

ALLIANCE DATA SYSTEMS, INC.
RETAINER AGREEMENT
[CUSTOMER]-FALL [YEAR] SEASON

The following represents the proposed Retainer Agreement (the "Agreement") between Alliance Data Systems, Inc. ("Alliance Data") and [CUSTOMER] ("Customer") for the Fall [YEAR] season, consisting of [AUGUST ____ THROUGH JANUARY ____]. Customer and Alliance Data have agreed that Alliance Data will execute certain database marketing programs defined below during the Fall [YEAR] Season for the benefit of Customer.

ANALYTICAL RESOURCES PROVIDED BY ALLIANCE DATA

As part of the Agreement, Alliance Data commits to providing the following resources as an Account Team to Customer during the Fall [YEAR] season:

Account Manager	100%
Senior Analyst	100%
Analyst	100%
Analyst	100%
Analyst	50%

SERVICES INCLUDED IN THE RETAINER FEE

- Strategic and tactical consulting
- Database program development, implementation, analysis, and management
- Segmentation model building using CHAID techniques
- Coordination of database programs with Alliance Data MIS, Credit Marketing Projects Group, and Portfolio, plus Epsilon and outside vendors (as defined in programs)
- Account administration, including billing, budgeting, maintenance of account documentation, and ad-hoc pricing
- Data processing (tape production, CPU time)

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SERVICES INCLUDED IN THE RETAINER FEE (CONTINUED)

- Flexibility Clause:
In an effort to be responsive to Customer's changing business needs, the Alliance Data Account Team can work on new, higher priority projects outside of those described in this Agreement below as a trade to existing, lower priority projects. Or, Customer can request additional Analysts be added to the team to support the extra projects with 30 days notice. Alliance Data will propose the experience level of the Analyst to be added and the increase in retainer fee.

SERVICES EXCLUDED FROM THE RETAINER FEE

OTHER ALLIANCE DATA AGREEMENTS

- Fixed cost of the database updates and maintenance
- Credit program services provided by Alliance Data's Credit Marketing Projects Group, except for the execution of standard Gold upgrades.

ADDITIONAL PRODUCTS AND SERVICES

These products and services can be purchased at Customer's request.

- Alliance Data's Portrait TM consumer profile product
- Demographic and Lifestyle overlays of the Customer subset
- Building statistical models (utilizing regression or neural network modeling techniques), outside those proposed below.
- Execution of surveys and tabulation of results
- Prospecting list acquisition and processing expenses
- Insert coordination

DATABASE MARKETING FALL [YEAR] PROGRAMS

Exhibit 1 illustrates the Database marketing programs scheduled to be performed by Alliance Data for Customer during the Fall [YEAR] season as part of this Agreement.

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RETAINER FEE FOR THE FALL [YEAR] SEASON

Alliance Data's charge for the retainer team of one account manager, one senior analyst, plus two and a half analysts is \$_____. Alliance Data will bill Customer the base fee of \$_____ on the 15th of each month beginning August 15, ____ through December 15, _____, with the sixth and final bill to be submitted on January 15, _____ totaling \$_____. Payment is due within thirty (30) days of the invoice date.

EFFECTIVE DATES

Upon receipt of written sign off below, Alliance Data will assign an a account team to be retained by Customer for the Fall season from August __, _____ through January __, _____. A renewal retainer proposal for the Spring _____ Season will be submitted to Customer by _____.

CUSTOMER

_____ Date: _____
(Vice President Marketing)

_____ Date: _____
(Chief Financial Officer)

ALLIANCE DATA SYSTEMS

_____ Date: _____
(Director, Database Marketing Analysis & Modeling)