) Wherever in this Agreement or any Supplement a provision is made that an action may be taken or a notice, demand or instruction given by Investor Certificateholders, such action, notice or instruction may be taken or given by any Investor Certificateholder of any Series, unless such provision requires a specific percentage of Investor Certificateholders of a certain Series or all Series.

(b) Any request, demand, authorization, direction, notice, consent, waiver or other act by a Certificateholder shall bind such Certificateholder and every subsequent holder of such Certificate issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done or omitted to be done by the Trustee or the Servicer in reliance thereon, whether or not notation of such action is made upon such Certificate.

Section 13.14 Merger and Integration. Except as specifically stated otherwise herein, this Agreement sets forth the entire understanding of the parties relating to

the subject matter hereof, and all prior understandings, written or oral, are superseded by this Agreement. This Agreement may not be modified, amended, waived or supplemented except as provided herein.

Section 13.15 Headings. The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

Section 13.16 Certificates and Opinions of Counsel.

(a) Any certificate delivered may be based, insofar as it relates to legal matters, upon an Opinion of Counsel, unless the Person delivering such certificate knows, or in the exercise of reasonable care should know, that such opinion with respect to the matters upon which such certificate may be based as aforesaid is erroneous. Any Opinion of Counsel or certificate delivered hereunder may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Servicer or the Transferor, stating that the information with respect to such factual matters is in the possession of such Person, unless the Person delivering such certificate or such counsel knows, or in the exercise of reasonable care should know, that such certificate, opinion or representations with respect to such matters are erroneous. Any Opinion of Counsel delivered hereunder may contain necessary exceptions and qualifications.

(b) Any Opinion of Counsel or certificate delivered hereunder may be based, insofar as it relates to accounting matters, upon a certificate or opinion of or representations by an independent public accountant or firm of accountants, unless such counsel or the Person delivering such certificate, as the case may be, knows that the certificate or opinions or representations with respect to the accounting matters upon which the certificate or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous. Any certificate, opinion or representations of any firm of independent public accountants filed with the Trustee shall contain a statement that such firm is independent.

(c) Where any Person is required to make, give or execute two or more applications, requests, consents,

certificates, statements, opinions or other instruments hereunder, they may, but need not, be consolidated and form one instrument.

Section 13.17 Nonpetition Covenant. Notwithstanding any prior termination of this Agreement, the Transferor, the Servicer, the Trustee, the Transfer Agent and Registrar and each Paying Agent shall not, prior to the date which is one year and one day after the termination of this Agreement with respect to the Trust, acquiesce, petition or otherwise invoke or cause the Trust to invoke the process of any Governmental Authority for the purpose of commencing or sustaining a case against the Trust under any Federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Trust or any substantial part of its property or ordering the winding-up or liquidation of the affairs of the Trust.

IN WITNESS WHEREOF, the Transferor, the Servicer and the Trustee have caused this Pooling and Servicing Agreement to be duly executed by their respective officers as of the day and year first above written.

NORDSTROM NATIONAL CREDIT BANK,
as Transferor and Servicer

By: /s/ John Walgamott

Name: John Walgamott
Title: President, CEO

NORWEST BANK COLORADO,
NATIONAL ASSOCIATION
as Trustee and Paying Agent

By: /s/ A. Lenore Martinez

Name: A. Lenore Martinez
Title: Senior Vice President

SCHEDULE 1

LIST OF ACCOUNTS

Delivered to Trustee only

EXHIBIT A
TO THE MASTER POOLING
AND SERVICING AGREEMENT

EXCHANGEABLE TRANSFEROR
CERTIFICATE

THIS CERTIFICATE OR ANY INTEREST HEREIN MAY NOT BE TRANSFERRED, ASSIGNED,
EXCHANGED OR CONVEYED, EXCEPT IN ACCORDANCE WITH SECTIONS 6.3, 6.9 AND 7.2 OF
THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.

No. R-1 One Unit

NORDSTROM CREDIT CARD MASTER TRUST
EXCHANGEABLE TRANSFEROR CERTIFICATE

This Certificate represents an interest in
the Nordstrom Credit Card Master Trust

Evidencing an undivided interest in a trust, the corpus of which consists of
receivables generated or to be generated in a portfolio of designated VISA
Card and MasterCard credit card accounts.

(Not an interest in or recourse obligation of Nordstrom National Credit Bank
or any of its affiliates)

This certifies that Nordstrom National Credit Bank is the registered owner of
an undivided interest in the Nordstrom Credit Card Master Trust (the "Trust")
issued pursuant to the Master Pooling and Servicing Agreement, dated as of
August 14, 1996 (the "Pooling and Servicing Agreement"; such term to include
any Supplement thereto) by and among Nordstrom National Credit Bank, as
Transferor (in such capacity, the "Transferor"), Nordstrom National Credit
Bank, as Servicer (in such capacity, the "Servicer"), and Norwest Bank
Colorado, National Association, as Trustee (the "Trustee"). The corpus of the
Trust consists of all of the Transferor's right, title and interest in and to
a portfolio of receivables now existing and hereafter created (the
"Receivables") arising under certain credit card accounts from time to time

owned by the Transferor and identified in the Pooling and Servicing Agreement (collectively, the "Accounts"), all monies due or to become due with respect thereto (including Recoveries) on and after the Cut Off Date, all proceeds of such Receivables, all monies as are from time to time deposited in the Collection Account and any other account or accounts maintained for the benefit of the Certificateholders and all monies as are from time to time available under any Enhancement for any Series for payment to Certificateholders. The Receivables consist of Receivables which arise generally from the purchase of merchandise and services, periodic finance charges, cash advances and cash advance fees, access checks, annual cardholder fees, credit insurance premiums, late fees, overlimit fees, return check fees and all other fees and charges, as more fully specified in the Pooling and Servicing Agreement, including Recoveries on Receivables in Defaulted Accounts.

Although a summary of certain provisions of the Pooling and Servicing Agreement is set forth below, this Certificate does not purport to summarize the Pooling and Servicing Agreement and reference is made to the Pooling and Servicing Agreement for information with respect to the interests, rights, benefits, obligations, proceeds, and duties evidenced hereby and the rights, duties and obligations of the Trustee. A copy of the Pooling and Servicing Agreement may be requested from the Trustee by writing to the Trustee at 1740 Broadway, Denver, Colorado 80274-8693, Attention: Corporate Trust and Escrow Services. To the extent not defined herein capitalized terms used herein have the meanings ascribed to them in the Pooling and Servicing Agreement.

This Certificate is the Exchangeable Transferor Certificate, which represents a fractional undivided interest in the Trust including the right to receive the Collections and other amounts at the times and in the amounts specified in the Pooling and Servicing Agreement to be paid to the holder of the Exchangeable Transferor Certificate. This Certificate is issued under and is subject to the terms, provisions and conditions of the Pooling and Servicing Agreement, to which Pooling and Servicing Agreement, as amended from time to time, the holder hereof by virtue of the acceptance hereof assents and by which the holder hereof is bound.

This Exchangeable Transferor Certificate represents the Transferor Interest in the Receivables in the Trust at any time. In addition to the Exchangeable Transferor Certificate, Investor Certificates will be issued to investors pursuant to the Pooling and Servicing Agreement, which will represent the interests of Investor Certificateholders in the Trust. This Certificate shall not represent any interest in the Collection Account, the Excess Funding Account or any other account or any Enhancement except as specifically provided in the Pooling and Servicing Agreement.

The Transferor has entered into the Pooling and Servicing Agreement, and this Certificate is issued, with the intention that, for Federal, state and local income and franchise tax purposes, the Investor Certificates (other than those held by the Transferor) will qualify as indebtedness secured by the Receivables. The Transferor, by entering into the Pooling and Servicing Agreement and by the acceptance of the Exchangeable Transferor Certificate, agrees to treat the Investor Certificates (other than those held by the Transferor) for Federal, state and local income and franchise tax purposes as indebtedness.

Subject to certain conditions in the Pooling and Servicing Agreement, the obligations created by the Pooling and Servicing Agreement and the Trust created thereby shall terminate upon the earlier of (i) the day following the date on which funds shall have been deposited in the Collection Account sufficient to pay the Aggregate Invested Amount and any Enhancement Invested Amount plus applicable Certificate Interest accrued through the last day of the interest accrual period preceding such Distribution Date in full on all Series of Investor Certificates and (ii) August 14, 2096.

Upon the termination of the Trust pursuant to Article XII of the Pooling and Servicing Agreement and the surrender of the Exchangeable Transferor Certificate, the Trustee shall return to the Transferor (without recourse, representation or warranty) all right, title and interest of the Trust in the Receivables, whether then existing or thereafter created, and all proceeds thereof except for amounts held by the Paying Agent and all other Trust Property. The Trustee shall execute and deliver such instruments of transfer and assignment, in each case without recourse, as shall be reasonably

requested by the Transferor to vest in the Transferor all right, title and interest which the Trustee had in the applicable Receivables.

Unless the certificate of authentication hereon has been executed by or on behalf of the Trustee, by manual signature, this Certificate shall not be entitled to any benefit under the Pooling and Servicing Agreement, or be valid for any purpose.

IN WITNESS WHEREOF, Nordstrom National Credit Bank has caused this Exchangeable Transferor Certificate to be duly executed under its official seal.

NORDSTROM NATIONAL CREDIT BANK

By _____
Authorized Signatory

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is the Exchangeable Transferor Certificate referred to in the within-mentioned Pooling and Servicing Agreement.

Dated: _____, NORWEST BANK COLORADO,
NATIONAL ASSOCIATION
as Trustee

By _____
Authorized Signatory

EXHIBIT B
TO THE MASTER POOLING
AND SERVICING AGREEMENT

FORM OF ASSIGNMENT OF RECEIVABLES IN SUPPLEMENTAL ACCOUNTS

(As required by Subsection 2.6(c)(ii) of the Master
Pooling and Servicing Agreement)

ASSIGNMENT No. ___ OF RECEIVABLES IN SUPPLEMENTAL ACCOUNTS, dated as of
_____, ____, from NORDSTROM NATIONAL CREDIT BANK, a national banking
association (the "Transferor"), to NORWEST BANK COLORADO, NATIONAL
ASSOCIATION, a national banking association (the "Trustee") pursuant to the
Master Pooling and Servicing Agreement referred to below.

W I T N E S S E T H:

WHEREAS, Nordstrom National Credit Bank, as Transferor and as Servicer, and
the Trustee are parties to the Master Pooling and Servicing Agreement, dated
as of August 14, 1996, including any Supplement thereto (hereinafter as such
agreement may have been, or may from time to time be, amended, supplemented or
otherwise modified, the "Pooling and Servicing Agreement"); and

WHEREAS, pursuant to the Pooling and Servicing Agreement, the Transferor
wishes to designate Supplemental Accounts to be included as Accounts and to
convey the Receivables of such Supplemental Accounts, whether now existing or
hereafter created, to the Trust as part of the corpus of the Trust (as each
such term is defined in the Pooling and Servicing Agreement); and

WHEREAS, the Trustee is willing to accept such designation and conveyance
subject to the terms and conditions hereof;

NOW THEREFORE, the Transferor and the Trustee hereby agree as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Pooling and Servicing Agreement.

"Addition Date" shall mean, with respect to the Supplemental Accounts designated hereby, _____, ____.

"Addition Cut Off Date" shall mean, with respect to the Supplemental Accounts designated hereby, _____, ____.

"Supplemental Account Selection Date" shall mean, with respect to the Supplemental Accounts designated hereby, _____, ____.

2. Designation of Supplemental Accounts. The Transferor shall deliver to the Trustee on or prior to the Addition Date, a computer file or microfiche list containing a true and complete list of all Accounts which as of the Addition Date shall be deemed to be Supplemental Accounts, identified by account number and by Receivable balance in such Supplemental Accounts as of the close of business on the Addition Cut Off Date. Such list shall be marked as Schedule 1 to this Assignment and, as of the Addition Date, shall be incorporated into and made a part of this Assignment and the Pooling and Servicing Agreement.

3. Conveyance of Receivables. (a) The Transferor does hereby transfer, assign, set-over and otherwise convey to the Trust for the benefit of the Certificateholders, without recourse, on and after the Addition Date, all right, title and interest of the Transferor in and to the Receivables now existing and hereafter created in the Supplemental Accounts designated on Schedule 1, all monies due or to become due with respect thereto on and after the Addition Cut Off Date and all amounts received with respect thereto, including all Recoveries related thereto, and all proceeds thereof.

(b) In connection with such transfer, the Transferor agrees to record and file, at its own expense, financing statements (and continuation statements with respect to such financing statements when applicable) with respect to the Receivables now existing and hereafter created in the Supplemental Accounts

designated on Schedule 1 (which may be a single financing statement with respect to all such Receivables) for the transfer of accounts and general intangibles (if necessary) as defined in Section 9-106 of the UCC as in effect in the Relevant UCC State meeting the requirements of Relevant UCC State law in such manner and such jurisdictions as are necessary to perfect the assignment of such Receivables to the Trust, and to deliver a file-stamped copy of such financing statement or other evidence of such filing (which may, for purposes of this Section 3, consist of telephone confirmation of such filing, confirmed within 24 hours in writing) to the Trustee on or prior to the Addition Date.

(c) In connection with such transfer, the Transferor further agrees, at its own expense, on or prior to the Addition Date, to indicate clearly and unambiguously in its computer files that Receivables created in connection with the Supplemental Accounts designated hereby have been transferred to the Trust pursuant to this Assignment for the benefit of Certificateholders.

4. Acceptance by Trustee. Subject to the satisfaction of the conditions set forth in Section 6 of this Assignment, the Trustee hereby acknowledges its acceptance on behalf of the Trust of all right, title and interest previously held by the Transferor in and to the Receivables now existing and hereafter created, and declares that it shall maintain such right, title and interest, upon the trust herein set forth, for the benefit of all Certificateholders and any Enhancement Provider. The Trustee further acknowledges that, prior to or simultaneously with the execution and delivery of this Assignment, the Transferor delivered to the Trustee the computer file or microfiche list described in Section 2 of this Assignment.

5. Representations and Warranties of the Transferor. The Transferor hereby represents and warrants to the Trust as of the Addition Date that:

(a) Legal, Valid and Binding Obligation. This Assignment constitutes a legal, valid and binding obligation of the Transferor, enforceable against the Transferor in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter

in effect affecting the enforcement of creditors' rights in general and the rights of creditors of national banking associations and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity).

(b) Eligibility of Accounts. Each Supplemental Account designated hereby was, as of the Supplemental Account Selection Date, an Eligible Account.

(c) Selection Procedures. No selection procedures believed by the Transferor to be materially adverse to the interests of any Series of Investor Certificates or any Enhancement Provider were utilized in selecting the Supplemental Accounts designated hereby from the available Eligible Accounts in the Transferor's portfolio of credit card accounts.

(d) Insolvency. The Transferor is not insolvent and, after giving effect to the conveyance set forth in Section 3 of this Assignment, will not be insolvent.

(e) Security Interest. This Assignment constitutes either (i) a valid transfer and assignment to the Trust of all right, title and interest of the Transferor in and to the Receivables now existing and hereafter created in Supplemental Accounts designated on Schedule 1 hereto, all monies due or to become due with respect thereto on and after the Addition Cut Off Date, Recoveries and all proceeds (as defined in the UCC as in effect in the Relevant UCC State) of such Receivables, and such Receivables and all proceeds thereof will be held by the Trust free and clear of any Lien of any Person except for (x) Liens permitted under subsection 2.5(b) of the Pooling and Servicing Agreement, (y) the interest of the holder of the Exchangeable Transferor Certificate and (z) any right of the holder of the Exchangeable Transferor Certificate to receive interest accruing on, and investment earnings with respect to, the Collection Account, the Excess Funding Account and any other account or accounts maintained for the benefit of Certificateholders as provided in the Pooling and Servicing Agreement and any Supplement; or (ii) a grant of a security interest (as defined in the UCC as in effect in the Relevant UCC State) in such property to the Trustee on behalf of the Trust, which is enforceable with respect to the existing Receivables of

the Supplemental Accounts designated on Schedule 1 hereto, and the proceeds thereof (to the extent set forth in Section 9-306 of the UCC as in effect in the Relevant UCC State) upon the conveyance of such Receivables to the Trust, and which will be enforceable with respect to the Receivables thereafter created in respect of Supplemental Accounts designated on Schedule 1 hereto and the proceeds thereof to such extent, upon such creation; and (iii) if this Assignment constitutes the grant of a security interest to the Trust in such property, upon the filing of financing statements described in Section 3 of this Assignment with respect to the Supplemental Accounts designated hereby and in the case of the Receivables of such Supplemental Accounts thereafter created and the proceeds thereof upon such creation, the Trust shall have a first priority perfected security interest in such property and the proceeds thereof (to the extent set forth in Section 9-306 of the UCC as in effect in the Relevant UCC State), except for Liens permitted under subsection 2.5(b) of the Pooling and Servicing Agreement.

6. Conditions Precedent. The acceptance of the Trustee set forth in Section 4 and the amendment of the Pooling and Servicing Agreement set forth in Section 7 are subject to the satisfaction, on or prior to the Addition Date, of the following conditions precedent:

(a) Officer's Certificate. The Transferor shall have delivered to the Trustee an Officer's Certificate dated as of the Addition Date, certifying that (i) all requirements set forth in Section 2.6 of the Pooling and Servicing Agreement for designating Supplemental Accounts and conveying the Receivables of such Accounts, whether now existing or hereafter created, have been satisfied and (ii) each of the representations and warranties made by the Transferor in Section 5 is true and correct as of the Addition Date. The Trustee may conclusively rely on such Officer's Certificate, shall have no duty to make inquiries with regard to the matters set forth therein, and shall incur no liability in so relying.

(b) Opinion of Counsel. The Transferor shall have delivered to the Trustee and each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series an Opinion of Counsel with respect to the Receivables in the Supplemental Accounts designated hereby

substantially in the form of Part One of Exhibit G to the Pooling and Servicing Agreement.

7. Amendment of the Pooling and Servicing Agreement. The Pooling and Servicing Agreement is hereby amended to provide that all references therein to the "Pooling and Servicing Agreement," to "this Agreement" and "herein" shall be deemed from and after the Addition Date to be a dual reference to the Pooling and Servicing Agreement as supplemented by this Assignment. Except as expressly amended hereby, all of the representations, warranties, terms, covenants and conditions of the Pooling and Servicing Agreement shall remain unamended and shall continue to be, and shall remain, in full force and effect in accordance with its terms and except as expressly provided herein shall not constitute or be deemed to constitute a waiver of compliance with or a consent to non-compliance with any term or provision of the Pooling and Servicing Agreement.

8. Counterparts. This Assignment may be executed in two or more counterparts (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have caused this Assignment of Receivables in Supplemental Accounts to be duly executed and delivered by their respective duly authorized officers on the day and year first above written.

NORDSTROM NATIONAL CREDIT BANK
as Transferor of the
Supplemental Accounts

By _____
Name:
Title:

NORWEST BANK COLORADO,
NATIONAL ASSOCIATION
as Trustee and Paying Agent

By _____
Name:
Title:

Schedule 1
to Assignment of
Receivables in
Supplemental Accounts

SUPPLEMENTAL ACCOUNTS

EXHIBIT C
TO THE MASTER POOLING
AND SERVICING AGREEMENT

FORM OF REASSIGNMENT OF RECEIVABLES

(As required by Section 2.7(b)(i) of the
Master Pooling and Servicing Agreement)

REASSIGNMENT No. ___ OF RECEIVABLES, dated as of _____, _____, between
NORDSTROM NATIONAL CREDIT BANK, a national banking association, and NORWEST
BANK COLORADO, NATIONAL ASSOCIATION, a national banking association (the
"Trustee"), pursuant to the Master Pooling and Servicing Agreement referred to
below.

W I T N E S S E T H:

WHEREAS, Nordstrom National Credit Bank, as transferor (the "Transferor") and
as servicer, and the Trustee are parties to the Master Pooling and Servicing
Agreement, dated as of August 14, 1996, including any Supplement (hereinafter
as such agreement may have been, or may from time to time be, amended,
supplemented or otherwise modified, the "Pooling and Servicing Agreement");
and

WHEREAS, pursuant to the Pooling and Servicing Agreement, the Transferor
wishes to remove all Receivables from certain designated Accounts (the
"Removed Accounts") and to cause the Trustee to quitclaim the Receivables of
such Removed Accounts, whether now existing or hereafter created, from the
Trust to the Transferor (as each such term is defined in the Pooling and
Servicing Agreement); and

WHEREAS, the Trustee is willing to accept such designation and to quitclaim
the Receivables in the Removed Accounts subject to the terms and conditions
hereof;

NOW THEREFORE, the Transferor and the Trustee hereby agree as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Pooling and Servicing Agreement.

"Removal Date" shall mean, with respect to the Removed Accounts designated hereby, _____, ____.

"Removal Notice Date" shall mean, with respect to the Removed Accounts designated hereby, _____, _____ (which shall be a date on or prior to the fifth Business Day prior to the Removal Date).

2. Designation of Removed Accounts. The Transferor shall deliver to the Trustee herewith, a computer file or microfiche list containing a true and complete list of each Account which as of the Removal Date shall be deemed to be a Removed Account, such Accounts being identified by account number and by the aggregate balance of the Receivables in such Removed Accounts as of the Removal Notice Date. Such list shall be marked as Schedule 1 to this Reassignment and shall be incorporated into and made a part of this Reassignment and the Pooling and Servicing Agreement as of the Removal Date.

3. Conveyance of Receivables. The Trustee does hereby quitclaim to the Transferor, without recourse or representation on and after the Removal Date, all right, title and interest of the Trust in and to the Receivables now existing and hereafter created in the Removed Accounts designated on Schedule 1, all monies due or to become due and all amounts received with respect thereto, including all Recoveries related thereto, and all proceeds thereof.

(a) In connection with such transfer, the Trustee agrees to execute and deliver to the Transferor on or prior to the date of this Reassignment, a termination statement with respect to the Receivables now existing and hereafter created in the Removed Accounts designated hereby (which may be a single termination statement with respect to all such Receivables) evidencing the release by the Trust of its lien on the Receivables in the Removed Accounts, and meeting the requirements of applicable state law, in such manner and such jurisdictions as are necessary to remove such lien. The Transferor shall be responsible for filing any such termination statement and the Trustee

shall have no responsibility to see to any recording or filing of any such termination statement.

4. Acceptance by Trustee. The Trustee hereby acknowledges that, prior to or simultaneously with the execution and delivery of this Reassignment, the Transferor delivered to the Trustee the computer file or microfiche list represented by the Transferor to be as described in Section 2 of this Reassignment.

5. Representations and Warranties of the Transferor. The Transferor hereby represents and warrants to the Trust as of the Removal Date:

(a) Legal, Valid and Binding Obligation. This Reassignment constitutes a legal, valid and binding obligation of the Transferor, enforceable against the Transferor in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights in general and the rights of creditors of national banking associations and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity); and

(b) Selection Procedures. No selection procedures believed by such Transferor to be materially adverse to the interests of any outstanding Series of Investor Certificates or any Enhancement Provider were utilized in selecting the Removed Accounts designated hereby.

6. Conditions Precedent. The amendment of the Pooling and Servicing Agreement set forth in Section 7 hereof is subject to the satisfaction, on or prior to the Removal Date, of the following condition precedent:

(a) Officer's Certificate. The Transferor shall have delivered to the Trustee and the Rating Agencies an Officer's Certificate certifying that (i) on the Removal Date, all requirements set forth in Section 2.7 of the Pooling and Servicing Agreement for designating Removed Accounts and reconveying the Receivables of such Removed Accounts, whether now existing or hereafter created, have been satisfied, and (ii) each of the representations and warranties made by the Transferor in Section 5 hereof is true and correct as

of the Removal Date. The Trustee may conclusively rely on such Officer's Certificate, shall have no duty to make inquiries with regard to the matters set forth therein and shall incur no liability in so relying.

7. Amendment of the Pooling and Servicing Agreement. The Pooling and Servicing Agreement is hereby amended to provide that all references therein to the "Pooling and Servicing Agreement," to "this Agreement" and "herein" shall be deemed from and after the Removal Date to be a dual reference to the Pooling and Servicing Agreement as supplemented by this Reassignment. Except as expressly amended hereby, all of the representations, warranties, terms, covenants and conditions of the Pooling and Servicing Agreement shall remain unamended and shall continue to be, and shall remain, in full force and effect in accordance with its terms and except as expressly provided herein shall not constitute or be deemed to constitute a waiver of compliance with or a consent to non-compliance with any term or provision of the Pooling and Servicing Agreement.

8. Counterparts. This Reassignment may be executed in two or more counterparts (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have caused this Reassignment of Receivables to be duly executed and delivered by their respective duly authorized officers on the day and year first above written.

NORDSTROM NATIONAL CREDIT BANK
as Transferor

By _____
Name:
Title:

NORWEST BANK COLORADO,
NATIONAL ASSOCIATION
as Trustee and Paying Agent

By _____
Name:
Title:

Schedule 1
to Reassignment
of Receivables

REMOVED ACCOUNTS

EXHIBIT D
TO THE MASTER POOLING
AND SERVICING AGREEMENT

FORM OF SERIES CLOSING DATE REPORT

NORDSTROM NATIONAL CREDIT BANK

NORDSTROM CREDIT CARD MASTER TRUST

The undersigned, duly authorized representative of Nordstrom National Credit Bank, as Servicer (the "Servicer") pursuant to the Master Pooling and Servicing Agreement dated as of August 14, 1996, by and among Nordstrom National Credit Bank, as Transferor and as Servicer, and Norwest Bank Colorado, National Association, as trustee (the "Trustee"), does hereby certify to the best of his or her knowledge after reasonable investigation that:

1. The Servicer is as of the date hereof the Servicer under the Pooling and Servicing Agreement. Capitalized terms used in this Certificate have their respective meanings set forth in the Pooling and Servicing Agreement.
2. The undersigned is duly authorized pursuant to the Pooling and Servicing Agreement to execute and deliver this certificate to the Trustee.
3. This certificate is delivered pursuant to Section 3.4(a) of the Pooling and Servicing Agreement.
4. The Aggregate Principal Receivables as of the end of the day two Business Days preceding the Closing Date for Series ____ was \$ _____.

5. The Transferor Amount and the Excluded Receivables Balance as of the end of the day two Business Days preceding the Closing Date for Series ____ were \$_____ and \$_____, respectively, and the Transferor Percentage as of such date was ____%.

6. The Transferor Percentage after giving effect to the issuance of the Investor Certificates of Series ____ is expected to be not less than ____%.

IN WITNESS WHEREOF, the undersigned, a duly authorized officer of the Servicer, has duly executed this Certificate this _____ day of _____, _____.

NORDSTROM NATIONAL CREDIT BANK
as Servicer

By: _____
Name:
Title:

EXHIBIT E
TO THE MASTER POOLING
AND SERVICING AGREEMENT

FORM OF MONTHLY SERVICER'S CERTIFICATE
NORDSTROM NATIONAL CREDIT BANK

NORDSTROM CREDIT CARD MASTER TRUST _____

The undersigned, a duly authorized representative of Nordstrom National Credit Bank ("Nordstrom"), as Servicer pursuant to the Master Pooling and Servicing Agreement dated as of August 14, 1996 (the "Pooling and Servicing Agreement"), between Nordstrom, as Transferor and Servicer, and Norwest Bank Colorado, National Association, as Trustee, does hereby certify as follows:

1. Capitalized terms used in this Officer's Certificate have their respective meanings set forth in the Pooling and Servicing Agreement.
2. Nordstrom is as of the date hereof the Servicer under the Pooling and Servicing Agreement.
3. The undersigned is a Servicing Officer.
4. The aggregate amount of Collections processed for preceding Due Period was equal to \$ _____
5. The aggregate amount of Collections of Finance Charge Receivables for the Due Period was equal to \$ _____
6. The aggregate amount of Collections of Principal Receivables for preceding Due Period was equal to \$ _____

7. The Invested Percentage with respect to Collections of Principal Receivables on the last day of the preceding Due Period was equal to:

Series %
Series %
etc.

8. The Invested Percentage with respect to Collections of Finance Charge Receivables on the last day of the preceding Due Period was equal to:

Series %
Series %
etc.

9. The Invested Percentage with respect to Defaulted Receivables on the last day of the preceding Due Period was equal to:

Series %
Series %
etc.

10. The total amount to be distributed to Investor Certificateholders on the next succeeding Distribution Date is equal to:

Series \$
Series \$
etc.

11. The amount to be distributed to Investor Certificateholders on the next succeeding Distribution Date per \$1,000 original principal amount is equal to:

Series \$
Series \$
etc.

12. The amount of such distribution allocable to principal is equal to:

Series \$
Series \$
etc.

13. The amount of such distribution allocable to principal per \$1,000 original principal amount is equal to:

Series \$
Series \$
etc.

14. The amount of such distribution allocable to interest is equal to:

Series \$
Series \$
etc.

15. The amount of such distribution allocable to interest per \$1,000 original principal amount is equal to:

Series \$
Series \$
etc.

16. The aggregate outstanding balance of Accounts which were as of the last day of the immediately preceding Due Period delinquent:

30-59 days	\$ _____
60-89 days	\$ _____
90-119 days	\$ _____
120 or more days	\$ _____

17. The Investor Default Amount for the preceding Due Period is equal to:

Series \$
Series \$
etc.

18. (a) The amount of Investor Charge-Offs with respect to next succeeding Distribution Date is equal to:

Series \$
Series \$
etc.

(b) The amount of reimbursement of Investor Charge-Offs with respect to the next succeeding Distribution Date is equal to :

Series \$
Series \$
etc.

19. The amount of the Investor Monthly Servicing Fee required to be paid on the next succeeding Distribution Date is equal to:

Series \$
Series \$
etc.

20. The existing Deficit Controlled [Amortization] [Accumulation] Amount, if applicable, is equal to:

Series \$
Series \$
etc.

21. The aggregate amount of Receivables in the Trust at the close of business on the last day of the preceding Due Period is equal to:

Series \$
Series \$
etc.

22. The Invested Amount at the close of business on the last day of the preceding Due Period is equal to:

Series \$
Series \$
etc.

23. The available amount of any applicable Enhancement is equal to:

Series \$
Series \$
etc.

24. The Series Factor as of the end of the related Due Period is equal to:

Series \$
Series \$
etc.

25. Attached hereto is a true and correct copy of the Monthly Certificateholder's Statement required to be delivered by the Servicer on the date of this Officer's Certificate to the Trustee in respect of each Series outstanding pursuant to the Pooling and Servicing Agreement and the Supplements thereto.

26. As of the date hereof (no Early Amortization Event with respect to any Series has occurred during or with respect to the preceding Due Period) (an Early Amortization Event has occurred with respect to Series).

27. As of the date hereof (i) Nordstrom's short-term certificate of deposit rating (if any) is ___ by Moody's and ___ by Standard & Poor's(, which in the case of (Moody's) (Standard & Poor's) is an implied rating) and (ii) Nordstrom Credit, Inc.'s commercial paper rating (if any) is ___ by Moody's and ___ by Standard & Poor's(, which in the case of (Moody's) (Standard & Poor's) is an implied rating).

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this certificate this day of , .

NORDSTROM NATIONAL CREDIT BANK
as Servicer

By _____
Servicing Officer

EXHIBIT F
TO THE MASTER POOLING
AND SERVICING AGREEMENT

FORM OF ANNUAL SERVICER'S CERTIFICATE

NORDSTROM NATIONAL CREDIT BANK

NORDSTROM CREDIT CARD MASTER TRUST

The undersigned, a duly authorized representative of Nordstrom National Credit Bank ("Nordstrom"), as Servicer pursuant to the Master Pooling and Servicing Agreement dated as of August 14, 1996 (the "Pooling and Servicing Agreement"), between Nordstrom, as Transferor and Servicer, and Norwest Bank Colorado, National Association, as Trustee, does hereby certify that:

1. Capitalized terms used in this Officer's Certificate have their respective meanings set forth in the Pooling and Servicing Agreement.
2. Nordstrom is as of the date hereof the Servicer under the Pooling and Servicing Agreement.
3. The undersigned is duly authorized pursuant to the Pooling and Servicing Agreement to execute and deliver this Officer's Certificate to the Trustee.
4. This certificate is delivered pursuant to Section 3.5 of the Pooling and Servicing Agreement.
5. A review of the activities of the Servicer during the calendar year ended December 31, _____ and of its performance under the Pooling and Servicing Agreement was made under my supervision.
6. Based on such review, to the best of the undersigned's knowledge, the Servicer has fully performed all its obligations under the Pooling and

Servicing Agreement throughout such calendar year and no event which, with the giving of notice or passage of time or both, would constitute a Servicer Default has occurred or is continuing except as set forth in paragraph 7 below.

7. The following is a description of each Servicer Default under the provisions of the Pooling and Servicing Agreement known to me to have been made during the calendar year ended December 31, ____, which sets forth in detail the (i) nature of each such Servicer Default, (ii) the action taken by the Servicer, if any, to remedy each such Servicer Default and (iii) the current status of each such Servicer Default:

IN WITNESS WHEREOF, the undersigned, a duly authorized officer of the Servicer, has duly executed this Certificate this __ day of _____, ____.

By: _____
Name:
Title:

EXHIBIT G
TO THE MASTER POOLING
AND SERVICING AGREEMENT

PART ONE

PROVISIONS TO BE INCLUDED IN
OPINION OF COUNSEL TO BE
DELIVERED PURSUANT TO
SUBSECTION 2.6(c)(vi) OF THE
POOLING AND SERVICING AGREEMENT

The opinions set forth below may be subject to certain qualifications, assumptions, limitations and exceptions taken or made in the opinion of the Transferor's counsel with respect to similar matters delivered on the Initial Closing Date. Such counsel may rely as to factual matters on certificates of officers of the Transferor and the Servicer.

(i) The Assignment has been duly authorized, executed and delivered by the Transferor and constitutes the valid and legally binding agreement of the Transferor, enforceable against the Transferor in accordance with its terms subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditor's rights and the rights of creditors of national banking associations and to general equity principles.

(ii) The provisions of the Pooling and Servicing Agreement are effective to create, in favor of the Trustee for the benefit of the Holders of the Certificates, a valid security interest in the Receivables and the proceeds thereof. Such security interest constitutes a first priority perfected security interest in such Receivables and the proceeds thereof. No other security interest of any creditor of the Transferor is equal or prior to the security interest of the Trustee in such Receivables.

(iii) No filing or other action, other than the filing of a Uniform Commercial Code financing statement in the recording offices in the Relevant UCC State is necessary to perfect or maintain the security interest in the

Receivables and the proceeds thereof, except that (a) appropriate Uniform Commercial Code continuation statements must be filed within the period of six months prior to the expiration of five years from the date of the original filing, (b) if the Transferor changes its name, identity or corporate structure, appropriate Uniform Commercial Code financing statements must be filed prior to the expiration of four months after the Transferor changes its name, identity or corporate structure and (c) if the Transferor changes its chief executive office or principal place of business to a jurisdiction other than the State of Delaware, such security interest must be perfected in such jurisdiction within four months of the date on which the change occurs (or earlier, if perfection under the laws of such jurisdiction would have otherwise ceased as set forth in clause (a) above).

PART TWO

PROVISIONS TO BE INCLUDED IN OPINION OF COUNSEL PURSUANT TO SUBSECTION 13.1(g)

The counsel rendering this opinion may rely on certificates of officers of the Servicer as regards factual matters.

(i) The Amendment to the Pooling and Servicing Agreement, attached hereto as Exhibit A (the "Amendment"), has been duly authorized, executed and delivered by the Transferor and constitutes the valid and legally binding agreement of the Transferor, enforceable in accordance with its terms subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditor's rights and the rights of creditors of national banking associations and to general equity principles.

(ii) The Amendment has been entered into in accordance with the terms and provisions of Section 13.1 of the Pooling and Servicing Agreement.

((iii) The Amendment will not materially and adversely affect the interests of the Investor Certificateholders.)

EXHIBIT H
TO THE MASTER POOLING
AND SERVICING AGREEMENT

PROVISIONS TO BE INCLUDED
IN ANNUAL OPINION OF COUNSEL

The opinion set forth below, which is to be delivered pursuant to subsection 13.2(d)(iii) of the Pooling and Servicing Agreement, may be subject to certain qualifications, assumptions, limitations and exceptions taken or made in the opinion of counsel delivered on the Initial Closing Date with respect to similar matters .

No filing or other action, other than such filing or action described in such opinion, is necessary from the date of such opinion through 1 of the following year to continue the perfected status of the interest of the Trust in the collateral described in the financing statements referred to in such opinion.

EXHIBIT I
TO THE MASTER POOLING
AND SERVICING AGREEMENT

ACCOUNT AGREEMENTS

ENHANCE YOUR
ENJOYMENT OF NORDSTROM

The perfect fit is something you look for in both clothes and customer service. And nobody knows the value of a perfect fit better than a Nordstrom customer. Which is why you'll be delighted with a Nordstrom Visa card.

Your Nordstrom Visa card keeps everything you love about shopping with us at your fingertips.

Advance notice of sales. You'll receive advance notice of major Nordstrom sales, plus our holiday catalog.

Personal Touch. Our fashion experts can update your wardrobe, plan a special outfit or find the perfect gift. Call ahead, and your selections will be waiting when you arrive.

Beauty Hotline. Just a toll-free phone call puts you in touch with one of our cosmetics and fragrance consultants.

Nordstrom, The Catalog. Shop with your card from the convenience of your home and office.

THE BEST SHOPPING OF ALL

Only one card combines the worldwide convenience of Visa with the special recognition and rewards of shopping at Nordstrom.

We invite you to apply for Nordstrom Visa card in any of our stores. Within minutes a sales associate or customer service representative can process your application. We look forward to sending you a Visa card that is designed to fit you, our Nordstrom customer.

NNCB VISA CREDIT APPLICATION

Tell us about yourself
you must be 18 or older and have a bankcard reference to apply

Name: First Middle
Last

Street Address: City
State Zip

If less than one year at current address previous address

Home Phone () Business Phone () Employer

Employer Address City State Zip
Position

How long at current employer _____ Annual Income _____
Name of nearest Relative Relative's Home Phone ()

Driver's License or State ID Number/State of Issue
Date of Birth Social Security Number Mother's Maiden Name

Would you like a Personal Identification Number issued with you card?

Yes No

Do you want to add an authorized purchaser to you account?

Name Relationship

Do you have a Nordstrom Account? Yes No Nordstrom Account Number, if known

Tell us about your co-applicant
If you are married, you may apply for a individual account,
please complete the following and have the co-applicant sign below.

Name: First Middle Last
Relation to Applicant

Employer Employer Address City
State Zip Business Phon

Position/Length of Employment Annual Income
Social Security Date of Birth
Mother's Maiden Name

Please sign below

Applicant's Signature Date

Co-Applicant's Signature Date

Schedule B

SAMPLE OFFICIAL STATEMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC - bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully registered Security certificate will be issued for (each issue of) the Securities, (each) in the aggregate principal amount of such issue, and will be deposited with DTC. (If, however, the aggregate principal amount of (any) issue exceeds \$200 million, one certificate will be issued with respect to each \$200 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.)
2. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act to 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC had no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.
5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.
- (6. Redemption notices shall be sent to Cede & Co. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.)

7. Neither DTC nor Cede & Co. will consent or vote with respect to Securities. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments on the Securities will be made to DTC. DTC's practice is to credit Direct Participants' accounts on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Trustee, or Issuer, subject to any statutory or regulatory responsibility of Issuer or Trustee, disbursement of such payment to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

(9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to Trustee (or Tender/Remarketing Agent), and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to Trustee (or Tender/Remarketing Agent). The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to trustee (or Tender/Remarketing Agent's) DTC account.

10. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

EXHIBIT J
TO THE MASTER POOLING
AND SERVICING AGREEMENT

FORM OF DEPOSITORY AGREEMENT (LETTER OF REPRESENTATIONS)

SERIES 1996-A SUPPLEMENT, dated as of August 14, 1996 (this Series Supplement), by and among NORDSTROM NATIONAL CREDIT BANK, a national banking association, as Transferor and Servicer, NORDSTROM CREDIT, INC., a Colorado corporation, and NORWEST BANK COLORADO, NATIONAL ASSOCIATION, a national banking association (together with its successors in trust thereunder as provided in the Agreement referred to below, the Trustee), as trustee under the Master Pooling and Servicing Agreement, dated as of August 14, 1996 (the Agreement).

PRELIMINARY STATEMENT

Section 6.9 of the Agreement provides, among other things, that the Transferor and the Trustee may at any time and from time to time enter into one or more Supplements to the Agreement for the purpose of authorizing the issuance by the Trustee to the Transferor, for execution and redelivery to the Trustee for authentication, of one or more Series of Certificates. The Transferor, the Servicer and Nordstrom Credit, Inc. each hereby enter into this Series Supplement with the Trustee as required by Section 6.9(c) of the Agreement to provide for the issuance, authentication and delivery of the Investor Certificates of Series 1996-A. In the event that any term or provision contained herein shall conflict with or be inconsistent with any term or provision contained in the Agreement, the terms and provisions of this Series Supplement shall govern.

All capitalized terms not otherwise defined herein are defined in the Agreement. All Article, Section or subsection references herein shall mean Article, Section or subsections of the Agreement, except as otherwise provided herein. Unless otherwise stated herein, as the context otherwise requires or if such term is otherwise defined in the Agreement, each capitalized term used or defined herein shall relate only to the Series 1996-A Certificates and no other Series of Certificates issued by the Trust.

Section 1. Designation. The Certificates issued hereunder shall be designated generally as the Series 1996-A Certificates. The Investor Certificates of Series 1996-A (collectively, the Certificates or the Series 1996-A Certificates) shall be issued in two classes, which shall be designated generally as the Class

A Variable Floating Rate Certificate, Series 1996-A and the Class B 6.50% Asset Backed Certificate, Series 1996-A.

Section 2. Definitions. The following words and phrases shall have the following meaning with respect to the Series 1996-A Certificates and the definitions of such terms are applicable to the singular as well as the plural form of such terms and to the masculine as well as the feminine and neuter genders of such terms:

Accrued Interest Component shall mean, for any Due Period, the Interest Component of all Related Commercial Paper outstanding at any time during such Due Period which has accrued from the first day through the last day of such Due Period, whether or not such Related Commercial Paper matures during such Due Period. For purposes of the immediately preceding sentence, the portion of the Interest Component of Related Commercial Paper accrued in a Due Period which Related Commercial Paper has a stated maturity date that succeeds the last day of such Due Period shall be computed by amortizing the Interest Component for the number of days elapsed in a year of 360 days that such Related Commercial Paper was outstanding during such Due Period.

Additional Class B Certificates shall have the meaning specified in Section 4.11(a) of the Agreement.

Additional Class A Invested Amounts shall have the meaning specified in Section 2.2(a) of the Transfer and Administration Agreement.

Agent shall mean NationsBank, N.A., in its capacity as agent for EFC and the Bank Investors pursuant to the Transfer and Administration Agreement, and any successor thereto appointed pursuant to the Transfer and Administration Agreement.

Amortization Period shall mean the Rapid Amortization Period or the Early Amortization Period.

Assignee shall have the meaning specified in Section 14 hereof.

Bank Investors shall have the meaning specified in the Transfer and Administration Agreement.

Base Rate shall mean, with respect to any Due Period, the annualized percentage equivalent of a fraction, the numerator of which is equal to the sum of (a) Monthly Interest for such Due Period, plus (b) the Investor Monthly Servicing Fee for such Due Period, plus (c) the amount, if any, owing to any Indemnified Party pursuant to Section 4.2 of the Transfer and Administration Agreement, and the denominator of which is equal to the daily average Invested Amount for such Due Period.

Business Day shall mean any day other than a Saturday, a Sunday and any day on which banking institutions in Denver, Colorado, New York, New York or Charlotte, North Carolina are authorized or required by law to close.

Certificates shall have the meaning specified in Section 1 hereof.

Class A Carrying Costs shall mean, for any Due Period, the sum of the dollar amount of the obligations of EFC, the Bank Investors and any Liquidity Providers for such Due Period determined on an accrual basis in accordance with generally accepted accounting principles consistently applied (a) to pay interest at the rate or rates set forth in the Fee Letter on the Class A Certificates if held by a Liquidity Provider or a Bank Investor accrued from the later of (x) the first day of such Due Period or (y) the day on which the Liquidity Provider or the Bank Investor acquired the Class A Certificates, in each case through the last day of such Due Period whether or not such interest is payable during such Due Period, (b) to pay the Accrued Interest Component of Related Commercial Paper and (c) to pay all fees specified in the Fee Letter accrued, with respect to the first Due Period, from the Closing Date, and with respect to any other Due Period, from the first day of such Due Period, in each case through the last day of such Due Period to the extent not paid by the Transferor in accordance with the provisions of the Transfer and Administration Agreement and the Fee Letter.

Class A Certificateholder shall mean the Person in whose name a Class A Certificate is registered in the Certificate Register.

Class A Certificate Rate shall mean, with respect to the Due Period related to any Distribution Date, a per annum interest rate which if multiplied by the average daily Class A Invested Amount for such Due

Period, would produce, on the basis of the actual number of days in such Due Period and a 360-day year an amount equal to the Class A Carrying Costs for such Due Period.

Class A Certificates shall mean any one of the Certificates executed by the Transferor and authenticated by or on behalf of the Trustee, substantially in the form of Exhibit A.

Class A Fixed/Floating Allocation Percentage shall mean, for any Due Period with respect to Principal Receivables during an Amortization Period and with respect to Finance Charge Receivables during the Early Amortization Period, the percentage equivalent of a fraction the numerator of which is equal to the Class A Invested Amount as of the end of the last day of the Revolving Period and the denominator of which is equal to the greater of (i)(x) if only one Series is outstanding, the sum of the Aggregate Principal Receivables and the amount on deposit in the Excess Funding Account, in each case as of the end of the the last day of the Revolving Period and (y) if more than one Series is outstanding, the sum of the Aggregate Principal Receivables and the amount on deposit in the Excess Funding Account, in each case as of the last day of the immediately preceding Due Period, and (ii) the sum of the numerators used to calculate the invested percentages with respect to Principal Receivables or Finance Charge Receivables, as applicable, for each class of each Series outstanding as of the date on which such determination is being made.

Class A Floating Allocation Percentage shall mean, for any Due Period with respect to Principal Receivables during the Revolving Period, with respect to Finance Charge Receivables during the Revolving Period or the Rapid Amortization Period and with respect to the Default Amount at any time, the percentage equivalent of a fraction the numerator of which is equal to the Class A Invested Amount as of the last day of the immediately preceding Due Period (or the Class A Initial Invested Amount, in the case of the first Due Period applicable to Series 1996-A) and the denominator of which is equal to the greater of (i) the sum of the Aggregate Principal Receivables and the amount on deposit in the Excess Funding Account, in each case as of the last day of the immediately preceding Due Period, and (ii) the sum of the numerators used to calculate the invested percentages with respect to Principal Receivables or Finance Charge Receivables and the Default Amount, as

applicable, for each class of each Series outstanding as of the date on which such determination is being made.

Class A Initial Invested Amount shall mean the aggregate initial principal amount of the Class A Certificates, which is \$186,600,000.

Class A Invested Amount shall mean, on any date of determination, an amount equal to (a) the Class A Initial Invested Amount, plus (b) the aggregate principal amount of any Additional Class A Invested Amounts purchased pursuant to Section 2.2 of the Transfer and Administration Agreement, minus (c) the aggregate amount of principal payments made to the Class A Certificateholders prior to such date, minus (d) the aggregate amount of Class A Investor Charge Offs for all prior Distribution Dates, plus (e) the aggregate amount of Class A Investor Charge Offs reimbursed pursuant to Section 4.5(a)(vi) of the Agreement prior to such date; provided, however, that the Class A Invested Amount may not be reduced below zero.

Class A Investor Charge Off shall have the meaning specified in Section 4.6(a) of the Agreement.

Class A Investor Default Amount shall mean, with respect to each Distribution Date, an amount equal to the product of (i) the Default Amount for the related Due Period and (ii) the Class A Floating Allocation Percentage for such Due Period.

Class A Monthly Interest shall have the meaning specified in Section 4.3(a) of the Agreement.

Class A Monthly Principal shall have the meaning specified in Section 4.4(a) of the Agreement.

Class B Certificateholder shall mean the Person in whose name a Class B Certificate is registered in the Certificate Register. Class B Certificate Rate shall mean 6.50% per annum, calculated on the basis of a 360-day year consisting of twelve 30-day months.

Class B Certificates shall mean any one of the Certificates executed by the Transferor and authenticated by or on behalf of the Trustee, substantially in the form of Exhibit B.

Class B Fixed/Floating Allocation Percentage shall mean, for any Due Period with respect to Principal Receivables during an Amortization Period and with respect to Finance Charge Receivables during the Early Amortization Period, the percentage equivalent of a fraction the numerator of which is equal to the Class B Invested Amount

as of the end of the last day of the Revolving Period and the denominator of which is equal to the greater of (i)(x) if only one Series is outstanding, the sum of the Aggregate Principal Receivables and the amount on deposit in the Excess Funding Account, in each case as of the end of the the last day of the Revolving Period and (y) if more than one Series is outstanding, the sum of the Aggregate Principal Receivables and the amount on deposit in the Excess Funding Account, in each case as of the last day of the immediately preceding Due Period, and (ii) the sum of the numerators used to calculate the invested percentages with respect to Principal Receivables or Finance Charge Receivables, as applicable, for each class of each Series outstanding as of the date on which such determination is being made.

Class B Floating Allocation Percentage shall mean, for any Due Period with respect to Principal Receivables during the Revolving Period, with respect to Finance Charge Receivables during the Revolving Period or the Rapid Amortization Period and with respect to the Default Amount at any time, the percentage equivalent of a fraction the numerator of which is equal to the Class B Invested Amount as of the last day of the immediately preceding Due Period (or the Class B Initial Invested Amount, in the case of the first Due Period applicable to Series 1996-A) and the denominator of which is equal to the greater of (i) the sum of the Aggregate Principal Receivables and the amount on deposit in the Excess Funding Account, in each case as of the last day of the immediately preceding Due Period, and (ii) the sum of the numerators used to calculate the invested percentages with respect to Principal Receivables or Finance Charge Receivables and the Default Amount, as applicable, for each class of each Series outstanding as of the date on which such determination is being made.

Class B Initial Invested Amount shall mean the aggregate initial principal amount of the Class B Certificates, which is \$9,900,000.

Class B Invested Amount shall mean, on any date of determination, an amount equal to (a) the Class B Initial Invested Amount (plus the aggregate initial principal amount of any Additional Class B Certificates), minus (b) the aggregate amount of principal payments made to the Class B Certificateholders prior to such date, minus (c) the aggregate amount of Class B Investor Charge Offs for all prior Distribution Dates, minus (d) the amount of Reallocated Class B Principal Collections allocated on all prior Distribution Dates pursuant to Section 4.7 of the Agreement, minus (e) an amount equal to the amount by which the Class B Invested Amount has been reduced on all prior Distribution Dates pursuant to Section 4.6(a) of the Agreement, plus (f) the aggregate amount by which reductions in the Class B Invested Amount pursuant to clauses (c), (d) and (e) above have been reimbursed pursuant to Section 4.5(a)(xi) of the Agreement prior to such date; provided, however, that the Class B Invested Amount may not be reduced below zero.

Class B Investor Charge Offs shall have the meaning specified in Section 4.6(b) of the Agreement.

Class B Investor Default Amount shall mean, with respect to each Distribution Date, an amount equal to the product of (i) the Default Amount for the related Due Period and (ii) the Class B Floating Allocation Percentage for such Due Period.

Class B Monthly Interest shall have the meaning specified in Section 4.3(b) of the Agreement.

Class B Monthly Principal shall have the meaning specified in Section 4.4(b) of the Agreement.

Class B Principal Commencement Date shall mean the later of (a) the Distribution Date on which the Class A Invested Amount is paid in full and (b) such date as may be selected by 100% of the Class B Certificateholders at their option. "Closing Date" shall mean August 14, 1996.

Commercial Paper shall mean the promissory notes of EFC issued by EFC in the commercial paper market.

Defeasance Account shall have the meaning specified in Section 13(b) hereof.

Distribution Date shall mean the twentieth day of each month, or, if such day is not a Business Day, the next succeeding Business Day, commencing with September 20, 1996.

Early Amortization Period shall mean the period commencing at the close of business on the day on which an Early Amortization Event with respect to Series 1996-A is deemed to have occurred and ending on the date on which the Class A Invested Amount and the Class B Invested Amount have been paid in full.

EFC shall mean Enterprise Funding Corporation, a Delaware corporation.

Excess Finance Charge Collections shall mean, with respect to any Due Period, the aggregate amount for all outstanding Series of Collections of Finance Charge Receivables which the related Supplements specify are to be treated as Excess Finance Charge Collections for such Due Period.

Excess Principal Collections shall mean, with respect to Series 1996-A, amounts to be treated as such pursuant to Sections 4.5(b) and 4.5(c)(iii) of the Agreement (which amounts shall be available for other Series pursuant to Section 4.1(g) of the Agreement).

Face Amount shall mean (i) with respect to Commercial Paper issued on a discount basis, the face amount stated therein, and (ii) with respect to Commercial Paper which is interest-bearing, the principal amount of and interest accrued and to accrue on such Commercial Paper to its stated maturity.

Facility Limit shall have the meaning specified in the Transfer and Administration Agreement.

Fee Letter shall mean that certain letter agreement, dated as of the Closing Date, between the Transferor and EFC with respect to certain fees, as amended, modified or supplemented from time to time. Finance Charge Shortfall shall have the meaning specified in Section 4.10 of the Agreement.

Fixed/Floating Allocation Percentage shall mean, with respect to any Due Period, the sum of the Class A Fixed/Floating Allocation Percentage and

the Class B Fixed/Floating Allocation Percentage. Floating Allocation Percentage shall mean, with respect to any Due Period, the sum of the Class A Floating Allocation Percentage and the Class B Floating Allocation Percentage.

Indemnified Party shall have the meaning specified in Section 4.1 of the Transfer and Administration Agreement.

Initial Invested Amount shall mean the aggregate initial principal amount of the Series 1996-A Certificates, which is \$196,500,000.

Interchange Amount shall mean, with respect to any Distribution Date, an amount equal to the Interchange Percentage for the preceding Due Period multiplied by the amount of Interchange received during the preceding Due Period.

Interchange Percentage shall mean, with respect any Due Period, the percentage equivalent of a fraction, the numerator of which is the Invested Amount as of the last day of such Due Period and the denominator of which is the sum of the Invested Amounts as of such day for all Series which, in accordance with the related Supplement , are allocated Interchange.

Interest Component shall mean, with respect to any Commercial Paper (i) issued on a discount basis, the portion of the Face Amount of such Commercial Paper representing the discount incurred in respect thereof and (ii) issued on an interest-bearing basis, the interest payable on such Commercial Paper at its maturity.

Invested Amount shall mean, as of any date of determination, an amount equal to the sum of the Class A Invested Amount and the Class B Invested Amount, in each case as of such date.

Invested Percentage shall mean, with respect to any Due Period, (a) when used with respect to Principal Receivables during the Revolving Period, the Floating Allocation Percentage, (b) when used with respect to Principal Receivables during an Amortization Period, the Fixed/Floating Allocation Percentage, (c) when used with respect to the Default Amount

at any time, the Floating Allocation Percentage, (d) when used with respect to Finance Charge Receivables during the Revolving Period or the Rapid Amortization Period, the Floating Allocation Percentage and (e) when used with respect to Finance Charge Receivables during the Early Amortization Period, the Fixed/Floating Allocation Percentage.

Investor Default Amount shall mean, with respect to any Distribution Date, an amount equal to the product of (a) the Default Amount for the immediately preceding Due Period and (b) the Floating Allocation Percentage for such Due Period. Investor Monthly Servicing Fee shall have the meaning specified in Section 7(a) hereof. Liquidity Provider shall have the meaning specified in the Transfer and Administration Agreement.

Minimum Enhancement Amount shall mean, as of any date of determination, the greater of (i) 5% of the Invested Amount as of such date or (ii) 3% of the Facility Limit as of such date. "Minimum Transferor Interest Percentage" shall have the meaning specified in Section 3 hereof.

Monthly Interest shall mean, with respect to any Distribution Date, the Class A Monthly Interest and the Class B Monthly Interest for such Distribution Date.

Nordstrom Credit Advance shall have the meaning specified in Section 4.5(d) of the Agreement.

Pay Out Commencement Date shall mean the Termination Date pursuant to the Transfer and Administration Agreement.

Portfolio Yield shall mean, with respect to any Due Period, the annualized percentage equivalent of a fraction, the numerator of which is equal to (a) an amount equal to the amount of Collections of Finance Charge Receivables that are allocated to Series 1996-A with respect to such Due Period, plus (b) any Excess Finance Charge Collections that are allocated to Series 1996-A with respect to such Due Period, minus (c) the Investor Default Amount for the Distribution Date with respect to such Due Period, and the denominator of which is the daily average of the Invested Amount for such Due Period.

Rapid Amortization Period shall mean the period commencing at the close of business on the last day of the Revolving Period and ending on the earlier of (a) the date on which the Class A Invested Amount and the Class B Invested Amount have been paid in full and (b) the commencement of the Early Amortization Period.

Reallocated Class B Principal Collections shall mean, with respect to any Due Period, an amount equal to the product of (i) during the Revolving Period, the Class B Floating Allocation Percentage or, during an Amortization Period, the Class B Fixed/Floating Allocation Percentage and (ii) the aggregate amount of Collections of Principal Receivables for such Due Period.

Related Commercial Paper shall mean Commercial Paper the proceeds of which were used to acquire, or refinance the acquisition of, an interest in the Class A Certificates.

Revolving Period shall mean the period from and including the Closing Date to but excluding the earlier of the Stated Series Termination Date and the Pay Out Commencement Date. Series 1996-A shall mean the Series the terms of which are specified in this Series Supplement.

Series 1996-A Certificate shall mean a Class A Certificate or a Class B Certificate.

Series 1996-A Certificateholder shall mean a Class A Certificateholder or a Class B Certificateholder.

Series 1996-A Class A Certificate Percentage shall mean, on any date of determination, the percentage equivalent of a fraction, the numerator of which is the Class A Invested Amount on such day and the denominator of which is the principal amount of all assets purchased by or pledged to EFC and/or the Liquidity Provider under any receivable purchase agreement, transfer and administration agreement or other agreement pursuant to which EFC purchases assets or makes loans secured by assets.

Servicer Advance shall have the meaning specified in Section 4.5(d) of the Agreement.

Servicing Fee Percentage shall mean 2.00%.

Stated Series Termination Date shall mean the Distribution Date occurring in August 2006.

Targeted Holder shall mean each holder of a right to receive interest or principal with respect to the Series 1996-A Certificates (or other interests in the Trust), other than certificates (or other such interests) with respect to which an opinion is rendered that such certificates (or other such interests) will be treated as debt for federal income tax purposes, and any holder of a right to receive any amount in respect of the Transferor Interest; provided, that any Person holding more than one interest each of which would cause such Person to be a Targeted Holder shall be treated as a single Targeted Holder.

Termination Date shall have the meaning specified in the Transfer and Administration Agreement.

Transfer shall have the meaning specified in Section 14 hereof.

Transfer and Administration Agreement shall mean the Transfer and Administration Agreement dated as of August 14, 1996, by and among Nordstrom National Credit Bank, EFC and NationsBank, N.A., as amended, modified or supplemented from time to time.

Transfer Date shall mean the Business Day preceding each Distribution Date.

Transferor Retained Certificates shall mean investor certificates of any Series, including the Class B Certificates, which the Transferor or Nordstrom Credit, Inc. retains, but only to the extent that and for so long as the Transferor or Nordstrom Credit, Inc. is the holder of such certificates.

Section 3. Minimum Transferor Interest Percentage. The Minimum Transferor Interest Percentage applicable to the Series 1996-A Certificates shall be 2% (unless the Trustee shall have received an Opinion of Counsel that a lower percentage will not have any material adverse effect on the Federal income tax characterization of any outstanding Series of Investor Certificates).

Section 4. Reassignment and Transfer Terms. The Series 1996-A Certificates may be reassigned and transferred to the Transferor on any Distribution Date on or after which the Invested Amount is reduced to an amount less than or equal to 5% of the Initial Invested Amount, subject to the provisions of Section 12.2 of the Agreement.

Section 5. Delivery and Payment for the Certificates. The Trustee shall deliver the Series 1996-A Certificates when authenticated in accordance with Section 6.2 of the Agreement.

Section 6. Form of Delivery of the Series 1996-A Certificates. The Class A Certificates and the Class B Certificates shall be delivered as registered, definitive, physical certificates.

Section 7. Servicing Compensation; Interchange. (a) The share of the Monthly Servicing Fee allocable to the Series 1996-A Certificateholders with respect to any Distribution Date (the Investor Monthly Servicing Fee) shall be equal to one-twelfth of the product of (x) the Servicing Fee Percentage and (y) the daily average Invested Amount, if any, for the related Due Period. The Investor Monthly Servicing Fee shall be payable solely to the extent amounts are available for distribution in respect thereof pursuant to this Series Supplement. The remainder of the Monthly Servicing Fee shall be paid by the Transferor or the Certificateholders of other Series (as provided in the Agreement and the Supplements relating to such other Series) and in no event shall the Trust, the Trustee or the Series 1996-A Certificateholders be liable for the share of the Monthly Servicing Fee to be paid by the Transferor or the Certificateholders of any other Series.

(b) On or prior to each Determination Date, the Transferor shall notify the Servicer of the Interchange Amount to be included as Collections of Finance Charge Receivables allocable to the Series 1996-A Certificates with respect to the preceding Due Period. On each Transfer Date, the Transferor shall pay to the Servicer, and the Servicer shall deposit into the Collection Account, in immediately available funds, such Interchange Amount. The Transferor hereby assigns, sets-over, conveys, pledges and grants a security interest and lien to the Trustee for the benefit of the Series 1996-A Certificateholders in Interchange and the

proceeds of Interchange, as set forth in this subsection 7(b). In connection with the foregoing grant of a security interest, this Series Supplement shall constitute a security agreement under applicable law. To the extent that a Supplement for a Series other than Series 1996-A, assigns, sets-over, conveys, pledges or grants a security interest in Interchange allocable to the Trust, all Certificates of any such Series (except as otherwise specified in any such Supplement) and the Series 1996-A Certificates shall rank pari passu and be equally and ratably entitled as provided herein to the benefits of such Interchange without preference or priority on account of the actual time or times of authentication and delivery, all in accordance with the terms and provisions of this Series Supplement and other related Supplements.

Section 8. Article IV of the Agreement. Any provisions of Article IV of the Agreement which distribute Collections to the Transferor on the basis of the Transferor Percentage shall continue to apply irrespective of the issuance of the Series 1996-A Certificates. Section 4.1 of the Agreement shall read in its entirety as provided in the Agreement. Article IV of the Agreement (except for Section 4.1 thereof) as it relates to Series 1996-A shall read in its entirety as follows:

ARTICLE IV

RIGHTS OF SERIES 1996-A CERTIFICATEHOLDERS AND ALLOCATION AND APPLICATION OF COLLECTIONS

Section 4.2 Collections and Allocations.

(a) The Servicer shall apply, or shall instruct the Trustee to apply, all Collections and other funds on deposit in the Collection Account that are allocated to the Series 1996-A Certificates as described in this Article IV. Provided that daily deposits of Collections are not otherwise required pursuant to Section 4.1(h) of the Agreement, during the Revolving Period and the Rapid Amortization Period, Collections of Finance Charge Receivables allocable to Series 1996-A with respect to each Due Period need not be deposited into the Collection Account on a daily basis. During the Early Amortization Period, Collections of Finance Charge Receivables allocable to Series 1996-A with respect to each Due Period shall be deposited into the Collection Account on a daily basis. If daily deposits of Collections of Finance Charge

Receivables are not required pursuant to Section 4.1(h) of the Agreement or this Section 4.2(a), the Servicer shall deposit into the Collection Account on each Transfer Date the Collections of Finance Charge Receivables allocable to Series 1996-A with respect to the related Due Period.

(b) Provided that daily deposits of Collections are not otherwise required pursuant to Section 4.1(h) of the Agreement, during the Revolving Period and the Rapid Amortization Period, Collections of Principal Receivables allocable to Series 1996-A with respect to each Due Period need not be deposited into the Collection Account on a daily basis during such Due Period; provided, however, that in the event that the Transferor Amount minus the Excluded Receivables Balance is less than the Minimum Transferor Amount on any date, such Collections of Principal Receivables shall be deposited daily into the Excess Funding Account until the Transferor Amount minus the Excluded Receivables Balance equals the Minimum Transferor Amount; and provided, further, that on any date on which the sum of the Aggregate Principal Receivables and the amount on deposit in the Excess Funding Account is less than the Aggregate Invested Amount, such Collections of Principal Receivables shall be deposited into the Collection Account on a daily basis. During the Rapid Amortization Period, if Collections of Principal Receivables allocable to Series 1996-A are not required to be deposited into the Collection Account on a daily basis pursuant to Section 4.1(h) of the Agreement or the foregoing provisions of this Section 4.2(a), the Servicer shall deposit into the Collection Account on each Transfer Date an amount equal to the sum of the amounts required to be paid pursuant to Sections 4.5(c)(i) and (ii) of the Agreement on the related Distribution Date. During the Early Amortization Period, Collections of Principal Receivables allocable to Series 1996-A with respect to each Due Period shall be deposited into the Collection Account on a daily basis until an amount of such Collections of Principal Receivables equal to the sum of the Class A Monthly Principal and the Class B Monthly Principal with respect to such Due Period has been deposited into the Collection Account. During the Early Amortization Period, after an amount of Collections of Principal Receivables allocable to Series 1996-A equal to the sum of the Class A Monthly Principal and the Class B Monthly Principal with respect to each Due Period has been deposited into the Collection Account and so long as the Class B Invested Amount is not less than the Minimum Enhancement Amount, Collections of

Principal Receivables allocable to Series 1996-A with respect to each Due Period need not thereafter be deposited into the Collection Account on a daily basis during such Due Period; provided, however, that in the event that the Transferor Amount minus the Excluded Receivables Balance is less than the Minimum Transferor Amount on any date, such Collections of Principal Receivables shall be deposited into the Excess Funding Account until the Transferor Amount minus the Excluded Receivables Balance equals the Minimum Transferor Amount; and provided, further, that on any date on which the sum of the Aggregate Principal Receivables and the amount on deposit in the Excess Funding Amount is less than the Aggregate Invested Amount, such Collections of Principal Receivables shall be deposited into the Collection Account on a daily basis. Any amount deposited into the Excess Funding Account pursuant to this Section 4.2(b) shall be considered Collections of Principal Receivables and shall be applied in accordance with Article IV and the terms of each Supplement.

Section 4.3 Determination of Monthly Interest. (a) The amount of monthly interest (Class A Monthly Interest) with respect to the Class A Certificates on any Distribution Date shall be an amount equal to the product of (i) a fraction, the numerator of which is the actual number of days in the related Due Period (or, in the case of the first Distribution Date, in the period from the Closing Date to the last day of the Due Period preceding such Distribution Date) and the denominator of which is 360, (ii) the Class A Certificate Rate for the related Due Period and (iii) the daily average Class A Invested Amount for the related Due Period.

(b) The amount of monthly interest (Class B Monthly Interest) with respect to the Class B Certificates on any Distribution Date shall be an amount equal to the product of (i) one-twelfth (1/12) (or, in the case of the first Distribution Date, a fraction, the numerator of which is the number of days in the period from the Closing Date to the last day of the Due Period preceding such Distribution Date based on a 360-day year consisting of twelve 30-day months and the denominator of which is 360), (ii) the Class B Certificate Rate and (iii) the daily average Class B Invested Amount for the related Due Period.

Section 4.4 Determination of Monthly Principal. (a) The amount of monthly principal (Class A Monthly Principal) distributable from

the Collection Account with respect to the Class A Certificates on each Distribution Date, beginning with the Distribution Date in the month following the month in which an Amortization Period begins, shall be equal to the lesser of (x) the Fixed/Floating Allocation Percentage of Collections of Principal Receivables with respect to the preceding Due Period plus the amount of any Excess Principal Collections with respect to other Series that are allocated to Series 1996-A in accordance with the Agreement and (y) the Class A Invested Amount with respect to such Distribution Date.

(b) The amount of monthly principal (Class B Monthly Principal) distributable from the Collection Account with respect to the Class B Certificates on each Distribution Date, beginning with the Class B Principal Commencement Date, shall be equal to the lesser of (x) the Fixed/Floating Allocation Percentage of Collections of Principal Receivables with respect to the preceding Due Period, plus the amount of any Excess Principal Collections with respect to other Series that are allocated to Series 1996-A in accordance with the Agreement, minus the amount of Reallocated Class B Principal Collections applied pursuant to Section 4.7 of the Agreement on such Distribution Date, minus the portion of such amounts applied to Class A Monthly Principal on such Distribution Date and (y) the Class B Invested Amount with respect to such Distribution Date.

Section 4.5 Application of Collections.

(a) In accordance with Section 4.2(a) of the Agreement, the Servicer shall apply or shall instruct the Trustee to apply on each Distribution Date the Invested Percentage of Collections of Finance Charge Receivables for the related Due Period plus the amount of any Excess Finance Charge Collections allocable to Series 1996-A to make the following distributions in the following priority:

(i) an amount equal to any unpaid Servicer Advances shall be paid to the Servicer to repay Servicer Advances, and then an amount equal to any unpaid Nordstrom Credit Advances shall be paid to Nordstrom Credit, Inc. to repay Nordstrom Credit Advances;

(ii) an amount equal to Class A Monthly Interest for such Distribution Date (less the amount of any Class A Monthly Interest that has been paid by a Servicer Advance or a Nordstrom Credit Advance), plus the amount of any Class A Monthly Interest previously due but not paid on a prior Distribution Date, shall be distributed to the Paying Agent for payment to the Class A Certificateholders;

(iii) if Nordstrom National Credit Bank or an Affiliate is not the Servicer, an amount equal to the Investor Monthly Servicing Fee for such Distribution Date, plus the amount of any Investor Monthly Servicing Fee previously due but not distributed to the Servicer on a prior Distribution Date, shall be distributed to the Servicer;

(iv) an amount equal to the Class A Investor Default Amount for such Distribution Date shall be treated as a portion of Collections of Principal Receivables allocable to Series 1996-A for such Distribution Date;

(v) an amount equal to the Class A Floating Allocation Percentage of Adjustment Payments for the related Due Period which the Transferor fails to make in accordance with the Agreement shall be treated as a portion of Collections of Principal Receivables allocable to Series 1996-A for such Distribution Date;

(vi) an amount equal to the aggregate amount of Class A Investor Charge Offs which have not been previously reimbursed shall be treated as a portion of Collections of Principal Receivables allocable to Series 1996-A for such Distribution Date;

(vii) if Nordstrom National Credit Bank or an Affiliate is the Servicer, an amount equal to the Investor Monthly Servicing Fee for such Distribution Date, plus the amount of any Investor Monthly Servicing Fee previously due but not distributed to the Servicer on a prior Distribution Date, shall be distributed to the Servicer;

(viii) an amount equal to Class B Monthly Interest for such Distribution Date, plus the amount of any Class B Monthly Interest previously due but not paid on a prior Distribution Date, shall be distributed to the Paying Agent for payment to the Class B Certificateholders;

(ix) an amount equal to the Class B Investor Default Amount for such Distribution Date shall be treated as a portion of Collections of Principal Receivables allocable to Series 1996-A for such Distribution Date;

(x) an amount equal to the Class B Floating Allocation Percentage of Adjustment Payments for the related Due Period which the Transferor fails to make in accordance with the Agreement shall be treated as a portion of Collections of Principal Receivables allocable to Series 1996-A for such Distribution Date;

(xi) an amount equal to the aggregate amount by which the Class B Invested Amount has been reduced pursuant to clauses (c), (d) and (e) of the definition of Class B Invested Amount (but not in excess of the aggregate amount of such reductions which have not been previously reimbursed) shall be treated as a portion of Collections of Principal Receivables allocable to Series 1996-A for such Distribution Date; and

(xii) the balance, if any, shall be treated as Excess Finance Charge Collections with respect to Series 1996-A for such Distribution Date and will be available for allocation to other Series or to the Transferor.

(b) On each Distribution Date with respect to the Revolving Period, an amount equal to the Collections of Principal Receivables allocable to Series 1996-A for the related Due Period shall either (i) at the Transferor's option, be distributed to the holder of the Class A Certificates in reduction of the Class A Invested Amount (provided that the amounts so distributed on any Distribution Date shall not exceed the

Class A Floating Allocation Percentage of the Collections of Principal Receivables received during the related Due Period) or (ii) be treated as Excess Principal Collections to be applied in accordance with Section 4.1(g) of the Agreement.

(c) On each Distribution Date following the commencement of an Amortization Period, an amount equal to the Collections of Principal Receivables allocable to Series 1996-A for the related Due Period (after giving effect to any reallocation thereof pursuant to Section 4.7 of the Agreement) plus the amount of any Excess Principal Collections allocable to Series 1996-A shall be applied in the following priority:

(i) an amount equal to Class A Monthly Principal for such Distribution Date shall be distributed to the Paying Agent for payment to the Class A Certificateholders;

(ii) an amount equal to Class B Monthly Principal for such Distribution Date shall be distributed to the Paying Agent for payment to the Class B Certificateholders; and (iii) the balance, if any, shall be treated as Excess Principal Collections to be applied in accordance with Section 4.1(g) of the Agreement.

(d) In the event that, on any date EFC does not have sufficient funds to pay any Class A Carrying Costs due and payable on such day, the Servicer shall make an advance in an amount equal to such deficiency, but only to the extent of the Invested Percentage of Collections of Finance Charge Receivables received by the Servicer and not yet deposited in the Collection Account (a Servicer Advance), provided, however, that the Servicer shall not be obligated to make a remittance as provided in this Section 4.5(d) if EFC notifies the Servicer that the amount otherwise payable by the Servicer pursuant to this Section 4.5(d) will be obtained by EFC from the proceeds of Related Commercial Paper issued on such day or from funds obtained from the Liquidity Provider on such day. Amounts required to be remitted to EFC pursuant to this Section 4.5(d) shall be remitted in immediately available funds to the account of EFC designated in the Transfer and Administration Agreement no later than 12:00 noon, New York City time, on the date due; provided,

however that in lieu of such direct payment by the Servicer, to the extent of available funds, the Servicer may instruct the Trustee in writing to remit such amounts from the Invested Percentage of Collections in respect of Finance Charge Receivables on deposit in the Collection Account, any such payment to be netted from amounts to be paid pursuant to Section 4.5(a)(ii) of the Agreement. The Servicer shall record in its books and records such withdrawal and the application of Collections of Finance Charge Receivables and net such amounts so applied from the amounts due under Section 4.5(a)(ii) of the Agreement on the Transfer Date for such Due Period. In the event that, on any date described above, the Servicer does not make an advance in an amount sufficient to enable EFC to pay all Class A Carrying Costs due and payable on such day, Nordstrom Credit, Inc. shall advance the amount of any remaining insufficiency to EFC in immediately available funds no later than 12:00 noon, New York City time, on such date (each, a Nordstrom Credit Advance).

Section 4.6 Defaulted Amounts; Investor Charge Offs.

(a) If, on any Distribution Date, (i) the sum of the amounts required to be paid pursuant to Sections 4.5(a)(i)-(v) of the Agreement on such Distribution Date exceeds (ii) the sum of (x) the Invested Percentage of Collections of Finance Charge Receivables for the related Due Period plus the amount of any Excess Finance Charge Collections allocable to Series 1996-A, (y) the amount of Reallocated Class B Principal Collections available pursuant to Section 4.7 of the Agreement for the related Due Period and (z) the amount, if any, received from Nordstrom Credit, Inc. on the related Transfer Date pursuant to Section 4.8 of the Agreement, then the Class B Invested Amount shall be reduced by the amount of such excess, but not by more than the excess of (A) the sum of the Class A Investor Default Amount and the Class A Floating Allocation Percentage of Adjustment Payments which the Transferor fails to make in accordance with the Agreement for such Distribution Date over (B) the Invested Percentage of Collections of Finance Charge Receivables plus the amount of any Excess Finance Charge Collections allocable to Series 1996-A plus the amount of Reallocated Class B Principal Collections plus the amount, if any, received from Nordstrom Credit, Inc. on the related Transfer Date pursuant to Section 4.8 of the Agreement, in each case

used to fund the Class A Investor Default Amount and the Class A Floating Allocation Percentage of Adjustment Payments which the Transferor fails to make in accordance with the Agreement for such Distribution Date. In the event that such reduction would cause the Class B Invested Amount to be a negative number, the Class B Invested Amount shall be reduced to zero, and the Class A Invested Amount shall be reduced by the amount by which the Class B Invested Amount would have been reduced below zero (a Class A Investor Charge Off); provided, however, that the Class A Invested Amount shall not be reduced below zero. Class A Investor Charge Offs shall thereafter be reimbursed and the Class A Invested Amount increased (but not by an amount in excess of the aggregate unreimbursed Class A Investor Charge Offs) on any Distribution Date by the amounts allocated and available for that purpose pursuant to Section 4.5(a)(vi) of the Agreement.

(b) If, on any Distribution Date, the sum of the amounts to be paid pursuant to Sections 4.5(a)(i)-(x) of the Agreement exceeds the sum of the Invested Percentage of Collections of Finance Charge Receivables for the related Due Period plus the amount of any Excess Finance Charge Collections allocable to Series 1996-A plus the amount, if any, received from Nordstrom Credit, Inc. on the related Transfer Date pursuant to Section 4.8 of the Agreement, then the Class B Invested Amount (after giving effect to any reduction thereof pursuant to Sections 4.6(a) and 4.7 of the Agreement) shall be reduced by the amount of such excess, but not by more than the excess of (A) the sum of the Class B Investor Default Amount and the Class B Floating Allocation Percentage of Adjustment Payments which the Transferor fails to make in accordance with the Agreement for such Distribution Date over (B) the Invested Percentage of Collections of Finance Charge Receivables plus the amount of any Excess Finance Charge Collections allocable to Series 1996-A plus the amount, if any, received from Nordstrom Credit, Inc. on the related Transfer Date pursuant to Section 4.8 of the Agreement, in each case used to fund the Class B Investor Default Amount and the Class B Floating Allocation Percentage of Adjustment Payments which the Transferor fails to make in accordance with the Agreement for such Distribution Date (a Class B Investor Charge Off); provided, however, that the Class B Invested Amount shall not be reduced below zero. Any such reduction of the Class B Invested Amount shall be given effect after any reduction of the Class B Invested Amount pursuant to Sections 4.6(a) and 4.7 of the Agreement. Class B Investor Charge Offs shall

thereafter be reimbursed and the Class B Invested Amount increased (but not by an amount in excess of the aggregate unreimbursed Class B Investor Charge Offs) on any Distribution Date by the amounts allocated and available for that purpose pursuant to Section 4.5(a)(xi) of the Agreement.

Section 4.7 Reallocated Class B Principal Collections. The Servicer shall instruct the Trustee to distribute, on each Distribution Date, Reallocated Class B Principal Collections in an amount equal to the excess, if any, of (a) the sum of the amounts to be paid pursuant to Sections 4.5(a)(ii)-(vi) of the Agreement with respect to such Distribution Date over (b) the Invested Percentage of Collections of Finance Charge Receivables for the related Due Period plus the amount of any Excess Finance Charge Collections allocable to Series 1996-A minus the amount paid pursuant to Section 4.5(a)(i) of the Agreement, to fund any deficiency under Sections 4.5(a)(ii)-(vi) of the Agreement in that order of priority.

Section 4.8 Certain Payments by Nordstrom Credit, Inc. If, with respect to any Distribution Date, (i) the sum of the amounts required to be paid pursuant to Sections 4.5(a)(ii)-(vi) of the Agreement on such Distribution Date exceeds (ii) the sum of (x) the Invested Percentage of Collections of Finance Charge Receivables for the related Due Period plus the amount of any Excess Finance Charge Collections allocable to Series 1996-A minus the amount paid pursuant to Section 4.5(a)(i) of the Agreement and (y) the amount of Reallocated Class B Principal Collections available pursuant to Section 4.7 of the Agreement for the related Due Period, then Nordstrom Credit, Inc. shall pay on the related Transfer Date to the Trustee on behalf of the Series 1996-A Certificateholders an amount equal to such excess; provided, however, that the aggregate amounts paid by Nordstrom Credit, Inc. pursuant to this Section 4.8 and pursuant to similar provisions, if any, in other Supplements shall not exceed the aggregate, cumulative amount of (A) Default Amounts and (B) downward adjustments or reductions in the amount of any Receivables for the reasons described in the first two sentences of Section 3.8(a) of the Agreement. Such amount shall be applied to fund any deficiency under Sections 4.5(a)(ii)-(vi) of the Agreement in that order of priority. Amounts required to be remitted by Nordstrom Credit, Inc. pursuant to this Section 4.8 shall be remitted in immediately available funds to the Collection Account no later than 12:00 noon, New York City time, on the date due. Nordstrom

Credit, Inc.'s obligation under this Section 4.8 shall be unconditional and irrevocable.

Section 4.9 Excess Principal Collections. Subject to Section 4.1(g) of the Agreement, Excess Principal Collections for any Distribution Date will be allocated to Series 1996-A in an amount equal to the product of (x) the aggregate amount of Excess Principal Collections with respect to all Series for such Distribution Date and (y) a fraction, the numerator of which is the Principal Shortfall for Series 1996-A for such Distribution Date and the denominator of which is the aggregate amount of Principal Shortfalls for all Series. The Principal Shortfall for Series 1996-A will be equal to (a) for any Distribution Date with respect to the Revolving Period, zero or such other greater amount not exceeding the Class A Invested Amount as may be designated by the Transferor, at its option, and (b) for any Distribution Date with respect to the Amortization Period, the excess, if any, of the Invested Amount over the Fixed/Floating Allocation Percentage of Collections of Principal Receivables for such Distribution Date (excluding any portion thereof attributable to Excess Principal Collections).

Section 4.10 Excess Finance Charge Collections. Excess Finance Charge Collections for any Distribution Date will be allocated to Series 1996-A in an amount equal to the product of (x) the aggregate amount of Excess Finance Charge Collections with respect to all Series for such Distribution Date and (y) a fraction, the numerator of which is the Finance Charge Shortfall for Series 1996-A for such Distribution Date and the denominator of which is the aggregate amount of Finance Charge Shortfalls for all Series. The Finance Charge Shortfall for Series 1996-A for any Distribution Date will be equal to the excess, if any, of (a) the full amount required to be paid pursuant to Section 4.5(a) on such Distribution Date over (b) the applicable Invested Percentage of Collections of Finance Charge Receivables and any other amounts that are to be treated as Collections of Finance Charge Receivables allocable to Series 1996-A in accordance with the Agreement with respect to the related Due Period.

Section 4.11 Additional Issuances of Class B Certificates.

(a) On any day during the Revolving Period, the Trustee shall issue to the Transferor for execution, upon the Transferor's request, and the Trustee shall authenticate and deliver, in accordance with the Transferor's instructions, an additional principal amount of Class B Certificates (Additional Class B Certificates) as provided below.

(b) Additional Class B Certificates may be issued, executed and delivered upon satisfaction of the following conditions:

(i) after giving effect to the issuance of such Additional Class B Certificates, the Transferor Amount minus the Excluded Receivables Balance shall be at least equal to the Minimum Transferor Amount and the Aggregate Principal Receivables shall be at least equal to the Minimum Aggregate Principal Receivables;

(ii) the Transferor shall have given notice by 10:00 A.M., New York City time, on the date such Additional Class B Certificates are to be issued to the Trustee, the Paying Agent, EFC and the Agent of the proposed issuance of such Additional Class B Certificates;

(iii) on or before the date on which such Additional Class B Certificates are issued, the Transferor, if so requested by the Trustee at the direction of the Class A Certificateholders, shall have delivered a Tax Opinion to the Trustee; and

(iv) on or before the date such Additional Class B Certificates are issued, the Transferor shall deliver to the Trustee an Officer's Certificate confirming the item set forth in clause (i) above. The Trustee may conclusively rely on such certificate, shall have no duty to make inquiries with regard to matters set forth therein and shall incur no liability in so relying.

[END OF ARTICLE IV]

Section 9. Article V of the Agreement. Article V of the Agreement shall read in its entirety as follows and shall be applicable to the Series 1996-A Certificates:

ARTICLE V

DISTRIBUTIONS AND REPORTS TO CERTIFICATEHOLDERS

Section 5.1 Distributions. (a) On each Distribution Date, the Paying Agent shall distribute to each Class A Certificateholder of record as of the preceding Record Date (other than as provided in Section 12.2 of the Agreement respecting a final distribution) such Class A Certificateholder's pro rata share of the amounts that are available on such Distribution Date to pay interest on the Class A Certificates (excluding the amount of any Class A Monthly Interest that has already been paid by a Servicer Advance or a Nordstrom Credit Advance) pursuant to this Series Supplement.

(b) On each Distribution Date with respect to an Amortization Period, the Paying Agent shall distribute to each Class A Certificateholder of record as of the preceding Record Date (other than as provided in Section 12.2 of the Agreement respecting a final distribution) such Class A Certificateholder's pro rata share of the amounts that are available on such date to pay principal of the Class A Certificates pursuant to this Series Supplement.

(c) On each Distribution Date, the Paying Agent shall distribute to each Class B Certificateholder of record as of the preceding Record Date (other than as provided in Section 12.2 of the Agreement respecting a final distribution) such Class B Certificateholder's pro rata share of the amounts that are available on such Distribution Date to pay interest on the Class B Certificates pursuant to this Series Supplement.

(d) On each Distribution Date with respect to an Amortization Period on or after the Class B Principal Commencement Date, the Paying Agent shall distribute to each Class B Certificateholder of record as of the preceding Record Date (other than as provided in Section 12.2 of the Agreement respecting a final distribution) such Class B Certificateholder's pro rata share of the amounts that are

available on such date to pay principal of the Class B Certificates pursuant to this Series Supplement.

(e) Except as provided in Section 12.2 of the Agreement with respect to a final distribution, distributions to Series 1996-A Certificateholders hereunder shall be made by check mailed to each such Certificateholder at such Certificateholder's address appearing in the Certificate Register or by wire transfer of immediately available funds to such Certificateholder's account so long as the Paying Agent was notified of such account at least five Business Days prior to such Distribution Date, in each case without presentation or surrender of any such Series 1996-A Certificate or the making of any notation thereon.

Section 5.2 Statements to Series 1996-A Certificateholders.

On each Distribution Date, the Paying Agent, on behalf of the Trustee, shall forward to each Series 1996-A Certificateholder a statement substantially in the form of Exhibit C prepared by the Servicer setting forth certain information relating to the Trust and the Series 1996-A Certificates.

On or before January 31 of each calendar year, beginning with calendar year 1997, the Paying Agent, on behalf of the Trustee, shall furnish or cause to be furnished to each Person who at any time during the preceding calendar year was a Certificateholder of Series 1996-A, a statement prepared by the Servicer containing the information which is required to be contained in the statement to the Certificateholders in the form of Exhibit C, aggregated for such calendar year or the applicable portion thereof during which such Person was a Certificateholder of such Series, together with other information as is required to be provided by an issuer of indebtedness under the Internal Revenue Code and such other customary information as is necessary to enable the Certificateholders of such Series to prepare their tax returns. Such obligation of the Servicer shall be deemed to have been satisfied to the extent that substantially comparable information shall be provided by the Paying Agent pursuant to any requirements of the Internal Revenue Code as from time to time in effect.

[END OF ARTICLE V]

Section 10. Early Amortization Events. If any one of the events specified in Section 9.1 of the Agreement or any one of the following events shall occur during either the Revolving Period or the Rapid Amortization Period with respect to the Series 1996-A Certificates:

(i) failure on the part of the Transferor or the Servicer (a) to make any payment or deposit on the date required under the Agreement, this Series Supplement or the Transfer and Administration Agreement, as applicable (or within the applicable grace period which will not exceed five Business Days), (b) duly to observe or perform in any material respect the covenant of the Transferor not to sell, pledge, assign or transfer to any person, or grant any unpermitted lien on, any Receivable, or (c) duly to observe or perform in any material respect any other covenants or agreements of the Transferor in the Agreement or in the Transfer and Administration Agreement (other than those specifically referred to elsewhere in this Section 10), which in the case of subclause (c) hereof, continues unremedied for a period of 60 days after written notice to the Transferor, and continues to affect materially and adversely the interests of the Series 1996-A Certificateholders for such period; provided, however, that an Early Amortization Event described in clause (b) or (c) shall not be deemed to occur if the Transferor has accepted the reassignment of the related Receivable within 60 days after receipt of written notice by the Transferor (or such longer period as the Trustee may specify not to exceed an additional 60 days) of such Early Amortization Event in accordance with the provisions of the Agreement;

(ii) failure on the part of Nordstrom Credit, Inc. to make any payment on the date required under Section 4.8 of the Agreement;

(iii) any representation or warranty made by the Transferor or Nordstrom Credit, Inc. in the Agreement, this Series Supplement or the Transfer and Administration Agreement (other than those specifically

referred to elsewhere in this Section 10) or any information required to be given by the Transferor to the Trustee to identify the Accounts proves to have been incorrect in any material respect when made and continues to be incorrect in any material respect for a period of 60 days after written notice to the Transferor and as a result of which the interests of the Series 1996-A Certificateholders are materially and adversely affected and which continues to materially and adversely affect the interests of the Series 1996-A Certificateholders for such period; provided, however, that an Early Amortization Event described in this clause (ii) shall not be deemed to occur if the Transferor has accepted the reassignment of the related Receivable or all such Receivables, if applicable, during such period (or such longer period as the Trustee may specify not to exceed an additional 60 days);

(iv) a failure by the Transferor to perform, comply with or observe any agreement, covenant or obligation under Section 3.4(i) of the Transfer and Administration Agreement;

(v) a failure by the Transferor to transfer Receivables from Supplemental Accounts to the Trust within five Business Days after the day on which it is required to transfer such Receivables pursuant to Section 2.6 of the Agreement;

(vi) any Servicer Default occurs which would have a material adverse effect on the Series 1996-A Certificateholders;

(vii) the Transferor shall enter into any consolidation or merger with any other Person whereby the Transferor is not the Person surviving such consolidation or merger;

(viii) a change in the operations of the Transferor or any other event which materially and adversely affects the Transferor's ability to either collect the Receivables or perform its obligations thereunder;

(ix) an event which constitutes (with or without notice or lapse of time or both) a default or potential default under any agreement of which the Transferor or one of its Subsidiaries is a party relating to indebtedness of the Transferor or such Subsidiary of \$5,000,000 or more;

(x) on any day, the Class B Invested Amount is less than the Minimum Enhancement Amount;

(xi) on any day, the Transferor Amount minus the Excluded Receivables Balance is less than the Minimum Transferor Amount;

(xii) the average Portfolio Yield for any three consecutive Due Periods is reduced to a rate which is less than the average Base Rate for such period;

then, an Early Amortization Event with respect to only the Series 1996-A Certificates will be deemed to have occurred without any notice or other action on the part of the Trustee or the Certificateholders, immediately upon the occurrence of such event; provided, however, that all of the Class A Certificateholders may waive any such Early Amortization Event with respect to the Series 1996-A Certificates. Upon any such waiver, such Early Amortization Event shall be deemed not to have occurred for every purpose of the Agreement and this Series Supplement. No such waiver shall extend to any subsequent or other event or impair any right consequent thereon.

Section 11. Termination or Suspension of Automatic Additions of Accounts. All of the Class A Certificateholders may direct the Transferor by notification in writing to designate one or more Automatic Addition Termination Dates or one or more Automatic Addition Suspension Dates and Restart Dates. Upon receipt of such notification, the Transferor shall designate the date or dates specified therein as Automatic Addition Termination Dates or Automatic Addition Suspension Dates and Restart Dates, as the case may be, by providing the notices

and taking the actions required by Section 2.6(d)(i) of the Agreement.

Section 12. Representations and Warranties of Nordstrom Credit, Inc. Nordstrom Credit, Inc. hereby represents and warrants to the Trustee, as of the date hereof, as follows:

(a) Organization, etc. Nordstrom Credit, Inc. is a corporation duly organized, validly existing and in good standing under the laws of the State of Colorado and has full corporate power, authority and legal right to own or lease all of its properties and assets, to carry on its business as it is now being conducted and to execute, deliver and perform the Agreement and this Series Supplement. Nordstrom Credit, Inc. is duly qualified as a foreign corporation in good standing under the laws of each other jurisdiction in which the nature of its business requires such qualification and in which failure to so qualify would render the Agreement or this Series Supplement unenforceable or would have a material adverse effect on Nordstrom Credit, Inc.'s ability to perform its obligations thereunder or hereunder.

(b) Authorization; Valid Agreement. The execution, delivery and performance of the Agreement and this Series Supplement has been duly authorized by all required corporate or other action on the part of Nordstrom Credit, Inc., and each of the Agreement and this Series Supplement constitutes the legal, valid and binding obligation of Nordstrom Credit, Inc., enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors generally as such laws would apply in the event of the bankruptcy, insolvency, moratorium or other similar event with respect to Nordstrom Credit, Inc. and to general principles of equity.

(c) No Conflicts. The execution, delivery and performance by Nordstrom Credit, Inc. of each of the Agreement and this Series Supplement does not and will not (a) contravene its charter or By-Laws, (b) in any material respect, violate any provision of, or require any filing, registration, consent or approval under, any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to Nordstrom Credit, Inc., (c) result in a breach of or constitute a default or require any consent under any material indenture or loan or credit agreement or any

other material agreement, lease or instrument to which Nordstrom Credit, Inc. is a party or by which it or its properties may be bound or affected or (d) result in, or require, the creation or imposition of any material lien upon or with respect to any of the properties now owned or hereafter acquired by Nordstrom Credit, Inc.

(d) No Proceedings. There are no proceedings or investigations pending, or to the best knowledge of Nordstrom Credit, Inc., threatened against Nordstrom Credit, Inc. before any Governmental Authority (a) asserting the invalidity of the Agreement or this Series Supplement, (b) seeking to prevent the consummation of the transactions contemplated by the Agreement or this Series Supplement, (c) seeking any determination or ruling that would adversely affect the performance by Nordstrom Credit, Inc. of its obligations under the Agreement or this Series Supplement or (d) seeking any determination or ruling that would adversely affect the validity or enforceability of the Agreement or this Series Supplement.

Section 13. Series 1996-A Investor Exchange; Certificate Defeasance. (a) Pursuant to subsection 6.9(b) of the Agreement, the Certificateholders may tender their Certificates, and the holder of the Exchangeable Transferor Certificate may tender the Exchangeable Transferor Certificate, in exchange for (i) one or more newly issued classes of Investor Certificates and (ii) a reissued Exchangeable Transferor Certificate in accordance with the terms and conditions contained in a notice of exchange delivered to the Certificateholders. Such notice of exchange will specify, among other things: (a) the amount of Certificates that may be tendered, (b) the Certificate Rate (or the method for allocating interest payments or other cash flows to such Series), if any, with respect to the new Series, (c) the term of the Series, (d) the method of computing the invested percentage, (e) the manner of Enhancement, if any, with respect to the Series and (f) the time and the manner at which the tender and cancellation of the Series 1996-A Certificates and the issuance of the new Certificates will be effectuated. Upon satisfaction of the conditions contained in subsections 6.9(b) and 6.9(c) of the Agreement, and the receipt by the Trustee of the exchange notice and the related Supplement, the Trustee shall cancel the existing Exchangeable Transferor Certificate and the applicable Series 1996-A Certificates which have been tendered pursuant

to this Section 12(a), and shall issue such new Series of Investor Certificates and a new Exchangeable Transferor Certificate, each dated the Exchange Date.

(b) The Trustee, for the benefit of the Series 1996-A Certificateholders, shall establish prior to such tender and exchange, and maintain with a Qualified Institution in the name of the Trust, a certain segregated trust account (the Defeasance Account). At the option of the Transferor, all amounts received by the Trustee from the issuance of new Certificates or increased invested amount of another Series (or any class within any such other Series) on the settlement date for such issuance shall be deposited in the Defeasance Account.

(c) Amounts on deposit in the Defeasance Account shall be applied as Collections allocable to the Series 1996-A Certificates in payment of the Invested Amount and all accrued and unpaid interest thereon, in accordance with Section 4.5 of the Agreement. Any Business Day upon which payments are received in the Defeasance Account shall be deemed to be a Distribution Date. Any funds remaining in the Defeasance Account after all amounts payable to the Certificateholders pursuant to Section 4.5 of the Agreement have been paid in full shall be paid to the Transferor.

Section 14. Transfers of Series 1996-A Certificates; Legends.

(a) No Class A Certificate or any interest therein may be sold (including in the initial offering), conveyed, assigned, hypothecated, pledged, participated, or otherwise transferred (each, a Transfer) except in accordance with this Section 14. No Class B Certificate or any interest therein may be Transferred. Any Transfer of a Class A Certificate otherwise permitted by this Section 14 will be permitted only if it consists of a pro rata percentage interest in all payments made with respect to such holder's Class A Certificates and no Transfers of partial interests in a Class A Certificate shall be permitted. No Class A Certificate or any interest therein may be Transferred to any Person (each, an Assignee), unless the Assignee shall have executed and delivered the certification referred to in subsection 14(e) below and each of the Transferor and the Servicer shall have granted its prior consent thereto; provided, that the consent of

the Transferor and the Servicer shall not be required in connection with any transfer to the Bank Investors, any Liquidity Provider or any Affiliate of Nordstrom National Credit Bank pursuant to the Transfer and Administration Agreement. The consent of the Transferor and the Servicer shall be granted unless the Transferor reasonably determines that such Transfer would create a risk that the Trust would be classified for federal or any applicable state tax purposes as an association or publicly traded partnership taxable as a corporation; provided, that any attempted Transfer that would cause the number of Targeted Holders to exceed ninety-nine shall be void; and provided, further, that there shall not at any time be more than 10 Class A Certificateholders or such other number as may be consented to by the Transferor, which consent may be withheld in its sole and absolute discretion.

(b) Each initial purchaser of a Series 1996-A Certificate or any interest therein and any Assignee thereof shall certify to the Transferor, the Servicer, and the Trustee that it is either (A)(i) a citizen or resident of the U.S., (ii) a corporation, partnership or other entity organized in or under the laws of the U.S. or any political subdivision thereof which, if such entity is a tax-exempt entity, recognizes that payments with respect to the Series 1996-A Certificates may constitute unrelated business taxable income or (iii) a person not described in (i) or (ii) whose ownership of the Series 1996-A Certificates is effectively connected with the conduct of a trade or business within the United States (within the meaning of the Code) and whose ownership of any interest in a Series 1996-A Certificate will not result in any withholding obligation with respect to any payments with respect to the Series 1996-A Certificates by any person and who will furnish to the Certificateholder making the Transfer, the Servicer and the Trustee, a properly executed U.S. Internal Revenue Service Form 4224 (and to agree to provide a new Form 4224 upon the expiration or obsolescence of any previously delivered form and comparable statements in accordance with applicable U.S. laws) or (B) an estate or trust the income of which is includible in gross income for U.S. federal income tax purposes.

(c) Each initial purchaser of a Class A Certificate or any interest therein and any Assignee thereof shall further certify to the Transferor, the Servicer and the Trustee that it has neither acquired nor will it sell, trade or transfer any interest in a Class A

Certificate or cause an interest in a Class A Certificate to be marketed on or through (i) an established securities market within the meaning of Section 7704(b)(1) of the Code and any treasury regulation thereunder, including, without limitation, an over-the-counter-market or an interdealer quotation system that regularly disseminates firm buy or sell quotations or (ii) a secondary market within the meaning of Section 7704(b)(2) of the Code and any treasury regulation thereunder, including a market wherein interests in the Class A Certificates are regularly quoted by any Person making a market in such interests and a market wherein any Person regularly makes available bid or offer quotes with respect to interests in the Class A Certificates and stands ready to effect buy or sell transactions at the quoted prices for itself or on behalf of others. In addition, each initial purchaser of a Class A Certificate or any interest therein and any Assignee shall certify, prior to any delivery or Transfer to it of a Class A Certificate that it is not and will not become a partnership, Subchapter S corporation or grantor trust for U.S. federal income tax purposes. If an initial purchaser of an interest in a Class A Certificate or an Assignee cannot make the certification described in the preceding sentence, the Transferor may, in its sole discretion, prohibit a Transfer to such entity; provided, however, that if the Transferor agrees to permit such a Transfer, the Transferor, the Servicer or the Trustee may require additional certifications in order to prevent the Trust from being treated as a publicly traded partnership.

(d) Each Class A Certificate will bear a legend or legends substantially in the following form:

EACH PURCHASER REPRESENTS AND WARRANTS FOR THE BENEFIT OF NORDSTROM NATIONAL CREDIT BANK AND THE TRUSTEE THAT SUCH PURCHASER IS NOT (I) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")) THAT IS SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, (II) A PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, (III) A GOVERNMENTAL PLAN, AS DEFINED IN SECTION 3(32) OF ERISA, SUBJECT TO ANY FEDERAL, STATE OR LOCAL LAW WHICH IS, TO A MATERIAL EXTENT, SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, (IV) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY OR (V) A PERSON INVESTING PLAN ASSETS OF ANY SUCH PLAN

(EXCLUDING FOR PURPOSES OF THIS CLAUSE (V), ANY ENTITY REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED).

THIS CERTIFICATE MAY NOT BE ACQUIRED, SOLD, TRADED OR TRANSFERRED, NOR MAY AN INTEREST IN THIS CERTIFICATE BE MARKETED, ON OR THROUGH (I) AN ESTABLISHED SECURITIES MARKET WITHIN THE MEANING OF SECTION 7704(b)(1) OF THE CODE AND ANY PROPOSED, TEMPORARY OR FINAL TREASURY REGULATION THEREUNDER, INCLUDING, WITHOUT LIMITATION, AN OVER-THE-COUNTER-MARKET OR AN INTERDEALER QUOTATION SYSTEM THAT REGULARLY DISSEMINATES FIRM BUY OR SELL QUOTATIONS OR (II) A SECONDARY MARKET WITHIN THE MEANING OF SECTION 7704(b)(2) OF THE CODE AND ANY PROPOSED, TEMPORARY OR FINAL TREASURY REGULATION THEREUNDER, INCLUDING A MARKET WHEREIN INTERESTS IN THE CLASS A CERTIFICATES ARE REGULARLY QUOTED BY ANY PERSON MAKING A MARKET IN SUCH INTERESTS AND A MARKET WHEREIN ANY PERSON REGULARLY MAKES AVAILABLE BID OR OFFER QUOTES WITH RESPECT TO INTERESTS IN THE CLASS A CERTIFICATES AND STANDS READY TO EFFECT BUY OR SELL TRANSACTIONS AT THE QUOTED PRICES FOR ITSELF OR ON BEHALF OF OTHERS.

THIS CERTIFICATE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY STATE SECURITIES LAW. THE HOLDER HEREOF, BY PURCHASING THIS CERTIFICATE, AGREES THAT THIS CERTIFICATE MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (1) TO THE TRANSFEROR, (2) TO A LIMITED NUMBER OF INSTITUTIONAL ACCREDITED INVESTORS (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) AND IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (UPON DELIVERY OF THE DOCUMENTATION REQUIRED BY THE POOLING AND SERVICING AGREEMENT AND, IF THE TRUSTEE SO REQUIRES, AN OPINION OF COUNSEL SATISFACTORY TO THE TRUSTEE) OR (3) PURSUANT TO RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (QIB) PURCHASING FOR ITS OWN ACCOUNT OR A QIB PURCHASING FOR THE ACCOUNT OF A QIB, WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A. EACH CERTIFICATE OWNER BY ACCEPTING A BENEFICIAL INTEREST IN THIS CERTIFICATE IS DEEMED TO REPRESENT THAT IT IS EITHER A QIB PURCHASING FOR ITS OWN ACCOUNT, A QIB PURCHASING FOR THE ACCOUNT OF ANOTHER QIB OR AN INSTITUTIONAL ACCREDITED INVESTOR (AS DEFINED

IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT). THIS CERTIFICATE WILL NOT BE ACCEPTED FOR REGISTRATION OF TRANSFER EXCEPT UPON PRESENTATION OF EVIDENCE SATISFACTORY TO THE TRANSFER AGENT AND REGISTRAR THAT THE RESTRICTIONS ON TRANSFER SET FORTH IN THE SERIES 1996 -A SUPPLEMENT HAVE BEEN COMPLIED WITH. THIS CERTIFICATE MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHOUT THE PRIOR WRITTEN CONSENT OF EACH OF THE TRANSFEROR AND THE SERVICER AND UNLESS AND UNTIL THE TRUSTEE SHALL HAVE RECEIVED THE CERTIFICATIONS REQUIRED BY THE SERIES 1996-A SUPPLEMENT.

Each Class B Certificate will bear a legend or legends substantially in the following form:

THIS CERTIFICATE MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED.

EACH PURCHASER REPRESENTS AND WARRANTS FOR THE BENEFIT OF NORDSTROM NATIONAL CREDIT BANK AND THE TRUSTEE THAT SUCH PURCHASER IS NOT (I) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (ERISA)) THAT IS SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, (II) A PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, (III) A GOVERNMENTAL PLAN, AS DEFINED IN SECTION 3(32) OF ERISA, SUBJECT TO ANY FEDERAL, STATE OR LOCAL LAW WHICH IS, TO A MATERIAL EXTENT, SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, (IV) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY OR (V) A PERSON INVESTING "PLAN ASSETS" OF ANY SUCH PLAN (EXCLUDING FOR PURPOSES OF THIS CLAUSE (V), ANY ENTITY REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED).

(e) Upon surrender for registration of transfer of a Class A Certificate at the office of the Transfer Agent and Registrar, accompanied by a certification by the Class A Certificateholder substantially in the form attached as Exhibit D, executed by the registered owner, in person or by such Class A Certificate-holder's attorney thereunto duly authorized in writing, and receipt by the Trustee of the written consent of each of the Transferor and the Servicer to such transfer, such Class A Certificate shall be transferred upon the Certificate Register, and the Transferor shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferees one or more new registered Class A Certificates of any

authorized denominations and of a like aggregate principal amount and tenor. Such transfers of Class A Certificates shall be subject to the restrictions set forth in this Section 14, to such other restrictions as shall be set forth in the text of the Class A Certificates and to such reasonable regulations as may be prescribed by the Transferor. Successive registrations and registrations of transfers as aforesaid may be made from time to time as desired, and each such registration shall be noted on the Certificate Register.

Section 15. Ratification of Master Pooling and Servicing Agreement. As supplemented by this Series Supplement, the Agreement is in all respects ratified and confirmed and the Agreement as so supplemented by this Series Supplement shall be read, taken, and construed as one and the same instrument; provided, however, that pursuant to Section 9.2(a) of the Agreement, the Trustee shall sell the portion of the Receivables allocable to Series 1996-A unless instructed not to sell, dispose of or otherwise liquidate the Receivables by holders of interests aggregating more than 50% of each class of each Series (including a majority in interest in each collateral indebtedness interest), each holder of an interest in the Transferor Interest other than the Transferor and any other Person specified in a Supplement.

Section 16. Counterparts. This Series Supplement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument.

Section 17. Governing Law. THIS SERIES SUPPLEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF COLORADO, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 18. Subordination of Certain Termination Payments. Notwithstanding anything contained in Section 12.2(c) of the Agreement, upon the sale of Receivables or interests therein as provided in Section 12.2(c) of the Agreement, the proceeds of any such sale payable in respect of the Series 1996-A Certificates shall be payable first to the Class A Certificates until paid in full and then to the Class B Certificates until paid in full.

Section 19. Acknowledgment by Nordstrom Credit, Inc. Nordstrom Credit, Inc. hereby adopts and acknowledges Sections 4.5(d), 4.8, 7.4 and 9.2(a) of the Agreement, and by executing this Series Supplement shall be deemed to be a party to the Agreement for purposes of its obligations under said Sections 4.5(d), 4.8, 7.4 and 9.2(a).

Section 20. Opinions of Counsel. Any Opinion of Counsel required to be delivered pursuant to the Agreement or this Series Supplement shall be acceptable to the Agent, in its sole discretion.

Section 21. Article VII of the Agreement. Article VII of the Agreement shall read in its entirety as provided in the Agreement, except that Section 7.4 thereof shall read in its entirety as follows:

ARTICLE VII

OTHER MATTERS RELATING TO THE TRANSFEROR

Section 7.4 Liabilities. Notwithstanding Section 7.3, by entering into this Agreement, each of the Transferor and Nordstrom Credit, Inc. agree to be liable, directly to the injured party, for the entire amount of any losses, claims, damages, penalties or liabilities (other than those incurred by a Certificateholder in the capacity of an investor in the Investor Certificates as a result of the performance of the Receivables, market fluctuations, a shortfall in any Enhancement or other similar market or investment risks) arising out of or based on the arrangement created by this Agreement and the actions of the Servicer taken pursuant hereto as though this Agreement created a partnership under the Uniform Partnership Act. Each of the Transferor and Nordstrom Credit, Inc. agrees to pay, indemnify and hold harmless each Investor Certificateholder against and from any and all such losses, claims, damages and liabilities (other than those incurred by a Certificateholder in the capacity of an investor in the Investor Certificates as a result of the performance of the Receivables, market fluctuations, a shortfall in any Enhancement or other similar market or investment risks) except to the extent that they arise from any action by such Investor Certificateholder. Subject to Sections 8.3 and 8.4, in the event of a Service Transfer, the Successor Servicer will indemnify

and hold harmless each of the Transferor and Nordstrom Credit, Inc. for any losses, claims, damages and liabilities of the Transferor or Nordstrom Credit, Inc. as described in this Section 7.4 arising from the actions or omissions of such Successor Servicer.

Section 22. Article IX of the Agreement. Article IX of the Agreement shall read in its entirety as provided in the Agreement, except that Section 9.2(a) thereof shall read in its entirety as follows:

ARTICLE IX
EARLY AMORTIZATION EVENTS

Section 9.2 Additional Rights Upon the Occurrence of Certain Events.

(a) If the Transferor or Nordstrom Credit, Inc. voluntarily goes into liquidation or consents to the appointment of a trustee, conservator, receiver, liquidator, custodian or other similar official in any bankruptcy, insolvency, readjustment of debt, marshalling of assets and liabilities, receivership, conservatorship or similar proceedings of or relating to either the Transferor or Nordstrom Credit, Inc. or of or relating to all or substantially all of its property; or a decree or order of a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a trustee, conservator, receiver, liquidator, custodian or other similar official in any bankruptcy, insolvency, readjustment of debt, marshalling of assets and liabilities, receivership, conservatorship or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against either the Transferor or Nordstrom Credit, Inc. and, only in the case of Nordstrom Credit, Inc., such decree or order shall have remained in force undischarged or unstayed for a period of sixty (60) days; either the Transferor or Nordstrom Credit, Inc. shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable bankruptcy, insolvency, receivership, conservatorship or reorganization statute, make an assignment for the benefit of its creditors or voluntarily suspend payment of its obligations; an involuntary petition shall be filed with respect to the Transferor or Nordstrom Credit, Inc. in a court of competent jurisdiction seeking to take advantage of any

applicable bankruptcy, insolvency, receivership, conservatorship or reorganization statute and, only in the case of Nordstrom Credit, Inc., such proceeding or petition shall continue undismissed for sixty (60) days; or the Transferor shall become unable for any reason to transfer Receivables in accordance with the provisions of this Agreement (such as voluntary liquidation, appointment, entering of such decree, admission, filing, making, suspension or inability, a Dissolution Event), the Transferor shall promptly give notice of such event to the Trustee, and the Transferor shall on the day of such appointment, voluntary liquidation, entering of such decree, admission, filing, making, suspension or inability, as the case may be (the Appointment Day), immediately cease to transfer Principal Receivables to the Trust hereunder. Notwithstanding any cessation of the transfer to the Trust of additional Principal Receivables, Principal Receivables transferred to the Trust prior to the occurrence of such Dissolution Event and Collections in respect of such Principal Receivables and Finance Charge Receivables whenever created shall continue to be part of the Trust, and such Collections shall continue to be allocated and deposited in accordance with the provisions of Article IV. Within 15 days of the receipt by the Trustee of the notice of a Dissolution Event, the Trustee shall (i) publish a notice in an Authorized Newspaper that a Dissolution Event has occurred and that the Trustee intends to sell, dispose of or otherwise liquidate the Receivables in a commercially reasonable manner and (ii) send written notice to the Investor Certificateholders and any Enhancement Provider entitled thereto describing the provisions of this Section 9.2 and requesting instructions from such Holders, which notice shall request each Investor Certificateholder to advise the Trustee in writing that it elects one of the following options: (A) the Investor Certificateholder wishes the Trustee to instruct the Servicer not to sell, dispose of or otherwise liquidate the Receivables and to instruct the Servicer to reconstitute the Trust upon the same terms and conditions set forth herein, or (B) the Investor Certificateholder wishes the Trustee to instruct the Servicer to sell, dispose of or otherwise liquidate the Receivables, or (C) the Investor Certificateholder refuses to advise the Trustee as to the specific action the Trustee shall instruct the Servicer to take. If after 90 days from the day notice pursuant to clause (i) above is first published (the Publication Date), the Trustee shall not have received written instructions of Holders (other than the Transferor or any of its

Affiliates) of Investor Certificates representing Undivided Interests aggregating in excess of 50% of the related Invested Amount of each Series (or in the case of a Series having more than one class of Investor Certificates, each class of such Series) to the effect that the Trustee shall instruct the Servicer not to sell, dispose of, or otherwise liquidate the Receivables and to instruct the Servicer to reconstitute the Trust upon the same terms and conditions as set forth herein, the Trustee shall instruct the Servicer to proceed to sell, dispose of, or otherwise liquidate the Receivables in a commercially reasonable manner and on commercially reasonable terms, which shall include the solicitation of competitive bids and the Servicer shall proceed to consummate the sale, liquidation or disposition of the Receivables as provided above with the highest bidder for the Receivables. If, however, with respect to the portion of the Receivables allocable to any outstanding Series, the holders (other than the Transferor or any of its Affiliates) of more than 50% of the principal amount of each class of such Series instruct the Trustee not to sell the portion of the Receivables allocable to such Series, the Trust shall continue with respect to such Series pursuant to the terms of the Agreement and the Supplement. If specified in the applicable Supplement, the holder (other than the Transferor or any of its Affiliates) of an Enhancement Invested Amount with respect to a Series shall be entitled to give instructions pursuant to this Section 9.2 as if such Enhancement Invested Amount were a class of such Series. The portion of the Receivables allocable to any Series shall be equal to the sum of (1) the product of (A) the Transferor Percentage, (B) the Aggregate Principal Receivables and (C) a fraction the numerator of which is the related Percentage with respect to Finance Charge Receivables and the denominator of which is the sum of all Invested Percentages with respect to Finance Charge Receivables of all Series outstanding and (2) the Invested Amount of such Series. The Transferor or any of its Affiliates shall be permitted to bid for the Receivables. In addition the Transferor or any of its Affiliates shall have the right to match any bid by a third person and be granted the right to purchase the Receivables at such matched bid price. The Trustee may obtain a prior determination from the conservator or receiver that the terms and manner of any proposed sale, disposition or liquidation are commercially reasonable. The provisions of Sections 9.1 and 9.2 shall not be deemed to be mutually exclusive.

Section 23. Consent to Issuance of Additional Series. Prior to the issuance of any Series other than Series 1996-A, the Transferor shall obtain the consent of the Agent, which consent may not be unreasonably withheld.

IN WITNESS WHEREOF, the parties hereto have caused this Series Supplement to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.

NORDSTROM NATIONAL CREDIT BANK,

as Transferor and Servicer

By: /s/ Carol R. Simonson

Name: Carol R. Simonson

Title: Vice President of Finance

NORDSTROM CREDIT, INC.

By: /s/ John Walgamott

Title: President

NORWEST BANK COLORADO, NATIONAL ASSOCIATION,

as Trustee and Paying Agent

By: /s/ A. Lenore Martinez

Name: A. Lenore Martinez

Title: Senior Vice President

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NORDSTROM NATIONAL CREDIT BANK
Transferor and Servicer

and
NORDSTROM CREDIT, INC.

and
NORWEST BANK COLORADO, NATIONAL ASSOCIATION Trustee
on behalf of the Certificateholders

SERIES 1996-A SUPPLEMENT
Dated as of August 14, 1996

to
MASTER POOLING AND SERVICING AGREEMENT
Dated as of August 14, 1996

\$200,000,000
NORDSTROM CREDIT CARD MASTER TRUST
SERIES 1996-A

EXHIBIT A

[FORM OF CLASS A CERTIFICATE]

REGISTERED

One Unit
100%

No. A-1

THIS CLASS A CERTIFICATE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THIS CLASS A CERTIFICATE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR ANY STATE SECURITIES LAW. THE HOLDER HEREOF, BY PURCHASING THIS CLASS A CERTIFICATE, AGREES THAT THIS CLASS A CERTIFICATE MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (1) TO THE TRANSFEROR, (2) TO A LIMITED NUMBER OF INSTITUTIONAL "ACCREDITED INVESTORS" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) AND IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (UPON DELIVERY OF THE DOCUMENTATION REQUIRED BY THE AGREEMENT AND, IF THE TRUSTEE SO REQUIRES, AN OPINION OF COUNSEL SATISFACTORY TO THE TRUSTEE) OR (3) PURSUANT TO RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A ("QIB") PURCHASING FOR ITS OWN ACCOUNT OR A QIB PURCHASING FOR THE ACCOUNT OF A QIB, WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A. EACH CERTIFICATE OWNER BY ACCEPTING A BENEFICIAL INTEREST IN THIS CLASS A CERTIFICATE IS DEEMED TO REPRESENT THAT IT IS EITHER A QIB PURCHASING FOR ITS OWN ACCOUNT, A QIB PURCHASING FOR THE ACCOUNT OF ANOTHER QIB OR AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT). THIS CLASS A CERTIFICATE WILL NOT BE ACCEPTED FOR REGISTRATION OF TRANSFER EXCEPT UPON PRESENTATION OF EVIDENCE SATISFACTORY TO THE TRANSFER AGENT AND REGISTRAR THAT THE RESTRICTIONS ON TRANSFER SET FORTH IN THE SERIES SUPPLEMENT HAVE BEEN COMPLIED WITH. THIS CLASS A CERTIFICATE MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHOUT THE PRIOR WRITTEN CONSENT OF EACH OF THE TRANSFEROR AND THE SERVICER AND UNLESS AND UNTIL THE

TRUSTEE SHALL HAVE RECEIVED THE CERTIFICATIONS REQUIRED BY THE SERIES SUPPLEMENT.

THIS CLASS A CERTIFICATE MAY NOT BE ACQUIRED, SOLD, TRADED OR TRANSFERRED, NOR MAY AN INTEREST IN THIS CLASS A CERTIFICATE BE MARKETED, ON OR THROUGH (I) AN "ESTABLISHED SECURITIES MARKET" WITHIN THE MEANING OF SECTION 7704(b)(1) OF THE CODE AND ANY PROPOSED, TEMPORARY OR FINAL TREASURY REGULATION THEREUNDER, INCLUDING, WITHOUT LIMITATION, AN OVER-THE-COUNTER-MARKET OR AN INTERDEALER QUOTATION SYSTEM THAT REGULARLY DISSEMINATES FIRM BUY OR SELL QUOTATIONS OR (II) A "SECONDARY MARKET" WITHIN THE MEANING OF SECTION 7704(b)(2) OF THE CODE AND ANY PROPOSED, TEMPORARY OR FINAL TREASURY REGULATION THEREUNDER, INCLUDING A MARKET WHEREIN INTERESTS IN THE CLASS A CERTIFICATES ARE REGULARLY QUOTED BY ANY PERSON MAKING A MARKET IN SUCH INTERESTS AND A MARKET WHEREIN ANY PERSON REGULARLY MAKES AVAILABLE BID OR OFFER QUOTES WITH RESPECT TO INTERESTS IN THE CLASS A CERTIFICATES AND STANDS READY TO EFFECT BUY OR SELL TRANSACTIONS AT THE QUOTED PRICES FOR ITSELF OR ON BEHALF OF OTHERS.

EACH PURCHASER REPRESENTS AND WARRANTS FOR THE BENEFIT OF NORDSTROM NATIONAL CREDIT BANK AND THE TRUSTEE THAT SUCH PURCHASER IS NOT (I) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")) THAT IS SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, (II) A PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, (III) A GOVERNMENTAL PLAN, AS DEFINED IN SECTION 3(32) OF ERISA, SUBJECT TO ANY FEDERAL, STATE OR LOCAL LAW WHICH IS, TO A MATERIAL EXTENT, SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, (IV) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY OR (V) A PERSON INVESTING "PLAN ASSETS" OF ANY SUCH PLAN (EXCLUDING FOR PURPOSES OF THIS CLAUSE (V), ANY ENTITY REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED).

NORDSTROM CREDIT CARD MASTER TRUST

CLASS A VARIABLE FUNDING CERTIFICATE,
SERIES 1996-A

Evidencing an undivided interest in a trust, the corpus of which consists of receivables generated from time to time in the ordinary course of business from a portfolio of VISA and MasterCard credit card accounts of

NORDSTROM NATIONAL CREDIT BANK

(Not an interest in or obligation of Nordstrom National Credit Bank or any affiliate thereof)

This certifies that ENTERPRISE FUNDING CORPORATION (the "Class A Certificateholder") is the registered owner of a fractional undivided interest in certain assets of a trust (the "Trust") created pursuant to the Master Pooling and Servicing Agreement, dated as of August 14, 1996 (as amended and supplemented from time to time, the "Agreement"), between Nordstrom National Credit Bank, a national banking association, as Transferor and Servicer, and Norwest Bank Colorado, National Association, a national banking association, as trustee (the "Trustee"), as supplemented by the Series 1996-A Supplement, dated as of August 14, 1996 (as amended and supplemented from time to time, the "Series Supplement"), by and among the Transferor and Servicer, Nordstrom Credit, Inc. and the Trustee. The corpus of the Trust consists of (i) receivables (the "Receivables") generated from time to time in a portfolio of revolving credit card accounts identified under the Agreement (the "Accounts"), (ii) all monies which are from time to time deposited in the Collection Account, the Excess Funding Account and any other accounts maintained for the benefit of Investor Certificateholders and (iii) all other assets and interests constituting the Trust Property. The Holder of this Class A Certificate is entitled to the benefit of the obligation of Nordstrom Credit, Inc. to make payments to the Trust under certain circumstances as provided in the

Series Supplement. Although a summary of certain provisions of the Agreement and the Series Supplement is set forth below and on the Summary of Terms and Conditions attached hereto and made a part hereof, this Class A Certificate does not purport to summarize the Agreement and the Series Supplement and reference is made to the Agreement and the Series Supplement for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Trustee. A copy of the Agreement and the Series Supplement (without schedules) may be requested from the Trustee by writing to the Trustee at the Corporate Trust Office. To the extent not defined herein, the capitalized terms used herein have the meanings ascribed to them in the Agreement or the Series Supplement, as applicable.

This Class A Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement and the Series Supplement, to which Agreement and Series Supplement, each as amended and supplemented from time to time, the Class A Certificateholder by virtue of the acceptance hereof assents and is bound.

It is the intent of the Transferor and the Investor Certificateholders that, for Federal, state and local income and franchise tax purposes only, the Investor Certificates will qualify as indebtedness of the Transferor secured by the Receivables (unless otherwise specified in the related Supplement). The Class A Certificateholder, by the acceptance of this Class A Certificate, is deemed to agree to treat this Class A Certificate for Federal, state and local income and franchise tax purposes as indebtedness of the Transferor (except to the extent that different treatment is explicitly required under state or local tax statutes).

Interest will accrue on the Class A Certificates from the Closing Date through the last day of the Due Period preceding the September 1996 Distribution Date, and with respect to each Due Period thereafter, based on the actual number of days in the related Due Period and a year of 360 days, at a variable rate (the "Class A Certificate Rate") as determined in accordance with the Series Supplement. Interest on the Class A Certificates will be distributed on the twentieth day of each month, or, if such day is not a Business Day, on the

next succeeding Business Day (each, an "Distribution Date"), commencing September 20, 1996.

In general, payments of principal with respect to the Class A Certificates are limited to the Class A Invested Amount, which may be less than the unpaid principal balance of the Class A Certificates. All principal of and interest on the Class A Certificates is due and payable no later than the August 2006 Distribution Date (the "Stated Series Termination Date"), but the Class A Certificates may be paid earlier or later under certain circumstances described in the Agreement and the Series Supplement.

Unless the certificate of authentication hereon has been executed by or on behalf of the Trustee, by manual signature, this Class A Certificate shall not be entitled to any benefit under the Agreement or the Series Supplement or be valid for any purpose.

IN WITNESS WHEREOF, the Transferor has caused
this Class A Certificate to be duly executed.

NORDSTROM NATIONAL CREDIT
BANK

By:

Name:
Title:

Dated: August 14, 1996

A-6

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Class A Certificates described in the within-mentioned Agreement and Series Supplement.

NORWEST BANK COLORADO, NATIONAL ASSOCIATION,
as Trustee,

By: _____
Authorized Officer

or

By:
as Authenticating Agent
for the Trustee,

By: _____
Authorized Officer
NORDSTROM CREDIT CARD MASTER TRUST

CLASS A VARIABLE FUNDING CERTIFICATES,
SERIES 1996-A

Summary of Terms and Conditions

The Receivables consist generally of Principal Receivables and Finance Charge Receivables. This Class A Certificate is one of a Series of Certificates entitled Nordstrom Credit Card Master Trust, Series 1996-A Certificates (the "Series 1996-A Certificates"), and one of a class thereof entitled Class A Variable Funding Certificates, Series 1996-A (the "Class B Certificates"), each of which represents a fractional undivided interest in certain assets of the Trust. The Trust Property is allocated in part to the Investor Certificateholders of all outstanding Series (the "Certificateholders' Interest") and the interests, if any, of any Enhancement Providers, with the remainder allocated to the Transferor. The aggregate interest represented by the Class A Certificates at any time in the Principal Receivables in the Trust shall not exceed an amount equal to the Class A Invested Amount at such time. The Class A Initial Invested Amount is \$186,600,000. The Class A Invested Amount on any date will be an amount equal to (a) the Class A Initial Invested Amount, plus (b) the aggregate principal amount of any Additional Class A Invested Amounts purchased by Class A Certificateholders, minus (c) the aggregate amount of principal payments made to the Class A Certificateholders prior to such date, minus (d) the aggregate amount of Class A Investor Charge Offs for all prior Distribution Dates, plus (e) the aggregate amount of Class A Investor Charge Offs reimbursed pursuant to Section 4.5(a)(vi) of the Agreement prior to such date; provided, however, that the Class A Invested Amount may not be reduced below zero. In addition, a class of the Series 1996-A Certificates entitled Class B 6.50% Asset Backed Certificates, Series 1996-A (the "Class B Certificates") will be issued pursuant to the Agreement and the Series Supplement. Also, an Exchangeable Transferor Certificate has been issued to Nordstrom National Credit Bank pursuant to the Agreement which represents the Transferor Interest.

Subject to the terms and conditions of the Agreement, the Transferor may from time to time direct the Trustee, on behalf of the Trust, to issue one or more new Series of Investor Certificates, which will represent fractional undivided interests in certain Trust Property.

Pursuant to Section 2.2 of the Transfer and Administration Agreement, dated as of August 14, 1996 (as amended and supplemented from time to time, the "Transfer and Administration Agreement"), by and among the Transferor, Enterprise Funding Corporation and NationsBank, N.A., the holders of this Class A Certificate may from time to time be required, prior to the commencement of the Early Amortization Period for the Certificates, to purchase Additional Class A Invested Amounts on the terms and conditions specified in the Transfer and Administration Agreement.

On each Distribution Date, the Paying Agent shall distribute to each Class A Certificateholder of record on the last day of the preceding calendar month (each a "Record Date") such Class A Certificateholder's pro rata share of such amounts as are payable to the Class A Certificateholders pursuant to the Agreement and the Series Supplement. Distributions with respect to this Class A Certificate will be made by the Paying Agent by check mailed to the address of the Class A Certificateholder of record appearing in the Certificate Register or by wire transfer of immediately available funds to such Certificateholder's account so long as the Paying Agent was notified of such account at least five Business Days prior to the related Distribution Date, in each case without the presentation or surrender of this Class A Certificate or the making of any notation thereon (except for the final distribution in respect of this Class A Certificate). Final payment of this Class A Certificate will be made only upon presentation and surrender of this Class A Certificate at the office or agency specified in the notice of final distribution delivered (or published) by the Trustee in accordance with the Agreement and the Series Supplement.

On any Distribution Date occurring on or after the day on which the Invested Amount is reduced to 5% or less of the Initial Invested Amount of the Series 1996-A Certificates of \$196,500,000, the Series 1996-A Certificates are subject to retransfer to the Transferor. The

retransfer price will be equal to the Invested Amount of the Series 1996-A Certificates plus accrued but unpaid interest thereon.

Subject to certain conditions in the Agreement, if the Invested Amount of the Series 1996-A Certificates is greater than zero on the Stated Series Termination Date, the Trustee shall sell or cause to be sold an amount of Receivables (or interests therein) up to 110% of the Invested Amount at the close of business on such date, but not more than the total amount of Receivables allocable to the Series 1996-A Certificates pursuant to the Agreement, and apply the proceeds of such sale as provided in the Agreement and the Series Supplement.

This Class A Certificate does not represent an obligation of, or an interest in, the Transferor, the Servicer or any affiliate of any of them and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency or instrumentality.

This Class A Certificate is limited in right of payment to certain Collections with respect to the Receivables (and certain other amounts) and is senior to the Class B Certificates, all as more specifically set forth hereinabove and in the Agreement and the Series Supplement.

The Agreement and any Supplement may be amended from time to time by the Servicer, the Transferor and the Trustee, without the consent of any of the Investor Certificateholders, to cure any ambiguity, to correct or supplement any provisions therein which may be inconsistent with any other provisions therein or to add any other provisions with respect to matters or questions raised under the Agreement which shall not be inconsistent with the provisions of the Agreement; provided, however, that such action shall not adversely affect in any material respect the interests of any of the Investor Certificateholders. Additionally, the Agreement and any Supplement may be amended from time to time by the Servicer, the Transferor and the Trustee, without the consent of any of the Investor Certificateholders, to add to or change any of the provisions of the Agreement to enable Bearer Certificates to be issued in conformity with the Bearer Rules, to provide that Bearer Certifi-

cates may be registrable as to principal, to change or eliminate any restrictions on the payment of principal (or premium, if any) or any interest on Bearer Certificates to comply with the Bearer Rules, to permit Bearer Certificates to be issued in exchange for Registered Certificates (if then permitted by the Bearer Rules), to permit Bearer Certificates to be issued in exchange for Bearer Certificates of other authorized denominations or to permit the issuance of Investor Certificates in uncertificated form, provided any such action shall not adversely affect the interest of the Holders of Bearer Certificates of any Series or any related Coupons in any material respect unless such amendment is necessary to comply with the Bearer Rules.

The Agreement and any Supplement may also be amended from time to time by the Servicer, the Transferor and the Trustee, without the consent of any of the Investor Certificateholders, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Agreement, or of modifying in any manner the rights of the Holders of Investor Certificates; provided that (i) the Servicer shall have provided an Opinion of Counsel to the Trustee to the effect that such amendment will not materially and adversely affect the interests of the Investor Certificateholders of any outstanding Series, which Opinion of Counsel may rely solely on the rating confirmation referred to in clause (iii) below (or 100% of the class of Certificateholders so affected have consented), (ii) such amendment shall not, as evidenced by an Opinion of Counsel, cause any outstanding Series to fail to qualify as debt for Federal income tax purposes, cause the Trust to be characterized for Federal income tax purposes as an association or a publicly traded partnership taxable as a corporation or otherwise have any material adverse impact on the Federal income taxation characterization of any outstanding Series of Investor Certificates or the Federal income taxation of any Investor Certificateholder or any Certificate Owner and (iii) each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series shall confirm that such amendment shall not cause a reduction or withdrawal of the rating of any outstanding Series of Investor Certificates; provided, further that such amendment shall not reduce in any manner the amount of, or delay the timing of, distributions which are required to be made on any

Investor Certificate of such Series without the consent of the related Investor Certificateholder, change the definition of or the manner of calculating the interest of any Investor Certificateholder of such Series without the consent of the related Investor Certificateholder or reduce the aforesaid percentage required to consent to any such amendment, in each case without the consent of all such Investor Certificateholders.

The Agreement and any Supplement may also be amended from time to time by the Servicer, the Transferor and the Trustee with the consent of the Holders of Investor Certificates evidencing Undivided Interests aggregating not less than 66-2/3% of the Invested Amount of all Series adversely affected, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Agreement or of modifying in any manner the rights of the Investor Certificateholders of any Series then issued and outstanding; provided, however, that no such amendment shall (i) reduce in any manner the amount of, or delay the timing of, distributions which are required to be made on any Investor Certificate of such Series without the consent of the related Investor Certificateholder; (ii) change the definition of or the manner of calculating the Invested Amount, the Invested Percentage, the applicable available amount under any Enhancement or the Investor Default Amount of such Series without the consent of each related Investor Certificateholder; or (iii) reduce the aforesaid percentage required to consent to any such amendment, in each case without the consent of each related Investor Certificateholder. Any amendment pursuant to this paragraph shall require that each Rating Agency rating the affected Series confirm that such amendment will not cause a reduction or withdrawal of the rating of the applicable Series.

Upon surrender for registration of transfer of any Class A Certificate at the office of the Transfer Agent and Registrar, accompanied by a certification by the Certificateholder substantially in the form attached as Exhibit D to the Supplement and by a written instrument of transfer in the form approved by the Transferor and the Trustee, executed by the registered owner, in person or by such Certificateholder's attorney thereunto duly authorized in writing, and upon receipt of the written instructions required by Section 6.3(d) of the

Agreement such Class A Certificate shall be transferred upon the register, and the Transferor shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferees one or more new registered Class A Certificates of any authorized denominations and of a like aggregate principal amount and tenor.

As provided in the Agreement and subject to certain limitations therein and herein set forth, Class A Certificates are exchangeable for new Class A Certificates evidencing like aggregate fractional undivided interests, as requested by the Certificateholder surrendering such Class A Certificates.

No service charge may be imposed for any exchange or registration of transfer but the Transfer Agent and Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

Any of the preceding provisions concerning registration of transfer or exchange of the Class A Certificates notwithstanding, the Trustee or the Transfer Agent and Registrar, as the case may be, shall not be required to register the transfer of or exchange any Class A Certificates for a period of 15 days preceding the due date for any payment with respect to the Class A Certificates.

The Transferor, the Servicer, the Trustee, the Paying Agent and the Transfer Agent and Registrar and any agent of any of them, may treat the person in whose name this Class A Certificate is registered as the owner hereof for all purposes, and neither the Transferor, the Servicer nor the Trustee, the Paying Agent, the Transfer Agent and Registrar, nor any agent of any of them, shall be affected by notice to the contrary except in certain circumstances described in the Agreement.

THIS CLASS A CERTIFICATE SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF COLORADO, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

EXHIBIT B

[FORM OF CLASS B CERTIFICATE]

REGISTERED

\$9,900,000

No. B-1

THIS CLASS B CERTIFICATE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THIS CLASS B CERTIFICATE MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED.

EACH PURCHASER REPRESENTS AND WARRANTS FOR THE BENEFIT OF NORDSTROM NATIONAL CREDIT BANK AND THE TRUSTEE THAT SUCH PURCHASER IS NOT (I) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")) THAT IS SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, (II) A PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, (III) A GOVERNMENTAL PLAN, AS DEFINED IN SECTION 3(32) OF ERISA, SUBJECT TO ANY FEDERAL, STATE OR LOCAL LAW WHICH IS, TO A MATERIAL EXTENT, SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, (IV) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY OR (V) A PERSON INVESTING "PLAN ASSETS" OF ANY SUCH PLAN (EXCLUDING FOR PURPOSES OF THIS CLAUSE (V), ANY ENTITY REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED).

NORDSTROM CREDIT CARD MASTER TRUST

CLASS B 6.50% ASSET BACKED CERTIFICATE,
SERIES 1996-A

Evidencing an undivided interest in a trust, the corpus of which consists primarily of receivables generated from time to time in a portfolio of VISA and MasterCard credit card accounts of

NORDSTROM NATIONAL CREDIT BANK

(Not an interest in or obligation of Nordstrom National Credit Bank or any affiliate thereof)

This certifies that NORDSTROM CREDIT, INC. (the "Class B Certificateholder") is the registered owner of a fractional undivided interest in certain assets of a trust (the "Trust") created pursuant to the Master Pooling and Servicing Agreement, dated as of August 14, 1996 (as amended and supplemented from time to time, the "Agreement"), between Nordstrom National Credit Bank, a national banking association, as Transferor and Servicer, and Norwest Bank Colorado, National Association, a national banking association, as trustee (the "Trustee"), as supplemented by the Series 1996-A Supplement, dated as of August 14, 1996 (as amended and supplemented from time to time, the "Series Supplement"), by and among the Transferor and Servicer, Nordstrom Credit, Inc. and the Trustee. The corpus of the Trust consists of (i) receivables (the "Receivables") generated from time to time in a portfolio of revolving credit card accounts identified under the Agreement (the "Accounts"), (ii) all monies which are from time to time deposited in the Collection Account, the Excess Funding Account and any other accounts maintained for the benefit of Investor Certificateholders and (iii) all other assets and interests constituting the Trust Property. Although a summary of certain provisions of the Agreement and the Series Supplement is set forth below and on the Summary of Terms and Conditions attached hereto and made a part hereof, this Class B Certificate does not purport to summarize the Agreement and the Series Supplement and reference is made to the Agreement and the Series Supplement for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Trustee. A copy of the Agreement and the Series Supplement (without schedules) may be requested from the Trustee by writing to the Trustee at the Corporate Trust Office. To the extent not defined herein, the capitalized terms used herein have the meanings ascribed to them in the Agreement or the Series Supplement, as applicable.

This Class B Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement and the Series Supplement, to which Agreement

and Series Supplement, each as amended and supplemented from time to time, the Class B Certificateholder by virtue of the acceptance hereof assents and is bound.

It is the intent of the Transferor and the Investor Certificateholders that, for Federal, state and local income and franchise tax purposes only, the Investor Certificates will qualify as indebtedness of the Transferor secured by the Receivables (unless otherwise specified in the related Supplement). The Class B Certificateholder, by the acceptance of this Class B Certificate, is deemed to agree to treat this Class B Certificate for Federal, state and local income and franchise tax purposes as indebtedness of the Transferor (except to the extent that different treatment is explicitly required under state or local tax statutes).

Interest will accrue on the Class B Certificates from the Closing Date through the last day of the Due Period preceding the September 1996 Distribution Date based on a 360-day year consisting of twelve 30-day months, and with respect to each Due Period thereafter, based on an assumed month of 30 days for the related Due Period and a year of 360 days, at a rate equal to 6.50% per annum (the "Class B Certificate Rate"). Interest on the Class B Certificates will be distributed on the twentieth day of each month, or, if such day is not a Business Day, on the next succeeding Business Day (each, an "Distribution Date"), commencing September 20, 1996.

In general, payments of principal with respect to the Class B Certificates are limited to the Class B Invested Amount, which may be less than the unpaid principal balance of the Class B Certificates. All principal of and interest on the Class B Certificates is due and payable no later than the August 2006 Distribution Date (the "Stated Series Termination Date"), but the Class B Certificates may be paid earlier or later under certain circumstances described in the Agreement and the Series Supplement. Principal payments with respect to the Class B Certificates will not commence until the Class A Certificates have been paid in full.

Unless the certificate of authentication hereon has been executed by or on behalf of the Trustee, by manual signature, this Class B Certificate shall not be

entitled to any benefit under the Agreement or the Series Supplement or be valid for any purpose.

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IN WITNESS WHEREOF, the Transferor has caused
this Class B Certificate to be duly executed.

NORDSTROM NATIONAL CREDIT
BANK

By:

Name:
Title:

Dated: August 14, 1996

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TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Class B Certificates described in the within-mentioned Agreement and Series Supplement.

NORWEST BANK COLORADO, NATIONAL ASSOCIATION,
as Trustee,

By: _____
Authorized Officer

or

By:
as Authenticating Agent
for the Trustee,

By: _____
Authorized Officer

NORDSTROM CREDIT CARD MASTER TRUST

CLASS B 6.50% ASSET BACKED CERTIFICATES,
SERIES 1996-A

Summary of Terms and Conditions

The Receivables consist generally of Principal Receivables and Finance Charge Receivables. This Class B Certificate is one of a Series of Certificates entitled Nordstrom Credit Card Master Trust, Series 1996-A Certificates (the "Series 1996-A Certificates"), and one of a class thereof entitled Class B 6.50% Asset Backed Certificates, Series 1996-A (the "Class B Certificates"), each of which represents a fractional undivided interest in certain assets of the Trust. The Trust Property is allocated in part to the Investor Certificateholders of all outstanding Series (the "Certificateholders' Interest") and the interests, if any, of any Enhancement Providers, with the remainder allocated to the Transferor. The aggregate interest represented by the Class B Certificates at any time in the Principal Receivables in the Trust shall not exceed an amount equal to the Class B Invested Amount at such time. The Class B Initial Invested Amount is \$9,900,000. The Class B Invested Amount on any date will be an amount equal to (a) the Class B Initial Invested Amount (plus the aggregate initial principal amount of any Additional Class B Certificates issued pursuant to Section 4.11(a) of the Agreement, minus (b) the aggregate amount of principal payments made to the Class B Certificateholders prior to such date, minus (c) the aggregate amount of Class B Investor Charge Offs for all prior Distribution Dates, minus (d) the amount of Reallocated Class B Principal Collections allocated to certain shortfalls in respect of the Class A Certificates on all prior Distribution Dates pursuant to the Agreement, minus (e) an amount equal to the amount by which the Class B Invested Amount has been reduced on all prior Distribution Dates in respect of the Class A Investor Default Amount pursuant to Section 4.6(a) of the Agreement, plus (f) the aggregate amount by which reductions in the Class B Invested Amount pursuant to the foregoing clauses (c), (d) and (e) have been reimbursed pursuant to Section 4.5(a)(xi) of the Agreement prior to such date; provided, however, that the Class B Invested Amount may not be reduced below zero. In addition, a

class of the Series 1996-A Certificates entitled Class A Variable Funding Certificates, Series 1996-A (the "Class A Certificates") will be issued pursuant to the Agreement and the Series Supplement. Also, an Exchangeable Transferor Certificate has been issued to Nordstrom National Credit Bank pursuant to the Agreement which represents the Transferor Interest.

Subject to the terms and conditions of the Agreement, the Transferor may from time to time direct the Trustee, on behalf of the Trust, to issue one or more new Series of Investor Certificates, which will represent fractional undivided interests in certain Trust Property.

On each Distribution Date, the Paying Agent shall distribute to each Class B Certificateholder of record on the last day of the preceding calendar month (each a "Record Date") such Class B Certificateholder's pro rata share of such amounts as are payable to the Class B Certificateholders pursuant to the Agreement and the Series Supplement. Distributions with respect to this Class B Certificate will be made by the Paying Agent by check mailed to the address of the Class B Certificateholder of record appearing in the Certificate Register or by wire transfer of immediately available funds to such Certificateholder's account so long as the Paying Agent was notified of such account at least five Business Days prior to the related Distribution Date, in each case without the presentation or surrender of this Class B Certificate or the making of any notation thereon (except for the final distribution in respect of this Class B Certificate). Final payment of this Class B Certificate will be made only upon presentation and surrender of this Class B Certificate at the office or agency specified in the notice of final distribution delivered (or published) by the Trustee in accordance with the Agreement and the Series Supplement.

On any Distribution Date occurring on or after the day on which the Invested Amount is reduced to 5% or less of the Initial Invested Amount of the Series 1996-A Certificates of \$196,500,000, the Series 1996-A Certificates are subject to retransfer to the Transferor. The retransfer price will be equal to the Invested Amount of the Series 1996-A Certificates plus accrued but unpaid interest thereon.

Subject to certain conditions in the Agreement, if the Invested Amount of the Series 1996-A Certificates is greater than zero on the Stated Series Termination Date, the Trustee shall sell or cause to be sold an amount of Receivables (or interests therein) up to 110% of the Invested Amount at the close of business on such date, but not more than the total amount of Receivables allocable to the Series 1996-A Certificates pursuant to the Agreement, and apply the proceeds of such sale as provided in the Agreement and the Series Supplement.

This Class B Certificate does not represent an obligation of, or an interest in, the Transferor, the Servicer or any affiliate of any of them and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency or instrumentality.

This Class B Certificate is limited in right of payment to certain Collections with respect to the Receivables (and certain other amounts) and is subordinated to the Class A Certificates, all as more specifically set forth hereinabove and in the Agreement and the Series Supplement.

The Agreement and any Supplement may be amended from time to time by the Servicer, the Transferor and the Trustee, without the consent of any of the Investor Certificateholders, to cure any ambiguity, to correct or supplement any provisions therein which may be inconsistent with any other provisions therein or to add any other provisions with respect to matters or questions raised under the Agreement which shall not be inconsistent with the provisions of the Agreement; provided, however, that such action shall not adversely affect in any material respect the interests of any of the Investor Certificateholders. Additionally, the Agreement and any Supplement may be amended from time to time by the Servicer, the Transferor and the Trustee, without the consent of any of the Investor Certificateholders, to add to or change any of the provisions of the Agreement to enable Bearer Certificates to be issued in conformity with the Bearer Rules, to provide that Bearer Certificates may be registrable as to principal, to change or eliminate any restrictions on the payment of principal (or premium, if any) or any interest on Bearer Certificates to comply with the Bearer Rules, to permit Bearer

Certificates to be issued in exchange for Registered Certificates (if then permitted by the Bearer Rules), to permit Bearer Certificates to be issued in exchange for Bearer Certificates of other authorized denominations or to permit the issuance of Investor Certificates in uncertificated form, provided any such action shall not adversely affect the interest of the Holders of Bearer Certificates of any Series or any related Coupons in any material respect unless such amendment is necessary to comply with the Bearer Rules.

The Agreement and any Supplement may also be amended from time to time by the Servicer, the Transferor and the Trustee, without the consent of any of the Investor Certificateholders, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Agreement, or of modifying in any manner the rights of the Holders of Investor Certificates; provided that (i) the Servicer shall have provided an Opinion of Counsel to the Trustee to the effect that such amendment will not materially and adversely affect the interests of the Investor Certificateholders of any outstanding Series, which Opinion of Counsel may rely solely on the rating confirmation referred to in clause (iii) below (or 100% of the class of Certificateholders so affected have consented), (ii) such amendment shall not, as evidenced by an Opinion of Counsel, cause any outstanding Series to fail to qualify as debt for Federal income tax purposes, cause the Trust to be characterized for Federal income tax purposes as an association or a publicly traded partnership taxable as a corporation or otherwise have any material adverse impact on the Federal income taxation characterization of any outstanding Series of Investor Certificates or the Federal income taxation of any Investor Certificateholder or any Certificate Owner and (iii) each Rating Agency assigning a rating for any class of Investor Certificates of any then outstanding Series shall confirm that such amendment shall not cause a reduction or withdrawal of the rating of any outstanding Series of Investor Certificates; provided, further that such amendment shall not reduce in any manner the amount of, or delay the timing of, distributions which are required to be made on any Investor Certificate of such Series without the consent of the related Investor Certificateholder, change the definition of or the manner of calculating the interest of any Investor Certificateholder of such Series without

the consent of the related Investor Certificateholder or reduce the aforesaid percentage required to consent to any such amendment, in each case without the consent of all such Investor Certificateholders.

The Agreement and any Supplement may also be amended from time to time by the Servicer, the Transferor and the Trustee with the consent of the Holders of Investor Certificates evidencing Undivided Interests aggregating not less than 66-2/3% of the Invested Amount of all Series adversely affected, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Agreement or of modifying in any manner the rights of the Investor Certificateholders of any Series then issued and outstanding; provided, however, that no such amendment shall (i) reduce in any manner the amount of, or delay the timing of, distributions which are required to be made on any Investor Certificate of such Series without the consent of the related Investor Certificateholder; (ii) change the definition of or the manner of calculating the Invested Amount, the Invested Percentage, the applicable available amount under any Enhancement or the Investor Default Amount of such Series without the consent of each related Investor Certificateholder; or (iii) reduce the aforesaid percentage required to consent to any such amendment, in each case without the consent of each related Investor Certificateholder. Any amendment pursuant to this paragraph shall require that each Rating Agency rating the affected Series confirm that such amendment will not cause a reduction or withdrawal of the rating of the applicable Series.

The Class B Certificates are issuable only in minimum denominations of \$1,000 and integral multiples of \$1,000. The transfer of this Class B Certificate is prohibited.

The Transferor, the Servicer, the Trustee, the Paying Agent and the Transfer Agent and Registrar and any agent of any of them, may treat the person in whose name this Class B Certificate is registered as the owner hereof for all purposes, and neither the Transferor, the Servicer nor the Trustee, the Paying Agent, the Transfer Agent and Registrar, nor any agent of any of them, shall be affected by notice to the contrary except in certain circumstances described in the Agreement.

THIS CLASS B CERTIFICATE SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF COLORADO, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

EXHIBIT C

August 31. 1996

The undersigned a duly authorized representative of Nordstrom National Credit Bank("NNCB") as Servicer pursuant to the Transfer and Administration Agreement dated as of August 14, 1996, between NNCB and Enterprise Funding corporations ("EFC"),as such agreement may be amended (the "Agreement"), does hereby certify as follows:

- I. this Servicer's Certificate is delivered pursuant to Section 3.4(c) of the Agreement;
- II. capitalized terms used in this Servicer's Certificate have their respective meanings as set forth in the Agreement, and all compilations and calculations contained herein are done in accordance with the Agreement;
- III. the information presented herein was obtained or derived from the books and accounting records of NNCB and is accurate in all material respects; and
- IV. no Termination Event or Potential Termination Event exists.

A	Due Period	Aug-96
B	Determination Date	Sep-9-96
C.	Transfer Date	Sep-14-96
D	Distribution Date	Sep-15-96
E.	Rapid Amortization Period	NO
F	Early Amortization Period	NO

Receivables Portfolio (as of end of Due Period unless otherwise stated)		
1	Outstanding Balance of Principal Receivables	1
2	Outstanding Balance of Finance Charge Receivables	2
3	Current aggregate Receivables (principal and finance charges) (line 1+2)	
	Excluded Receivables	3
4	Receivables from non-U.S. Obligors	4
5.	0.50% of aggregate Receivables	5
6	Receivables from non-U.S. Obligors greater than 0.50% of total aggregate Receivables (line 4-line 5)	6
7	Total Excluded Receivables Balance (line 6)	7
Master Trust Receivables Reconciliation		
8	Principal Receivables as of beginning of Due Period	8
9	Finance Charge Receivables as of beginning of Due Period	9
10	Total Receivables as of beginning of Due Period (line 8+line 9)	10
11	Principal Receivables removed during Due Period	11
12	Finance Charge Receivables as of beginning of Due Period	12
13	Receivables during Due Period (line 11+line 12)	13
14	Principal Receivables with respect to Additional Accounts during Due Period	14
15	Finance Charge Receivables with respect to Additional Accounts during Due Period	15
16	Receivables with respect to Additional Accounts during Due Period (line 14+line 15)	16
17	Principal Receivables created during Due Period	17
18	Finance Charge Receivables created during Due Period	18
19	Receivables billed during Due Period (line 17+line 18)	19
20	Collections of Principal Receivables	20
21	Collections of Finance Charge Receivables	21
22	Total Collections (line 20+line 21)	22
23	Default Amount for the Due Period	23
24	Adjustment Amount for the Due Period	24
25	Ending Principal Receivables (line 8-line11+line 14+line 17-line 20 +line 23+line 24)	25
26	Ending Finance Charge Receivables (line 9-line 12+line 15+line 18-line 21)	26
27	Ending Receivables (line 25+line 26)	27
28	Beginning excess Funding Account balance	28
29	Deposits to Excess Funding Account	29
30	Withdrawals from Excess Funding Account	30
31	Ending Excess Funding Account Balance (line 28+line 29-line 30)	31
32	Collections of Finance Charge Receivables allocable to Interchange	32
33	Principals Receivables as of the last day of the Revolving Period (if line E or line F=Yes)	33

Delinquent Receivables	
34	30-59 Days Delinquent
35	60-89 Days Delinquent
36	90-119 Days Delinquent
37	120+ Days Delinquent

34
35
36
37

Calculation of the Net Investment

38	Net Investment as of beginning of Due Period	38
39	Additional Invested Amounts made during the Due Period	39
40	Principal paid in reduction of the Net Investment (not including principal paid during an Amortization Period)	40
41	Class A Investor Charge-Offs reimbursed pursuant to Section 4.5(a) of the Agreement (line 77)	41
42	Class A Monthly Principal used to reduce the Net Investment during an Amortization Period	42

43	Class A Investor Charge-Offs	43
44	Net Investment as of the last day of this Due Period (line 38+line 39-line 40 +line 41-line 42-line 43)	44
45	Maximum Net Investment	45
46	Average daily Net Investment for the Due Period	46
47	Class B Invested Amount as of the beginning of the Due Period	47
48	Additional Class B Invested Amounts made during the Due Period	48
49	Class B Investor Charge-Offs reimbursed pursuant to Section 4.5 (a) of the agreement (line 83)	49
50	Principal paid in reduction of Class B Invested amount (not including principal paid during an Amortization Event)	50
51	Reallocated Class B Principal Collections (line 86)	51
52	Any reimbursement made to the Class B Invested Amount pursuant to Section 4.5(a)(xii)	52
53	Reductions to the Class B Invested Amount pursuant to Section 4.6 (a)(line 87)	53
54	Class B Monthly Principal used to reduce the Net Investment during an Amortization Period	54
55	Class B Investor Charge-Offs	55
56	Class B Invested amount (line 47+line 48+line 49-line 50-line 51+line 52 -line 54-line 53-line 55)	56
57	Series Floating Allocation Percentage ((line 38+line 47)/(line 8+line 28))	57
58	Class A Floating Allocation Percentage (line 38/(line 8+line 28))	58
59	Class B Floating Allocation Percentage (line 47/(line 8+line 28))	59
60	Series Fixed/Floating Allocation Percentage ((line 38+line 47)/(Line 28+line 33))	60
61	Class A Fixed/Floating Allocation Percentage (line 38/(line 28+line 33))	61
62	Class B fixed/Floating Allocation Percentage (line 47/line(28+line 33))	62
Series Collections Distributions		
63	Class A Monthly Principal (line 20*line 58) (if line E or F=Yes, then multiply by line 61 rather than line 58)	63
64	Class A allocation of Finance Charge Collections (line 21*line 58) (if line F=Yes, then multiply by line 61 rather than line 58)	64
65	Class A allocation of Defaulted Receivables (line 23*line 58)	65
66	Class B Monthly Principal (line 20*line 59) (if line E or F=Yes, then multiply by line 62 rather than line 59)	66
67	Class B allocation of Finance Charge Collections (line 21*line 59) (if line F=Yes, then multiply by line 62 rather than line 59)	67
68	Class B allocation of Defaulted Receivables (line 23*line 59)	68
Allocation of Finance Charge Collections for the Due Period		
69	Total Allocation Percentage of Finance Charge Collections (line 57* (line 32+line 21)) (if line F=Yes, then multiply by line 60 rather than line 57)	69
70	Servicer Advances for the related Due Period	70
71	Class A Monthly Interest for the Due Period	71
72	Class A Monthly Interest due but not paid on a prior Distribution Date	72
73	Servicing Fees to any successor Servicer	73
74	Remaining Finance Charge Collections (line 69-line 70-line 71-line 72-line 73)	74
75	Class A Investor Default Amounts (line 65)	75
76	Class A Floating Allocation Percentage of any Adjustment Payment which the Transferor fails to make	76
77	Repayment of any Class A charge-Offs	77
78	Any Servicing Fee related to the Servicer ((line 44+line 56)*2%/12)	78
79	Class B Monthly Interest	79
80	Class B Monthly Interest due but not paid on a prior Distribution Date	80
81	Class B Investor Default Amounts (line 68)	81
82	Class B Floating Allocation Percentage of any Adjustment Payment which the Transferor fails to make	82
83	Repayment of any Class B Charge-offs	83
84	Amount to be treated as Excess Finance Charge Collections, if any (line 74-the sum of lines 75 through line 83)	84
85	Class A Finance Charge allocation shortfall, if any (line 74-line 75-line 76, if line 74 is less than zero, then line 75+line 76)	85
86	Class B Reallocated Principal Collections (if line 85 is greater than zero, the lesser of line 85 or line 66)	86
87	Class B Invested Amount reduction (if line 85-line 86 is greater than zero, the lesser of line 85-line 86 or line 47+line 48+line 49-line 50-line 51 +line 52)	87
88	NCI recourse (if line 85-line 86-line 87 is greater than zero, then	

line 85-line 86-line 87)	88
Portfolio Ratio Compliance	
89 Class B Percentage (line 56/(line 56+line 44))	89
90 Class B Percentage greater than or equal to either (i)5% of the Invested Amount or (ii)3% of the Maximum Net Investment?	90
91 Ending Transferor Amount (including Excess Funding Account balance) (line 25+line 31-line 44-line 56)	91
92 Excluded Receivables (line 7)	92
93 Transferor Amount less Excluded Receivables (line 91-line 92)	93
94 Transferor Amount (less Excluded Receivables) Percentage (line 93/line 27)	94
95 Transferor Amount (less Excluded Receivables) Percentage greater than or equal to 2%?	95

96	Allocation Percentage of Finance Charge Receivables Receivables)(line 57*(line 21+line 32))(if line F=Yes, then multiply by line 60 rather than line 57)	96
97	Monthly Interest	97
98	Allocation Percentage of Defaulted Receivables (line 57*(line 23))	98
99	Allocation Percentage of the Servicing Fee (line 57 times line 78 or if a successor Servicer, then line 73)	99
100	Net Portfolio Yield ((line 96-line 97-line 98-line 99)/line 46)	100
	(a) 2 mos. prior 0.34%	
	(b) 1 mos. prior 0.90%	
101	3 month average of the Net Portfolio Yield ((line 100(a) +line 100(b)+line 100(c))/3)	101
102	3 month average of the Net Portfolio Yield>or=0.00%	102
103	Total number of Active Accounts	103
104	Average FICO credit score for Additional Accounts added during the Due Period	104
105	Average FICO credit score for the Accounts in the Trust as of the end of the Due Period	105
106	Current long and short term ratings of Nordstrom Credit, Inc.	106

IN WITNESS WHEREOF, the undersigned has duly executed this certificate
this day of

,19 .

Nordstrom National Credit Bank
as Servicer

By:

Name:

Title:

EXHIBIT D

[FORM OF TRANSFER CERTIFICATION]

[DATE]

Nordstrom National Credit Bank
13531 East Caley Avenue
Englewood, Colorado 80111

Norwest Bank Colorado, National Association
1740 Broadway
Denver, Colorado 80274-8693
Attention: Corporate Trust and Escrow Services

Re: Class A Variable Funding Certificates, Series 1996-A

Ladies and Gentlemen:

In connection with our proposed purchase of \$----- in principal amount of Nordstrom Credit Card Master Trust, Class A Variable Funding Certificates, Series 1996-A (the "Class A Certificates"), we confirm that:

1. We agree to be bound by the restrictions and conditions set forth in the Master Pooling and Servicing Agreement, dated as of August 14, 1996 (the "Master Pooling and Servicing Agreement"), between Nordstrom National Credit Bank, as transferor and servicer, and Norwest Bank Colorado, National Association, as trustee (the "Trustee"), as supplemented by the Series 1996-A Supplement dated as of August 14, 1996 (the "Series 1996-A Supplement" and together with the Master Pooling and Servicing Agreement, the "Pooling and Servicing Agreement"), by and among Nordstrom National Credit Bank, as transferor and servicer, Nordstrom Credit, Inc. and the Trustee, relating to the Class A Certificates and agree to be bound by, and not reoffer, resell, pledge or otherwise transfer (any such act, a "Transfer") the Class A Certificates except in compliance with, such restrictions and conditions including but not limited to those in Section 12 of the Series 1996-A Supplement.

2. We understand that the Class A Certificates have not been and will not be registered under the Secu-

urities Act of 1933, as amended (the "Securities Act") or any state securities law and agree that the Class A Certificates may be reoffered, resold, pledged or otherwise transferred only in compliance with the Securities Act and other applicable laws and only (i) to the Transferor, (ii) to a limited number of institutional "accredited investors" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) and in a transaction exempt from the registration requirements of the Securities Act (upon delivery of the documentation required by the Pooling and Servicing Agreement and, if the Trustee so requires, an opinion of counsel satisfactory to the Trustee) or (iii) pursuant to Rule 144A under the Securities Act to a person that we reasonably believe is a qualified institutional buyer within the meaning of Rule 144A ("QIB") purchasing for its own account or a QIB purchasing for the account of a QIB, whom we have informed, in each case, that the reoffer, resale, pledge or other transfer is being made in reliance on Rule 144A.

3. We have neither acquired nor will we Transfer any Class A Certificate we acquire (or any interest therein) or cause any Class A Certificate (or any interest therein) to be marketed on or through (i) an "established securities market" within the meaning of Section 7704(b)(1) of the Internal Revenue Code of 1986, as amended (the "Code") and any treasury regulation thereunder, including, without limitation, an over-the-counter-market or an interdealer quotation system that regularly disseminates firm buy or sell quotations or (ii) a "secondary market" within the meaning of Section 7704(b)(2) of the Code and any treasury regulation thereunder, including a market wherein interests in the Class A Certificates are regularly quoted by any Person making a market in such interests and a market wherein any person regularly makes available bid or offer quotes with respect to interests in the Class A Certificates and stands ready to effect buy or sell transactions at the quoted prices for itself or on behalf of others.

4. We are not and will not become a partnership, Subchapter S corporation or grantor trust for United States federal income tax purposes. [If this representation cannot be made, the Transferor, the Servicer or the Trustee may require additional representations.]

5. We are a person who is either (A)(i) a citizen

or resident of the United States, (ii) a corporation or other entity organized in or under the laws of the United States or any political subdivision thereof or (iii) a person not described in (i) or (ii) whose ownership of the Class A Certificates is effectively connected with a such person's conduct of a trade or business within the United States (within the meaning of the Code) and our ownership of any interest in a Class A Certificate will not result in any withholding obligation with respect to any payments with respect to the Class A Certificates by any person or (B) an estate or trust the income of which is includible in gross income for United States federal income tax purposes. We agree that if we are a person described in clause (A)(iii) above, we will furnish to the person from whom we are acquiring a Class A Certificate, the Servicer and the Trustee, a properly executed U.S. Internal Revenue Service Form 4224 and a new Form 4224, or any successor applicable form, upon the expiration or obsolescence of any previously delivered form (and such other certifications, representations or opinions of counsel as may be requested by the Transferor, the Servicer or the Trustee). We recognize that if we are a tax-exempt entity, payments with respect to the Class A Certificates may constitute unrelated business taxable income.

6. We understand that no subsequent Transfer of a Class A Certificate is permitted unless (i) such Transfer is of a Class A Certificate with a denomination of at least \$1,000,000 and (ii) the Transferor and the Servicer each consent in writing to the proposed Transfer, which consent shall be granted unless either the Transferor or the Servicer determines in its sole and absolute discretion that such Transfer would create a risk that the Trust would be classified for federal or any applicable state tax purposes as an association or a publicly traded partnership taxable as a corporation; provided, that any attempted Transfer that would cause the number of Targeted Holders (as defined in the Series 1996-A Supplement) to exceed one hundred shall be void; and provided, further, that there shall not at any time be more than 10 Class A Certificateholders or such other number as may be consented to by the Transferor which consent may be withheld in its sole and absolute discretion.

7. We are [an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3), or (7) of Regu-

lation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Class A Certificates, and we and any account for which we are acting are each able to bear the economic risk of our or its investment] or [a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) purchasing for our own account or for the account of a "qualified institutional buyer" and we understand that the sale to us is being made in reliance on Rule 144A under the Securities Act].

8. We are acquiring each of the Class A Certificates purchased by us for our own account or for a single account (each of which is an institutional "accredited investor") as to which we exercise sole investment discretion.

9. We are not (i) an employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") that is subject to the provisions of Title I of ERISA, (ii) a plan described in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended, (iii) a governmental plan, as defined in Section 3(32) of ERISA, subject to any federal, state or local law which is, to a material extent, similar to the provisions of Section 406 of ERISA or Section 4975 of the Code [(any of the plans described in clauses (i) through (ii), a "Plan")], (iv) an entity whose underlying assets include plan assets by reason of a plan's investment in the entity or (v) a person investing "plan assets" of any such plan (excluding for purposes of this clause (v) any entity registered under the Investment Company Act of 1940, as amended). [The bracketed language in clause (iii) need only be included if a purchaser cannot give both of the representations contained in clauses (iv) and (v).] [If the representations contained in either clause (iv) or clause (v) above cannot be given, a purchaser will be required to give the representations set forth in clauses (i) through (iii) above (including the bracketed language), the representation in (iv) or (v) (whichever can be given) and also will be required to represent that it is either an entity specified in clause (iv) or (v) and that it understands that at no time may the aggregate percentage of the Class A Invested Amount Transferred to Plan Purchasers exceed 25% of the Class A Invested Amount, such representation

to read substantially as follows, with the appropriate bracketed language deleted: "We are [an entity whose underlying assets include "plan assets" by reason of a Plan's investment in the entity][a person investing "plan assets" of any such Plan (excluding any entity registered under the Investment Company Act of 1940, as amended)] and we understand that at no time shall the aggregate percentage of the Class A Invested Amount Transferred to Plan Purchasers exceed 25% of the Class A Invested Amount."]

10. We understand that any purported Transfer of any Class A Certificate in contravention of the restrictions and conditions in paragraphs 1 through 9 above (including any violation of the representation in paragraph 5 by an investor who continues to hold a Class A Certificate occurring any time after the Transfer in which it acquired such Class A Certificate) shall be null and void and the purported transferee shall not be recognized by the Trust or any other person as a Class A Certificateholder for any purpose.

11. We further understand that, on any proposed resale, pledge or transfer of any Class A Certificates, we will be required to furnish to the Trustee and the Registrar, such certification and other information as the Trustee or the Registrar may reasonably require to confirm that the proposed sale complies with the foregoing restrictions and with the restrictions and conditions of the Class A Certificates and the Pooling and Servicing Agreement pursuant to which the Class A Certificates were issued and we agree that if we determine to Transfer any Class A Certificate, we will cause our proposed transferee to provide the Transferor, the Servicer and the Trustee with a letter substantially in the form of this letter. We further understand that Class A Certificates purchased by us will bear a legend to the foregoing effect.

You are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,

[NAME OF TRANSFEREE]

By: _____
Name:
Title:

D-6

TRANSFER AND ADMINISTRATION AGREEMENT

by and among

NORDSTROM NATIONAL CREDIT BANK,

ENTERPRISE FUNDING CORPORATION

and

NATIONSBANK, N.A.

Dated as of August 14, 1996

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EXHIBITS

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EXHIBIT B Form of Secretary's Certificate of the Bank

EXHIBIT C Form of Opinion of Lane, Powell, Spears, Lubersky, LLP, Special Counsel to the Bank

EXHIBIT D Form of Opinion of Lane, Powell, Spears, Lubersky, LLP, Special Counsel to the Bank

EXHIBIT E Form of Opinion of Davis, Graham & Stubbs, Special Counsel to the Bank

EXHIBIT G Form of Assignment and Assumption Agreement

EXHIBIT H Defined Terms under the Financial Covenants

TRANSFER AND ADMINISTRATION AGREEMENT

TRANSFER AND ADMINISTRATION AGREEMENT (this Agreement), dated as of August 14, 1996, by and among NORDSTROM NATIONAL CREDIT BANK, a national banking association (together with its successors and assigns, the Transferor or the Bank), ENTERPRISE FUNDING CORPORATION, a Delaware corporation (together with its successors and assigns, the Company), and NATIONSBANK, N.A., a national banking association (NationsBank), as agent for the Company and the Bank Investors (in such capacity, the Agent) and as a Bank Investor.

W I T N E S S E T H:

WHEREAS, the Transferor may desire to convey, transfer and assign, from time to time, one or more certificates issued by the Nordstrom Credit Card Master Trust pursuant to a master pooling and servicing agreement (as supplemented by the below-mentioned Series Supplement, the Pooling and Servicing Agreement) dated as of August 14, 1996 between the Bank, as transferor and servicer, and Norwest Bank Colorado, National Association, as trustee (the Trustee) as supplemented by a Series 1996-A Supplement dated as of the date hereof (the Series Supplement) among the Bank, as transferor and servicer, Nordstrom Credit, Inc. and the Trustee;

WHEREAS, the Company may desire to, and the Bank Investors, if requested, shall, accept such conveyance, transfer and assignment of such certificates on the terms and conditions set forth herein.

NOW THEREFORE, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

Sections 1.1 Definitions. All capitalized terms used herein shall have the meanings herein specified or as specified in the Pooling and Servicing Agreement or the Series Supplement, and shall include in the

singular number the plural and in the plural number the singular:

Additional Class A Invested Amount shall have the meaning set forth in Section 2.2(a) hereof.

Additional Investment Certificate shall mean the certificate of the Bank in the form of Exhibit A hereto.

Administrative Agent shall mean NationsBank, N.A., as administrative agent.

Adverse Claim shall mean a lien, security interest, charge or encumbrance, or other right or claim in, of or on any Person's assets or properties in favor of any other Person (including any UCC financing statement or any similar instrument filed against such Person's assets or properties).

Affected Assets shall mean, collectively, the Certificates and the Trust Property.

Affiliate shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. A Person shall be deemed to control another Person if the controlling Person possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of voting stock, by contract or otherwise.

Agent shall mean NationsBank, N.A., in its capacity as agent for the Company and the Bank Investors, and any successor thereto appointed pursuant to Article V.

Aggregate Unpays shall mean, at any time, an amount equal to the sum of (i) the aggregate accrued and unpaid Discount with respect to all Related Commercial Paper at such time and (ii) all other amounts owed (whether due or accrued) hereunder by the Transferor to the Company at such time.

Agreement shall mean this Transfer and Administration Agreement, as it may from time to time be

amended, supplemented or otherwise modified in accordance with the terms hereof.

Assignment shall mean an assignment pursuant to an Assignment and Assumption Agreement by which the Company or a Bank Investor may assign its interests in the Certificates, the Net Investment and the Trust Property pursuant to Section 5.7 hereof.

Assignment Amount with respect to a Bank Investor shall mean at any time an amount equal to the lesser of (i) such Bank Investor's Pro Rata Share of the Net Investment at such time and (ii) such Bank Investor's unused Commitment.

Assignment and Assumption Agreement shall mean an Assignment and Assumption Agreement substantially in the form of Exhibit G hereto.

Bank shall mean Nordstrom National Credit Bank, a national banking association, and its permitted successors and assigns.

Bank Investors shall mean NationsBank, N.A. and each other financial institution identified as such on the signature pages hereof and their respective successors and assigns.

Benefit Plan shall mean any employee benefit plan as defined in Section 3(3) of ERISA in respect of which the Transferor or any ERISA Affiliate of the Transferor is, or at any time during the immediately preceding six years was, an "employer" as defined in Section 3(5) of ERISA.

Business Day shall mean any day other than a Saturday, a Sunday and any day on which banking institutions in Denver, Colorado, New York, New York or Charlotte, North Carolina are authorized or required by law to close.

Business Taxes shall mean any Federal, state or local income taxes or taxes measured by income, property taxes, excise taxes, franchise taxes or other similar taxes.

Certificate shall mean the certificates issued by the Trust pursuant to the Series Supplement.

Closing Date shall mean August 14, 1996.

Code shall mean the Internal Revenue Code of 1986, as amended from time to time (including any successor statute), and the regulations promulgated and the rulings issued thereunder.

Collateral Agent shall mean NationsBank, N.A., as collateral agent for any Liquidity Provider, any Credit Support Provider, the holders of Commercial Paper and certain other parties.

Commercial Paper shall mean the promissory notes of the Company issued by the Company in the commercial paper market.

Commitment shall mean for each Bank Investor, the commitment of such Bank Investor to make acquisitions from the Transferor or the Company in accordance herewith in an amount not to exceed the dollar amount set forth opposite such Bank Investor's signature on the signature page hereto under the heading Commitment.

Commitment Termination Date shall mean August 13, 1997, or such later date to which the Commitment Termination Date may be extended by the Transferor, the Agent and the Bank Investors not later than 60 days prior to the then current Commitment Termination Date.

Company shall mean Enterprise Funding Corporation, a Delaware corporation, and its successors and assigns.

Credit Support Agreement shall mean the agreement between the Company and the Credit Support Provider evidencing the obligation of the Credit Support Provider to provide credit support to the Company in connection with the issuance by the Company of Commercial Paper.

Credit Support Provider shall mean the Person or Persons who provides credit support to the Company in connection with the issuance by the Company of Commercial Paper.

Dealer Fee shall mean the fee payable by the Transferor to the Collateral Agent pursuant to Section 2.3 hereof, the terms of which are set forth in the Fee Letter.

Discount shall mean, with respect to any Due Period, the amount payable by the Transferor to the Agent pursuant to Section 2.3 hereof, the terms of which are set forth in the Fee Letter; provided, however, that no provision of this Agreement shall require the payment or permit the collection of Discount in excess of the maximum amount permitted by applicable law; and provided, further, that Discount shall not be considered paid by any distribution if at any time such distribution is rescinded or must be returned for any reason.

Dollar, Dollars and the symbol \$ shall mean the lawful currency of the United States of America.

ERISA shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and the rulings issued thereunder.

ERISA Affiliate shall mean, with respect to any Person, (i) any corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as such Person; (ii) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Code) with such Person; or (iii) a member of the same affiliated service group (within the meaning of Section 414(n) of the Code) as such Person, any corporation described in clause (i) above or any trade or business described in clause (ii) above.

Excluded Taxes shall have the meaning set forth in Section 4.3 hereof.

Facility Limit shall mean \$200,000,000.

Fee Letter shall mean that certain letter agreement, dated as of the Closing Date, between the Transferor and the Company with respect to the fees to be paid by the Transferor hereunder, as amended, modified or supplemented from time to time.

GAAP shall mean generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such accounting profession, which are in effect as of the date of this Agreement.

Governmental Authority shall mean the United States of America, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

Indemnified Amounts shall have the meaning set forth in Section 4.1 hereof.

Indemnified Parties shall have the meaning set forth in Section 4.1 hereof.

Law shall mean any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body.

Liquidity Provider shall mean the Person or Persons who will provide liquidity support to the Company in connection with the issuance by the Company of Commercial Paper.

Liquidity Provider Agreement shall mean the agreement between the Company and the Liquidity Provider evidencing the obligation of the Liquidity Provider to provide liquidity support to the Company in connection with the issuance by the Company of Commercial Paper.

Majority Investors shall mean, at any time, the Agent and those Bank Investors which hold Commitments aggregating in excess of 66 and 2/3% of the Facility Limit as of such date.

Merrill shall mean Merrill Lynch Money Markets Inc., a Delaware corporation.

Minimum Transferor Interest shall mean 2%.

Moody's shall mean Moody's Investors Service, Inc.

Multiemployer Plan shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA which is or was at any time during the current year or the immediately preceding five years contributed to by the Transferor or any ERISA Affiliate of the Transferor on behalf of its employees.

NationsBank shall mean NationsBank, N.A., a national banking association.

Net Asset Test shall mean, with respect to any Assignment, that on the day immediately prior to the day on which such Assignment is to take effect, the determination that the Class A Invested Amount as of such day is not less than an amount equal to (a) the Class A Initial Invested Amount, plus (b) the aggregate principal amount of any Additional Class A Invested Amounts purchased pursuant to Section 2.2 hereof, minus (c) the aggregate amount of principal payments made to the Class A Certificateholders prior to such day.

Net Investment shall mean with respect to any date of determination, the Class A Invested Amount on such date.

Official Body shall mean any government or political subdivision or any agency, authority, bureau, central bank, commission, department or instrumentality of any such government or political subdivision, or any court, tribunal, grand jury or arbitrator, in each case whether foreign or domestic.

Other Transferor shall mean any Person other than the Transferor that has entered into a receivables purchase agreement or transfer and administration agreement with the Company.

PBGC shall mean the Pension Benefit Guaranty Corporation or any other entity succeeding to the functions currently performed by the Pension Benefit Guaranty Corporation.

Person shall mean any corporation, limited liability company, natural person, firm, joint venture,

partnership, trust, unincorporated organization, enterprise, government or any department or agency of any government.

Pooling and Servicing Agreement shall have the meaning specified in the recitals hereto.

Potential Termination Event shall mean an event which but for the lapse of time or the giving of notice, or both, would constitute a Termination Event.

Pro Rata Share shall mean, for a Bank Investor, the Commitment of such Bank Investor divided by the sum of the Commitments of all Bank Investors.

Records means all Account Agreements and other documents, books, records and other information (including, without limitation, computer programs, tapes, discs, punch cards, data processing software and related property and rights) maintained with respect to Receivables and the related Obligors.

Reinvestment Termination Date shall mean the second Business Day after the delivery by the Company to the Transferor of written notice that the Company elects not to maintain its interest in the Net Investment.

Related Commercial Paper shall mean Commercial Paper issued by the Company the proceeds of which were used to acquire, or refinance the acquisition of, an interest in the Certificates.

Relevant UCC State shall mean the States of Colorado and New York.

Requirements of Law for any Person shall mean the certificate of incorporation or articles of association and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation, or determination of an arbitrator or Governmental Authority, in each case applicable to or binding upon such Person or to which such Person is subject, whether Federal, state or local (including, without limitation, usury laws, the Federal Truth in Lending Act and Regulation Z and Regulation B of the Board of Governors of the Federal Reserve System).

Section 4.2 Costs shall have the meaning set forth in Section 4.2 hereof.

Series Supplement shall have the meaning specified in the recitals hereto.

Standard & Poor's shall mean Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

Subsidiary of a Person shall mean any Person more than 50% of the outstanding voting interests of which shall at any time be owned or controlled, directly or indirectly, by such Person or by one or more Subsidiaries of such Person or any similar business organization which is so owned or controlled.

Taxes shall have the meaning set forth in Section 4.3 hereof.

Termination Date shall mean the earliest of (i) the Business Day designated by the Transferor to the Company as the Termination Date at any time following 60 days' written notice to the Company, (ii) the date of termination of the commitment of the Liquidity Provider under the Liquidity Provider Agreement, (iii) the date of termination of the commitment of the Credit Support Provider under the Credit Support Agreement, (iv) the date on which a Termination Event is declared or automatically occurs pursuant to the Pooling and Servicing Agreement or the Series Supplement, (v) the Stated Series Termination Date, (vi) two Business Days prior to the Commitment Termination Date, (vii) the Reinvestment Termination Date, (viii) the Liquidity Provider or the Credit Support Provider shall have given notice that an event of default has occurred and is continuing under any of its respective agreements with the Company, (ix) the Commercial Paper issued by the Company shall not be rated at least A-2 by Standard & Poor's and at least P-2 by Moody's, or (x) the long term unsecured debt ratings assigned to Nordstrom Credit, Inc. shall not be at least BBB by Standard & Poor's and at least Baa2 by Moody's.

Termination Event shall mean (i) an event specified in Section 10 of the Series Supplement or (ii)

an Early Amortization Event as specified in Section 9.1 of the Pooling and Servicing Agreement.

Transaction Costs shall have the meaning set forth in Section 4.4 hereof.

Transaction Documents shall mean, collectively, this Agreement, the Pooling and Servicing Agreement, the Series Supplement, the Fee Letter, the Certificates and all of the other instruments, documents and other agreements executed and delivered by the Bank in connection with any of the foregoing, in each case, as the same may be amended, restated, supplemented or otherwise modified from time to time.

Transferor shall mean Nordstrom National Credit Bank, a national banking association, and its successors and permitted assigns.

Uniform Commercial Code or UCC shall mean the Uniform Commercial Code as adopted in the Relevant UCC State.

Section 1.2 Other Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York, and not specifically defined herein, are used herein as defined in such Article 9.

Section 1.3 Computation of Time Periods. Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word from means from and including, the words to and until each means to but excluding, and the word within means from and excluding a specified date and to and including a later specified date.

ARTICLE II

PURCHASE OF CERTIFICATES

Section 2.1 Purchase. Upon the terms and subject to the conditions set forth herein, (x) the

Transferor may, at its option, convey, transfer and assign to the Company or the Bank Investors, as applicable, and (y) the Company may, at its option, or the Bank Investors shall, if so requested, accept such conveyance, transfer and assignment from the Transferor of, without recourse except as provided herein and in the other Transaction Documents, on the Closing Date, Certificates having an initial aggregate principal amount of \$175,000,000. Such Certificates shall accrue interest as described in the Pooling and Servicing Agreement from and including the Closing Date. Such Certificates, if purchased by the Company, shall be delivered to and be registered in the name of "Enterprise Funding Corporation" and if purchased by the Bank Investors, shall be delivered to and be registered in the name of "NationsBank, N.A., as agent for the Bank Investors."

Section 2.2 Increase of Invested Amount.

(a) Upon the terms and subject to the conditions set forth herein, (x) the Transferor may, at its option, from time to time prior to the occurrence of a Termination Event, upon delivery to the Company or the Agent, as applicable, of an Additional Investment Certificate (to be received by the Company or the Agent, as applicable, and the Administrative Agent not later than 12 noon, New York City time, on the second Business Day prior to the proposed increase in the Invested Amount), convey, transfer and assign to the Company or the Bank Investors, as applicable, and (y) the Company may, at its option, or the Bank Investors shall, if so requested, accept such conveyance, transfer and assignment from the Transferor, on any Distribution Date, or on the last Business Day of any month an additional undivided interest in the Trust in a specified amount (the "Additional Class A Invested Amount"); provided that (i) such Additional Class A Invested Amount shall not cause the Net Investment to exceed the Facility Limit, (ii) after giving effect to such Additional Class A Invested Amount, the Transferor Amount minus the Excluded Receivables Balance, each as of the Business Day immediately preceding the date of the Additional Investment Certificate and as reported in such Additional Investment Certificate, shall not be less than the Minimum Transferor Amount, (iii) after giving effect to such Additional Class A Invested Amount, the Class B Invested Amount as of the Business Day immediately preceding the date of the Addi-

tional
Investment Certificate and as reported in such Additional Investment Certificate, shall not be less than the Minimum Enhancement Amount and (iv) no Potential Termination Event or Termination Event shall have occurred. The Company or the Bank Investors, as the case may be, shall acquire such additional interest in consideration of the Company's or the Bank Investors', as the case may be, payment of the Additional Class A Invested Amount, and the Invested Amount shall be increased to be equal to the Invested Amount immediately prior to such acquisition plus the Additional Class A Invested Amount so acquired. Any such Additional Class A Invested Amount shall be in the amount of \$5,000,000 or integral multiples of \$1,000,000 in excess thereof.

(b) In the event the Transferor requests the Company or the Bank Investors to make any such acquisition of additional interests in the Trust, the Transferor shall indemnify the Company and each Bank Investor against any loss or expense incurred by the Company or any Bank Investor, either directly or indirectly (including, in the case of the Company, through the Liquidity Provider Agreement), as a result of any failure by the Transferor to complete any such acquisition of an Additional Class A Invested Amount including, without limitation, any loss (including loss of anticipated profits) or expense incurred by the Company or any Bank Investor, either directly or indirectly (including, in the case of the Company, pursuant to the Liquidity Provider Agreement), by reason of the liquidation or reemployment of funds acquired by the Company (or the Liquidity Provider) or any Bank Investor (including, without limitation, funds obtained by issuing commercial paper or promissory notes or obtaining deposits as loans from third parties) for the Company to fund such acquisition of an Additional Class A Invested Amount.

Section 2.3 Discount, Fees and Other Costs and Expenses. The Transferor shall pay, as and when due in accordance with this Agreement, all fees hereunder, Discount (including Discount due the Company or any Bank Investor), all amounts payable pursuant to Article IV hereof, if any, and the Servicing Fees. On each Distribution Date, the Transferor shall pay to the Agent, on behalf of the Company or the Bank Investors, as applicable, an amount equal to the accrued and unpaid Discount with respect to Related Commercial Paper for the related

Due Period together with, in the event the Certificates are held by the Company, an amount equal to the discount accrued on the Company's Commercial Paper to the extent such Commercial Paper was issued in order to fund the Certificates in an amount in excess of the Invested Amount. The Transferor shall pay to the Collateral Agent, on behalf of the Company, on each day on which Commercial Paper is issued by the Company, the Dealer Fee. Discount shall accrue with respect to Related Commercial Paper on each day occurring during the interest period related thereto. Nothing in this Agreement or the Series Supplement shall limit in any way the obligations of the Transferor to pay the amounts set forth in this Section.

Section 2.4 Fees. The Bank shall pay such fees as are set forth in the Fee Letter at the times and in the amounts set forth therein.

Section 2.5 Sharing of Payments, Etc. If any Company or any Bank Investor (for purposes of this Section only, being a "Recipient") shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of setoff, or otherwise) on account of Certificates owned by it (other than pursuant to Section 2.4 or Article IV hereof) in excess of its ratable share of payments on account of Certificates obtained by the Company and/or the Bank Investors entitled thereto, such Recipient shall forthwith purchase from the Company and/or the Bank Investors entitled to a share of such amount participations in the Certificates owned by such Persons as shall be necessary to cause such Recipient to share the excess payment ratably with each such other Person entitled thereto; provided, however, that if all or any portion of such excess payment is thereafter recovered from such Recipient, such purchase from each such other Person shall be rescinded and each such other Person shall repay to the Recipient the purchase price paid by such Recipient for such participation to the extent of such recovery, together with an amount equal to such other Person's ratable share (according to the proportion of (a) the amount of such other Person's required payment to (b) the total amount so recovered from the Recipient) of any interest or other amount paid or payable by the Recipient in respect of the total amount so recovered.

Section 2.6 Right of Setoff. Without in any way limiting the provisions of Section 2.5, each of the Company and the Bank Investors is hereby authorized (in addition to any other rights it may have) at any time after the occurrence of the Termination Date or during the continuance of a Potential Termination Event to set-off, appropriate and apply (without presentment, demand, protest or other notice which are hereby expressly waived) any deposits and any other indebtedness held or owing by the Company or such Bank Investor to, or for the account of, the Transferor against the amount of the Aggregate Unpaid owing by the Transferor to such Person (even if contingent or unmatured).

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS

SECTION 3.1 Representations and Warranties of the Transferor. The Transferor represents and warrants to the Agent, the Company and each Bank Investor:

(a) Corporate Existence and Power. The Transferor is a national banking association duly organized, validly existing and in good standing under the laws of the United States, and has all corporate power, authority and legal right and all material governmental licenses, authorizations, consents and approvals required to own its properties and conduct its business as such properties are presently owned and such business is presently conducted in each jurisdiction in which it presently owns properties and presently conducts its business, and to execute, deliver and perform its obligations under this Agreement, the Pooling and Servicing Agreement and the Series Supplement, and to execute and deliver to the Company the Certificates pursuant to the Series Supplement. The Transferor is duly qualified to do business and is in good standing (or is exempt from such requirements) in any jurisdiction in which the nature of its business requires it to be so qualified.

(b) Corporate and Governmental Authorization; Contravention. The execution, delivery and performance by the Transferor of this Agreement, the Pooling and Servicing Agreement, the Series Supplement, the Fee Letter, the Certificates and the other Transaction Documents to which the Transferor is a party are

within the Transferor's corporate powers, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any Official Body or official thereof, and do not contravene, or constitute a default under, any provision of applicable law, rule or regulation or of the Articles of Association or Bylaws of the Transferor or of any agreement, judgment, injunction, order, writ, decree or other instrument binding upon the Transferor or result in the creation or imposition of any Adverse Claim on the assets of the Transferor.

(c) Binding Effect. Each of this Agreement, the Pooling and Servicing Agreement, the Series Supplement, the Fee Letter, the Certificates and the other Transaction Documents to which the Transferor is a party constitutes the legal, valid and binding obligation of the Transferor, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors generally.

(d) No Conflict. The execution and delivery of this Agreement, the Pooling and Servicing Agreement, the Series Supplement and the Certificates, the performance of the transactions contemplated by this Agreement, the Pooling and Servicing Agreement, the Series Supplement and the Certificates and the fulfillment of the terms hereof and thereof will not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, any Requirement of Law applicable to the Transferor or any indenture, contract, agreement, mortgage, deed of trust, or other material instrument to which the Transferor is a party or by which it or any of its properties are bound.

(e) No Proceedings. There are no actions, suits, proceedings or investigations pending or, to the best knowledge of the Transferor, threatened, against or affecting the Transferor or any Affiliate of the Transferor or their respective properties, in or before any court, regulatory body, administrative agency, arbitrator or other tribunal or governmental instrumentality (i) asserting the invalidity of this Agreement, the Pooling and Servicing Agreement, the Series Supplement or the Certificates, (ii)

seeking to prevent the issuance of the Certificates or the consummation of any of the transactions contemplated by this Agreement, the Pooling and Servicing Agreement, the Series Supplement or the Certificates, (iii) seeking any determination or ruling that, individually or in the aggregate, in the reasonable judgment of the Transferor, would materially and adversely affect the performance by the Transferor of its obligations under this Agreement, the Pooling and Servicing Agreement, the Series Supplement or the Certificates or (iv) seeking any determination or ruling that would materially and adversely affect the validity or enforceability of this Agreement, the Pooling and Servicing Agreement, the Series Supplement or the Certificates.

(f) Membership in the FDIC; Transfer. The deposits, if any, of the Transferor are insured by the Federal Deposit Insurance Corporation. The transfers of the Receivables to the Trust, the sale of the Certificates to the Company and the sale of any additional interest in the Trust in connection with any acquisition by the Company of an Additional Class A Invested Amount were not and are not being made by the Transferor with actual intent to hinder, delay or defraud itself or its creditors. The Transferor is not insolvent and will not be rendered insolvent immediately following the sale of the Certificates to the Company on the Closing Date and the date of any sale of any additional interest in the Trust in connection with any acquisition by the Company of an Additional Class A Invested Amount.

(g) Transferor Amount. After giving effect to the issuance of the Certificates on the Closing Date, the Transferor Amount minus the Excluded Receivables Balance is not less than the Minimum Transferor Amount.

(h) No Termination Event. After giving effect to the issuance of, and the acquisition by the Company of, the Certificates and the acquisition of any additional interest in the Trust in connection with the acquisition of any Additional Class A Invested Amount pursuant to Section 2.2, no event shall have occurred or be continuing and no condition shall exist which would constitute a Termination Event or a Potential Termination Event.

(i) Accuracy of Information. Each document, book, record, report, exhibit, schedule or other information furnished or to be furnished at any time by the Transferor to the Agent, the Company, any Bank Investor or the Administrative Agent in connection with this Agreement, the Pooling and Servicing Agreement, the Series Supplement or any transaction contemplated hereby or thereby is or will be true and accurate in all material respects on the date such information is stated or certified.

(j) Taxes. The Transferor has filed all tax returns (Federal, state and local) required to be filed and has paid or made adequate provision for the payment of all its taxes, assessments and other governmental charges.

(k) Use of Proceeds. No proceeds of any acquisition of an interest in the Certificates will be used by the Transferor to acquire any security in any transaction which is subject to Section 13 or 14 of the Securities Exchange Act of 1934, as amended.

(l) Account Guidelines. Since June 15, 1996, there have been no material changes in the Account Guidelines other than as permitted hereunder. Since such date, there has been no material adverse change in the overall rate of collection of the Receivables.

(m) Collections and Servicing. Since June 12, 1996, there has been no material adverse change in the ability of the Bank to service and collect the Receivables in accordance with the terms of the Account Guidelines and the Pooling and Servicing Agreement.

(n) Value. The Transferor has received or will receive reasonably equivalent value in return for the transfer of its interest in the Receivables and the other property transferred to the Trust as well as for the sale of the Certificates (and any sale of additional interest in the Trust in connection with any Additional Class A Invested Amount) to the Company.

(o) ERISA. Each of the Transferor and its ERISA Affiliates is in compliance in all material respects with ERISA and no lien exists in favor of the PBGC on any of the Receivables.

The representations and warranties set forth in this Section shall survive the sale of the Certificates to the Company and the acquisition by the Company of any additional interests in the Trust in connection with any Additional Class A Invested Amounts. Upon discovery by Nordstrom National Credit Bank or the Company of a breach of any of the foregoing representations and warranties, the party discovering such breach shall give prompt written notice to the other. Any document, instrument, certificate or notice delivered to the Company, the Agent, any Bank Investor or the Administrative Agent hereunder shall be deemed to be a representation and warranty by the Transferor.

Section 3.2 Reaffirmation of Representations and Warranties by the Transferor. On each day that the acquisition of an Additional Class A Invested Amount is made hereunder, the Transferor, by accepting the proceeds of such acquisition, shall be deemed to have certified that all representations and warranties described in Section 3.1 hereof are correct on and as of such day as though made on and as of such day. Each acquisition of an Additional Class A Invested Amount shall be subject to the further condition precedent that prior to the date of such acquisition, the Transferor shall have delivered to the Agent and the Administrative Agent, in form and substance satisfactory to the Agent and the Administrative Agent, a certification dated within ten (10) days prior to the date of such acquisition that the Transferor Amount, as of the date of such certification, satisfies the condition in Section 3.1(g), together with a listing of the Receivables by Obligor, if requested, and such additional information as may be reasonably requested by the Administrative Agent or the Agent; and the Transferor shall be deemed to have represented and warranted that such conditions precedent have been satisfied.

Section 3.3 Affirmative Covenants of the Transferor. At all times from the date hereof to the later to occur of (i) the Termination Date or (ii) the date on which the Net Investment has been reduced to zero, all accrued Discount shall have been paid in full and all other Aggregate Unpaid shall have been paid in full, in cash, unless the Agent shall otherwise consent in writing:

(a) Financial Reporting. The Transferor will maintain a system of accounting established and administered in accordance with GAAP, and furnish to the Agent:

(i) Annual Reporting. Within ninety (90) days after the close of each fiscal year of (x) the Transferor, the most recent annual call report of the Transferor, certified by its president or any vice president, and (y) Nordstrom, Inc., audited financial statements, prepared in accordance with GAAP on a consolidated basis for Nordstrom, Inc., including balance sheets as of the end of such period, related statements of operations, shareholder's equity and cash flows, accompanied by an unqualified audit report certified by independent certified public accountants, acceptable to the Agent, prepared in accordance with generally accepted auditing standards and by a certificate of said accountants that, in the course of performing such audit, they found no material weaknesses in the systems of internal control of Nordstrom, Inc. and its Subsidiaries.

(ii) Quarterly Reporting. Within forty-five (45) days after the close of the first three quarterly periods of each fiscal year of (x) the Transferor, the most recent quarterly call report of the Transferor, certified by its president or any vice president, and (y) Nordstrom, Inc., consolidated unaudited balance sheets for Nordstrom, Inc. and its Subsidiaries as at the close of each such period and consolidated related statements of operations, shareholder's equity and cash flows for the period from the beginning of such fiscal year to the end of such quarter, all certified by its chief financial officer.

(iii) Compliance Certificate. Together with the financial statements required hereunder, a compliance certificate signed by the chief financial officer of Nordstrom, Inc. stating that (x) the attached financial statements have been prepared in accordance with GAAP and accurately reflect the financial condition of the Transferor and (y) to the best of such Person's

knowledge, no Termination Event or Potential Termination Event exists, or if any Termination Event or Potential Termination Event exists, stating the nature and status thereof.

(iv) Shareholders Statements and Reports. Promptly upon the furnishing thereof to the shareholders of Nordstrom, Inc., copies of all financial statements, reports and proxy statements so furnished.

(v) S.E.C. Filings. Promptly upon the filing thereof, copies of all registration statements and annual, quarterly, monthly or other regular reports which Nordstrom, Inc. files with the Securities and Exchange Commission.

(vi) Notice of Termination Events or Potential Termination Events. As soon as possible and in any event within two (2) days after the occurrence of each Termination Event or each Potential Termination Event, a statement of the president or any vice president of the Transferor setting forth details of such Termination Event or Potential Termination Event and the action which the Transferor proposes to take with respect thereto.

(vii) Change in Account Guidelines and Debt Ratings. Within ten (10) days after the date any material change in or amendment to the Account Guidelines is made, a copy of the Account Guidelines then in effect indicating such change or amendment. Within five (5) days after the date of any change in the Transferor's or any Affiliate's public or private debt ratings, if any, a written certification of the Transferor's or such Affiliate's public and private debt ratings after giving effect to any such change.

(viii) Account Guidelines. Within ninety (90) days after the close of the

Transferor's fiscal years, a complete copy of the Account Guidelines then in effect.

(ix) ERISA. Promptly after the filing or receiving thereof, copies of all reports and notices with respect to any Reportable Event (as defined in Article IV of ERISA) which the Transferor or any ERISA Affiliate of the Transferor files under ERISA with the Internal Revenue Service, the PBGC or the U.S. Department of Labor or which the Transferor or any ERISA Affiliate of the Transferor receives from the Internal Revenue Service, the PBGC or the U.S. Department of Labor.

(x) Other Information. Such other information including non-financial information) as the Agent or the Administrative Agent may from time to time reasonably request with respect to the Transferor or any of its Subsidiaries.

(b) Corporate Existence; Conduct of Business. Except as provided in Section 7.2 of the Pooling and Servicing Agreement, the Transferor will preserve and maintain its existence as a banking corporation duly organized and existing under the laws of the United States. The Transferor will carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and do all things necessary to remain duly incorporated, validly existing and in good standing as a national banking association under the laws of the United States and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

(c) Compliance with Laws. The Transferor will comply with all laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards applicable to it, its properties, the Accounts or any part thereof.

(d) Furnishing of Information and Inspection of Records. The Transferor will furnish to the Agent, from time to time, such information with respect to the Receivables as the Agent may reasonably request, including, without

limitation, listings identifying the Obligor and the outstanding balance for each Receivable. The Transferor will, at any time and from time to time during regular business hours, permit the Agent, or its agents or representatives, (i) to examine and make copies of and abstracts from all Records and (ii) to visit the offices and properties of the Transferor for the purpose of examining such Records, and to discuss matters relating to Receivables or the Transferor's performance hereunder and under the other Transaction Documents to which such Person is a party with any of the officers, directors, employees or independent public accountants of the Transferor having knowledge of such matters.

(e) Keeping of Records and Books of Account. The Transferor will maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Receivables in the event of the destruction of the originals thereof), and keep and maintain, all documents, books, records and other information reasonably necessary or advisable for the collection of all Receivables (including, without limitation, records adequate to permit the daily identification of each new Receivable and all Collections of and adjustments to each existing Receivable). The Transferor will give the Agent notice of any material change in the administrative and operating procedures of the Transferor referred to in the previous sentence.

(f) Pooling and Servicing Agreement. Nordstrom National Credit Bank will comply with the covenants set forth in Section 2.5 of the Pooling and Servicing Agreement.

(g) Notice of Adverse Claims. The Transferor will advise the Company promptly, in reasonable detail, (i) of any Adverse Claim asserted or a claim by a Person that is not an Obligor made against any of the Receivables, (ii) of the occurrence of any breach by the Transferor or the Servicer of any of its representations, warranties and covenants contained herein or in the Pooling and Servicing Agreement and (iii) of the occurrence of any other event which would have a material adverse effect on the Trustee's interest in the Receivables or the collectability thereof.

(h) Protection of Interest in Receivables. The Transferor shall execute and file such continuation statements and any other documents reasonably requested by the Trustee, the Company, the Agent or the Collateral Agent or which may be required by law to fully preserve and protect the interest of the Trustee in and to the Receivables. The Transferor shall deliver to the Agent and the Administrative Agent a copy of any legal opinion delivered pursuant to subsection 13.2(d) of the Pooling and Servicing Agreement concurrently with the delivery thereof to any party as required by said subsection.

(i) Official Record. The Transferor will hold this Agreement, the Pooling and Servicing Agreement and the Series Supplement in its possession continuously as an official record.

(j) Compliance with Requirements of Law. Nordstrom National Credit Bank as Servicer or any Person to whom Nordstrom National Credit Bank as Servicer has delegated its duties as Servicer (to the extent permitted by the Pooling and Servicing Agreement) shall duly satisfy its obligations in all material respects on its part to be fulfilled under or in connection with each Receivable and the related Account, will maintain in effect all material qualifications required under Requirements of Law in order to service properly each Receivable and the related Account and will comply in all material respects with all other Requirements of Law in connection with servicing each Receivable and the related Account the failure to comply with which would have a material adverse effect on the Company or the Trustee's interest in the Receivables.

Section 3.4 Negative Covenants of the Transferor. At all times from the date hereof to the later to occur of (i) the Termination Date or (ii) the date on which the Net Investment has been reduced to zero, all accrued Discount shall have been paid in full and all other Aggregate Unpaid shall have been paid in full, in cash, unless the Agent shall otherwise consent in writing:

(a) No Sales, Liens, Etc. Except as otherwise provided herein and in the Pooling and Servicing Agreement and the Series Supplement, the Transferor will not sell, assign (by operation of law or otherwise) or

otherwise dispose of, or create or suffer to exist any Adverse Claim upon (or the filing of any financing statement) or with respect to any of the Affected Assets.

(b) No Extension or Amendment of Receivables. Except as otherwise permitted by the Pooling and Servicing Agreement and the Series Supplement, the Transferor will not extend, amend or otherwise modify the terms of any Receivable.

(c) No Change in Business or Account Guidelines. The Transferor will not make any change in the character of its business or in the Account Guidelines, which change would, in either case, delay the timing of recognition of the charge-off or write-off of any delinquent or fraudulent Receivable or any Receivable with respect to which the related Obligor has declared bankruptcy, impair the collectability of any Receivable or otherwise have a material adverse effect on the Trustee's interest in the Receivables, including any change which would have the effect of diminishing the creditworthiness of Obligors with respect to Automatic Additional Accounts or Supplemental Accounts.

(d) No Mergers, Etc. Except as permitted by Section 7.2 of the Pooling and Servicing Agreement, the Transferor will not (i) consolidate or merge with or into any other Person, or (ii) sell, lease or transfer all or substantially all of its assets to any other Person.

(e) Change of Name, Etc. The Transferor will not without providing 30 days' notice to the Company, the Agent and the Collateral Agent and without filing such amendments to any previously filed financing statements as the Company, the Agent and the Collateral Agent may require, (A) change the location of its principal executive office or the location of the offices where the records relating to the accounts are kept, and (B) change its name, identity or corporate structure in any manner which would, could or might make any financing statement or continuation, statement filed by the Transferor in accordance with the Pooling and Servicing Agreement or subsection 3.3(h) hereof seriously misleading within the meaning of Section 9-402(8) of the UCC as in effect in the Relevant UCC State or any applicable

enactment of the UCC.

(f) Amendment of Pooling and Servicing Agreement and Series Supplement. The Transferor will not amend, modify or supplement the Pooling and Servicing Agreement, the Series Supplement or any other Transaction Document to which it is a party, without the prior written consent of the Agent and the Administrative Agent and will not take any other action under the Pooling and Servicing Agreement, the Series Supplement or any other Transaction Document to which it is a party that would have a material adverse affect on the Agent, the Company or any Bank Investor or which is inconsistent with the terms of this Agreement.

(g) ERISA Matters. The Transferor will not (i) engage or permit any of its respective ERISA Affiliates to engage in any prohibited transaction (as defined in Section 4975 of the Code and Section 406 of ERISA) for which an exemption is not available or has not previously been obtained from the U.S. Department of Labor; (ii) permit to exist any accumulated funding deficiency (as defined in Section 302(a) of ERISA and Section 412(a) of the Code) or funding deficiency with respect to any Benefit Plan other than a Multiemployer Plan; (iii) fail to make any payments to any Multiemployer Plan that the Transferor or any ERISA Affiliate of the Transferor is required to make under the agreement relating to such Multiemployer Plan or any law pertaining thereto; (iv) terminate any Benefit Plan so as to result in any liability; or (v) permit to exist any occurrence of any reportable event described in Title IV of ERISA which represents a material risk of a liability to the Transferor, or any ERISA Affiliate of the Transferor under ERISA or the Code, if such prohibited transactions, accumulated funding deficiencies, payments, terminations and reportable events occurring within any fiscal year of the Transferor, in the aggregate, involve a payment of money or an incurrence of liability by the Transferor or any ERISA Affiliate of the Transferor in an amount in excess of \$100,000.

(h) Transfer of Transferor Interest. Except as permitted by Sections 6.3(b), 6.9 or 7.2 of the Pooling and Servicing Agreement, the Transferor shall not assign, transfer or otherwise convey to any Person other

than Nordstrom Credit, Inc. any interest in the Transferor Interest.

(i) Financial Covenants. At the end of any Fiscal Quarter, (A) the Coverage Ratio of Nordstrom Credit, Inc. and its Subsidiaries shall not be less than 1.25 to 1.00 and (B) with respect to Nordstrom Credit, Inc. and its Subsidiaries, the ratio of (1) Debt minus Subordinated Debt to (2) Tangible Net Worth plus Subordinated Debt shall be 7.0 to 1.0 or less. Capitalized terms used but not defined in this Section 3.4(i) shall have the meanings assigned to such terms in Exhibit H hereto.

Section 3.5 Tax Treatment. Nordstrom National Credit Bank and the Company have entered into this Agreement, and Nordstrom National Credit Bank has entered into the Series Supplement, with the intention that the Certificates will qualify under applicable tax law as indebtedness, and Nordstrom National Credit Bank and the Company by acceptance of the Certificates agree to treat the Certificates for purposes of federal, state and local income or franchise taxes and any other tax imposed on or measured by income, as indebtedness unless otherwise required by the Internal Revenue Service.

Section 3.6 Conditions Precedent. On or prior to the date of execution hereof, Nordstrom National Credit Bank shall deliver to the Company the following documents, instruments and fees, all of which shall be in a form and substance acceptable to the Company:

(a) A copy of the resolutions of the Board of Directors of the Transferor, certified by its Secretary approving the execution, delivery and performance by the Transferor of the Pooling and Servicing Agreement, the Series Supplement, this Agreement, the Certificates, the other Transaction Documents to which the Transferor is a party and the other documents to be delivered by the Transferor thereunder and hereunder.

(b) The Articles of Association of Nordstrom National Credit Bank, as amended through the Closing Date.

(c) A Good Standing Certificate for the Transferor issued by the Office of the Comptroller of the Currency dated a date reasonably prior to

the Closing Date.

(d) A Certificate substantially in the form of Exhibit B hereto executed by the Secretary or Assistant Secretary of the Transferor certifying, among other things, (i) the names and signatures of the officers authorized on its behalf to execute the Pooling and Servicing Agreement, the Series Supplement, this Agreement, the other Transaction Documents to which the Transferor is a party and any other documents to be delivered by the Transferor hereunder (on which Certificate the Company may conclusively rely until such time as the Company shall receive from the Transferor a revised Certificate meeting the requirements of this subsection (d)(i)) and (ii) a copy of the Transferor's By-Laws.

(e) Copies of acknowledgment copies of proper financing statements (Form UCC-1) naming the Transferor as the debtor or seller of the Receivables and the Trustee as secured party or purchaser of the Receivables or other similar instruments or documents as may be necessary or in the opinion of the Company desirable under the UCC of all appropriate jurisdictions or any comparable law to evidence the perfection of the Trustee's interest in the Receivables.

(f) Copies of proper financing statements (Form UCC-3), if any, necessary to terminate all security interests and other rights of any Person in the Receivables previously granted by the Transferor.

(g) Certified copies of request for information or copies (Form UCC-11) (or a similar search report certified by parties acceptable to the Agent) dated a date reasonably prior to the Closing Date listing all effective financing statements which name the Transferor (under its present name and any previous names) as debtor and which are filed in jurisdictions in which the filings were made pursuant to clause (e) above together with copies of such financing statements (none of which shall cover any Receivables).

(h) A favorable written opinion of Lane, Powell, Spears, Lubersky, LLP, special counsel for the Transferor, in substantially the form of Exhibit C hereto with respect to certain corporate matters.

(i) A favorable written opinion of Lane, Powell, Spears, Lubersky, LLP, special counsel for the Transferor, in substantially the form of Exhibit D hereto with respect to certain corporate matters.

(j) A favorable written opinion of Davis, Graham & Stubbs, special counsel for the Transferor, in substantially the form of Exhibit E hereto with respect to certain security interest matters.

(k) An executed copy of the Pooling and Servicing Agreement, the Series Supplement, this Agreement, the Fee Letter and each of the other Transaction Documents to be executed by the Transferor.

(l) The Certificates duly executed by the Transferor and duly authenticated by the Trustee in an initial aggregate principal amount of \$175,000,000.

(m) Such other documents, instruments, certificates and opinions as the Agent, the Administrative Agent or the Company shall reasonably request.

Section 3.7 Quarterly Certificate. Nordstrom National Credit Bank, as Servicer, shall deliver, or cause the Servicer (if not the Bank) to deliver to the Administrative Agent within fifteen (15) days after the end of each calendar quarter of each calendar year, beginning with September 30, 1996, an officer's certificate substantially in the form of Exhibit F hereto stating that (a) a review of the activities of the Servicer during the preceding calendar quarter (or such shorter period as may have elapsed since the Closing Date), and of its performance under this Agreement, the Pooling and Servicing Agreement and the Series Supplement was made under the supervision of the officer signing such certificate and (b) to the best of such officer's knowledge, based on such review, the Servicer has fully performed all of its obligations under this Agreement, the Pooling and Servicing Agreement and the Series Supplement throughout such quarter (or such shorter period as may have elapsed since the Closing Date), or, if there has occurred an event which, with the giving of notice or passage of time or both, would constitute a Termination Event or Servicer Default, specifying each such event known to such officer and the nature and status thereof.

Section 3.8 Periodic Notices and Reports. Nordstrom National Credit Bank shall furnish to the Company a copy of each notice, certificate or report delivered to the Trustee pursuant to the Pooling and Servicing Agreement or Series Supplement concurrently with the delivery of any such notice, certificate or report to the Trustee. Nordstrom National Credit Bank shall furnish to each of the Company, the Agent and the Collateral Agent a copy of each annual independent public accountants' servicing report delivered to the Trustee pursuant to Section 3.6 of the Pooling and Servicing Agreement concurrently with the delivery of any such report to the Trustee.

ARTICLE IV

INDEMNIFICATION; EXPENSES; RELATED MATTERS

Section 4.1 Indemnities by the Transferor. Without limiting any other rights which the Agent, the Company or the Bank Investors may have hereunder or under applicable law, the Transferor hereby agrees to indemnify the Company, the Bank Investors, the Agent, the Administrative Agent, the Collateral Agent, the Liquidity Provider and the Credit Support Provider and any successors and permitted assigns and any of their respective officers, directors and employees (collectively, "Indemnified Parties") from and against any and all damages, losses, claims, liabilities, costs and expenses, including, without limitation, reasonable attorneys' fees (which such attorneys may be employees of the Liquidity Provider, the Credit Support Provider, the Agent, the Administrative Agent or the Collateral Agent, as applicable) and disbursements (all of the foregoing being collectively referred to as "Indemnified Amounts") awarded against or incurred by any of them in any action or proceeding between the Transferor (including in its capacity as Servicer) and any of the Indemnified Parties or between any of the Indemnified Parties and any third party or otherwise arising out of or as a result of this Agreement, the other Transaction Documents, the ownership or maintenance, either directly or indirectly, by the Agent, the Company or any Bank Investor of the Certificates or any of the other transactions contemplated hereby or thereby, excluding, however, (i) Indemnified Amounts to the extent resulting from gross negligence or willful misconduct on the part

of an Indemnified Party or (ii) recourse (except as otherwise specifically provided in this Agreement) for uncollectible Receivables. Without limiting the generality of the foregoing, the Transferor shall indemnify each Indemnified Party for Indemnified Amounts relating to or resulting from:

(i) any representation or warranty made by the Transferor (including in its capacity as Servicer) or any officers of the Transferor (including in its capacity as Servicer) under or in connection with this Agreement, any of the other Transaction Documents or any other information or report delivered by the Transferor or the Servicer pursuant hereto or thereto, which shall have been false or incorrect in any material respect when made or deemed made;

(ii) the failure by the Transferor (including in its capacity as Servicer) to comply with any applicable law, rule or regulation with respect to any Receivable, or the nonconformity of any Receivable with any such applicable law, rule or regulation;

(iii) the failure to vest and maintain vested in the Trustee, on behalf of the Trust, an undivided first priority, perfected percentage ownership interest, in the Trust Property free and clear of any Adverse Claim;

(iv) the failure to file, or any delay in filing, financing statements, continuation statements, or other similar instruments or documents under the UCC of any applicable jurisdiction or other applicable laws with respect to any of the Affected Assets;

(v) any dispute, claim, offset or defense (other than discharge in bankruptcy) of the Obligor to the payment of any Receivable (including, without limitation, a defense based on such Receivable not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the sale of

merchandise or services related to such Receivable or the furnishing or failure to furnish such merchandise or services;

(vi) any failure of the Servicer to perform its duties or obligations in accordance with the provisions of the Pooling and Servicing Agreement and the Series Supplement; or

(vii) any products liability claim or personal injury or property damage suit or other similar or related claim or action of whatever sort arising out of or in connection with merchandise or services which are the subject of any Receivable;

(viii) the transfer of an ownership interest in any Receivable other than an Eligible Receivable;

(ix) the failure by the Transferor (individually or as Servicer) to comply with any term, provision or covenant contained in this Agreement or any of the other Transaction Documents to which it is a party or to perform any of its respective duties under the Receivables;

(x) the failure of the Transferor to pay when due any taxes, including without limitation, sales, excise or personal property taxes payable in connection with any of the Receivables;

(xi) any repayment by any Indemnified Party of any amount previously distributed in reduction of Net Investment which such Indemnified Party believes in good faith is required to be made;

(xii) the commingling by the Transferor or the Servicer of Collections of Receivables at any time with other funds;

(xiii) any investigation, litigation or proceeding related to this Agreement, any of the other Transaction Documents, the use of proceeds of the acquisition of interests in the Certificates by the Transferor, the ownership of the Certificates, or any Trust Property;

(xiv) any inability to obtain any judgment in or utilize the court or other adjudication system of, any state in which an Obligor may be located as a result of the failure of the Transferor or the Servicer to qualify to do business or file any notice of business activity report or any similar report;

(xv) any attempt by any Person to void, rescind or set-aside any transfer of the Trust Property to the Trustee under statutory provisions or common law or equitable action, including, without limitation, any provision of the United States Bankruptcy Code; or

(xvi) any action taken by the Transferor or the Servicer (if the Transferor, the Servicer or any Affiliate or designee of the Transferor or the Servicer) in the enforcement or collection of any Receivable;

provided, however, that if the Company enters into agreements for the purchase of interests in receivables from one or more Other Transferors, the Company shall allocate such Indemnified Amounts which are in connection with the Liquidity Provider Agreement, the Credit Support Agreement or the credit support furnished by the Credit Support Provider to the Transferor and each Other Transferor; and provided, further, that if such Indemnified Amounts are attributable to the Transferor or the Servicer and not attributable to any Other Transferor, the Transferor shall be solely liable for such Indemnified Amounts or if such Indemnified Amounts are attributable to Other Transferors and not attributable to the Transferor or the Servicer, such Other Transferors shall be solely liable for such Indemnified Amounts.

Section 4.2 Indemnity for Taxes, Reserves and Expenses. (a) If after the date hereof, the adoption of any Law or bank regulatory guideline or any

amendment or change in the interpretation of any existing or future Law or bank regulatory guideline by any Official Body charged with the administration, interpretation or application thereof, or the compliance with any directive of any Official Body (in the case of any bank regulatory guideline, whether or not having the force of Law):

(i) shall subject any Indemnified Party to any tax, duty or other charge (other than Excluded Taxes) with respect to this Agreement, the other Transaction Documents, the ownership, maintenance or financing of the Certificates, the Receivables or payments of amounts due hereunder, or shall change the basis of taxation of payments to any Indemnified Party of amounts payable in respect of this Agreement, the other Transaction Documents, the ownership, maintenance or financing of the Certificates, the Receivables or payments of amounts due hereunder or its obligation to advance funds hereunder, under the Liquidity Provider Agreement or the credit support furnished by the Credit Support Provider or otherwise in respect of this Agreement, the other Transaction Documents, the ownership, maintenance or financing of the Certificates or the Receivables (except for changes in the rate of general corporate, franchise, net income or other income tax imposed on such Indemnified Party by the jurisdiction in which such Indemnified Party's principal executive office is located);

(ii) shall impose, modify or deem applicable any reserve, special deposit or similar requirement (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System) against assets of, deposits with or for the account of, or credit extended by, any Indemnified Party or shall impose on any Indemnified Party or on the United States market for certificates of deposit or the London interbank market any other condition affecting this Agreement, the other Transaction Documents, the ownership, maintenance or financing of the Certificates, the Receivables or

payments of amounts due hereunder or its obligation to advance funds hereunder under the Liquidity Provider Agreement or the credit support provided by the Credit Support Provider or otherwise in respect of this Agreement, the other Transaction Documents, the ownership, maintenance or financing of the Certificates or the Receivables; or

(iii) imposes upon any Indemnified Party any other expense (including, without limitation, reasonable attorneys' fees and expenses, and expenses of litigation or preparation therefor in contesting any of the foregoing) with respect to this Agreement, the other Transaction Documents, the ownership, maintenance or financing of the Certificates, the Receivables or payments of amounts due hereunder or its obligation to advance funds hereunder under the Liquidity Provider Agreement or the credit support furnished by the Credit Support Provider or otherwise in respect of this Agreement, the other Transaction Documents, the ownership, maintenance or financing of the Certificates or the Receivables,

and the result of any of the foregoing is to increase the cost to such Indemnified Party with respect to this Agreement, the other Transaction Documents, the ownership, maintenance or financing of the Certificates, the Receivables, the obligations hereunder, the funding of any purchases hereunder, the Liquidity Provider Agreement or the Credit Support Agreement, by an amount deemed by such Indemnified Party to be material, then, within ten (10) days after demand by such Indemnified Party through the Agent, the Transferor shall pay to the Agent, for the benefit of such Indemnified Party, such additional amount or amounts as will compensate such Indemnified Party for such increased cost or reduction.

(b) If any Indemnified Party shall have determined that after the date hereof, the adoption of any applicable Law or bank regulatory guideline regarding capital adequacy, or any change therein, or any change in the interpretation thereof by any Official Body, or any directive regarding capital adequacy (in the case of any bank regulatory guideline, whether or not

having the force of law) of any such Official Body, has or would have the effect of reducing the rate of return on capital of such Indemnified Party (or its parent) as a consequence of such Indemnified Party's obligations hereunder or with respect hereto to a level below that which such Indemnified Party (or its parent) could have achieved but for such adoption, change, request or directive (taking into consideration its policies with respect to capital adequacy) by an amount deemed by such Indemnified Party to be material, then from time to time, within ten (10) days after demand by such Indemnified Party through the Agent, the Transferor shall pay to the Agent, for the benefit of such Indemnified Party, such additional amount or amounts as will compensate such Indemnified Party (or its parent) for such reduction.

(c) The Agent will promptly notify the Transferor of any event of which it has knowledge, occurring after the date hereof, which will entitle an Indemnified Party to compensation pursuant to this Section. A notice by the Agent or the applicable Indemnified Party claiming compensation under this Section and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error. In determining such amount, the Agent or any applicable Indemnified Party may use any reasonable averaging and attributing methods.

(d) Anything in this Section to the contrary notwithstanding, if the Company enters into agreements for the acquisition of interests in receivables from one or more Other Transferors, the Company shall allocate the liability for any amounts under this Section which are in connection with the Liquidity Provider Agreement, the Credit Support Agreement or the credit support provided by the Credit Support Provider ("Section 4.2 Costs") to the Transferor and each Other Transferor; provided, however, that if such Section 4.2 Costs are attributable to the Transferor or the Servicer and not attributable to any Other Transferor, the Transferor shall be solely liable for such Section 4.2 Costs or if such Section 4.2 Costs are attributable to Other Transferors and not attributable to the Transferor or the Servicer, such Other Transferors shall be solely liable for such Section 4.2 Costs.

Section 4.3 Taxes. All payments made hereunder by the Transferor or the Servicer (each, a "payor") to the Company, any Bank Investor or the Agent (each, a "recipient") shall be made free and clear of and without deduction for any present or future income, excise, stamp or franchise taxes and any other taxes, fees, duties, withholdings or other charges of any nature whatsoever imposed by any taxing authority on any recipient (or any assignee of such parties) (such non-excluded items being called "Taxes"), but excluding franchise taxes and taxes imposed on or measured by the recipient's net income or gross receipts ("Excluded Taxes"). In the event that any withholding or deduction from any payment made by the payor hereunder is required in respect of any Taxes, then such payor shall:

(a) pay directly to the relevant authority the full amount required to be so withheld or deducted;

(b) promptly forward to the Agent an official receipt or other documentation satisfactory to the Agent evidencing such payment to such authority; and

(c) pay to the recipient such additional amount or amounts as is necessary to ensure that the net amount actually received by the recipient will equal the full amount such recipient would have received had no such withholding or deduction been required.

Moreover, if any Taxes are directly asserted against any recipient with respect to any payment received by such recipient hereunder, the recipient may pay such Taxes and the payor will promptly pay such additional amounts (including any penalties, interest or expenses) as shall be necessary in order that the net amount received by the recipient after the payment of such Taxes (including any Taxes on such additional amount) shall equal the amount such recipient would have received had such Taxes not been asserted.

If the payor fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to the recipient the required receipts or other required documentary evidence, the payor shall indemnify the recipient for any incremental Taxes, interest, or penalties that may become payable by

any recipient as a result of any such failure.

Section 4.4 Other Costs, Expenses and Related Matters. The Transferor agrees, upon receipt of a written invoice, to pay or cause to be paid, and to save the Company, the Bank Investors and the Agent harmless against liability for the payment of, all reasonable out-of-pocket expenses (including, without limitation, attorneys', accountants' and other third parties' fees and expenses, any filing fees and expenses incurred by officers or employees of the Company, the Bank Investors and/or the Agent) or intangible, documentary or recording taxes incurred by or on behalf of the Company, any Bank Investor and the Agent (i) in connection with the negotiation, execution, delivery and preparation of this Agreement, the other Transaction Documents and any documents or instruments delivered pursuant hereto and thereto and the transactions contemplated hereby or thereby, and (ii) from time to time (a) relating to any amendments, waivers or consents under this Agreement and the other Transaction Documents, (b) arising in connection with the Company's, any Bank Investor's, the Agent's or the Collateral Agent's enforcement or preservation of rights, or (c) arising in connection with any audit, dispute, disagreement, litigation or preparation for litigation involving this Agreement or any of the other Transaction Documents (all of such amounts, collectively, "Transaction Costs").

Section 4.5 Indemnification of the Company. Nordstrom National Credit Bank, as Servicer, shall indemnify and hold harmless the Company from and against any loss, liability, expense, damage or injury suffered or sustained by reason of willful misfeasance, bad faith, or negligence in the performance of the duties of the Servicer or by reason of reckless disregard of obligations and duties of the Servicer hereunder or under the Pooling and Servicing Agreement or by reason of any acts, omissions or alleged acts or omissions of the Servicer pursuant to this Agreement or the Pooling and Servicing Agreement. The provisions of this indemnity shall run directly to and be enforceable by an injured party subject to the limitations hereof.

ARTICLE V

THE AGENT; BANK COMMITMENT

Section 5.1 Authorization and Action. (a) The Company and each Bank Investor hereby appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the other Transaction Documents as are delegated to the Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. In furtherance, and without limiting the generality, of the foregoing, the Company and each Bank Investor hereby appoints the Agent as its agent to execute and deliver all further instruments and documents, and take all further action that the Agent may deem necessary or appropriate or that the Company or a Bank Investor may reasonably request in order to perfect, protect or more fully evidence the interests transferred or to be transferred from time to time by the Transferor hereunder, or to enable any of them to exercise or enforce any of their respective rights hereunder, including, without limitation, the execution by the Agent as secured party/assignee of such financing or continuation statements, or amendments thereto or assignments thereof, relative to all or any of the Receivables now existing or hereafter arising, and such other instruments or notices, as may be necessary or appropriate for the purposes stated hereinabove. The Company and the Majority Investors may direct the Agent to take any such incidental action hereunder. With respect to other actions which are incidental to the actions specifically delegated to the Agent hereunder, the Agent shall not be required to take any such incidental action hereunder, but shall be required to act or to refrain from acting (and shall be fully protected in acting or refraining from acting) upon the direction of the Majority Investors; provided, however, that the Agent shall not be required to take any action hereunder if the taking of such action, in the reasonable determination of the Agent, shall be in violation of any applicable law, rule or regulation or contrary to any provision of this Agreement or shall expose the Agent to liability hereunder or otherwise. Upon the occurrence and during the continuance of any Termination Event or Potential Termination Event, the Agent shall take no action hereunder (other than ministerial actions or such actions as are specifically provided for herein) without the prior consent of the Majority

Investors. The Agent shall not, without the prior written consent of all Bank Investors, agree to (i) amend, modify or waive any provision of this Agreement in any way which would (A) reduce or impair Collections or the payment of Discount or fees payable hereunder to the Bank Investors or delay the scheduled dates for payment of such amounts, (B) increase the Servicing Fee Percentage, (C) modify any provisions of this Agreement, the Pooling and Servicing Agreement or the Series Supplement relating to the timing of payments required to be made by the Transferor or the Servicer or the application of the proceeds of such payments, (D) the appointment of any Person (other than the Trustee) as successor Servicer, or (E) release any property from the lien provided by this Agreement (other than as expressly contemplated herein). The Agent shall not agree to any amendment of this Agreement which increases the dollar amount of a Bank Investor's Commitment without the prior consent of such Bank Investor. In addition, the Agent shall not agree to any amendment of this Agreement not specifically described in the two preceding sentences without the consent of the related Majority Investors.

In the event the Agent requests the Company's or a Bank Investor's consent pursuant to the foregoing provisions and the Agent does not receive a consent (either positive or negative) from the Company or such Bank Investor within 10 Business Days of the Company's or Bank Investor's receipt of such request, then the Company or such Bank Investor (and its percentage interest hereunder) shall be disregarded in determining whether the Agent shall have obtained sufficient consent hereunder.

(b) The Agent shall exercise such rights and powers vested in it by this Agreement and the other Transaction Documents, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

Section 5.2 Agent's Reliance, Etc. Neither the Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them as Agent under or in connection with this Agreement or any of the other Transaction Documents, except for its or their own gross negligence or willful misconduct. Without limiting the foregoing, the Agent: (i) may consult with legal counsel (including counsel for the

Transferor or the Servicer), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (ii) makes no warranty or representation to the Company or any Bank Investor and shall not be responsible to the Company or any Bank Investor for any statements, warranties or representations made in or in connection with this Agreement; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any of the other Transaction Documents on the part of the Transferor or the Servicer or to inspect the property (including the books and records) of the Transferor or the Servicer; (iv) shall not be responsible to the Company or any Bank Investor for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any of the other Transaction Documents or any other instrument or document furnished pursuant hereto or thereto; and (v) shall incur no liability under or in respect of this Agreement or any of the other Transaction Documents by acting upon any notice (including notice by telephone), consent, certificate or other instrument or writing (which may be by telex) believed by it to be genuine and signed or sent by the proper party or parties.

Section 5.3 Credit Decision. The Company and each Bank Investor acknowledges that it has, independently and without reliance upon the Agent, any of the Agent's Affiliates, any other Bank Investor or the Company (in the case of any Bank Investor) and based upon such documents and information as it has deemed appropriate, made its own evaluation and decision to enter into this Agreement and the other Transaction Documents to which it is a party and, if it so determines, to accept the transfer of any undivided ownership interest in the Affected Assets hereunder. The Company and each Bank Investor also acknowledges that it will, independently and without reliance upon the Agent, any of the Agent's Affiliates, any other Bank Investor or the Company (in the case of any Bank Investor) and based on such documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under this Agreement and the other Transaction Documents to which it is a party.

Section 5.4 Indemnification of the Agent. The Bank Investors agree to indemnify the Agent (to the extent not reimbursed by the Transferor), ratably in accordance with their Pro Rata Shares, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of this Agreement or any action taken or omitted by the Agent, any of the other Transaction Documents hereunder or thereunder, provided that the Bank Investors shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's gross negligence or willful misconduct. Without limitation of the foregoing, the Bank Investors agree to reimburse the Agent, ratably in accordance with their Pro Rata Shares, promptly upon demand for any out-of-pocket expenses (including counsel fees) incurred by the Agent in connection with the administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement and the other Transaction Documents, to the extent that such expenses are incurred in the interests of or otherwise in respect of the Bank Investors hereunder and/or thereunder and to the extent that the Agent is not reimbursed for such expenses by the Transferor.

Section 5.5 Successor Agent. The Agent may resign at any time by giving written notice thereof to each Bank Investor, the Company and the Transferor and may be removed at any time with cause by the Majority Investors. Upon any such resignation or removal, the Company and the Majority Investors shall appoint a successor Agent. The Company and each Bank Investor agrees that it shall not unreasonably withhold or delay its approval of the appointment of a successor Agent. If no such successor Agent shall have been so appointed, and shall have accepted such appointment, within 30 days after the retiring Agent's giving of notice of resignation or the Majority Investors' removal of the retiring Agent, then the retiring Agent may, on behalf of the Company and the Bank Investors, appoint a successor Agent which successor Agent shall be either (i) a commercial bank organized under the laws of the United States or

of any state thereof and have a combined capital and surplus of at least \$50,000,000 or (ii) an Affiliate of such a bank. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Agent's resignation or removal hereunder as Agent, the provisions of this Article V shall continue to inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement.

Section 5.6 Payments by the Agent. Unless specifically allocated to a Bank Investor pursuant to the terms of this Agreement, all amounts received by the Agent on behalf of the Bank Investors shall be paid by the Agent to the Bank Investors (at their respective accounts specified in their respective Assignment and Assumption Agreements) in accordance with their respective related pro rata interests in the Net Investment on the Business Day received by the Agent, unless such amounts are received after 12:00 noon on such Business Day, in which case the Agent shall use its reasonable efforts to pay such amounts to the Bank Investors on such Business Day, but, in any event, shall pay such amounts to the Bank Investors in accordance with their respective related pro rata interests in the Net Investment not later than the following Business Day.

Section 5.7 Bank Commitment; Assignment to Bank Investors.

(a) Bank Commitment. At any time on or prior to the Commitment Termination Date, in the event that the Company does not acquire an Additional Class A Invested Amount as requested under Section 2.2(a), then at any time, the Transferor shall have the right to require the Company to assign its interest in the Net Investment in whole to the Bank Investors pursuant to this Section. In addition, at any time on or prior to the Commitment Termination Date (i) upon the occurrence of a Termination Event or (ii) if the Company elects to give notice to the Transferor of a Reinvestment Termination Date, the Transferor hereby requests and directs that the Company assign its interest in the Net Investment in whole to the Bank Investors pursuant to this

Section and the Transferor hereby agrees to pay the amounts described in Section 5.7(d) below. Provided that (i) the Net Asset Test is satisfied and (ii) the Transferor shall have paid to the Company all amounts due as described in Section 5.7(d) hereof, upon any such election by the Company or any such request by the Transferor, the Company shall make such Assignment and the Bank Investors shall accept such Assignment and shall assume all of the Company's obligations hereunder. In connection with any Assignment from the Company to the Bank Investors pursuant to this Section, each Bank Investor shall, on the date of such Assignment, pay to the Company an amount equal to its Assignment Amount. In addition, at any time on or prior to the Commitment Termination Date, the Transferor shall have the right to request funding under this Agreement directly from the Bank Investors provided that at such time all conditions precedent set forth herein for the acquisition of an Additional Class A Invested Amount pursuant to Section 2.2(a) hereof shall be satisfied and provided further that in connection with such funding by the Bank Investors, the Bank Investors accept the Assignment of all of the Company's interest in the Net Investment and assume all of the Company's obligations hereunder concurrently with or prior to any such acquisition of an Additional Class A Invested Amount. Upon any Assignment by the Company to the Bank Investors contemplated hereunder, the Company shall cease to acquire any Additional Class A Invested Amount hereunder.

(b) Assignment. No Bank Investor may assign all or a portion of its interests in the Certificates, the Net Investment, the Trust Property and its rights and obligations hereunder to any Person unless approved in writing by the Agent and made in accordance with the Pooling and Servicing Agreement and the Series Supplement. In the case of an Assignment by the Company to the Bank Investors or by a Bank Investor to another Person, the assignor shall deliver to the assignee(s) an Assignment and Assumption Agreement in substantially the form of Exhibit G hereto, duly executed, assigning to the assignee a pro rata interest in the Certificates, the Net Investment, the Trust Property and the assignor's rights and obligations hereunder and the assignor shall promptly execute and deliver all instruments and documents required by the Pooling and Servicing Agreement and the Series Supplement and all further instruments and documents, and take all further

action, that the assignee may reasonably request, in order to protect, or more fully evidence the assignee's right, title and interest in and to such interest and to enable the Agent, on behalf of such assignee, to exercise or enforce any rights hereunder and under the other Transaction Documents to which such assignor is or, immediately prior to such Assignment, was a party. Upon any such Assignment, (i) the assignee shall have all of the rights and obligations of the assignor hereunder and under the other Transaction Documents to which such assignor is or, immediately prior to such Assignment, was a party with respect to such interest for all purposes of this Agreement and under the other Transaction Documents to which such assignor is or, immediately prior to such Assignment, was a party (it being understood that the Bank Investors, as assignees, shall (x) be obligated to acquire Additional Class A Invested Amounts under Section 2.2(a) hereof in accordance with the terms thereof, notwithstanding that the Company was not so obligated and (y) not have the right to elect the commencement of the amortization of the Net Investment pursuant to the definition of "Termination Date", notwithstanding that the Company had such right) and (ii) the assignor shall relinquish its rights with respect to such interest for all purposes of this Agreement and under the other Transaction Documents to which such assignor is or, immediately prior to such Assignment, was a party. No such Assignment shall be effective unless a fully executed copy of the related Assignment and Assumption Agreement shall be delivered to the Agent and the Transferor. All out-of-pocket costs and legal expenses of the Agent and the assignor and assignee incurred in connection with any Assignment hereunder shall be borne by the Transferor and not by the assignor or any such assignee. No Bank Investor shall assign any portion of its Commitment hereunder without also simultaneously assigning an equal portion of its interest in the Liquidity Provider Agreement.

(c) Effects of Assignment. By executing and delivering an Assignment and Assumption Agreement, the assignor and assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Assumption Agreement, the assignor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in

connection with this Agreement, the other Transaction Documents or any other instrument or document furnished pursuant hereto or thereto or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, the other Transaction Documents or any such other instrument or document; (ii) the assignor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Transferor or the Servicer or the performance or observance by the Transferor or the Servicer of any of their respective obligations under this Agreement, the other Transaction Documents or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, the Pooling and Servicing Agreement, the Series Supplement and such other instruments, documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Assumption Agreement and to purchase such interest; (iv) such assignee will, independently and without reliance upon the Agent, or any of its Affiliates, or the assignor and based on such agreements, documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Transaction Documents; (v) such assignee appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under this Agreement, the other Transaction Documents and any other instrument or document furnished pursuant hereto or thereto as are delegated to the Agent by the terms hereof or thereof, together with such powers as are reasonably incidental thereto and to enforce its respective rights and interests in and under this Agreement, the other Transaction Documents and the Trust Property; (vi) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement and the other Transaction Documents are required to be performed by it as the assignee of the assignor; and (vii) such assignee agrees that it will not institute against the Company any proceeding of the type referred to in Section 6.9 prior to the date which is one year and one day after the payment in full of all Commercial Paper issued by the Company.

(d) Transferor's Obligation to Pay Certain Amounts;
Additional Assignment Amount. The Transferor shall pay to the Agent, for the

account of the Company, in connection with any Assignment by the Company to the Bank Investors pursuant to this Section, an aggregate amount equal to all Discount to accrue through the maturity of all outstanding Related Commercial Paper plus all other Aggregate Unpaid (other than the Net Investment and any accrued Discount previously paid). To the extent that such Discount relates to interest or discount on Commercial Paper issued to fund the Net Investment, if the Transferor fails to make payment of such amounts at or prior to the time of Assignment by the Company to the Bank Investors, such amount shall be paid by the Bank Investors (in accordance with their respective Pro Rata Shares) to the Company as additional consideration for the interests assigned to the Bank Investors and the amount of the "Net Investment" hereunder held by the Bank Investors shall be increased by an amount equal to the additional amount so paid by the Bank Investors.

(e) Administration of Agreement After Assignment; Discount. After any Assignment by the Company to the Bank Investors pursuant to this Section (and the payment of all amounts owing to the Company in connection therewith), all rights of the Administrative Agent and the Collateral Agent set forth herein shall be deemed to be afforded to the Agent on behalf of the Bank Investors instead of either such party.

(f) Payments. After any Assignment by the Company to the Bank Investors pursuant to this Section, all payments to be made hereunder by the Transferor or the Servicer to the Bank Investors shall be made to the Agent's account as such account shall have been notified to the Transferor and the Servicer.

(g) Downgrade of Bank Investor. If at any time prior to any Assignment by the Company to the Bank Investors as contemplated pursuant to this Section, the short term debt rating of any Bank Investor shall be A-2 or P-2 from Standard & Poor's or Moody's, respectively, with negative credit implications, such Bank Investor, upon request of the Agent, shall, within 30 days of such request, assign its rights and obligations hereunder to another financial institution (which institution's short term debt shall be rated at least A-2 and P-2 from Standard & Poor's and Moody's, respectively, and which shall not be so rated with negative credit implications). If the short

term debt rating of a Bank Investor shall be A-3 or P-3, or lower, from Standard & Poor's or Moody's, respectively (or such rating shall have been withdrawn by Standard & Poor's or Moody's), such Bank Investor, upon request of the Agent, shall, within five (5) Business Days of such request, assign its rights and obligations hereunder to another financial institution (which institution's short term debt shall be rated at least A-2 and P-2 from Standard & Poor's and Moody's, respectively, and which shall not be so rated with negative credit implications). In either such case, if any such Bank Investor shall not have assigned its rights and obligations under this Agreement within the applicable time period described above, the Company shall have the right to require such Bank Investor to accept the Assignment of such Bank Investor's Pro Rata Share of the Net Investment; such Assignment shall occur in accordance with the applicable provisions of this Section. Such Bank Investor shall be obligated to pay to the Company, in connection with such Assignment, in addition to the Pro Rata Share of the Net Investment, an amount equal to the interest component of the outstanding Commercial Paper issued to fund the portion of the Net Investment being assigned to such Bank Investor, as reasonably determined by the Agent. Notwithstanding anything contained herein to the contrary, upon any such Assignment to a downgraded Bank Investor as contemplated pursuant to the immediately preceding sentence, the aggregate available amount of the Facility Limit, solely as it relates to the acquisition of any Additional Class A Invested Amount by the Company, shall be reduced by the amount of unused Commitment of such downgraded Bank Investor; it being understood and agreed, that nothing in this sentence or the two preceding sentences shall affect or diminish in any way any such downgraded Bank Investor's Commitment to the Transferor or such downgraded Bank Investor's other obligations and liabilities hereunder and under the other Transaction Documents.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Term of Agreement. This Agreement shall terminate on the date following the Termination Date upon which the Net Investment has been reduced

to zero, all accrued Discount has been paid in full and all other Aggregate Unpays have been paid in full, in each case, in cash; provided, however, that (i) the rights and remedies of the Agent, the Company, the Bank Investors and the Administrative Agent with respect to any representation and warranty made or deemed to be made by the Transferor and the Servicer pursuant to this Agreement, (ii) the indemnification and payment provisions of Article IV, and (iii) the agreement set forth in Section 6.9 hereof, shall be continuing and shall survive any termination of this Agreement.

Section 6.2 Waivers; Amendments. No failure or delay on the part of the Agent, the Company, the Administrative Agent or any Bank Investor in exercising any power, right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or remedy preclude any other further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided shall be cumulative and nonexclusive of any rights or remedies provided by law. Any provision of this Agreement may be amended if, but only if, such amendment is in writing and is signed by the Transferor, the Company, the Agent and the Majority Investors.

Section 6.3 Notices, Etc. Except as provided below, all communications and notices provided for hereunder shall be in writing (including telecopy or electronic facsimile transmission or similar writing) and shall be given to the other party at its address or telecopy number set forth below or at such other address or telecopy number as such party may hereafter specify for the purposes of notice to such party. Each such notice or other communication shall be effective (i) if given by telecopy, when such telecopy is transmitted to the telecopy number specified in this Section and confirmation is received, (ii) if given by mail three (3) Business Days following such posting, postage prepaid, U.S. certified or registered, (iii) if given by overnight courier, one (1) Business Day after deposit thereof with a national overnight courier service, or (iv) if given by any other means, when received at the address specified in this Section. However, anything in this Section to the contrary notwithstanding, the Transferor hereby authorizes the Company to effect

additional investments pursuant to Section 2.2 and interest rate and interest period selections with respect to Related Commercial Paper based on telephonic notices made by any Person which the Company in good faith believes to be acting on behalf of the Transferor. The Transferor agrees to deliver promptly to the Company a written confirmation of each telephonic notice signed by an authorized officer (or other individual acceptable to the Company) of the Transferor. However, the absence of such confirmation shall not affect the validity of such notice. If the written confirmation differs in any material respect from the action taken by the Company, the records of the Company shall govern absent manifest error.

If to the Company:

Enterprise Funding Corporation
c/o Merrill Lynch Money Markets Inc.
World Financial Center - South Tower
225 Liberty Street
New York, New York 10218
Attention: Tim Sherer
Telephone: (212) 236-7200
Telecopy: (212) 236-7584

(with a copy to the Administrative Agent)

If to the Bank:

Nordstrom National Credit Bank
13531 East Caley Avenue
Englewood, Colorado 80111
Attention: Michael A. Karmil
Telephone: (303) 397-4785
Telecopy: (303) 397-4775

If to the Collateral Agent:

NationsBank, N.A.
NationsBank Corporate Center
100 North Tryon Street, 10th Floor
Charlotte, North Carolina 28255
Attention: Michelle M. Heath -
Structured Finance
Telephone: (704) 386-7922
Telecopy: (704) 386-9169

If to the Administrative Agent:

NationsBank, N.A.
NationsBank Corporate Center
100 North Tryon Street
Charlotte, North Carolina 28255
Attention: Michelle M. Heath -
Structured Finance
Telephone: (704) 386-7922
Telecopy: (704) 386-9169

If to the Bank Investors, at their respective addresses set forth on the signature pages hereto or of the Assignment and Assumption Agreement pursuant to which it became a party hereto.

Section 6.4 Governing Law; Submission to Jurisdiction; Integration.

(a) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. THE TRANSFEROR AND THE SERVICER EACH HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND OF ANY NEW YORK STATE COURT SITTING IN THE CITY OF NEW YORK FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. The Transferor and the Servicer each hereby irrevocably waives, to the fullest extent it may effectively do so, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. Nothing in this Section shall affect the right of the Company to bring any action or proceeding against the Transferor, the Servicer or their respective property in the courts of other jurisdictions.

(b) EACH OF THE PARTIES HERETO HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE AMONG ANY OF THEM ARISING OUT OF, CONNECTED WITH, RELATING TO OR INCIDENTAL TO THE RELATIONSHIP BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS.

(c) This Agreement contains the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire Agreement among the parties hereto with respect to the subject matter hereof superseding all prior oral or written understandings.

Section 6.5 Severability; Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement. Any provisions of this Agreement which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 6.6 Successors and Assigns.

(a) This Agreement shall be binding on the parties hereto and their respective successors and assigns; provided, however, that neither the Transferor nor the Servicer may assign any of its rights or delegate any of its duties hereunder or under the Pooling and Servicing Agreement or the Series Supplement or under any of the other Transaction Documents to which it is a party without the prior written consent of the Agent. No provision of this Agreement shall in any manner restrict the ability of the Company or any Bank Investor to assign, participate, grant security interests in, or otherwise transfer any portion of the Certificates or any interest therein; provided, however, that any such assignment, participation, grant or other transfer shall be made in accordance with the provisions of the Pooling and Servicing Agreement and the Series Supplement.

(b) The Transferor hereby agrees and consents to the assignment by the Company from time to time of all or any part of its rights under, interest in and title to this Agreement and the Certificates to any Liquidity Provider; provided, however, that any such assignment shall be made in accordance with the provisions of the Pooling and Servicing Agreement and

the Series Supplement. In addition, the Transferor hereby consents to and acknowledges the assignment by the Company of all of its rights under, interest in and title to this Agreement and the Certificates to the Collateral Agent.

Section 6.7 Waiver of Confidentiality. Each of the Transferor and the Servicer hereby consents to the disclosure of any non-public information with respect to it received by the Company, the Agent, any Bank Investor or the Administrative Agent to any of the Company, the Agent, any nationally recognized rating agency rating the Company's Commercial Paper, the Administrative Agent, the Collateral Agent, any Bank Investor or potential Bank Investor, the Liquidity Provider or the Credit Support Provider.

Section 6.8 Confidentiality Agreement. Each of the Transferor and the Servicer hereby agrees that it will not disclose the contents of this Agreement or any of the other Transaction Documents or any other proprietary or confidential information of the Company, the Agent, the Administrative Agent, the Collateral Agent, any Liquidity Provider, any Credit Support Provider or any Bank Investor to any other Person except (i) its auditors and attorneys, employees or financial advisors (other than any commercial bank) and any nationally recognized rating agency, provided such auditors, attorneys, employees, financial advisors or rating agencies are informed of the highly confidential nature of such information or (ii) as otherwise required by applicable law or order of a court of competent jurisdiction.

Section 6.9 No Bankruptcy Petition Against the Company. Each of the Transferor and the Servicer hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of all outstanding Commercial Paper or other indebtedness of the Company, it will not institute against, or join any other Person in instituting against, the Company any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States.

Section 6.10 No Recourse Against Stockholders, Officers or Directors. No recourse under any obligation, covenant or agreement of the Company contained

in this Agreement shall be had against Merrill Lynch Money Markets Inc. (or any affiliate thereof), or any stockholder, officer or director of the Company, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Agreement is solely a corporate obligation of the Company, and that no personal liability whatsoever shall attach to or be incurred by Merrill Lynch Money Markets Inc. (or any affiliate thereof), or the stockholders, officers or directors of the buyer, as such, or any of them, under or by reason of any of the obligations, covenants or agreements of the Company contained in this Agreement, or implied therefrom, and that any and all personal liability for breaches by the Company of any of such obligations, covenants or agreements, either at common law or at equity, or by statute or constitution, of Merrill Lynch Money Markets Inc. (or any affiliate thereof) and every such stockholder, officer or director of the Company is hereby expressly waived as a condition of and consideration for the execution of this Agreement.

Section 6.11 Setoff. Nordstrom National Credit Bank hereby irrevocably and unconditionally waives all right of setoff that it may have under contract (including this Agreement), applicable law or otherwise with respect to any funds or monies of the Company at any time held by or in the possession of Nordstrom National Credit Bank.

Section 6.12 Further Assurances. Nordstrom National Credit Bank agrees to do such further acts and things and to execute and deliver to the Company, the Agent, the Administrative Agent or the Collateral Agent such additional assignments, agreements, powers and instruments as are required by the Company to carry into effect the purposes of this Agreement or to better assure and confirm unto the Company, the Agent or the Collateral Agent its rights, powers and remedies hereunder.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Transfer and Administration Agreement as of the date first written above.

ENTERPRISE FUNDING CORPORATION,
as the Company

By: /s/ Stewart Cottle

Name: Stewart Cottle

Title: Vice President

NORDSTROM NATIONAL CREDIT BANK,
as Transferor

By: /s/ Carol Simonson

Name: Carol Simonson

Title:

Commitment
\$200,000,000

NATIONSBANK, N.A., as Agent
and as a Bank Investor

By: /s/ Michelle M. Heath

Name: Michelle M. Heath

Title: Vice President

EXHIBIT A

(FORM OF ADDITIONAL INVESTMENT CERTIFICATE)

I, _____, the undersigned _____ of Nordstrom National Credit Bank, a national banking association (the Transferor), pursuant to Section 2.2 of the Transfer and Administration Agreement dated August 14, 1996 (the Agreement), by and among the Transferor, Enterprise Funding Corporation (the Company) and NationsBank, N.A., as agent for the Company and the Bank Investors (in such capacity, the Agent), hereby certify that:

- (1) Either (i) there have been no material changes in the Account Guidelines other than as permitted under the Agreement since _____, 199__ (the later of August 14, 1996 and the date of the last prior Additional Investment Certificate) and since such date no material adverse change in the overall rate of collection of the Receivables has occurred or (ii) each of the Company and the Agent has been notified of any such material changes in the Account Guidelines and/or the overall rate of collection of the Receivables and has responded, in writing, to such notice that the Company agrees or the Bank Investors agree, as applicable, to continue to acquire Additional Class A Invested Amounts.
- (2) Either (i) there has been no material adverse change in the ability of the Transferor to service and collect the Receivables in accordance with the terms of the Pooling and Servicing Agreement since _____, 199__ (the later of August

14, 1996 and the date of the last prior Additional Investment Certificate) or (ii) each of the Company and the Agent has been notified of any such material adverse change in the ability of the Transferor to service and collect the Receivables and has responded, in writing, to such notice that the Company agrees or the Bank Investors agree, as applicable, to continue to acquire Additional Class A Invested Amounts.

- (3) The Aggregate Principal Receivables as of the Business Day immediately preceding the date hereof \$_____
- (4) The Invested Amount as of the Business Day immediately preceding the date hereof \$_____
- (5) The Net Investment as of the Business Day immediately preceding the date hereof \$_____
- (6) The Class B Invested Amount as of the Business Day immediately preceding the date hereof \$_____
- (7) The amount of the Additional Class A Invested Amount requested by the Transferor \$_____
- (8) Invested Amount after giving effect to the Additional Class A Invested Amount (line 4 plus line 7) \$_____
- (9) Net Investment after giving effect to the Additional Class A Invested Amount (line 5 plus line 7, but not to exceed \$200,000,000) \$_____

- (10) The Transferor Amount minus the Excluded Receivables Balance after giving effect to the Additional Class A Invested Amount\$_____
- (11) The Transferor Amount minus the Excluded Receivables Balance (line (10)) is not less than the Minimum Transferor Amount(Yes)
- (12) The Class B Invested Amount (line (6)) is not less than the Minimum Enhancement Amount (Yes)
- (13) No Potential Termination Event or Termination Event under the Agreement has occurred. (No)

Capitalized terms used and not otherwise defined herein shall have the meaning assigned to such terms in the Agreement.

IN WITNESS WHEREOF, I have duly executed and delivered this Additional Investment Certificate on this ____ day of _____, 199_.

NORDSTROM NATIONAL CREDIT
BANK,
as Transferor

By: _____
Name:
Title:

EXHIBIT B

(FORM OF SECRETARY'S CERTIFICATE OF THE TRANSFEROR)

I, _____, the undersigned (Secretary)(Assistant Secretary) of NORDSTROM NATIONAL CREDIT BANK, a national banking association (the Transferor), DO HEREBY CERTIFY that:

1. Attached hereto as Annex A is a true and complete copy of the Articles of Association of the Transferor as in effect on the date hereof.

2. Attached hereto as Annex B is a true and complete copy of the By-laws of the Transferor as in effect on the date hereof.

3. Attached hereto as Annex C is a true and complete copy of the resolutions duly adopted by the Board of Directors of the Transferor adopted on _____, 199_, authorizing the execution, delivery and performance of each of the documents mentioned therein, which resolutions have not been revoked, modified, amended or rescinded and are still in full force and effect.

4. The below-named persons have been duly qualified as and at all times since _____, 199_, to and including the date hereof have been officers or representatives of the Transferor holding the respective offices or positions below set opposite their names and the signatures below set opposite their names are their genuine signatures:

Name	Office	Signatures
	President	_____
	Vice President	_____
	Vice President and Treasurer	_____
	Secretary	_____

5. The representations and warranties of the Transferor contained in Section 3.1 of the Transfer and Administration Agreement dated as of August 14, 1996 by and among the Transferor, Enterprise Funding Corporation and NationsBank, N.A. are true and correct as if made on the date hereof.

WITNESS my hand and seal of the Transferor as of this 14th day of August 1996.

(Vice President, Cashier
and Secretary)

I, the undersigned, _____ of the Transferor, DO HEREBY CERTIFY that _____ is the duly elected and qualified (Secretary)(Assistant Secretary) of the Transferor and the signature above is his/her genuine signature.

WITNESS my hand as of this 14th day of August, 1996.

(Title)

EXHIBIT C

(FORM OF OPINION OF LANE, POWELL, SPEARS, LUBERSKY, LLP,
SPECIAL COUNSEL TO THE BANK)

(Lane, Powell, Spears, Lubersky, LLP, Special Counsel to the Bank shall furnish such counsel's written opinion substantially to the effect that:)

(i) The Bank has been duly organized and is validly existing as a national banking association in good standing under the laws of the United States of America with full power and authority (corporate and other) to own its properties and conduct its business, as presently owned and conducted by it, and to enter into and perform its obligations under the Transfer and Administration Agreement, the Pooling and Servicing Agreement and the Series Supplement (collectively, the Agreements), and the Certificates and had at all times, and now has, the power, authority and legal right to acquire, own and transfer the Receivables;

(ii) The Bank is duly qualified to do business and is in good standing, and under state laws, as they are currently interpreted and enforced, has obtained all necessary licenses and approvals in each jurisdiction in which failure to qualify or to obtain such licenses or approvals would materially and adversely affect the enforceability of any Receivable by the Bank or the Trustee or would adversely affect the ability of the Bank to perform its obligations under the Agreements or the Certificates;

(iii) The Certificates have been duly authorized, executed and delivered by the Bank and, when duly authenticated by the Trustee in accordance with the terms of the Pooling and Servicing Agreement and delivered to and paid for by the purchasers thereof, will be validly issued and outstanding and entitled to the benefits provided by the Pooling and Servicing Agreement and the Series Supplement;

(iv) Each of the Agreements has been duly authorized, executed and delivered by the Bank and constitutes the legal, valid and binding agreement of the Bank enforceable against the Bank in accordance with its terms, subject, as to enforceability to (A) the effect of bankruptcy, insolvency, moratorium, receivership, reorganization, liquidation and other similar laws relating to or affecting the rights and remedies of creditors generally, and (B) the application of principles of equity (regardless of whether considered and applied in a proceeding in equity or at law) and the rights and powers of the FDIC;

(v) The Trust is not now, and immediately following the sale of the Certificates will not be, required to register under the 1940 Act;

(vi) No consent, approval, authorization or order of any governmental agency or body is required for (A) the execution, delivery and performance by the Bank of its obligations under the Agreements or the Certificates, or (B) the issuance or sale of the Certificates, except for the filing of Uniform Commercial Code financing statements with respect to the Receivables and such consents, approvals, authorizations or orders as have already been obtained or made and as are in full force and effect;

(vii) To the best knowledge of such counsel, neither the execution and delivery of the Agreements or the Certificates by the Bank nor the performance by the Bank of the transactions therein contemplated nor the fulfillment of the terms thereof does or will result in any violation of any statute or regulation or any order or decree of any court or governmental authority binding upon the Bank or its property, or conflict with, or result in a breach or violation of any term or provision of, or result in a default under any of the terms and provisions of, the Bank's articles of association or by-laws or any material indenture, loan agreement or other material agreement to which the Bank is a party or by which the Bank is bound; and

(viii) To the knowledge of such counsel after due investigation, there are no legal or govern-

mental proceedings pending to which the Bank is a party or to which the Bank is subject which, individually or in the aggregate (A) would have a material adverse effect on the ability of the Bank to perform its obligations under the Agreements or the Certificates, (B) assert the invalidity of the Agreements or the Certificates or (C) seek to prevent the issuance, sale or delivery of the Certificates or any of the transactions contemplated by the Agreements.

EXHIBIT D

(FORM OF OPINION OF LANE, POWELL, SPEARS, LUBERSKY, LLP,
SPECIAL COUNSEL TO THE BANK)

(Lane, Powell, Spears, Lubersky, LLP, Special
Counsel to the Bank shall furnish its written opinion
substantially to the effect that:)

(i) Each of the Transfer and Administration Agreement, the Pooling and Servicing Agreement and the Series Supplement (collectively, the Agreements) constitutes the valid and binding obligation of the Bank, enforceable against the Bank in accordance with its terms, except (x) to the extent that the enforceability thereof may be limited by (a) bankruptcy, insolvency, receivership, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and the rights of creditors of national banks as the same may be applied in the event of the bankruptcy, insolvency, receivership, reorganization, moratorium or other similar event in respect of the Bank, (b) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity) and (c) the qualification that certain of the remedial provisions of the Agreements may be unenforceable in whole or in part, but the inclusion of such provisions does not affect the validity of the Agreements taken as a whole, and the Agreements, together with applicable law, contain adequate provisions for the practical realization of the benefits of the security created thereby and (y) such counsel expresses no opinion as to the enforceability of any rights to contribution or indemnification which are violative of public policy underlying any law, rule or regulation;

(ii) The Certificates, when executed and authenticated in accordance with the terms of the Pooling and Servicing Agreement and delivered to and paid for by the purchasers thereof,

will be duly and validly issued and outstanding and will be entitled to the benefits of the Pooling and Servicing Agreement and the Series Supplement;

(iii) Neither the execution, delivery or performance by the Bank of the Agreements, nor the compliance by the Bank with the terms and provisions thereof, will contravene any provision of any applicable law;

(iv) Based on such counsel's review of applicable laws, no governmental approval, which has not been obtained or taken and is not in full force and effect, is required to authorize or is required in connection with the execution, delivery or performance of the Agreements by the Bank; and

(v) The Pooling and Servicing Agreement is not required to be qualified under the Trust Indenture Act of 1939, as amended, and the Trust is not required to be registered under the 1940 Act.

EXHIBIT E

(FORM OF OPINION OF DAVIS, GRAHAM & STUBBS,
SPECIAL COUNSEL TO THE BANK)

(Davis, Graham & Stubbs, Special Counsel to the Bank shall furnish its written opinion substantially to the effect that:)

We are of the opinion that the Pooling and Servicing Agreement, as supplemented by the Series Supplement (the Agreement), creates a valid security interest (as that term is defined in Section 1-201(37) of the Uniform Commercial Code (including the conflict of laws rules thereof) as in effect in each applicable jurisdiction (the UCC), including Colorado (the Colorado UCC)), under Article 9 of the Colorado UCC (Security Interest) in favor of the Trustee in each Receivable (except that the Security Interest will attach only when the Transferor possesses rights in such Receivable). The internal laws of Colorado govern the perfection by the filing of financing statements of the Trustee's Security Interest in the Receivables and the proceeds thereof. The Financing Statement(s) have been filed in the filing office(s) located in Colorado listed in Schedule I hereto, which [is] [are] the only office(s) in which filings are required under the Colorado UCC to perfect the Trustee's Security Interest in the Receivables and the proceeds thereof, and accordingly the Trustee's Security Interest in each Receivable and the proceeds thereof will, on the date of the initial transfer under the Agreement, be perfected under Article 9 of the Colorado UCC. All filing fees and all taxes required to be paid as a condition to or upon the filing of the Financing Statement(s) in Colorado have been paid in full. As of the date hereof, there were no (i) UCC financing statements naming Transferor or any other Person as debtor, seller or assignor and covering any Receivables or any interest therein or (ii) notices of the filing of any federal tax lien (filed pursuant to Section 6323 of the Internal Revenue Code) or lien of the Pension Benefit Guaranty Corporation (filed pursuant to Section 4068 of the Employment Retirement Insurance Act) covering any Receivable or any interest therein. The filing of the Financing Statement(s) in the filing offices listed in

Schedule I will create a first priority Security Interest in each Receivable. Such perfection and priority will continue, provided that appropriate continuation statements are timely filed where and when required under the UCC.

(FORM OF QUARTERLY SERVICER'S CERTIFICATE)

NORDSTROM NATIONAL CREDIT BANK

The undersigned, a duly authorized representative of Nordstrom National Credit Bank (Nordstrom), as Servicer pursuant to the Master Pooling and Servicing Agreement dated as of August 14, 1996 (the Pooling and Servicing Agreement), between Nordstrom, as Transferor and Servicer, and Norwest Bank Colorado, as Trustee, as supplemented by a Series 1996-A Supplement dated as of August 14, 1996 (the Series Supplement), among Nordstrom, Nordstrom Credit, Inc. and the Trustee, does hereby certify that:

1. Capitalized terms used in this Officer's Certificate have their respective meanings set forth in the Pooling and Servicing Agreement.
2. Nordstrom is as of the date hereof the Servicer under the Pooling and Servicing Agreement.
3. The undersigned is duly authorized pursuant to the Pooling and Servicing Agreement to execute and deliver this Officer's Certificate to NationsBank, N.A., as administrative agent under the Transfer and Administration Agreement dated as of August 14, 1996 (the Transfer and Administration Agreement) by and among Nordstrom, Enterprise Funding Corporation and NationsBank, N.A.
4. This certificate is delivered pursuant to Section 3.7 of the Transfer and Administration Agreement.
5. A review of the activities of the Servicer during the calendar quarter ended _____, _____, and of its performance under the Transfer and Administration Agreement, the Pooling and Servicing Agreement and the Series Supplement was made under my supervision.

6. Based on such review, to the best of the undersigned's knowledge, the Servicer has fully performed all its obligations under the Transfer and Administration Agreement, the Pooling and Servicing Agreement and the Series Supplement throughout such calendar quarter and no event which, with the giving of notice or passage of time or both, would constitute a Termination Event or Servicer Default has occurred or is continuing except as set forth in paragraph 7 below.

7. The following is a description of each Termination Event or Servicer Default under the provisions of the Transfer and Administration Agreement, the Pooling and Servicing Agreement and the Series Supplement known to me to have been made during the calendar quarter ended _____, _____, which sets forth in detail the (i) nature of each such Termination Event or Servicer Default, (ii) the action taken by the Servicer, if any, to remedy each such Termination Event or Servicer Default and (iii) the current status of each such Termination Event or Servicer Default:

IN WITNESS WHEREOF, the undersigned, a duly authorized officer of the Servicer, has duly executed this Certificate this ___ day of _____, ____.

By: _____
Name:
Title:

(FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT)

Reference is made to the Transfer and Administration Agreement dated as of August 14, 1996, as it may be amended or otherwise modified from time to time (as so amended or modified, the Agreement), by and among Nordstrom National Credit Bank, Enterprise Funding Corporation and NationsBank, N.A. Terms defined in the Agreement are used herein with the same meaning.

(NAME OF ASSIGNOR), in its capacity as (the Company) (a Bank Investor) under the Agreement (the "Assignor") and (NAME OF ASSIGNEE) (the "Assignee") agree as follows:

1. .

The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, a (_____)% interest in and to all of the Assignor's rights and obligations under the Agreement as of the date hereof (including, without limitation, such percentage interest in all of the Net Investment of the Bank Investor with respect to which the Assignor is a member, which (after giving effect to any other assignments thereof made prior to the date hereof, whether or not such assignments have been effective, but without giving effect to any other assignments thereof also made on the date hereof) is \$_____.)

(2. In consideration of the payment of \$_____, being ___% of the existing (aggregate) Net Investment attributable to the portion(s) of the Investor Interest referred to below, and of \$_____, being ___% of the (aggregate) unpaid accrued Carrying Costs attributable to such portion(s) of such Investor Interest, receipt of which payment is hereby acknowledged, the Assignor hereby assigns to the Agent for the account of the Assignee, and the Assignee hereby purchases from the Assignor, a ___% interest in and to all of the Assignor's right, title and interest in and to the portion(s) of the Investor Interest purchased by the undersigned on _____, 19__ under the Agreement.)

3. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any Lien created by it; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Agreement or any other instrument or document furnished pursuant thereto or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Agreement or the Investor Certificates, or any other instrument or document furnished pursuant thereto; and (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Transferor or the performance or observance by the Transferor of any of its obligations under the Agreement, the Investor Certificates, or any instrument or document furnished pursuant thereto.

4. The Assignee (i) confirms that it has received a copy of the Agreement, the pertinent Investor Certificate and the Fee Letter, together with copies of the financial statements referred to in Section 3.3 of the Agreement, to the extent delivered through the date of this Assignment and Assumption Agreement, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption Agreement and purchase such interest in the Assignor's rights and obligations under the Agreement; (ii) agrees that it will, independently and without reliance upon the Agent or any of its Affiliates, the Assignor or any other Bank Investor and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Agreement, the pertinent Investor Certificate and the Fee Letter; (iii) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such power under the Agreement, the Investor Certificates and the Fee Letter as are delegated to the Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (iv) appoints the Agent to enforce its respective rights and interests in and under the Trust Property in accordance with Article V of the Agreement; (v) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Agreement are required to be per-

formed by it as a Bank Investor; (vi) specifies as its address for notices and its account for payments the office and account set forth beneath its name on the signature pages hereof; and (vii) attaches the forms prescribed by the Internal Revenue Service of the United States of America certifying as to the Assignee's status for purposes of determining exemption from United States withholding taxes with respect to all payments to be made to the Assignee under the Agreement or such other documents as are necessary to indicate that all such payments are subject to such rates at a rate reduced by an applicable tax treaty.

5. The effective date for this Assignment and Assumption Agreement shall be the later of (i) the date on which the Agent receives this Assignment and Assumption Agreement executed by the parties hereto, and receives and agrees to the consent of the Transferor executed in substantially the form of Annex 1 hereto (the "Consent"), and (ii) the date of this Assignment and Assumption Agreement (the "Effective Date"). Following the execution of this Assignment and Assumption Agreement and the execution by the Transferor of the Consent, this Assignment and Assumption Agreement and such Consent will be delivered to the Agent for acceptance and, with respect to the Assignment and Assumption Agreement, recording by the Agent.

6. Upon such acceptance and recording, as of the Effective Date, (i) the Assignee shall be a party to the Agreement and, to the extent provided in this Assignment and Assumption Agreement, have the rights and obligations of a Bank Investor thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Assumption Agreement, relinquish its rights and be released from its obligations under the Agreement.

7. Upon such acceptance and recording, from and after the Effective Date, the Agent shall make all payments under the Agreement in respect of the interest assigned hereby (including, without limitation, all payments in respect of such interest in the related Net Investment, Carrying Costs allocable to the related Bank Investor and fees) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Agreement for periods prior to the Effective Date directly between themselves.

8. This Assignment and Assumption Agreement shall be governed by, and construed in accordance with, the laws of the State of [NAME OF GOVERNING LAW STATE].

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Assumption Agreement to be executed by their respective officers thereunto duly authorized as of the day of , 199_.

(NAME OF ASSIGNOR)

By:

Name:
Title:

(NAME OF ASSIGNEE)

By:

Name:
Title:

Address for notices and Account for payments:

For Credit Matters: For Administrative Matters:

(NAME),	(NAME),
(ADDRESS)	(ADDRESS)
Attn:	Attn:
Telephone:	Telephone:
Telefax:	Telefax:

Account for Payments:

(ACCOUNT NAME)
(ROUTING ADDRESS)
ABA Number:
Account Number:
Attn:

Accepted this day
of , 199_

NATIONSBANK, N.A.
as Agent

By: _____
Name:
Title:

ANNEX 1 TO ASSIGNMENT AND
ASSUMPTION AGREEMENT

CONSENT TO ASSIGNMENT AND ASSUMPTION

(DATE OF ASSIGNMENT
AND ASSUMPTION)

NationsBank, N.A.
as Agent
NationsBank Corporate Center
100 North Tryon Street, 10th Floor
Charlotte, North Carolina 28255-0001

Reference is made to the Transfer and Administration Agreement dated as of August 14, 1996, as it may be amended or otherwise modified from time to time (as so amended or modified, the "Agreement"), by and among Nordstrom National Credit Bank, Enterprise Funding Corporation and NationsBank, N.A. and the Assignment and Assumption Agreement dated as of (DATE OF ASSIGNMENT AND ASSUMPTION) (the "Assignment and Assumption") between (NAME OF ASSIGNOR), as assignor, and (NAME OF ASSIGNEE), as assignee. Terms defined in the Agreement are used herein with the same meaning.

Each of the undersigned hereby consents to the execution, delivery and performance of the Assignment and Assumption on the terms and conditions specified therein.

(NAME OF CONSENTING PARTY)

By:
Name:
Title:

Agreed to as of the date
first above written:

NationsBank, N.A.,
as Agent

By:
Name:
Title:

DEFINED TERMS UNDER THE FINANCIAL COVENANTS

"Capitalized Leases" shall mean all leases of Nordstrom Credit, Inc. and its Subsidiaries of real or personal property that are required to be capitalized on the balance sheet of such Persons. The amount of any Capitalized Lease shall be the capitalized amount thereof.

"Contingent Obligation" shall mean, as to any Person, any obligation, direct or indirect, contingent or otherwise, of such Person (i) with respect to any Debt or other obligation of another Person, including any direct or indirect guarantee of such Debt (other than any endorsement for collection in the ordinary course of business) or any other direct or indirect obligation, by agreement or otherwise, to purchase or repurchase any such Debt or obligation or any security therefor, or to provide funds for the payment or discharge of any such Debt or obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise), (ii) to provide funds to maintain the financial condition of any other Person, or (iii) otherwise to assure or hold harmless the holders of Debt or other obligations of another Person against loss in respect thereof. The amount of any Contingent Obligation under clause (i) or (ii) shall be the greater of (a) the amount of the Debt or obligation guaranteed or otherwise supported thereby, or (b) the maximum amount guaranteed or supported by the Contingent Obligation.

"Coverage Ratio" shall mean a ratio at the date at which the determination is made determined pursuant to the following formula, based on figures for the immediately preceding Fiscal Quarter:

$$\text{CR} = \frac{\text{IAFC}}{\text{FC}}$$

CR = Coverage Ratio
 IAFC = Income Available for Fixed Charges
 FC = Fixed Charges

"Debt" shall mean, with respect to any Person, the aggregate amount of, without duplication: (i) all obligations for

borrowed money; (ii) all obligations evidenced by bonds, debentures, notes or other similar instruments; (iii) all obligations to pay the deferred purchase price of property or services, except trade accounts payable not overdue arising in the ordinary course of business; (iv) all Capitalized Leases; (v) all obligations of others secured by a Lien on any asset owned by such Person or Persons whether or not such obligation or liability is assumed; (vi) all obligations of such Person or Persons, contingent or otherwise, in respect of any letters of credit or bankers' acceptances; (vii) all Contingent Obligations; and (viii) all obligations of such Persons under facilities for the discount or sale of receivables.

"Fiscal Quarter" shall mean any quarter of a fiscal year of Nordstrom Credit, Inc., which shall be the 12 month-period ending on January 31 in each year or such other period as Nordstrom Credit, Inc. may designate and NationsBank, N.A., as Agent under the Transfer and Administration Agreement of which this Exhibit H forms a part, may approve in writing.

"Fixed Charges" shall mean total interest expense of Nordstrom Credit, Inc. and its Subsidiaries with respect to Liabilities, whether paid or accrued.

"Income Available for Fixed Charges" shall mean the net earnings of Nordstrom Credit, Inc. and its Subsidiaries, before any deduction for Fixed Charges or provision for Taxes in respect of income.

"Intangible Assets" shall mean, to the extent reflected in stockholder's equity all unamortized debt discount and expense, unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights, organization or development expenses and other intangible assets of Nordstrom Credit, Inc. and its Subsidiaries.

"Liabilities" shall mean all liabilities of Nordstrom Credit, Inc. and its Subsidiaries that have been or would properly be classified as liabilities on the balance sheet of Nordstrom Credit, Inc. and its Subsidiaries.

"Lien" shall mean any lien, mortgage, pledge, security interest, charge, or encumbrance of any kind (including any conditional sale or other title retention agreement or any lease in the nature thereof) and any agreement to give or refrain from

giving any lien, mortgage, pledge, security interest, charge, or other encumbrance of any kind.

"Person" shall have the meaning set forth in Section 1.1 of the Transfer and Administration Agreement of which this Exhibit H forms a part.

"Subordinated Debt" shall mean, at any time, all Debt of Nordstrom Credit, Inc. and its Subsidiaries for borrowed money outstanding at such time that, by its terms, is subordinated both in time and right of payment to the prior payment in full in cash of all trade credit and the Obligations, as such term is defined in the Credit Agreement, dated as of June 23, 1995, by and among Nordstrom Credit, Inc., Morgan Guaranty Trust Company of New York, Bank of America National Trust and Savings Association and First Interstate Bank of Denver, N.A.

"Subsidiary" shall have the meaning set forth in Section 1.1 of the Transfer and Administration Agreement of which this Exhibit H forms a part.

"Tangible Net Worth" shall mean, at any time, the stockholder's equity of Nordstrom Credit, Inc. and its Subsidiaries, minus Intangible Assets at such time.

"Taxes" shall mean any present or future income, stamp and other taxes, charges, fees, levies, duties, imposts, withholdings or other assessments, together with any interest and penalties, additions to tax and additional amounts imposed by any federal, state, local or foreign taxing authority upon any Person.