
DISCOVER CARD EXECUTION NOTE TRUST

Issuer

and

U.S. BANK NATIONAL ASSOCIATION

Indenture Trustee

CLASS B(2011-1) TERMS DOCUMENT

Dated as of February 25, 2011

to

AMENDED AND RESTATED INDENTURE SUPPLEMENT

Dated as of June 4, 2010

for the DiscoverSeries Notes

to

INDENTURE

Dated as of July 26, 2007

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Exhibit

Exhibit A Form of Class B Note

THIS CLASS B(2011-1) TERMS DOCUMENT (this “*Terms Document*”), by and between DISCOVER CARD EXECUTION NOTE TRUST, a statutory trust created under the laws of the State of Delaware (the “*Issuer*”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as Indenture Trustee (the “*Indenture Trustee*”), is made and entered into as of February 25, 2011.

Pursuant to this Terms Document, the Issuer shall create a new Tranche of Class B Notes of the DiscoverSeries and shall specify the principal terms thereof.

ARTICLE I

Definitions and Other Provisions of General Application

Section 1.01. *Definitions.* For all purposes of this Terms Document, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular;

(2) all other terms used herein which are defined in the Note Purchase Agreement, dated as of February 25, 2011, by and among Discover Card Execution Note Trust, Discover Bank and the Purchaser (as defined therein) (as may be amended, supplemented, restated, amended and restated or otherwise modified from time to time, the “*Note Purchase Agreement*”), Indenture Supplement or the Indenture, either directly or by reference therein, have the meanings assigned to them therein;

(3) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles and, except as otherwise herein expressly provided, the term “generally accepted accounting principles” with respect to any computation required or permitted hereunder means such accounting principles as are generally accepted in the United States of America at the date of such computation;

(4) all references in this Terms Document to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this Terms Document; the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Terms Document as a whole and not to any particular Article, Section or other subdivision;

(5) in the event that any term or provision contained herein shall conflict with or be inconsistent with any term or provision contained in the Indenture Supplement or the Indenture, the terms and provisions of this Terms Document shall be controlling, but solely with respect to the Class B(2011-1) Notes;

(6) each capitalized term defined herein shall relate only to the Class B(2011-1) Notes and no other Tranche of Notes issued by the Issuer;

(7) “including” and words of similar import will be deemed to be followed by “without limitation”; and

(8) for purposes of determining any amount or making any calculation hereunder, such amount or calculation, (x) if specified to be as of the first day of any Due Period, shall (a) include any Notes issued during such Due Period as if such Notes had been outstanding on the first day of such Due Period and (b) give effect to any payments, deposits or other allocations made on the Distribution Date related to the prior Due Period, and (y) if specified to be as of the close of business on the last day of any Due Period shall give effect to any payments, deposits or other allocations made on the related Distribution Date.

“*Accumulation Amount*” means \$6,250,000; *provided, however*, if the commencement of the Accumulation Period is delayed in accordance with Section 2.13 hereof, the Accumulation Amount shall be determined in accordance with the definition of “Accumulation Amount” in the Indenture Supplement.

“*Accumulation Commencement Date*” means February 1, 2012, or such later date as the Calculation Agent on behalf of the Issuer determines in accordance with Section 2.13 hereof.

“*Accumulation Period*” has the meaning set forth in the Indenture Supplement.

“*Accumulation Period Length*” means 12 months; *provided, however*, if the commencement of the Accumulation Period is delayed in accordance with Section 2.13 hereof, the Accumulation Period Length shall be determined in accordance with the definition of “Accumulation Period Length” in the Indenture Supplement.

“*Accumulation Reserve Funding Period*” shall not apply if the Calculation Agent on behalf of the Issuer notifies the Indenture Trustee that it expects the Accumulation Period Length to be adjusted to one (1) month, and otherwise shall mean a period commencing on the first Distribution Date on which a condition in the right column of the following table was in effect on the immediately preceding Distribution Date, if the Distribution Date is a Distribution Date described in the corresponding left column of the following table, and ending on the Distribution Date immediately preceding the earlier to occur of:

(x) the Expected Maturity Date for the Class B(2011-1) Notes and

(y) the Principal Payment Date on which the Outstanding Dollar Principal Amount of the Class B(2011-1) Notes is paid in full.

Distribution Date:	Condition:
(a) The Distribution Date occurring three (3) calendar months prior to the first scheduled Distribution Date of the Accumulation Period (as adjusted in accordance with Section 2.13 hereof) and any following Distribution Date	No condition.
(b) The Distribution Date occurring four (4)	The three-month rolling average Excess

calendar months prior to the first scheduled Distribution Date of the Accumulation Period (as adjusted in accordance with Section 2.13 hereof) and any following Distribution Date	Spread Percentage is less than 4%.
(c) The Distribution Date occurring six (6) calendar months prior to the first scheduled Distribution Date of the Accumulation Period (as adjusted in accordance with Section 2.13 hereof) and any following Distribution Date	The three-month rolling average Excess Spread Percentage is less than 3%.
(D) The Distribution Date occurring twelve (12) calendar months prior to the first scheduled Distribution Date of the Accumulation Period (as adjusted in accordance with Section 2.13 hereof) and any following Distribution Date	The three-month rolling average Excess Spread Percentage is less than 2%.

“*Class B(2011-1) Accreted Discount*” means, for any Distribution Date, the amount of principal accreted on the Class B(2011-1) Notes in accordance with Section 2.12 hereof through the Monthly Principal Accretion Period ending on such Distribution Date.

“*Class B(2011-1) Adverse Event*” means the occurrence of any of the following: (a) an Early Redemption Event with respect to the Class B(2011-1) Notes or (b) an Event of Default and acceleration of the Class B(2011-1) Notes; *provided, however*, that if the only such event to have occurred is an Excess Spread Early Redemption Event for which an Excess Spread Early Redemption Cure has occurred, a Class B(2011-1) Adverse Event shall not be treated as continuing from and after the date of such cure.

“*Class B(2011-1) Note*” means any Note, in the form set forth in Exhibit A hereto, designated therein as a Class B(2011-1) Note and duly executed and authenticated in accordance with the Indenture.

“*Class B(2011-1) Noteholder*” means a Person in whose name a Class B(2011-1) Note is registered in the Note Register.

“*Class B(2011-1) Termination Date*” means the earliest to occur of (a) the Principal Payment Date on which the Outstanding Dollar Principal Amount of the Class B(2011-1) Notes is paid in full, (b) the Legal Maturity Date and (c) the date on which the Indenture is discharged and satisfied pursuant to Article VI thereof.

“*Class B Tranche Interest Allocation*” notwithstanding anything to the contrary in the Indenture Supplement, for the Class B (2011-1) Notes shall be zero; provided that, if the Outstanding Dollar Principal Amount is not paid in full on or prior to the Expected Maturity Date, for any Distribution Date after the Expected Maturity Date, the Class B Tranche Interest

Allocation shall be the Class B Interest for the Class B(2011-1) Notes *plus* any Interest Allocation Shortfall from the prior Distribution Date. Following a Receivables Sale for the Class B (2011-1) Notes, the Class B Tranche Interest Allocation shall be zero.

“*Class Expected Final Payment Date*” with respect to Series 2009-SD of the Master Trust has the meaning set forth in the Series 2009-SD Supplement.

“*Discount Amount*” means initially \$1,351,200; provided that following any issuance of additional Class B(2011-1) Notes in accordance with Section 2.09, the Discount Amount shall mean the amount specified in the Notice of Additional Issuance.

“*Encumbered Amount*” means, for the Class B(2011-1) Notes, an amount equal to

(a) the Nominal Liquidation Amount of the Class B(2011-1) Notes, *divided by*

(b) the Nominal Liquidation Amount of all Tranches of Class B Notes in the DiscoverSeries, *multiplied by*

(c) the aggregate Required Subordinated Amount of Class B Notes for all Tranches of Class A Notes in the DiscoverSeries with a Required Subordinated Amount of Class B Notes greater than zero.

“*Encumbered Required Subordinated Amount of Class C Notes*” means, for the Class B(2011-1) Notes, an amount equal to the product of

(a) the Encumbered Amount for the Class B(2011-1) Notes, and

(b) the Required Subordinated Percentage of Class C Notes (Encumbered) for the Class B(2011-1) Notes.

“*Encumbered Required Subordinated Amount of Class D Notes*” means, for the Class B(2011-1) Notes, an amount equal to the product of

(a) the Encumbered Amount for the Class B(2011-1) Notes and

(b) the Required Subordinated Percentage of Class D Notes (Encumbered) for the Class B(2011-1) Notes.

“*Excess Spread Percentage*” for any Distribution Date means a fraction, the numerator of which is the Excess Spread Amount for such Distribution Date *multiplied by* 12 and the denominator of which is the sum of the Nominal Liquidation Amounts of all Tranches of DiscoverSeries Notes as of the first day of the related Due Period.

“*Expected Maturity Date*” means February 15, 2013.

“*Indenture*” means the Indenture, dated as of July 26, 2007, by and between the Issuer and Indenture Trustee, as amended by the First Amendment to Indenture, dated as of June 4,

2010, as such agreement may be further amended, supplemented, restated, amended and restated, replaced or otherwise modified from time to time.

“*Indenture Supplement*” means the Amended and Restated Indenture Supplement for the DiscoverSeries Notes, dated as of June 4, 2010, by and between the Issuer and the Indenture Trustee, as the same may be further amended, supplemented, restated, amended and restated, replaced or otherwise modified from time to time.

“*Initial Dollar Principal Amount*” means \$73,648,800, or such higher amount as is specified in any Notice of Additional Issuance under Section 2.09.

“*Interest Accrual Period*” means, with respect to any Interest Payment Date, the period from and including the previous Interest Payment Date to but excluding such Interest Payment Date (or, in the case of the first Interest Payment Date occurring after the Expected Maturity Date, from and including the Expected Maturity Date to but excluding such Interest Payment Date).

“*Interest Payment Date*” means, if the Outstanding Dollar Principal Amount is not paid in full on or prior to the Expected Maturity Date, the fifteenth day of each month commencing in March 2013, or if such fifteenth day is not a Business Day, the next succeeding Business Day.

“*Issuance Date*” means February 25, 2011 with respect to all Class B(2011-1) Notes issued on the date hereof and, with respect to any additional Class B(2011-1) Notes issued pursuant to Section 2.09, any Issuance Date specified in the Notice of Additional Issuance delivered thereunder.

“*Legal Maturity Date*” means August 17, 2015.

“*LIBOR*” means, with respect to any LIBOR Determination Date, the rate for deposits in United States dollars with a duration comparable to the relevant Interest Accrual Period which appears on Reuters Screen LIBOR01 as of 11:00 a.m., London time, on such day. If such rate does not appear on Reuters Screen LIBOR01, the rate will be determined by the Indenture Trustee on the basis of the rates at which deposits in United States dollars are offered by major banks in the London interbank market, selected by the Indenture Trustee, at approximately 11:00 a.m., London time, on such day to prime banks in the London interbank market with a duration comparable to the relevant Interest Accrual Period commencing on that day. The Indenture Trustee will request the principal London office of at least four banks to provide a quotation of its rate. If at least two such quotations are provided, the rate will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that day will be the arithmetic mean of the rates quoted by four major banks in New York City, selected by the Trustee, at approximately 11:00 a.m., New York City time, on that day for loans in United States dollars to leading European banks with a duration comparable to the relevant Interest Accrual Period commencing on that day. If LIBOR with respect to a LIBOR Determination Date is not determined pursuant to the foregoing, LIBOR with respect to such LIBOR Determination Date will be LIBOR with respect to the immediately prior LIBOR Determination Date.

“*LIBOR Determination Date*” means the second LIBOR Business Day immediately preceding the commencement of an Interest Accrual Period.

“*LIBOR Business Day*,” if applicable, shall mean a day other than a Saturday or a Sunday on which banking institutions in both the City of London, England and in New York, New York are not required or authorized by law to be closed.

“*Nominal Liquidation Amount*” means, notwithstanding anything to the contrary in the Indenture Supplement, with respect to the Class B(2011-1) Notes:

(a) on the Issuance Date thereof, \$75,000,000;

(b) on any Distribution Date thereafter such amount as increased or decreased pursuant to Section 3.01 of the Indenture Supplement and Section 2.09 hereof;

(c) on any date, other than a Distribution Date, on which Prefunding Excess Amount are withdrawn from the applicable Principal Funding Subaccount pursuant to Section 4.04 of the Indenture Supplement, the Nominal Liquidation Amount as of the beginning of such date *plus* the Prefunding Excess Amount so withdrawn; and

(d) on and after the date of a Receivables Sale for the Class B(2011-1) Notes, zero.

“*Note Interest Rate*” means zero; provided that if the Outstanding Dollar Principal Amount is not paid in full on or prior to the Expected Maturity Date, the Note Interest Rate shall be LIBOR + 0.90% per annum, calculated on the basis of the actual number of days elapsed and a 360-day year.

“*Notice of Additional Issuance*” has the meaning set forth in Section 2.09.

“*Outstanding Dollar Principal Amount*” means, for the Class B(2011-1) Notes, notwithstanding anything to the contrary in the Indenture Supplement, (a) prior to an issuance of additional Class B(2011-1) Notes, the sum of (i) the Initial Dollar Principal Amount of such Notes and (ii) the Class B(2011-1) Accreted Discount as determined in accordance with Section 2.12 hereof, minus (i) the aggregate amount of principal paid with respect to the Class B(2011-1) Notes as of the relevant date of determination and (ii) any net losses of principal of funds on deposit in respect of principal in the Principal Funding Account or the related Principal Funding Subaccount, as applicable, for the Class B(2011-1) Notes and (b) following the issuance of additional Class B(2011-1) Notes, the sum of (i) the Outstanding Dollar Principal Amount of such Notes determined as of the date of such additional issuance and (ii) the Class B(2011-1) Accreted Discount accreted after the date of such additional issuance, as determined in accordance with Section 2.12 hereof, minus (i) the aggregate amount, as of the relevant date of determination, of principal paid with respect to the Class B(2011-1) Notes after the date of such additional issuance and (ii) any net losses, as of the relevant date of determination, of principal of funds on deposit in respect of principal in the Principal Funding Account or the related Principal Funding Subaccount, as applicable, for the Class B(2011-1) Notes after the date of such additional issuance. Notwithstanding the foregoing, if a Receivables Sale has occurred with respect to the Class B(2011-1) Notes, the Outstanding Dollar Principal Amount shall be zero.

“*Required Daily Deposit Target Finance Charge Amount*” means, for any day in a Due Period, an amount equal to the Class B Tranche Interest Allocation for the related Distribution

Date; *provided, however*, that for purposes of determining the Required Daily Deposit Target Finance Charge Amount on any day on which the Class B Tranche Interest Allocation cannot be determined because the LIBOR Determination Date for the applicable Interest Accrual Period has not yet occurred, the Required Daily Deposit Target Finance Charge Amount shall be the Class B Tranche Interest Allocation determined based on a pro forma calculation made on the assumption that LIBOR will be LIBOR for the applicable period determined on the first day of such calendar month, multiplied by 1.25.

“*Required Daily Deposit Target Principal Amount*” means, for any day in a Due Period, (i) if such Due Period is in the Accumulation Period for the Class B(2011-1) Notes, the Accumulation Amount, (ii) if such day is on or after the occurrence and during the continuance of a Class B(2011-1) Adverse Event, the lesser of (x) the Outstanding Dollar Principal Amount of the Class B(2011-1) Notes and (y) the Nominal Liquidation Amount of the Class B(2011-1) Notes, and (iii) in all other circumstances, zero.

“*Required Subordinated Amount of Class C Notes*” means, for the Class B(2011-1) Notes for any date of determination, an amount equal to the sum of

(a) the Unencumbered Required Subordinated Amount of Class C Notes for such Class B(2011-1) Notes and

(b) the Encumbered Required Subordinated Amount of Class C Notes for such Class B(2011-1) Notes;

provided, however, that for any date of determination on or after the occurrence and during the continuation of a Class B(2011-1) Adverse Event, the Required Subordinated Amount of Class C Notes for the Class B(2011-1) Notes will be the greater of

(x) the amount determined above for such date of determination and

(y) the amount determined above for the date immediately prior to the date on which such Class B(2011-1) Adverse Event shall have occurred.

“*Required Subordinated Amount of Class D Notes*” means, for the Class B(2011-1) Notes for any date of determination, an amount equal to the sum of

(a) the Unencumbered Required Subordinated Amount of Class D Notes for such Class B(2011-1) Notes and

(b) the Encumbered Required Subordinated Amount of Class D Notes for such Class B(2011-1) Notes;

provided, however, that for any date of determination on or after the occurrence and during the continuation of a Class B(2011-1) Adverse Event, the Required Subordinated Amount of Class D Notes for the Class B(2011-1) Notes will be the greater of

(x) the amount determined above for such date of determination and

(y) the amount determined above for the date immediately prior to the date on which the Class B(2011-1) Adverse Event shall have occurred.

“*Required Subordinated Percentage of Class C Notes (Encumbered)*” means, for the Class B(2011-1) Notes, 127.272727%, subject to adjustment in accordance with Section 2.02.

“*Required Subordinated Percentage of Class C Notes (Unencumbered)*” means, for the Class B(2011-1) Notes, 8.641975%, subject to adjustment in accordance with Section 2.02; *provided, however*, that prior to the Class Expected Final Payment Date for Series 2009-SD, the Required Subordinated Percentage of Class C Notes (Unencumbered) for the Class B(2011-1) Notes will be 8.484848%, subject to adjustment in accordance with Section 2.02.

“*Required Subordinated Percentage of Class D Notes (Encumbered)*” means, for the Class B(2011-1) Notes, 218.181818%, subject to adjustment in accordance with Section 2.02; *provided, however*, that prior to the Class Expected Final Payment Date for Series 2009-SD, the Required Subordinated Percentage of Class D Notes (Encumbered) for the Class B(2011-1) Notes will be 190.909091%, subject to adjustment in accordance with Section 2.02.

“*Required Subordinated Percentage of Class D Notes (Unencumbered)*” means, for the Class B(2011-1) Notes, 14.814815%, subject to adjustment in accordance with Section 2.02; *provided, however*, that prior to the Class Expected Final Payment Date for Series 2009-SD, the Required Subordinated Percentage of Class D Notes (Unencumbered) for the Class B(2011-1) Notes will be 12.727273%, subject to adjustment in accordance with Section 2.02.

“*Reuters Screen LIBOR01*” means the display page currently so designated on the Reuters Screen (or such other page as may replace that page on that service for the purpose of displaying comparable rates or prices).

“*Stated Principal Amount*” means \$75,000,000 or such higher amount as is specified in any Notice of Additional Issuance under Section 2.09.

“*Series 2009-SD Supplement*” means the Series 2009-SD Series Supplement to the Pooling and Servicing Agreement, dated as of September 23, 2009, by and between Discover Bank as Master Servicer and Seller and U.S. Bank National Association as Trustee, as amended by the Amendment to Specified Series Supplements, dated as of June 4, 2010, as such agreement may be further amended, supplemented, restated, amended and restated, replaced or otherwise modified from time to time.

“*Targeted Accumulation Reserve Subaccount Deposit*” means, with respect to any Distribution Date during the Accumulation Reserve Funding Period, an amount equal to (i) 0.5% of the Outstanding Dollar Principal Amount of the Class B(2011-1) Notes as of the close of business on the last day of the related Due Period or (ii) any other amount designated by the Calculation Agent on behalf of the Issuer.

“*Targeted Principal Deposit*” means, for the Class B(2011-1) Notes, notwithstanding anything to the contrary in the Indenture Supplement,

(a) During the Accumulation Period, beginning with the Accumulation Commencement Date for the Class B(2011-1) Notes, (x) (i) the Accumulation Amount for the Class B(2011-1) Notes, *plus* (ii) any Accumulation Amount that was scheduled to be deposited on any previous Distribution Date in the Accumulation Period that was not so deposited, *minus* (y) the amount on deposit in the Principal Funding Subaccount for the Class B(2011-1) Notes that was applied to the amount in clause (x) in accordance with Section 4.04(a),

(b) If the Class B(2011-1) Notes have been accelerated after the occurrence of an Event of Default, or if an Early Redemption Event with respect to the Class B(2011-1) Notes has occurred (other than an Excess Spread Early Redemption Event for which an Excess Spread Early Redemption Cure has occurred), with respect to each Distribution Date following the Due Period in which such Event of Default or Early Redemption Event has occurred, the lesser of (x) the Outstanding Dollar Principal Amount of such Tranche and (y) the Nominal Liquidation Amount of such Tranche, in each case as of the last day of the preceding Due Period, and

(c) If a Receivables Sale has occurred for the Class B(2011-1) Notes, zero.

“*Unencumbered Amount*” means, for the Class B(2011-1) Notes, an amount equal to the Nominal Liquidation Amount of the Class B(2011-1) Notes *minus* the Encumbered Amount for the Class B(2011-1) Notes.

“*Unencumbered Required Subordinated Amount of Class C Notes*” means, for the Class B(2011-1) Notes, an amount equal to the product of

(a) the Unencumbered Amount for the Class B(2011-1) Notes and

(b) the Required Subordinated Percentage of Class C Notes (Unencumbered) for the Class B(2011-1) Notes.

“*Unencumbered Required Subordinated Amount of Class D Notes*” means, for the Class B(2011-1) Notes, an amount equal to the product of

(a) the Unencumbered Amount for the Class B(2011-1) Notes and

(b) the Required Subordinated Percentage of Class D Notes (Unencumbered) for the Class B(2011-1) Notes.

Section 1.02. *Representations and Warranties of Issuer.* The Issuer represents and warrants that:

(a) the Issuer has been duly formed and is validly existing as a statutory trust in good standing under the laws of the State of Delaware, and has full power and authority to execute and deliver this Terms Document and to perform the terms and provisions hereof;

(b) the execution, delivery and performance of this Terms Document by the Issuer have been duly authorized by all necessary corporate and statutory trust proceedings of any

Beneficiary and the Owner Trustee, do not require any approval or consent of any governmental agency or authority, and do not and will not conflict with any material provision of the Certificate of Trust or the Trust Agreement of the Issuer;

(c) this Terms Document is the valid, binding and enforceable obligations of the Issuer, except as the same may be limited by receivership, insolvency, reorganization, moratorium or other laws relating to the enforcement of creditors' rights generally or by general equity principles;

(d) to the best of the Issuer's knowledge, this Terms Document will not conflict with any law or governmental regulation or court decree applicable to it;

(e) the Issuer is not required to be registered under the Investment Company Act;

(f) all information heretofore furnished by the Issuer in writing to the Indenture Trustee for purposes of or in connection with this Terms Document or any transaction contemplated hereby is, and all such information hereafter furnished by the Issuer in writing to the Indenture Trustee will be, true and accurate in every material respect or based on reasonable estimates on the date as of which such information is stated or certified; and

(g) to the best knowledge of the Issuer, there are no proceedings or investigations pending against the Issuer before any court, regulatory body, administrative agency, or other tribunal or governmental instrumentality having jurisdiction over the Issuer (A) asserting the invalidity of this Terms Document, (B) seeking to prevent the consummation of any of the transactions contemplated by this Terms Document or (C) seeking any determination or ruling which in the Issuer's judgment would materially and adversely affect the performance by the Issuer of its obligations under this Terms Document or the validity or enforceability of this Terms Document.

Section 1.03. *Representations and Warranties of Indenture Trustee.* The Indenture Trustee represents and warrants and any successor trustee shall represent and warrant that:

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

(b) The Indenture Trustee has full power, authority and right to execute, deliver and perform this Terms Document, and has taken all necessary action to authorize the execution, delivery and performance by it of this Terms Document; and

(c) This Terms Document has been duly executed and delivered by the Indenture Trustee.

Section 1.04. *Limitations on Liability.*

(a) It is expressly understood and agreed by the parties hereto that (i) this Terms Document is executed and delivered by the Owner Trustee not individually or personally but solely as Owner Trustee under the Trust Agreement, in the exercise of the powers and authority conferred and vested in it, (ii) each of the representations, undertakings and agreements herein

made on the part of the Issuer is made and intended not as a personal representation, undertaking or agreement by the Owner Trustee but is made and intended for the purpose of binding only the Issuer, (iii) nothing herein contained will be construed as creating any liability on the Owner Trustee individually or personally, to perform any covenant of the Issuer either expressed or implied herein, all such liability, if any, being expressly waived by the parties to this Terms Document and by any Person claiming by, through or under them and (iv) under no circumstances will the Owner Trustee be personally liable for the payment of any indebtedness or expenses of the Issuer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Issuer under this Terms Document or any related documents.

(b) None of the Indenture Trustee, the Owner Trustee, the Calculation Agent, any Beneficiary, the Depositor, any Master Servicer or any Servicer or any of their respective officers, directors, employees, incorporators or agents will have any liability with respect to this Terms Document, and recourse may be had solely to the Collateral pledged to secure the Class B(2011-1) Notes under the Indenture, the Indenture Supplement and this Terms Document.

Section 1.05. *Governing Law.* THIS TERMS DOCUMENT WILL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATION LAW, WITHOUT REFERENCE TO ANY CONFLICT OF LAW PROVISIONS THAT WOULD RESULT IN THE APPLICATION OF THE LAWS OF ANY OTHER STATE.

Section 1.06. *Counterparts.* This Terms Document may be executed in any number of counterparts, each of which when so executed will be deemed to be an original, but all such counterparts will together constitute but one and the same instrument.

Section 1.07. *Ratification of Indenture and Indenture Supplement.* As supplemented by this Terms Document, each of the Indenture and the Indenture Supplement is in all respects ratified and confirmed and the Indenture as supplemented by the Indenture Supplement and this Terms Document shall be read, taken and construed as one and the same instrument.

ARTICLE II

The Class B(2011-1) Notes

Section 2.01. *Creation and Designation.* There is hereby created a Tranche of Class B Notes to be issued pursuant to the Indenture, the Indenture Supplement, this Terms Document and the Note Purchase Agreement to be known as the “DiscoverSeries Class B(2011-1) Notes.”

Section 2.02. *Adjustments to Required Subordinated Percentages and Amount.*

(a) On any date, the Issuer may, at the direction of the Beneficiary, change the Required Subordinated Percentage of Class C Notes (Encumbered), the Required Subordinated Percentage of Class C Notes (Unencumbered), the Required Subordinated Percentage of Class D Notes (Encumbered), and the Required Subordinated Percentage of Class D Notes (Unencumbered), in each case for the Class B(2011-1) Notes, without the consent of any Noteholders; *provided that* the Issuer has received written confirmation from each applicable Note Rating Agency that the

change in such percentage will not result in a Ratings Effect for any Tranche of Outstanding DiscoverSeries Notes.

(b) On any date, the Issuer may, at the direction of the Beneficiary, replace all or a portion of the Required Subordinated Amount of Class C Notes or the Required Subordinated Amount of Class D Notes, in each case for the Class B(2011-1) Notes with a different form of credit enhancement (including, without limitation, a cash collateral account, a letter of credit, a reserve account, a surety bond, an insurance policy or a collateral interest, or any combination thereof) and may add such definitions and other terms and make such additional amendments to this Terms Document as shall be necessary for such replacement without the consent of any Noteholders, *provided* that the Issuer has received written confirmation from each applicable Note Rating Agency that such replacement and such other amendments will not result in a Ratings Effect for any Tranche of Outstanding DiscoverSeries Notes.

Section 2.03. *Interest Payment.* For each Interest Payment Date, the amount of interest due with respect to the Class B(2011-1) Notes shall be an amount equal to

- (i) (A) a fraction, the numerator of which is the actual number of days in the related Interest Accrual Period and the denominator of which is 360, *times*

(B) the Note Interest Rate in effect with respect to such related Interest Accrual Period, *times*
- (ii) the Outstanding Dollar Principal Amount of the Class B(2011-1) Notes determined as of the first date of such related Interest Accrual Period, *plus*

any Class B Tranche Interest Allocation Shortfall for such Class B(2011-1) Notes for the immediately preceding Distribution Date, together with interest thereon at the Note Interest Rate in effect with respect to such related Interest Accrual Period, calculated on the basis of the actual number of days in the related Interest Accrual Period and a 360-day year.

Section 2.04. *Notification of LIBOR.* On each LIBOR Determination Date, the Indenture Trustee shall send to the Issuer, the Beneficiary, each applicable Master Servicer and any stock exchange on which the Class B(2011-1) Notes are then listed (if the rules of such exchange so require), by facsimile transmission or electronic transmission, notification of LIBOR for the following Interest Accrual Period.

Section 2.05. *Payments of Interest and Principal.*

(a) The Issuer will cause interest to be paid on each Interest Payment Date and principal to be paid on the Expected Maturity Date; *provided, however*, that it shall not be an Event of Default if principal is not paid in full on such Expected Maturity Date unless funds for such payment have been allocated in accordance with Section 3.01 of the Indenture Supplement; and *provided, further*, that if a Class B(2011-1) Adverse Event has occurred and is continuing, principal will instead be payable in monthly installments on each Principal Payment Date for the Class B(2011-1) Notes in accordance with Sections 3.01 and 3.05 of the Indenture Supplement.

All payments of interest and principal on the Class B(2011-1) Notes shall be made as set forth in Section 1102 of the Indenture.

(b) The right of the Class B(2011-1) Noteholders to receive payments from the Issuer will terminate on the Class B(2011-1) Termination Date.

(c) All payments of principal, interest or other amounts to the Class B(2011-1) Noteholders will be made *pro rata* based on the Stated Principal Amount of their Class B(2011-1) Notes.

Section 2.06. *Form of Delivery of Class B(2011-1) Notes; Denominations.*

(a) The Class B(2011-1) Notes shall be delivered in the form of a definitive Registered Note as provided in Section 201 of the Indenture. The form of the Class B(2011-1) Notes is attached hereto as Exhibit A.

(b) The Class B(2011-1) Notes shall, until such time as the laws of any jurisdiction in which they are offered or sold no longer restrict the transfer or sale thereof, bear a legend in substantially the following form:

THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THIS NOTE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF DISCOVER CARD EXECUTION NOTE TRUST AND DISCOVER BANK THAT (A) THIS NOTE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT OR, IN THE CASE OF THE INITIAL HOLDER HEREOF ONLY, ANOTHER APPLICABLE EXEMPTION UNDER THE SECURITIES ACT, (2) TO DISCOVER CARD EXECUTION NOTE TRUST, DISCOVER BANK OR THEIR AFFILIATES OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT, IF APPLICABLE, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY SUBSEQUENT PURCHASER FROM IT OF THE RESALE RESTRICTIONS SET FORTH IN (A) ABOVE.

No Class B(2011-1) Notes shall be transferred except in accordance with the transfer restrictions described in the legend set forth above.

(c) The Class B(2011-1) Notes will be issued in minimum denominations of \$100,000 and integral multiples of \$1,000 in excess of that amount.

Section 2.07. *Delivery and Payment for the Class B(2011-1) Notes.* The Issuer shall execute and deliver the Class B(2011-1) Notes to the Indenture Trustee for authentication, and the Indenture Trustee shall deliver the Class B(2011-1) Notes when authenticated, each in accordance with Sections 203 and 303 of the Indenture.

Section 2.08. *Targeted Deposits to the Accumulation Reserve Account.* The deposit targeted to be made to the Accumulation Reserve Subaccount for the Class B(2011-1) Notes for any Due Period during the Accumulation Reserve Funding Period will be an amount equal to the Targeted Accumulation Reserve Subaccount Deposit *minus* any amount on deposit in the Accumulation Reserve Subaccount for the Class B(2011-1) Notes.

Section 2.09. *Additional Issuances of Notes.* Subject to clauses (ii), (iii), (iv) and (v) of Sections 2.02 and Section 2.03 of the Indenture Supplement, the Issuer may issue additional Class B(2011-1) Notes, so long as the following conditions precedent are satisfied:

(a) the Issuer shall have given the Indenture Trustee written notice of such issuance of additional Class B(2011-1) Notes (the “*Notice of Additional Issuance*”) at least one (1) Business Day in advance of the Issuance Date thereof, which notice shall include:

- (i) the Issuance Date of such additional Class B(2011-1) Notes;
- (ii) the amount of such additional Class B(2011-1) Notes being offered, the purchase price for such additional Class B(2011-1) Notes and the resulting Initial Dollar Principal Amount, Stated Principal Amount and Nominal Liquidation Amount of Class B(2011-1) Notes;
- (iii) the Outstanding Dollar Principal Amount of the Class B(2011-1) Notes after giving effect to the issuance of the additional Class B(2011-1) Notes and all prior accretions of principal as determined in accordance with Section 2.12;
- (iv) the Discount Amount after giving effect to such additional Class B(2011-1) Notes; and
- (v) any other terms that the Issuer set forth in such notice of issuance of additional Class B(2011-1) Notes to clarify the rights of Holders of such additional Class B(2011-1) Notes or the effect of such issuance of additional Class B(2011-1) Notes on any calculations to be made with respect to the Class B(2011-1) Notes, Class B, or the Issuer.

All such terms shall be incorporated into and form a part of this Terms Document on and after the effective date of such Class B(2011-1) Notes; and

(b) no Class B(2011-1) Adverse Event has occurred and is continuing.

The Issuer shall not have to satisfy the conditions set forth in Section 310 of the Indenture in connection with an issuance of additional Class B(2011-1) Notes so long as such conditions were satisfied or waived in connection with the initial issuance of Class B(2011-1) Notes.

Section 2.10. *Designation of Additional Amounts to be included in the Excess Spread Amount for the DiscoverSeries Notes.* At any time that any outstanding Series of certificates issued by the Master Trust provides that the Series Principal Collections allocated to such Series will be deposited into the Group Finance Charge Collections Reallocation Account for the Master Trust to the extent necessary for application to cover shortfalls for other Series issued by the Master Trust, an amount equal to (x) all Series Principal Collections allocated to such Series, multiplied by (y) a fraction, the numerator of which is the sum of the Nominal Liquidation Amounts for each outstanding Tranche of the DiscoverSeries Notes (including these notes) and the denominator of which is (i) the Aggregate Investor Interest for the Master Trust minus (ii) the sum of the Series Investor Interests for all such Series that provide that the Series Principal Collections allocated to such Series will be so deposited (including Series 2009-SD), is hereby designated to be included in the Excess Spread Amount and shall be treated as Series Finance Charge Amounts for the DiscoverSeries.

Section 2.11. *No Payments from Interest Funding Subaccount for accretion of principal of the Class B(2011-1) Notes.* Section 3.04(4) of the Indenture Supplement shall not apply to the Class B(2011-1) Notes.

Section 2.12. *Calculation of Class B(2011-1) Accreted Discount.* The amount of Class B(2011-1) Accreted Discount as of the end of any Due Period shall be determined on a straight-line basis and shall be equal to the product of (x) a fraction the numerator of which shall be the number of Due Periods elapsed since the Note Issuance Date (or if additional Class B(2011-1) Notes have been issued under Section 2.09, since the Issuance Date of such additional Notes) and the denominator of which shall be the number of Due Periods from the Note Issuance Date (or the Issuance Date of such additional Notes) to and including the Due Period related to the Expected Maturity Date and (y) the Discount Amount.

Section 2.13 *Variable Accumulation Period.* Notwithstanding anything to the contrary in Section 4.02 of the Indenture Supplement, the Calculation Agent on behalf of the Issuer shall, by written notice to the Indenture Trustee, delay the commencement of the Accumulation Period for the Class B(2011-1) Notes and determine a new Accumulation Commencement Date, subject to the conditions set forth in this Section 2.13; provided, however, that the Accumulation Period shall commence no later than the first day of the Due Period related to the Expected Maturity Date for the Class B(2011-1) Notes. Any such delay by the Calculation Agent on behalf of the Issuer shall be made no later than the first day of the scheduled Due Period immediately preceding the first Due Period in the Accumulation Period (after giving effect to any prior delay in the commencement of the Accumulation Period pursuant to this Section 2.13).

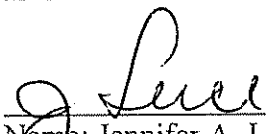
The Calculation Agent on behalf of the Issuer shall cause such delay if the Calculation Agent determines in good faith that each of the following conditions will be satisfied: (i) the Calculation Agent on behalf of the Issuer delivers to the Indenture Trustee a certificate to the effect that the Calculation Agent on behalf of the Issuer reasonably believes that, based on the payment rate and the anticipated availability of Series Principal Amounts and Reallocated Principal Amounts, the delay in the commencement of the Accumulation Period for the Class B(2011-1) Notes will not result in any Tranche of Notes not being paid in full on the relevant Expected Maturity Date; (ii) such delay is permitted under the Series 2007-CC Series Supplement or any other applicable agreement relating to any Additional Collateral Certificate; and (iii) the Accumulation Amount, the Accumulation Commencement Date and the Accumulation Period Length shall have been adjusted. The Calculation Agent on behalf of the Issuer shall not be required to obtain confirmation from the applicable Note Rating Agencies that such delay in the commencement of the Accumulation Period will not result in a Ratings Effect for any Tranche of Outstanding DiscoverSeries Notes, unless at the time of such delay there is a Tranche of Outstanding DiscoverSeries Notes, which were issued prior to January 1, 2009 and for which the commencement of the Accumulation Period for such Tranche of Notes has already been delayed pursuant to Section 4.02 of the Indenture Supplement. If such confirmation from the applicable Note Rating Agency is not required, the Calculation Agent on behalf of the Issuer shall provide written notice to each applicable Note Rating Agency in the event that the commencement of the Accumulation Period for the Class B(2011-1) Notes is delayed pursuant to this Section 2.13.

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IN WITNESS WHEREOF, the parties hereto have caused this Terms Document to be duly executed, all as of the day and year first above written.

DISCOVER CARD EXECUTION NOTE
TRUST,
as Issuer

By: Wilmington Trust Company,
not in its individual capacity but solely
as Owner Trustee

By: 
Name: Jennifer A. Luce
Title: Assistant Vice President

U.S. BANK NATIONAL ASSOCIATION,
as Indenture Trustee

By: _____
Name: Patricia M. Child
Title: Vice President

IN WITNESS WHEREOF, the parties hereto have caused this Terms Document to be duly executed, all as of the day and year first above written.

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By: _____
Name: Jennifer A. Luce
Title: Assistant Vice President

U.S. BANK NATIONAL ASSOCIATION,
as Indenture Trustee

By: *Patricia M. Child*
Name: Patricia M. Child
Title: Vice President

Exhibit A
Form of Class B Note

See attached