

promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of set-off. The rights of each Issuing Bank and Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Issuing Bank or Lender may have. Any Lender or Issuing Bank exercising its rights under this Section shall give notice thereof to the relevant Borrower and the relevant Account Party on or prior to the day of the exercise of such rights.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process.

(a) This Agreement shall be construed in accordance with and governed by the laws of the State of New York (excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the laws of the State of New York).

(b) Each of Holdings, the Borrowers and the Account Parties hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent, the Term Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against Holdings, a Borrower or an Account Party or any of their respective properties in the courts of any jurisdiction.

(c) Each of Holdings, the Borrowers and the Account Parties hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

(a) Each of the Agents, the Issuing Banks and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed, in each case solely in connection with the Transactions and on a “need to know” basis; (i) to its and its Affiliates’ directors, officers, employees and agents, including accountants, legal counsel and other advisors (collectively, “Representatives”) (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential and the Agents, Issuing Banks and Lenders shall be responsible for their respective Representative’s compliance with this paragraph), (ii) to the extent requested by any regulatory authority having jurisdiction over such Agent, Issuing Bank or Lender or its Affiliates, (iii) to the extent required by applicable laws or regulations or by any subpoena or similar legal process; provided, that (A) in the case of this clause (iii) and the foregoing clause (ii), to the extent permitted by applicable law, regulation or government order and otherwise practical, and other than to the extent such request or demand is in the ordinary course of the business of such Agent, Issuing Bank or Lender or consistent with the regulatory compliance practices and procedures of such Agent, Issuing Bank or Lender, Holdings is promptly notified of such proceeding, process, requirement, request or demand and given a reasonable opportunity, with the cooperation of the applicable Agent, Issuing Bank or Lender, to seek confidential treatment, an appropriate protective order, or other remedy, and (B) if disclosure is nonetheless required pursuant to this clause (iii) or the foregoing clause (ii), the applicable Agent, Issuing Bank or Lender may disclose only the portion of information that is required to be disclosed or as is consistent with the regulatory practices and procedures of such Agent, Issuing Bank or Lender, (iv) to any other party to this Agreement; provided that such party has agreed in writing for the benefit of Holdings to keep such information confidential as provided in this Section 9.12, (v) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (vi) subject to a written agreement containing provisions the same as those of this Section, to (A) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (B) any actual or prospective counterparty (or its advisors) to any Swap Agreement relating to the Loan Parties and their Obligations, (vii) with the consent of the Parent Borrower or (viii) to the extent such Information (A) becomes publicly available other than as a result of a breach of this Section or (B) becomes available to an Agent, any Issuing Bank or any Lender on a nonconfidential basis from a source other than Holdings, a Borrower or an Account Party. For the purposes of this Section, “Information” means all information received from Holdings, any Borrower, any of their Subsidiaries, or any Account Party relating to Holdings, any Borrower, any Account Party or their respective business, other than any such information that is available to any Agent, any Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by Holdings, any Borrower, any of their Subsidiaries, or any Account Party. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(b) Each Lender acknowledges that Information as defined in Section 9.12(a) furnished to it pursuant to this Agreement may include material non-public Information concerning the Loan Parties and their securities, and confirms that it has developed compliance procedures regarding the use of material non-public Information and that it will handle such material non-public Information in accordance with those procedures, applicable law, including Federal and state securities laws, and the terms hereof.

(c) All information, including waivers and amendments, furnished by the Loan Parties, their representatives or the Administrative Agent pursuant to, or in the course of administering, this Agreement will be syndicate-level information, which may contain material non-public Information about the Loan Parties and their securities. Accordingly, each Lender represents to Holdings (on behalf of the

Loan Parties) and the Administrative Agent and Term Agent that it has identified in its Administrative Questionnaire a credit contact who may receive Information that may contain material non-public Information in accordance with its compliance procedures, applicable law and the terms hereof.

(d) Notwithstanding anything to the contrary herein or in any other agreement, (i) each Loan Party agrees that the Information provided regarding the Parent Borrower and its affiliates and the Transactions may be disseminated by or on behalf of the Agents and Lead Arrangers to prospective Lenders and other persons who have agreed to be bound by customary confidentiality undertakings (including, “click-through” agreements), all in accordance with the such Agent or Lead Arranger’s standard loan syndication practices (whether transmitted electronically by means of a website, e-mail or otherwise, or made available orally or in writing, including at potential lender or other meetings) and (ii) each Loan Party agrees that the Agents and Lead Arrangers may share with their respective affiliates on a confidential basis any information relating to the credit facility under this Agreement, the other Transactions or the Parent Borrower or its Affiliates and after the public announcement of the Transactions, may disclose information relating to the credit facility under this Agreement to Gold Sheets and other publications or for its marketing materials, with such information to consist of deal terms and other information customarily found in such publications or marketing materials and that, after the Closing Date, the Agents and Lead Arrangers may otherwise use the corporate name and logo of the Parent Borrower and its subsidiaries and affiliates in “tombstones” or other advertisements, marketing materials or public statements, provided, that, in the case of any use of the corporate name and logo in any advertisements for public distribution, such Agent or Lead Arranger shall have obtained the consent of the Parent Borrower, which consent shall not be unreasonably withheld or delayed.

(e) Notwithstanding anything to the contrary in this Agreement, under no circumstance will any Information be disclosed to a Disqualified Lender that constitutes a Disqualified Lender at the time of such disclosure without the Parent Borrower’s prior written consent, except as required by law.

SECTION 9.13. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the “Charges”), shall exceed the maximum lawful rate (the “Maximum Rate”) which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.14. USA Patriot Act. Each Lender hereby notifies each of the Loan Parties that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies Loan Parties, which information includes the name and address of such Loan Parties and other information that will allow such Lender to identify such Loan Parties in accordance with the Patriot Act.

SECTION 9.15. No Fiduciary Duty. The Administrative Agent, each Lender and their respective Affiliates (collectively, solely for purposes of this paragraph, the “Lenders”), may have economic interests that conflict with those of the Loan Parties, their stockholders and/or their Affiliates. Each Loan Party agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and such Loan Party, its stockholders or its Affiliates, on the other. The Loan Parties acknowledge and agree that (i) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm’s-length commercial transactions between the Lenders, on the one hand, and the Loan Parties, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of any Loan Party, its stockholders or its Affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any

Lender has advised, is currently advising or will advise any Loan Party, its stockholders or its Affiliates on other matters) or any other obligation to any Loan Party except the obligations expressly set forth in the Loan Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of any Loan Party, its management, stockholders, creditors or any other Person. Each Loan Party acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Loan Party agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Loan Party, in connection with such transaction or the process leading thereto.

SECTION 9.16. Keepwell. Each Loan Party that is a Qualified ECP Guarantor at the time the Collateral Agreement or the grant of a security interest under the Loan Documents, in each case, by any Specified Loan Party becomes effective with respect to any Swap Obligation, hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Loan Party with respect to such Swap Obligation as may be needed by such Specified Loan Party from time to time to honor all of its obligations under the Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor's obligations and undertakings under the Collateral Agreement voidable under applicable Law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations and undertakings of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the Obligations have been paid and performed in full. Each Loan Party intends this Section to constitute, and this Section shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of, each Specified Loan Party for all purposes of the Commodity Exchange Act.

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IN WITNESS WHEREOF, the undersigned have duly executed this Credit Agreement as of the date first above written.

J. C. PENNEY CORPORATION, INC.

By: /s/ Michael Porter

Name: Michael Porter

Title: Vice President and Treasurer

J. C. PENNEY COMPANY, INC.

By: /s/ Edward Record

Name: Edward Record

Title: Executive Vice President and
Chief Financial Officer

J. C. PENNEY PURCHASING CORPORATION

By: /s/ Michael Porter

Name: Michael Porter

Title: Vice President and Treasurer of
J. C. Penney Corporation, Inc.

WELLS FARGO BANK, NATIONAL ASSOCIATION

as Administrative Agent, Revolving Agent, Co-Collateral Agent, LLC
Agent, Swingline Lender and a Lender

By: /s/ Irene Rosen Marks

Name: Irene Rosen Marks

Title: Managing Director

BANK OF AMERICA, N.A.,

as Term Agent and Co-Collateral Agent

By: /s/ Paley Chen

Name: Paley Chen
Title: Vice President

BANK OF AMERICA, N.A.,

as Lender

By: /s/ Heather D. Lamberton
Name: Heather D. Lamberton
Title: Managing Director

JPMORGAN CHASE BANK, N. A.,

as Lender

By: /s/ Sarah L. Freedman
Name: Sarah L. Freedman
Title: Executive Director

BARCLAYS BANK PLC,

as Lender

By: /s/ Marguerite Suttun
Name: Marguerite Suttun
Title: Vice President

GOLDMAN SACHS BANK USA,

as Lender

By: /s/ Robert Ehudin

Name: Robert Ehudin

Title: Authorized Signatory

HSBC BANK USA, N. A.,

as Lender

By: /s/ Brian Gingue

Name: Brian Gingue

Title: Vice President

ALLY BANK,

as Lender

By: /s/ Steven J. Brown

Name: Steven J. Brown

Title: Director

CIT FINANCE LLC,

as a Lender

By: /s/ Christopher J. Esposito

Name: Christopher J. Esposito

Title: Managing Director

RBS CITIZENS BUSINESS CAPITAL, A DIVISION OF RBS
ASSET FINANCE, INC., A SUBSIDIARY OF CITIZENS BANK,
NATIONAL ASSOCIATION,

as a Lender

By: /s/ Michael Ganann

Name: Michael Ganann

Title: Senior Vice President

SIEMENS FINANCIAL SERVICES, Inc.

as Lender

By: /s/ John Finone

Name: John Finone

Title: Vice President

By: /s/ April Greaves-Bryan

Name: April Greaves-Bryan

Title: Vice President

REGIONS BANK,

as Lender

By: /s/ Louis Alexander

Name: Louis Alexander

Title: Attorney in Fact

HVB CAPITAL CREDIT LLC,

as Lender

By: /s/ Mark Fagnani

Name: Mark Fagnani

Title: 1st Senior Vice President

RB INTERNATIONAL FINANCE (USA) LLC,

as a Lender

By: /s/ John A. Valiska

Name: John A. Valiska

Title: First Vice President

By: /s/ Steven VanSteenbergen

Name: Steven VanSteenbergen
Title: Vice President

Schedule 1.01

Existing Debt Documents

1. 6.875% Medium Term Notes due October, 2015
 2. 7.65% Debentures due August, 2016
 3. 7.95% Debentures due April, 2017
 4. 5.75% Senior Notes due February, 2018
 5. 5.65% Senior Notes due June, 2020
 6. 6.375% Senior Notes due October, 2036
 7. 7.4% Debentures due October, 2037
 8. 7.625% Notes due March, 2097
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Schedule 2.01

Commitments

Initial Revolving Commitments:

<u>Lender</u>	<u>Revolving Commitment</u>
Wells Fargo Bank, National Association	\$435,000,000
Bank of America, N.A.	\$324,500,000
JPMorgan Chase Bank, N.A.	\$345,000,000
Barclays Bank PLC	\$172,500,000
Goldman Sachs Bank USA	\$172,500,000
HSBC Bank USA, N.A.	\$90,000,000
Ally Bank	\$70,000,000
CIT Finance LLC	\$65,000,000
RBS Citizens Business Capital	\$65,000,000
Siemens Financial Services, Inc.	\$37,500,000
Regions Bank	\$45,000,000
HVB Capital Credit LLC	\$18,000,000
RB International Finance (USA) LLC	\$10,000,000
TOTALS	\$1,850,000,000

Initial Term Commitments: