

TRUST INDENTURE

among

NORTHSTAR STUDENT LOAN TRUST II,

U.S. BANK NATIONAL ASSOCIATION
as Trustee,

and

U.S. BANK NATIONAL ASSOCIATION,
as Eligible Lender Trustee,

Dated as of October 1, 2012

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TRUST INDENTURE

This Trust Indenture, dated as of October 1, 2012 (hereinafter sometimes referred to as this "Trust Indenture" and, as supplemented and amended, as the "Indenture"), is by and among NorthStar Student Loan Trust II (the "Issuer"), a statutory trust duly organized and existing under the laws of the State of Delaware, U.S. Bank National Association, a national banking association duly organized and operating under the laws of the United States of America, as trustee hereunder (together with its successors, the "Trustee"), and U.S. Bank National Association, a national banking association duly organized and operating under the laws of the United States of America, as eligible lender trustee (together with its successors, the "Eligible Lender Trustee") under the Eligible Lender Trust Agreement,

WITNESSETH:

WHEREAS, the Issuer represents that it is duly created as a statutory trust under the laws of the State of Delaware and that by proper action has duly authorized the execution and delivery of this Indenture, which Indenture provides for the issuance and payment of student loan asset-backed notes; and

WHEREAS, the Trustee has agreed to accept the trusts herein created upon the terms herein set forth; and

WHEREAS, it is hereby agreed among the parties hereto and the Owners (the Owners evidencing their consent by their acceptance of the Bonds) that in the performance of any of the agreements of the Issuer herein contained, any obligation it may thereby incur for the payment of money shall not be general debt on its part, but shall be secured by and payable solely from the Trust Estate, payable in such order of preference and priority as provided herein;

WHEREAS, upon execution and delivery of a Supplemental Indenture with respect to a series of Bonds, all acts, proceedings and things necessary and required by law to make said Bonds, when executed by the Issuer and authenticated by the Trustee, the valid and binding legal obligations of the Issuer and to constitute and make this Trust Indenture a valid and effective Indenture, have been done, taken and performed and the issuance, execution and delivery of said Bonds and the execution, acknowledgement and delivery of this Trust Indenture have in all respects been duly authorized by the Issuer;

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH THAT

The Issuer, in consideration of the premises and of the mutual covenants herein contained, and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds are to be and may be issued, authenticated and delivered, secured and accepted by all persons who shall from time to time be or become the owners thereof, and in order to secure equally and ratably on a parity basis one with the other (except as hereinafter provided) (1) the payment of the principal of and the interest and premium, if any, on the Bonds at any time issued and Outstanding under this Indenture according to their tenor and effect, and (2) the performance and observance of all of the covenants and conditions in said Bonds and herein contained, has executed and delivered this

Trust Indenture and does hereby bargain, assign, pledge and grant a first priority security interest in the following to the Trustee, and its successors in trust and assigns forever for the benefit of the owners of the Bonds and for the benefit of (i) any Credit Provider, if so provided as set forth herein, and (ii) the provider of any Financial Product, if so provided as set forth herein, the following (the “Pledged Assets”):

GRANTING CLAUSE

Division 1

All moneys and securities from time to time held by the Trustee under the terms of this Indenture (excluding the Non-Pledged Account, the Operating Account and any other account specifically excluded by the terms hereof, including the terms of any Supplemental Indenture) and any and all other real or personal property of every name and nature, from time to time hereafter conveyed, mortgaged, pledged, assigned or transferred by delivery or by writing of any kind, as and for additional security hereunder, by the Issuer or by anyone in its behalf or with its written consent, in favor of the Trustee, who is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof; and

Division 2

All Revenues (as defined hereinafter);

Division 3

All right, title and interest of the Issuer in the Loans and notes evidencing the same and any related servicing agreements and guarantee agreements; and

Division 4

All rights of the Issuer in and to the Master Servicing Agreement, the Servicing Agreement and the Student Loan Sale Agreement.

TO HAVE AND TO HOLD the same unto the Trustee and its successor or successors and its or their assigns forever, subject to the provisions hereof permitting the assignment of the Pledged Assets to secure certain other obligations of the Issuer incurred in connection with the Bonds.

IN TRUST NEVERTHELESS, UPON CONDITION that, if the Issuer shall well and truly pay, or cause to be paid, the principal of (and premium, if any) and interest on the Bonds according to the true intent and meaning thereof, or there shall be deposited with the Trustee such amounts in such form in order that none of the Bonds shall remain Outstanding as herein deemed and provided, and shall pay or cause to be paid all amounts hereby and all amounts owed to the Trustee and any Credit Provider pursuant to any Credit Enhancement in accordance with the terms and provisions hereof, then upon the full and final payment of all such sums and amounts or upon deposit of the same, this Trust Indenture and the rights, titles, liens, security interests, and assignments herein granted shall cease, determine, and be void and this Trust

Indenture shall be released by the Trustee in due form at the expense of the Issuer, except only as herein provided; otherwise this Trust Indenture to be and remain in full force and effect.

ARTICLE I

SHORT TITLE, DEFINITIONS, AND INTERPRETATION

Section 1.1 Short Title. This Trust Indenture, together with any and all Supplemental Indentures, may hereafter be cited by the Issuer and is hereinafter sometimes referred to as the “Indenture.”

Section 1.2 Definitions. In this Trust Indenture, including any Supplemental Indenture, unless the context otherwise requires, the following words and terms shall have the following meanings:

“Account” means any of the trust accounts created and established by this Indenture and, except when the context requires otherwise, the Operating Account and the Non-Pledged Account.

“Accountant” means Baune, Dosen & Co., any other registered or certified public accountant or firm of such accountants selected and paid by the Issuer, who is Independent and not under the domination of the Issuer, but who may be regularly retained to make annual or similar audits of the books or records of the Issuer.

“Additional Bonds” means Bonds in addition to any Bonds then Outstanding issued pursuant to a Supplemental Indenture and Article II hereof.

“Administrator” shall mean NCMS, in its capacity as administrator under the Master Servicing Agreement, or any successor thereto, so long as the Issuer has satisfied the requirements of a Rating Notification and a Credit Confirmation as to each such other administrator, and shall include any Sub-Administrator.

“Aggregate Market Value” means, on any calculation date, the sum of the Values of all Pledged Assets. “Value” means the value of the Pledged Assets calculated by the Issuer as follows:

- (i) with respect to any Loan, the unpaid principal amount, accrued interest and accrued special allowance payments, or such other valuation as shall be specified by the Issuer upon receipt by the Trustee of a Credit Confirmation; and
- (ii) with respect to any funds on deposit in any commercial bank or with respect to any banker’s acceptance or repurchase agreement or investment agreement, or investments described in (xi) of the definition of Permitted Investments the amount thereof plus accrued interest thereon;
- (iii) with respect to any Permitted Investments of an investment company, the bid price of the shares as reported by the investment company;
- (iv) with respect to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New

York Times), the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination plus accrued interest thereon; and

(v) with respect to any investment not described in clauses (i) through (iv) above, the lower of (a) the bid prices at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Issuer in its absolute discretion) at the time making a market in such investments or (b) the bid price published by a nationally recognized pricing service, plus in each case, accrued interest thereon.

“Asset Requirement” means that the Asset Requirement Ratio is such percentage agreed to by the Issuer and confirmed in a Credit Confirmation.

“Asset Requirement Ratio” means the ratio (expressed as a percentage) of the Aggregate Market Value to the aggregate principal amount of the respective Outstanding Bonds and accrued interest thereon, together with accrued Fees and Expenses.

“Authorized Denomination” shall have the meaning provided in the Supplemental Indenture.

“Authorized Officer” means, with respect to the Issuer, any officer of the Delaware Trustee, the Administrator or any agent acting pursuant to a power of attorney of the Issuer.

“Bank Bond” shall have the meaning assigned to such term in the Supplemental Indenture relating to a series of Bonds.

“Beneficial Owner” means, with respect to any Book-Entry Bond, the beneficial owner of such Bond as determined in accordance with the applicable rules of the Securities Depository.

“Bond” means any one of the bonds authenticated and delivered pursuant to a Supplemental Indenture and Article II of this Trust Indenture, including Senior Bonds, Senior Subordinate Bonds, Subordinate Bonds and Junior Subordinate Bonds.

“Bond Counsel” means an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal, state and public agency financing, selected by the Issuer and acceptable to the Trustee.

“Bond Counsel Opinion” means an opinion addressed to the Issuer and signed by Bond Counsel.

“Book-Entry Bond” means any Bond which is then held in book-entry form as provided herein.

“Business Day” with respect to each Series of Bonds shall have the meaning provided in the Supplemental Indenture relating to such Bonds.

“Certificate” means (i) a signed document either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters

to be determined pursuant to this Indenture or (ii) the report of an Accountant as to audit or other procedures called for by this Indenture.

“Closing Date” shall mean October 25, 2012.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations, rulings and court decisions promulgated thereunder and pertaining thereto. Such regulations shall also include any successor provision to any existing regulations thereafter promulgated by the Internal Revenue Service pursuant to Section 141 through 150 of the Code applicable to the Bonds.

“Confirming Tax Opinion” shall mean a Bond Counsel Opinion that (i) confirms no adverse effect on the original tax classification of any Outstanding Bonds as indebtedness for federal income tax purposes and (ii) confirms that the new Additional Bonds will also be classified as indebtedness for federal income tax purposes or that their issuance will not have an adverse effect on the classification of the Issuer as an entity that is not subject to entity level taxes.

“Contingent Default Amount” has the meaning assigned to such term in the applicable Credit Enhancement.

“Costs of Issuance” means all items of expense, directly or indirectly payable or reimbursable by or to the Issuer and related to the authorization, sale and issuance of Bonds, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees, charges and expenses of the Trustee or any Marketing Party, fees and expenses of the Credit Provider (including the reasonable legal fees and disbursements of counsel to the Credit Provider), legal fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, costs of mathematical verification of certain computations, fees and charges for preparation, execution, transportation and safekeeping of Bonds, expenses of the Issuer and any other cost, charge or fee in connection with the issuance of any Bonds.

“Counsel’s Opinion” means an opinion signed by an attorney or firm of attorneys of recognized standing in the field of law to which such opinion relates, selected by the Issuer.

“Credit Confirmation” means (i) if any Bonds with respect to which a Credit Confirmation is required are supported by Credit Enhancement, the written consent of the provider of each such Credit Enhancement, and (ii) if any Bonds with respect to which a Credit Confirmation is required are rated and are not supported by Credit Enhancement, receipt of a Rating Agency Condition.

“Credit Enhancement” means any bond insurance, letter of credit, surety bond, line of credit, purchase agreement or other credit support or liquidity facility providing for the payment of all principal or purchase price of and interest on any series of Bonds, and any extension thereof or substitution therefor, including any combination of any of such instruments.

“Credit Enhancement Fees” means (a) the ongoing commitment fees payable by the Issuer to a Credit Provider in consideration for the issuance of a Credit Enhancement by such Credit Provider, (b) the drawing fees payable by the Issuer for drawings under a Credit Enhancement and (c) waiver, transfer and amendment fees payable by the Issuer to a Credit Provider.

“Credit Provider” means the issuer or other provider of any Credit Enhancement.

“Delaware Trustee” means Wilmington Trust, not in its individual capacity but solely in its capacity as the trustee of the Issuer under the Trust Agreement, or any successor thereto appointed pursuant to the Trust Agreement.

“Delaware Trustee Fee” means (a) the Delaware Trustee’s initial setup fee of \$3,000 plus the initial \$4,000 annual fee and (b) an annual fee equal to \$4,000, payable in October of each year, beginning in October 2013.

“Depositor” means NorthStar Education Funding I, L.L.C.

“Depositor Eligible Lender Trustee” means U.S. Bank National Association, in its capacity as eligible lender trustee for the Depositor and under the terms of the Eligible Lender Trust Agreement, between the Depositor and U.S. Bank, or any successor eligible lender trustee designated thereunder.

“Direction” means a written direction, order, request, requisition or similar instrument signed by an Authorized Officer of the Issuer and permitted by this Indenture; and the term “direct” or any form of such verb means the giving by the Issuer of a Direction.

“Eligible Lender” means (i) the Eligible Lender Trustee and (ii) any “eligible lender,” as defined in the Higher Education Act, and which has received an eligible lender designation from the Secretary with respect to Eligible Loans made under the Higher Education Act.

“Eligible Lender Trust Agreement” shall mean the Eligible Lender Trust Agreement, dated as of October 1, 2012, between the Issuer and U.S. Bank National Association, as eligible lender trustee, as amended from time to time.

“Eligible Lender Trustee” shall mean U.S. Bank National Association, in its capacity as eligible lender trustee hereunder and under the terms of the Eligible Lender Trust Agreement, or any successor eligible lender trustee designated pursuant to this Indenture and the Eligible Lender Trust Agreement.

“Eligible Lender Trustee Fee” shall mean the fee, if any, of the Eligible Lender Trustee set forth in the Eligible Lender Trust Agreement. Such fee shall be in satisfaction of the Eligible Lender Trustee’s compensation as eligible lender trustee under this Indenture and the Eligible Lender Trust Agreement.

“Eligible Loan” means a Higher Education Act Eligible Loan or a Private Loan.

“Event of Default” means any of the events specified in Section 8.1 hereof.

“Favorable Opinion” means a Bond Counsel Opinion to the effect that the action proposed to be taken is authorized or permitted by this Indenture.

“Fees and Expenses” means, collectively, Trustee Fees, Issuer Fees, Master Servicing Fees, Servicing Fees, the Remarketing Agent Fees, Credit Enhancement Fees and Trustee Expenses.

“Financial Product” means any agreement with a counterparty providing for an interest rate cap, floor, swap or other similar instrument entered into pursuant to Section 5.3 of this Trust Indenture.

“Fitch” means Fitch, Inc., its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“GLELSI” shall mean Great Lakes Educational Loan Services, Inc., and its successors and assigns.

“Guarantee” or “Guaranteed” shall mean, with respect to a Higher Education Act Eligible Loan, the insurance or guarantee by a Guarantor pursuant to such Guarantor’s Guarantee Agreement of the maximum percentage of the principal of and accrued interest on such Higher Education Act Eligible Loan allowed by the terms of the Higher Education Act with respect to such Higher Education Act Eligible Loan at the time it was originated and the coverage of such Higher Education Act Eligible Loan by the federal reimbursement contracts, providing, among other things, for reimbursement to such Guarantor for payments made by it on defaulted Higher Education Act Eligible Loans insured or guaranteed by such Guarantor of at least the minimum reimbursement allowed by the Higher Education Act with respect to a particular Higher Education Act Eligible Loan.

“Guarantee Agreements” shall mean a guaranty or lender agreement between the Trustee or the Eligible Lender Trustee and any Guarantor, and any amendments thereto.

“Guarantor” shall mean any entity authorized to guarantee student loans under the Higher Education Act and with which the Trustee or the Eligible Lender Trustee maintains a Guarantee Agreement.

“Higher Education Act” means Title IV, Part B of the Higher Education Act of 1965, as amended, and the regulations thereunder.

“Higher Education Act Eligible Loan” means any loan authorized pursuant to the Higher Education Act made to a borrower to finance or refinance, or consolidate loans made to finance or refinance, post-secondary education, which, is guaranteed by a Guarantor.

“Indenture” means this Trust Indenture and any amendments or supplements made in accordance with its terms.

“Interest Payment Date” means any date upon which interest on any Bonds is due and payable in accordance with their terms.

“Issuer” shall mean NorthStar Student Loan Trust II, a statutory trust organized and existing under the laws of the State of Delaware, and any successor thereto.

“Issuer Fees” means (i) fees paid to the Rating Agencies, which fees shall not exceed \$16,000 in any calendar year, (ii) the Delaware Trustee Fee and (iii) expenses paid to the Delaware Trustee, which expenses shall not exceed \$1,250 in any calendar year.

“Joint Sharing Agreement” shall mean the Amended and Restated Joint Sharing Agreement, dated as of November 15, 2002, among U.S. Bank, as indenture trustee under the NorthStar Indenture (as defined therein), as indenture trustee under the T.H.E. Indenture (as defined therein), and as indenture trustee under the T.H.E. II Indenture (as defined therein), NEF (as assignee of NorthStar Guarantee, Inc., Division B), NorthStar T.H.E. Funding LLC, NorthStar T.H.E. Funding II, L.L.C., the Eligible Lender Trustee and NCMS, as joined by (i) NorthStar T.H.E. Funding III, LLC and the T.H.E. III Trustee (as defined in the Joinder Agreement to the Joint Sharing Agreement dated as of December 19, 2002), (ii) NEF and the Edsouth Trustee (as defined in Joinder Agreement No. 2, dated as of January 1, 2008), (iii) NEF and the NEF/Citi Trustee (as defined in Joinder Agreement No. 3 to the Joint Sharing Agreement, dated as of February 26, 2008), (iv) NorthStar Student Loan Trust I, and the 2012-1 Trustee (as defined in Joinder Agreement No. 4 to the Joint Sharing Agreement, dated as of October 25, 2012), (v) the Depositor on the date hereof and (vi) the Issuer and the Trustee on the date hereof, as further joined, amended or supplemented.

“Junior Subordinate Bonds” means any Bonds which are secured by a lien on and payable from the Pledged Assets on a basis subordinate to the Senior Bonds, the Senior Subordinate Bonds and the Subordinate Bonds.

“Loan” means any Eligible Loan deposited in or accounted for in the Loan Account or otherwise constituting a part of the Pledged Assets hereunder.

“Loan Account” means the Loan Account established pursuant to Section 5.2 hereof.

“Long-Term Rate” means a single rate of interest on any Bond which remains in effect for more than one year.

“Marketing Party” means any authenticating agent, determination agent, purchase agent, remarketing agent, tender agent or other similar party relating to the marketing or remarketing of the Bonds, or the determination of the interest rate thereon.

“Master Servicer” means NCMS and any other successor master servicer selected by the Issuer, including an affiliate of the Issuer, so long as the Issuer has satisfied the requirements of a Rating Notification and a Credit Confirmation as to each such other master servicer, and shall include any Sub-Master Servicer.

“Master Servicing Agreement” means the Master Servicing Agreement, dated as of August 27, 2010, between NEF and NCMS, as supplemented by the Supplemental Servicing

Agreement, dated as of October 1, 2012, pursuant to which NCMS agrees to act as Administrator and Master Servicer for the Issuer.

“Master Servicing Fee” means a monthly servicing fee equal to the greater of (a)(i) one-twelfth (1/12th) of fifty (50) basis points of the outstanding principal balance of the Loans minus (ii) the Servicing Fee, or (b) \$1.40 per account, for the payment of fees and expenses due to the Master Servicer under the terms of the Master Servicing Agreement.

“Moody’s” means Moody’s Investors Service, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“NCMS” means NorthStar Capital Markets Services, Inc., and its successors and assigns.

“NEF” means NorthStar Education Finance, Inc., and its successors and assigns.

“NEF Eligible Lender Trustee” shall mean U.S. Bank National Association, in its capacity as eligible lender trustee for NEF and under the terms of the Amended and Restated Eligible Lender Trust Agreement, between NEF and U.S. Bank, or any successor eligible lender trustee designated thereunder.

“NES” means NorthStar Education Services LLC, and its successors and assigns.

“Non-Pledged Account” means the Non-Pledged Account established pursuant to Section 5.2(a) hereof.

“Operating Account” means an operating account held by the Trustee. The Operating Account is not part of the Pledged Assets.

“Outstanding,” when used with reference to Bonds, means, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under this Indenture (including any Bonds paid with amounts received under a Credit Enhancement) except:

- (i) any Bond cancelled by the Trustee or delivered to the Trustee for cancellation at or prior to such date;
- (ii) any Bond in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Section 3.4 or Bonds described in Section 7.8 hereof; and
- (iii) any Bond deemed to have been paid as provided in subsection (b) of Section 10.1 hereof and subject to Section 10.2 hereof.

“Owner” or “owner” or “Holder” or “holder” or “Bondowner” or “Bondholder” or words of similar import, when used with reference to a Bond, means, with respect to Book-Entry Bonds, the Beneficial Owners thereof, and with respect to Bonds that are not Book-Entry Bonds, the Registered Owners thereof.

“Participant” means any direct or indirect participant in the book-entry system of a Securities Depository.

“Payment Account” means the Payment Account established pursuant to Section 5.2(a) hereof.

“Permitted Investments” means and includes, unless otherwise specified in the Supplemental Indenture with respect to a series of Bonds, any of the following obligations:

(i) marketable direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America or any agency thereof rated in one of the two highest rating categories by each Rating Agency which rates such obligations, or book-entry interests therein;

(ii) senior debt obligations rated in the highest long-term rating category by each Rating Agency issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, and senior debt obligations of other federal government-sponsored agencies approved by each Rating Agency;

(iii) U.S. dollar denominated deposit amounts, federal funds and banker’s acceptances with domestic commercial banks which have a rating on their short-term certificates of deposit on the date of purchase in the highest short-term rating category by each Rating Agency and maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

(iv) commercial paper which is rated at the time of purchase in the highest short-term rating category by each Rating Agency (without regard to plus or minus or other modifiers), and which matures not more than 270 days after the date of purchase;

(v) repurchase agreements, in a standard form prescribed by The Securities Industry and Financial Markets Association or similar form, contracted with banks (which may include the Trustee) which are members of the Federal Deposit Insurance Corporation, or with government bond dealers reporting to and trading with the Federal Reserve Bank of New York, in each case rated in the highest rating category by each Rating Agency which rates such debt, which agreements are secured by obligations described in item (i) above and have been delivered to each Rating Agency for review;

(vi) shares in an investment company (including any such company for which the Trustee or any affiliate receives compensation with respect to such investment) rated in the highest rating category by each Rating Agency which rates such investment company, and registered under the federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933 and whose only investments are obligations described in items (i), (ii), (iii) and/or (iv) above;

(vii) a collective investment fund of the Trustee created pursuant to Regulation 9 of the Office of the Controller of the Currency which is invested in one or more of the types of obligations described in clauses (i) or (ii) above;

(viii) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (a) which are rated, based upon an irrevocable escrow account or fund (the “escrow”), in the highest rating category of each Rating Agency; or (b) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in item (a) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and which escrow is sufficient, as verified by an independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(ix) any investment agreement having a term of not more than 18 months with an entity having outstanding short-term debt rated at least A-1, P-1 or F1+, as applicable, or the equivalent;

(x) any money market fund, including a qualified regulated investment company described in I.R.S. Notice 87-22, rated by Moody’s and S&P not lower than its highest applicable rating category; and

(xi) any other investment approved in writing in advance by the Credit Provider.

“Pledged Assets” means all the rights and interests described in the granting clauses of this Trust Indenture.

“Principal Office” means, (i) with respect to the Trustee, its office at the address set forth in Section 10.5 hereof or such other office as designated in writing to the Issuer; and (ii) with respect to any Marketing Party, the office thereof designated in writing by such Marketing Party to the Issuer and the Trustee.

“Principal Payment Date” means the date of maturity of any Bonds or a date of redemption of any Bonds prior to the date of maturity of such Bonds, upon election or requirement to redeem Bonds on such date prior to maturity.

“Private Loan” means an education loan made to a student or parent of a dependent student that is not a Higher Education Act Eligible Loan.

“Rating Agency” or “Rating Agencies” means at any time any of Fitch, Moody’s, and S&P to the extent such agency has been requested by the Issuer to issue and continue a rating on any of the Bonds and such agency has issued and continues to maintain a rating on such Bonds at such time; *provided* that notwithstanding any outstanding rating by any such agency of any Bonds which are subject to purchase at the demand of the owners thereof if notice is given at least fifteen (15) days in advance of the modification removing such agency as a Rating Agency

hereunder, such 15 days includes an opportunity for holders of the Bonds to demand such a purchase and if all demands for purchase of Bonds are honored, such agency will not be deemed to be a “Rating Agency” for purposes of this Indenture thereafter.

“Rating Agency Condition” shall mean, as of any date, a letter addressed to the Trustee or the Issuer, or public notice from each Rating Agency other than S&P, confirming that the action proposed to be taken pursuant to this Trust Indenture as described in such letter or notice will not, in and of itself, result in a downgrade of such Rating Agency’s rating on any Bonds Outstanding or cause such Rating Agency to suspend or withdraw its rating on any Bonds Outstanding.

“Record Date” for any Bonds means, unless otherwise specified in the Supplemental Indenture providing for the issuance of such Bonds, (i) with respect to payments to be made on an Interest Payment Date while such Bonds bear interest at a Variable Rate, the Business Day prior to such Interest Payment Date; (ii) with respect to payments to be made on an Interest Payment Date while such Bonds bear interest at a Long-Term Rate, the 15th day prior to such Interest Payment Date; or (iii) with respect to payments to be made otherwise, or with respect to obtaining consents of Owners, such date as the Trustee shall reasonably determine.

“Registered Owner” means the person in whose name each Bond is registered in the registration books as the owner of such Bond.

“Remarketing Agent Fees” means the fees and expenses of any remarketing agent then acting under a Supplemental Indenture, as such fees may be limited in the Supplemental Indenture or Credit Enhancement with respect to a series of Bonds.

“Reserve Account” means the Reserve Account established pursuant to Section 5.2 hereof.

“Reserve Account Requirement” means, with respect to any Bonds, such amount (including any surety bond, letter of credit or other instrument) as shall be specified in the Supplemental Indenture authorizing the issuance of such Bonds.

“Revenue Account” means the Revenue Account established pursuant to Section 5.2 hereof.

“Revenues” means (i) all payments, proceeds, charges and other cash income received with respect to the Loans, (ii) interest earned or gain realized from the investment of amounts in any Account (other than amounts required to be deposited to or on deposit in the Operating Account or the Non-Pledged Account), including scheduled, delinquent and advance payments of, and any guaranty or insurance proceeds with respect to, interest on any Loan, (iii) any special allowance payment received pursuant to the Higher Education Act with respect to any Loan, payouts or prepayments, and proceeds attributable to principal from insurance or from the sale, assignment or other disposition of such Loan and (iv) all amounts received pursuant to any Financial Product.

“S&P” means Standard & Poor’s Ratings Services, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a

securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“Secretary” means the Secretary of Education, the United States Department of Education, or the successor to the functions of such officer or such office under the Higher Education Act.

“Securities Depository” means The Depository Trust Company and its successors and assigns, or if (i) the then Securities Depository resigns from its functions as depository of the Bonds or (ii) the Issuer discontinues use of the Securities Depository, any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the Bonds and which is selected by the Issuer.

“Senior Bonds” means any Bonds which are secured by a lien on and payable from the Pledged Assets prior to all other Bonds except those issued on a parity as to payments therewith.

“Senior Subordinate Bonds” means any Bonds which are secured by a lien on and payable from the Pledged Assets on a basis subordinate to the Senior Bonds and prior to the Subordinate Bonds and the Junior Subordinate Bonds.

“Servicer” shall mean GLELSI and any other servicer or successor servicer selected by the Issuer, including an affiliate of the Issuer, so long as the Issuer has satisfied the requirements of a Rating Agency Condition and a Credit Confirmation as to each such other servicer.

“Servicing Agreement” shall mean (a) the Non-FFELP Loan Servicing Agreement, dated as of October 1, 2012, between the Issuer and GLELSI, as amended from time to time, and (b) any replacement servicing agreement between the Issuer and any other Servicer.

“Servicing Fee” means a monthly servicing fee paid to the Servicer, for the payment of fees and expenses due to the Servicer under the terms of the Servicing Agreement.

“Stated Maturity” means the date specified in the Bonds as the fixed date on which principal of such Bonds is due and payable.

“Student Loan Sale Agreement” shall mean the Private Student Loan Sale Agreement, dated as of October 1, 2012, between the Depositor and the Issuer, as amended and supplemented pursuant to the terms thereof and hereof.

“Subaccount” shall mean any of the subaccounts which may be created and established within any Account by this Indenture.

“Sub-Administrator” shall mean NES, in its capacity as sub-administrator under the Subservicing Agreement, or any successor thereto, so long as the Issuer has satisfied the requirements of a Rating Notification and Credit Confirmation as to each such other sub-administrator.

“Subservicing Agreement” shall mean the Amended and Restated Subservicing Agreement, dated as of October 25, 2012, between NES and NCMS.

“Sub-Master Servicer” shall mean NorthStar Education Services LLC, in its capacity as sub-master servicer under the Subservicing Agreement, or any successor thereto, so long as the Issuer has satisfied the requirements of a Rating Notification and Credit Confirmation as to each such other sub-master servicer.

“Subordinate Bonds” means any Bonds which are secured by a lien on and payable from the Pledged Assets on a basis subordinate to the Senior Bonds and the Senior Subordinate Bonds and prior to the Junior Subordinate Bonds.

“Supplemental Indenture” means any indenture supplemental to or amendatory of this Trust Indenture, between the Issuer and the Trustee and effective in accordance with the provisions of Article VII, as any such supplemental indenture may itself be supplemented or amended pursuant to such provisions.

“Trust Agreement” shall mean the Amended and Restated Trust Agreement, dated as of October 25, 2012, between the Depositor and the Delaware Trustee, as amended pursuant to the terms thereof.

“Trustee” means U.S. Bank National Association and any successor at any time substituted in its place pursuant to this Indenture.

“Trustee Expenses” means the costs and expenses of the Trustee and the Eligible Lender Trustee, other than the Trustee Fee, payable pursuant to Sections 5.3(b)(ii) or 8.4(a) hereof, which expenses (subject to the provision of this definition) shall not, prior to the occurrence of an Event of Default, exceed in any calendar year an amount equal to \$50,000; *provided, however,* that to the extent that less than \$50,000 is used in any calendar year for such costs and expenses of the Trustee and the Eligible Lender Trustee, such excess shall be available for costs and expenses of the Trustee and the Eligible Lender Trustee in any future calendar year.

“Trustee Expense Reserve Subaccount” means the Trustee Expense Reserve Subaccount established as a subaccount of the Operating Account pursuant to Section 5.2.

“Trustee Expense Reserve Subaccount Deposit” means a deposit equal to the lesser of (i) \$4,167 and (ii) the amount necessary to bring the balance in the Trustee Expense Reserve Subaccount to \$150,000.

“Trustee Fee” means an initial fee of \$2,500 payable on the Closing Date, and a monthly fee equal to the greater of (a) the product of 1/12 of .0075% multiplied by the principal amount of Bonds Outstanding as of the end of the prior calendar month and (b) \$20,000 per annum. Such fee shall be in satisfaction of the Trustee’s compensation as trustee under this Indenture.

“Variable Rate” means a single rate of interest on any Bond which remains in effect for one year or less.

“Wilmington Trust” means Wilmington Trust, National Association.

Section 1.3 Interpretation. In this Trust Indenture, including any Supplemental Indenture, unless the context otherwise requires:

(a) the terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Trust Indenture or any Supplemental Indenture, refer to this Trust Indenture or such Supplemental Indenture, and the term “heretofore” means before, and the term “hereafter” means after, the date of execution of this Trust Indenture or such Supplemental Indenture;

(b) words of any gender mean and include correlative words of the other genders and words importing the singular number mean and include the plural number and vice versa;

(c) words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, limited liability companies, corporations and other legal entities, including public bodies, as well as natural persons;

(d) any heading preceding the texts of the several Articles and Sections of this Trust Indenture, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Trust Indenture, nor shall they affect its meaning, construction or effect;

(e) the verbs “finance” or “acquire” when used with reference to a Loan shall be construed to include (i) the purchase or other acquisition of such Loan or (ii) the participation by the Issuer, either by itself or with others, in the purchase thereof;

(f) any requirement herein that any Certificate or Direction of the Issuer, or any other notice, request, consent or order, be in writing or be signed shall include such facsimile and other electronic writing and electronic signature as shall be acceptable to the Issuer and the Trustee; and

(g) any references contained herein to Sections or Articles are references to such Sections or Articles of this Trust Indenture, unless otherwise specified.

Section 1.4 References to Credit Provider. All provisions of this Trust Indenture, including any Supplemental Indenture, regarding consents, approvals, directions, waivers, appointments, requests or other actions by any Credit Provider shall be deemed not to require or permit such consents, approvals, directions, waivers, appointments, requests or other actions and shall be read as if such Credit Provider were not mentioned therein (a) at any time when no Credit Enhancement is in effect hereunder; or (b) with respect to any particular Credit Provider, during any period during which such Credit Provider has failed to honor a properly presented and conforming drawing under its Credit Enhancement; *provided, however,* that the payment of amounts due to any Credit Provider pursuant to the terms hereof shall continue in full force and effect. The foregoing shall not affect any other rights of any Credit Provider, including rights it may be entitled to as the owner of any Bonds hereunder.

All provisions herein relating to the rights of any Credit Provider shall be of no force and effect if its Credit Enhancement is no longer in effect and all amounts owing to such Credit Provider under its agreement to provide credit have been paid. In such event, all references to such Credit Provider shall have no force or effect.

ARTICLE II

TERMS OF BONDS

Section 2.1 Authorized Amount of Bonds. Bonds may be issued under the provisions of this Indenture, but only in accordance with this Article, in amounts which shall not be limited except as specified with respect to any series of Bonds in the Supplemental Indenture providing for the issuance thereof. Additional Bonds may be issued on a parity with Senior Bonds, Senior Subordinate Bonds, Subordinate Bonds or Junior Subordinate Bonds theretofore Outstanding.

Section 2.2 Limited Obligations. The Issuer shall not be obligated to pay the Bonds or the interest thereon or any other obligation incurred by the Issuer hereunder, except from the property and income pledged hereunder, and no recourse shall be had for the payment of the principal thereof or interest thereon against the Issuer or against the property or funds of the Issuer, except to the extent of the property and income pledged expressly thereto. The Bonds are special obligations of the Issuer payable solely from and secured by a pledge of the Pledged Assets.

Section 2.3 Authentication. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless and until a certificate of authentication, in the form as set forth on the form of the Bonds in the Supplemental Indenture pursuant to which such Bonds are authorized, shall have been executed as provided in Section 3.6(b).

Section 2.4 Terms and Payment of the Bonds. The Bonds shall be designated “NorthStar Student Loan Trust II, Student Loan Revenue Bonds,” and the Bonds of any series shall bear such series designation and other descriptive words as shall be specified in the Supplemental Indenture providing for the issuance thereof. All Bonds shall be issuable as fully registered securities without coupons, except as provided in a Supplemental Indenture, and shall be in Authorized Denominations. The Bonds of any series shall be dated as of, and bear interest from, the date set forth in the Supplemental Indenture authorizing their issuance. Bonds of any series shall bear interest, mature, be subject to redemption or tender, and have such other terms as shall be set forth in the Supplemental Indenture pursuant to which such Bonds are authorized to be issued.

The Bonds shall be payable in any money of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and such payments shall be made without exchange or collection charges by the Trustee to the Owners of the Bonds. The principal, purchase price or redemption price of each Bond shall be paid by check to the person in whose name such Bond is registered upon presentation and surrender of such Bond at the designated office of the Trustee. Interest on each Bond shall be payable on each Interest Payment Date to the person in whose name such Bond is registered at the close of business on the applicable Record Date, and shall be paid by check (dated as of the Interest Payment Date) and sent by the Trustee by first class mail, postage prepaid, to the address of such Owner; *provided* that (i) any interest payable on past due principal of any Bond shall be paid to the person in whose name such Bond is registered on the date when such Bond is surrendered for redemption or payment; (ii) interest on any Bond shall (unless otherwise provided in the

Supplemental Indenture pursuant to which such Bonds are issued), at the option of any owner of \$1,000,000 or more aggregate principal amount of Bonds of the same series, maturity and interest rate (as of the Record Date for a particular Interest Payment Date), be payable by wire transfer of immediately available funds to be sent by the Trustee on the Interest Payment Date, upon prior written notice to the Trustee, from any such owner (including in such notice wire instructions for an address within the United States) *provided* such notice is received by the Trustee not later than 5 days prior to the Record Date with respect to such Interest Payment Date; and (iii) while the Securities Depository is the registered Owner of any Bonds, all payments of principal, premium and interest with respect to such Bonds shall be paid by wire transfer to the Securities Depository or its nominee.

Section 2.5 Form of Bonds. The form of the Bonds, the Trustee's Certificate of Authentication to be endorsed thereon and the Assignment to be set forth thereon shall be substantially in the form as specified by Supplemental Indenture providing for the issuance thereof, with appropriate variations, omissions and insertions as permitted or required by this Indenture. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bonds. The Bonds of each series shall be numbered and given any such letter prefixes or other marks of identification, and may contain or have endorsed thereon such legends, provisions, specifications or other descriptive words, as may consistently herewith be determined by the officers executing such Bonds, such determination to be evidenced by their execution of the Bonds. Unless otherwise provided in a Supplemental Indenture providing for the issuance of any Bonds, all Bonds shall be issued in book-entry only form and the provisions of Section 2.7 hereof shall apply to such Bonds.

Section 2.6 Conditions Precedent to Delivery of Bonds. The Bonds of any series shall be authenticated by the Trustee and delivered upon the Issuer's order, but only upon the receipt by the Trustee of:

(a) either or both or a combination of Counsel's Opinion and Bond Counsel Opinion to the effect that (i) this Indenture has been executed and delivered by the Issuer and is valid and binding upon the Issuer (except as may be limited by the operation of bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other similar laws affecting rights and remedies of creditors and to the application of equitable principles and to the exercise of judicial discretion in appropriate cases); (ii) this Indenture creates the valid pledge which it purports to create of the amounts, including Revenues, moneys and securities, on deposit in any of the Accounts established thereunder (except the Non-Pledged Account, the Operating Account and any other account specifically excluded by the terms hereof), subject to the application of such amounts to the purposes and on the conditions permitted by this Indenture; and (iii) upon the execution, authentication and delivery thereof, such Bonds constitute the valid and binding obligations of the Issuer;

(b) a Credit Confirmation with respect to the issuance of any Additional Bonds;

(c) a written order as to the delivery of such Bonds, signed by an Authorized Officer of the Issuer;

(d) the amount of the proceeds of such Bonds to be deposited with the Trustee pursuant to Section 4.1;

(e) if applicable, such further documents as are required with regard to the issuance of Additional Bonds and any other documents and moneys as are required by the provisions of Article VII or any Supplemental Indenture entered into pursuant to Article VII; and

(f) a Confirming Tax Opinion with respect to the issuance of any Additional Bonds.

No Additional Bonds shall be issued which are payable from drawings on any Credit Enhancement which provides credit and/or liquidity support for another series of Bonds Outstanding. The Owners of a series of Bonds shall not have any rights under a Credit Enhancement issued for the benefit of the Owners of any other series of Bonds. Any Additional Bonds shall have a series designation different from any other Bonds Outstanding.

Section 2.7 Book-Entry System. Unless otherwise provided in the Supplemental Indenture providing for the issuance of any Bonds, all Bonds shall be delivered initially in the form of a single certificated fully registered Bond for each maturity of each series of the Bonds; and upon such delivery, the ownership of each such Bond shall be registered in the name of a Securities Depository or its nominee and, if so registered, shall thereafter be governed by this Section.

(a) With respect to any Bonds registered in the name of the Securities Depository or its nominee, the Issuer and the Trustee shall have no responsibility or obligation to any person on behalf of which a Participant holds an interest in such Bonds. Without limiting the immediately preceding sentence, the Issuer and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Securities Depository or any Participant, (ii) the accuracy of the records of the Securities Depository or any Participant with respect to any ownership interest in such Bonds, (iii) the delivery to any Participant or any other person, other than an Owner of Bonds, of any notice with respect to such Bonds, including any notice of redemption, or (iv) the payment to any Participant or any other person, other than an Owner of Bonds, of any amount with respect to the principal of, premium, if any, interest on, or purchase price of such Bonds. The Issuer and the Trustee may treat and consider the person in whose name each Bond is registered in the registration books as the holder and absolute owner of such Bond for the purpose of payment of principal, premium, if any, the purchase price and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever; *provided, however*, that notwithstanding the provisions hereinabove, the Trustee shall accept any notice of election to tender Bonds from any Beneficial Owner of any Bond, or any nominee thereof, but shall make payment of the purchase price only to the Owner thereof. The Trustee shall pay all principal or any purchase price of and premium, if any, and interest on the Bonds only to or upon the order of the respective Owners, as shown in the

registration books, as provided in Section 2.4 hereof, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal or redemption price or purchase price of and interest on such Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books, shall receive a certificated Bond evidencing the obligation of the Issuer to make payments of principal, premium, purchase price and interest pursuant to this Indenture.

(b) The delivery to the Securities Depository of any letter of representation by the Issuer, the Trustee and any other applicable party shall not in any way limit the provisions of subsection (a) of this Section or in any other way impose upon the Issuer or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners, as shown on the registration books. The Trustee shall take all action necessary for all representations in any such representation letter with respect to the Trustee to at all times be complied with.

(c) The Securities Depository may determine to discontinue providing its services with respect to any series of Bonds at any time by giving written notice to the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable law. The Issuer, without the consent of any person, may terminate the services of the Securities Depository with respect to any series of Bonds, and shall do so if any tender agent with respect to such series or the Trustee ceases to be a Participant and is not replaced by a tender agent or Trustee which is a Participant. Upon the discontinuance or termination of the services of the Securities Depository with respect to any series of Bonds pursuant to the foregoing sentences, unless a substitute Securities Depository is appointed to undertake the functions of the predecessor Securities Depository hereunder, the Issuer is obligated to deliver certificated Bonds to the Beneficial Owners of such Bonds, as described herein, and such Bonds shall no longer be restricted to being registered in the registration books in the name of the Securities Depository or its nominee, but may be registered in whatever name or names Owners transferring or exchanging Bonds shall designate to the Trustee in writing, in accordance with the provisions of this Indenture.

(d) Notwithstanding any other provisions of this Indenture to the contrary, as long as any Bond is registered in the name of the Securities Depository or its nominee, all payments with respect to the principal or purchase price of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner agreed upon by the Trustee and the Securities Depository. Owners of Bonds shall have no lien on or security interest in any rebate or refund paid by the Securities Depository to the Trustee which arises from the payment by the Trustee of principal of or interest on any Bonds in immediately available funds to the Securities Depository.

(e) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is held in book-entry form, such Bond need not be delivered in connection with any optional tender of such Bond, and all references to physical delivery of Bonds in any provision for optional tender shall be ineffective. In such case, payment

of the purchase price in connection with such tender shall be made only to the Owner of such Bond on the date designated for such payment, without further action by the Beneficial Owner (or nominee thereof) who delivered the applicable notice of election to tender Bonds, and, notwithstanding any other provisions of this Indenture, transfer of beneficial ownership shall be made in accordance with the procedures of the Securities Depository.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 3.1 Negotiability, Registry and Exchange. All the Bonds issued under this Indenture shall be negotiable, subject to the provisions for registration, transfer and exchange contained in this Indenture and in the Bonds. So long as any of the Bonds shall remain Outstanding or are otherwise not paid, the Issuer shall maintain and keep, at the Principal Office of the Trustee, books for the registration, transfer and exchange of Bonds. Upon presentation thereof for such purpose at said office, the Trustee shall register or cause to be registered in such books, and permit to be transferred thereon, any Bonds entitled to registration or transfer, under such reasonable regulations as it or the Trustee may prescribe. So long as any of the Bonds remain Outstanding, the Trustee shall make all necessary provisions to permit the exchange of Bonds at the Principal Office of the Trustee.

Bonds, at the option of the owner thereof and upon payment by such owner of any charges which the Issuer or the Trustee may make as provided in Sections 3.3 and 3.4 hereof, may be exchanged for an equal aggregate principal amount of Bonds of any of the Authorized Denominations of the same series and maturity upon surrender thereof at the Principal Office of the Trustee with a written instrument of transfer satisfactory to the Trustee duly executed by the owner or such owner's duly authorized attorney.

Section 3.2 Transfer of Bonds. (a) Each Bond shall be transferable only upon the books of the Issuer, which shall be kept for such purpose at the Principal Office of the Trustee, in person by the Owner thereof or by such Owner's attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner or such Owner's duly authorized attorney. Upon the transfer of any such fully registered Bond, the Issuer shall issue in the name of the transferee a new fully registered Bond or Bonds of the same series, interest rate and maturity.

(b) The Issuer and the Trustee may deem and treat the person in whose name any Bond shall be registered upon the books of the Issuer as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such Owner or upon such Owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

Section 3.3 Regulations With Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Issuer shall execute, and the Trustee shall authenticate and deliver, Bonds in Authorized Denominations in accordance with the provisions of this Indenture. For every such exchange or transfer of Bonds, whether temporary or definitive, the Issuer or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which charges shall be paid by the person requesting such exchange

or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer of Bonds.

Except with respect to optional and mandatory tenders, the Issuer will not be obligated to (i) register the transfer of or exchange any Bond of a series during a period beginning on the date Bonds of the series are selected for redemption and ending on the day of the mailing of a notice of redemption of Bonds selected for redemption; (ii) register the transfer of or exchange any Bond selected for redemption in whole or in part, except the unredeemed portion of a Bond being redeemed in part; or (iii) make any such exchange or transfer of any Bond during the period beginning on the Record Date for an Interest Payment Date and ending on the Interest Payment Date.

Section 3.4 Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer shall execute, and the Trustee shall authenticate, a new Bond of like series, interest rate, maturity, principal amount and other terms as the Bond so mutilated, destroyed, stolen or lost. In the case of a mutilated Bond, such new Bond shall be delivered only upon surrender and cancellation of such mutilated Bond. In the case of a Bond issued in substitution for a Bond that has been destroyed, stolen or lost, such new Bond shall be delivered only upon the filing of evidence with the Trustee satisfactory to establish to the Issuer and the Trustee that such Bond has been destroyed, stolen or lost and to prove the ownership thereof and upon furnishing the Issuer and the Trustee with indemnity satisfactory to them. The person requesting the authentication and delivery of a new Bond pursuant to this Section shall comply with such other reasonable requirements as the Issuer and the Trustee may prescribe and pay such expenses as the Issuer and the Trustee may incur in connection therewith. All Bonds surrendered to the Trustee shall be cancelled by it. Evidence of such cancellation shall be given to the Issuer upon request.

Section 3.5 Cancellation and Destruction of Bonds. All Bonds paid at maturity or redemption shall be delivered to the Trustee when such payment is made, and such Bonds, together with all Bonds purchased by the Trustee for cancellation hereunder, shall thereupon be promptly cancelled. Bonds so cancelled shall be treated by the Trustee in accordance with its document retention policies. Notwithstanding the foregoing, documents relating to Credit Enhancement may provide that Bonds paid with amounts derived from such Credit Enhancement shall not be cancelled but shall remain outstanding as Bonds held by or pledged to the applicable Credit Provider.

Section 3.6 Execution and Authentication. (a) Bonds may be executed by an Authorized Officer of the Issuer and delivered to the Trustee for authentication. The Bonds shall be executed in the name and on behalf of the Issuer by the manual or facsimile signature of any Authorized Officer of the Issuer. In case any one or more of the Authorized Officers of the Issuer who shall have signed any of the Bonds shall cease to be such Authorized Officer of the Issuer before the Bonds so signed shall have been actually delivered, such Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the person who signed such Bonds had not ceased to be an Authorized Officer of the Issuer.

(b) The Bonds shall bear thereon a certificate of authentication executed manually by an authorized signatory of the Trustee or, if one be so authorized by a

Supplemental Indenture, a co-authenticating agent. It shall not be necessary that the same signatory of the Trustee or any co-authenticating agent sign the certificate of authentication on all of the Bonds issued hereunder. No Bond shall be entitled to any right or benefit under this Indenture or shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee or such agent. Such certificate of the Trustee or such agent upon any Bond executed on behalf of the Issuer shall be conclusive evidence that the Bond was so authenticated and delivered under this Indenture and that the owner thereof is entitled to the benefits hereof.

Section 3.7 Redemption. The Bonds shall be subject to redemption prior to maturity in whole or in part, as set forth in the Supplemental Indenture pursuant to which such Bonds are authorized.

Notice of redemption of any Bonds, unless otherwise specified in Section 2.7 hereof or by Supplemental Indenture, shall be given by the Trustee, at the Direction of the Issuer (except with respect to Bonds to be redeemed from scheduled sinking fund payments), by mailing a copy of the notice by first class mail to each owner of such Bonds at the address of such owner as shown on the registration books of the Trustee, not less than fifteen (15) days prior to the date set for such redemption, or such other period as may be required for any Bonds pursuant to the Supplemental Indenture providing for the issuance thereof. Such notice of redemption shall state the redemption date, the redemption price, the principal amount and the series and numbers of the Bonds called for redemption, the place of presentation of the Bonds called for redemption and that interest on the Bonds, or the portion thereof so called for redemption, shall cease to accrue on the redemption date. Any such notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether or not received by any owner of Bonds, and failure to give any such notice or any defect therein with respect to any Bond shall not affect the validity of the proceedings with respect to any other Bond.

Any Direction from the Issuer to the Trustee to redeem Bonds (i) shall be given at least five (5) days before the Trustee is required to give notice to the owners of the Bonds pursuant to the preceding paragraph, or such lesser period as to which the Trustee shall consent, and (ii) in the case of a redemption of less than all of the Bonds or a redemption of Bonds of a specific series or maturity as required by this Indenture, shall include directions with respect to the series and maturity of any Bonds to be so redeemed and the timing of such redemption.

Except as provided below, on or prior to the date fixed for redemption, funds shall be deposited with the Trustee to pay, and the Trustee is hereby authorized and directed to apply such funds to the payment of, the Bonds called, together with accrued interest and premium, if any, thereon to the redemption date. Upon the giving of notice and the deposit of funds for redemption, interest on the Bonds thus called shall no longer accrue after the date fixed for redemption. No payment shall be made by the Trustee upon any Bond called for redemption until such Bond shall have been delivered for payment or cancellation or the Trustee shall have received the items required by Section 3.4 hereof with respect to any mutilated, lost, stolen or destroyed Bond.

With the Credit Provider's written consent, a notice of optional redemption may be given without a deposit with the Trustee of moneys sufficient to redeem all the Bonds called for

redemption. Such notice of redemption shall state that the redemption shall be conditioned upon receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of and interest on such Bonds to be redeemed and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem such Bonds. In the event that such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, one time, in the same manner in which the notice of redemption was given, that such moneys were not so received.

Notwithstanding anything to the contrary in this Section, any notice of redemption, other than mandatory sinking fund redemption, may state that it is conditional and may be rescinded by notice given by the Trustee, in the same manner that notices of redemption are given, at any time before the date fixed for redemption. Any notice of redemption given by the Trustee without Direction from the Issuer other than notice of mandatory sinking fund redemption, shall contain such statement. Upon receipt by the Trustee of a Direction from the Issuer to rescind any such conditional notice of redemption, accompanied by a Credit Confirmation, in sufficient time for the Trustee to give notice of rescission to the Bondholders at least two Business Days before the redemption date, the Trustee shall give such notice of rescission in the same manner that notice of the redemption was given. In addition, such notice of redemption may state that it is conditioned upon the deposit of money sufficient to effect such redemption on or before the date the Bonds are to be redeemed and that such notice shall be of no force and effect in the event that moneys for such redemption are not so deposited by such time.

Section 3.8 Purchase in Lieu of Redemption. Prior to the mailing by the Trustee of a notice of redemption with respect to Bonds of any particular series, tenor and maturity, the Issuer may direct the Trustee to purchase, from amounts then deposited in the Retirement Subaccount of the applicable Payment Account and upon receipt of a Direction of the Issuer to such effect the Trustee shall purchase, such Bonds, at a price (including any brokerage and other costs) not to exceed the principal amount thereof plus accrued interest, in lieu of redemption; *provided, however,* that the Trustee shall be obligated to honor a Direction of the Issuer that directs the purchase of Bonds for future delivery on or after a date that is five (5) Business Days prior to the last date, if any, on which notice of redemption with respect to such Bonds is required to be mailed in accordance with the provisions of this Indenture that directs the purchase of Bonds for future delivery. Except as otherwise may be specified in such Direction, the Trustee shall make such purchases of Bonds in such manner as the Trustee shall determine. The Issuer is expressly authorized, to tender, and to direct the Trustee to purchase from the Issuer, any Bonds in lieu of redemption. The Trustee shall not be required to advance any of its own money to make any such purchase or purchases. Any Bonds purchased by the Trustee pursuant to this Section 3.8 shall be immediately cancelled and of no further effect.

ARTICLE IV

APPLICATION OF PROCEEDS AND OTHER AMOUNTS

Section 4.1 Application of Proceeds. The proceeds of sale of any Bonds shall, as soon as practicable upon the delivery of such Bonds by the Trustee pursuant to Section 2.6 hereof, be applied as set forth in the Supplemental Indenture pursuant to which such Bonds are authorized.

Section 4.2 Additional Deposits or Transfers. If for any reason the Issuer deposits with or assigns to the Trustee additional assets to be held as part of the Pledged Assets, such assets shall be deposited to or held for the account of such Accounts or subaccounts as prescribed by Supplemental Indenture or Direction of the Issuer and shall thereafter be applied or released pursuant to Direction of the Issuer, subject to the satisfaction of any conditions contained therein, or as specified in the Supplemental Indenture or Direction of the Issuer pursuant to which such assets were deposited. In addition, the Issuer may at any time deposit with or assign to the Trustee assets to be deposited and held in the Non-Pledged Account, which shall not be part of the Pledged Assets and which shall be applied or released pursuant to Direction of the Issuer.

ARTICLE V

PLEDGE OF INDENTURE; ACCOUNTS

Section 5.1 Pledge and Security Interest.

(a) This Trust Indenture creates a valid and binding pledge and assignment of security interest in all of the Pledged Assets pledged under the Trust Indenture in favor of the Trustee as security for payment of the Bonds and any Credit Provider to secure the payment of any and all amounts which may from time to time become due and owing to such Credit Provider pursuant to any Credit Enhancement, enforceable by the Trustee in accordance with the terms hereof.

(b) Under the granting clauses of this Trust Indenture and pursuant to the Uniform Commercial Code as adopted in New York, the Issuer has granted a security interest in and has otherwise assigned the Pledged Assets to the Trustee, which security interest is prior to all other liens, charges, security interests, mortgages or other encumbrances, and is enforceable as such as against creditors of and purchasers from the Issuer.

(c) The Issuer (or the Eligible Lender Trustee on behalf of the Issuer) owns and has good and marketable title to the Pledged Assets free and clear of any lien, charge, security interest, mortgage or other encumbrance, claim or encumbrance of any person, other than those granted pursuant to this Indenture.

(d) For sale of loan participations, swaps and other “payment intangibles” (within the meaning of the applicable UCC), the Issuer has received all consents and approvals required by the terms of the Loans for the pledge of the Loans hereunder to the Trustee.

(e) The Issuer has caused the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in the Pledged Assets granted to the Trustee hereunder.

(f) The Issuer has received a written acknowledgment from the Servicer, as custodian for the Trustee, that the Servicer is holding executed copies of the promissory notes that constitute or evidence the Loans for which it is acting as Servicer, and that the Servicer is holding such solely on behalf and for the benefit of the Trustee.

(g) The representations and warranties set forth in clauses (a) through (f) of this Section 5.1 shall survive the termination of this Indenture.

(h) The Trustee shall not waive any of the representations and warranties set forth in this Section 5.1.

(i) The Issuer shall take all steps necessary, and shall cause the Servicer and each other custodian, if any, to take all steps necessary and appropriate, to maintain the perfection and priority of the Trustee's security interest in the Pledged Assets.

Section 5.2 Accounts. (a) There are hereby established and created the following trust accounts to be held and maintained by the Trustee for the benefit of the Owners:

(1) Revenue Account;

(2) Payment Account, including an Interest Subaccount, Principal Subaccount and Retirement Subaccount;

(3) Loan Account; and

(4) Reserve Account.

The Trustee is hereby authorized for the purpose of facilitating administration of the Pledged Assets to create subaccounts in any of the various Accounts established hereunder as may be directed by the Issuer or otherwise provided by Supplemental Indenture.

There is also hereby established and created a special account to be held by the Trustee and to be called the Operating Account, including the Trustee Expense Reserve Subaccount thereof, which Account is not included within the Pledged Assets. There is also hereby established and created a special account to be held and applied as the Issuer shall direct and to be called the Non-Pledged Account, which Account is not included within the Pledged Assets.

(b) All such Accounts shall be held and maintained by the Trustee and shall be identified by the Issuer and the Trustee according to the designations herein provided in such manner as to distinguish such Accounts from the accounts established by the Trustee and the Issuer for any of their other obligations. All moneys or securities held by the Trustee pursuant to this Indenture shall be held in trust as provided herein, and applied only in accordance with the provisions of this Indenture.

Section 5.3 Revenue Account; Payment Account. (a) There shall be deposited in the Revenue Account all Revenues derived from moneys and assets on deposit in or credited to the Loan Account, the Reserve Account and the Payment Account within three 3 Business Days of deposit in such Accounts. There shall also be deposited in the Revenue Account any amount required to be deposited therein pursuant to this Indenture and any other amounts (including counterparty exchange payments received pursuant to subsection (d) of this Section) available therefor and required, or determined by the Issuer, to be deposited therein from time to time.

(b) The Trustee shall pay out of the Revenue Account all moneys then deposited therein (any money not so transferred or paid to remain in the Revenue Account until subsequently applied pursuant to this Section 5.3(b)), as follows on the last Business Day of each calendar month, or more frequently or on other dates if required by a Supplemental Indenture, and in the following order of priority:

(i) FIRST: Into the Operating Account an amount which, when added to amounts then on deposit in such Account and available for such purpose, is sufficient to provide for the reconciliation of Special Allowance Payments under the Higher Education Act among the Issuer, NEF and other affiliates of NEF under any Joint Sharing Agreement and the United States Department of Education, or to make any other payments due and payable to the United States Department of Education related to the Loans financed or refinanced with proceeds of Bonds (including, without limitation, consolidation loan rebate fees).

(ii) SECOND: Into the Operating Account an amount which, when added to amounts then on deposit in such Account and available for such purpose, is sufficient to pay Master Servicing Fees, Trustee Fees and Servicing Fees in connection with the Loans and the Bonds which are then payable to the Master Servicer, the Trustee or any Servicer, or which are estimated to become so payable during the next month, as set forth in a Certificate of an Authorized Officer of the Issuer delivered to the Trustee.

(iii) THIRD: Into the Operating Account an amount equal to the Trustee Expense Reserve Account Deposit.

(iv) FOURTH: Into the Operating Account an amount which, when added to amounts then on deposit in such Account and available for such purpose, is sufficient to pay Remarketing Agent Fees, Issuer Fees, Credit Enhancement Fees and such other fees confirmed in a Credit Confirmation with respect thereto in connection with the Bonds which are then payable or which are estimated to become payable during the next month, as set forth in a Certificate of an Authorized Officer of the Issuer delivered to the Trustee.

(v) FIFTH: Into the Interest Subaccount of the Payment Account the amount required by Section 5.3(f)(i) hereof, to the extent and in the manner provided therein, to provide for the payment of interest on Senior Bonds.

(vi) SIXTH: Into the Principal Subaccount of the Payment Account the amount required by Section 5.3(f)(iii) hereof, to the extent and in the manner provided therein, to provide for the payment of principal of Senior Bonds at their Stated Maturity or as necessary to maintain the Asset Requirement.

(vii) SEVENTH: Into the Interest Subaccount of the Payment Account the amount required by Section 5.3(f)(ii) hereof, to the extent and in the manner provided therein, to provide for the payment of interest on Senior Subordinate Bonds.

(viii) EIGHTH: Into the Principal Subaccount of the Payment Account the amount required by Section 5.3(f)(iii) hereof, to the extent and in the manner provided therein, to provide for the payment of principal of Senior Subordinate Bonds at their Stated Maturity or on a sinking fund payment date.

(ix) NINTH: Into the Interest Subaccount of the Payment Account the amount required by Section 5.3(f)(ii) hereof, to the extent and in the manner provided therein, to provide for the payment of interest on Subordinate Bonds.

(x) TENTH: Into the Principal Subaccount of the Payment Account the amount required by Section 5.3(f)(iii) hereof, to the extent and in the manner provided therein, to provide for the payment of principal of Subordinate Bonds at their Stated Maturity or on a sinking fund payment date.

(xi) ELEVENTH: Into the Interest Subaccount of the Payment Account the amount required by Section 5.3(f)(ii) hereof, to the extent and in the manner provided therein, to provide for the payment of interest on Junior Subordinate Bonds.

(xii) TWELFTH: Into the Principal Subaccount of the Payment Account the amount required by Section 5.3(f)(iii) hereof, to the extent and in the manner provided therein, to provide for the payment of principal of Junior Subordinate Bonds at their Stated Maturity or on a sinking fund payment date.

(xiii) THIRTEENTH: Into the Reserve Account the amount necessary to increase the amount on deposit therein to the Reserve Account Requirement.

(xiv) FOURTEENTH: Into the Operating Account, *provided* the Asset Requirement is maintained, the amount, if any, necessary to pay any other amounts due to Credit Providers (other than any contingent amount or Contingent Default Amount).

(xv) FIFTEENTH: Except as limited by any Supplemental Indenture, upon receipt by the Trustee of a Direction of the Issuer, into the Loan Account all remaining amounts in the Revenue Account after giving effect to the above transfers, *provided* that no such deposit shall be made after any date specified in a Supplemental Indenture as the last date for such transfer, as such date may be extended pursuant to any subsequent Supplemental Indenture.

(xvi) SIXTEENTH: Into the Retirement Subaccount of the Payment Account the amount, if any, which when added to the amount already within such account will be sufficient to pay the redemption price of all Outstanding Bonds until all Outstanding Bonds have been redeemed.

(xvii) SEVENTEENTH: Into the Operating Account, an amount equal to any contingent amount or Contingent Default Amount due to Credit Providers.

(xviii) EIGHTEENTH: To the Issuer, free and clear of the lien or the pledge of this Indenture.

(c) Notwithstanding the provisions of subsection (a) of this Section, and upon receipt by the Trustee of a Credit Confirmation with respect thereto, no payments shall be required to be made into the Revenue Account for so long as the aggregate amount on deposit therein, together with amounts on deposit in the Loan Account (exclusive of Loans therein), shall be sufficient to pay all Outstanding Bonds in accordance with their terms (and at one or more assumed maximum possible interest rates to the maturity of any Bonds which bear interest at a Variable Rate) and all other items to be paid from the Revenue Account, and any Revenues thereafter received by the Issuer shall be paid to the Issuer free and clear of the lien or the pledge of this Indenture.

(d) The Issuer may enter into any Financial Product, *provided* that prior to entering into such Financial Product (i) the Trustee shall have received a Credit Confirmation with respect to entering into such Financial Product and (ii) the Issuer shall deliver to the Trustee a Direction with respect to the Account or Accounts into which amounts received pursuant to such Financial Product are to be deposited; and any other provision of this Section 5.3 or Section 5.4 notwithstanding, in such event the Trustee shall pay to the counterparty of any such Financial Product such amount as shall be due from the Issuer or the Trustee thereunder, as specified in such Direction, in such order of priority with respect to clauses (iv) through (xi) of subsection (b) above as may be specified in such Direction. In addition, the obligation to pay any such counterparty may be secured by the Pledged Assets. Net payments due to the Issuer under any such agreement will be considered Revenues, and net payments due from the Issuer under any such agreement (other than termination payments) will, if so specified by the Issuer, be payable with the same priority of claim as Senior Bonds, Senior Subordinate Bonds, Subordinate Bonds or Junior Subordinate Bonds, as applicable. Termination payments may be made from amounts which may be released from the lien of this Indenture under (b)(xviii) above.

(e) Credit Enhancement may be provided for any series of Bonds, in accordance with the provisions of the Supplemental Indenture providing for the issuance of such Bonds. In such event, the Trustee shall reimburse the related Credit Provider for any amounts paid pursuant to such Credit Enhancement together with interest thereon, in such order of priority with respect to clauses (v) through (xii) and (xvi) of subsection (b) above as may be specified in such Supplemental Indenture. In addition, the obligation to pay any such reimbursement amounts plus interest and to pay any fees or other amounts

due with respect to such Credit Enhancement may be secured by the Pledged Assets as provided in such Supplemental Indenture.

(f) The Payment Account shall be used only for the payment of principal and interest on the Bonds (or to reimburse a Credit Provider for such payments as provided in subsection (e) above). The Trustee shall establish separate Subaccounts within the Payment Account for each source of deposit (including any investment income thereon) made therein so that the Trustee may at all times ascertain the date of deposit, the amounts and the source of the funds therein. Moneys received pursuant to a draw on a Credit Enhancement to pay principal of or interest on any Bonds shall be deposited in a separate Subaccount (the "Direct-Pay Credit Facility Drawing Subaccount") and shall never be commingled with moneys from any other source, and moneys transferred to the Payment Account from the Revenue Account to provide for the reimbursement of a Credit Provider for draws on a Credit Enhancement for the payment of principal of or interest on any Bonds shall be deposited in a separate Subaccount and shall never be commingled with moneys from any other source. The Trustee shall hold the Direct-Pay Credit Facility Drawing Subaccount for the exclusive benefit of the Owners of the Bonds, who shall have a first and exclusive lien thereon (such that none of the Remarketing Agent, if any, the Trustee, the purchasers of any series of Bonds, the Administrator, the Sub-Administrator, the Credit Provider, if any, or any other person shall have any lien thereon).

(i) With respect to each series of Bonds on which interest is paid at least monthly, the Trustee shall deposit to the credit of the Interest Subaccount of the Payment Account on the last Business Day of each calendar month an amount equal to the interest that will become payable on such Bonds during the following calendar month. With respect to each series of Bonds on which interest is paid at intervals less frequently than monthly, the Trustee shall make equal (or, with respect to Bonds bearing interest at a variable rate, approximately equal) monthly deposits to the credit of the Interest Subaccount of the Payment Account on the last Business Day of each calendar month preceding each Interest Payment Date for such series of Bonds, to aggregate the full amount of such interest. With respect to Bonds bearing interest at a variable rate, if any such amount, or portion thereof, cannot be determined on the last Business Day of each calendar month, the Trustee will make such deposit based upon an assumed interest rate equal to double the interest rate most recently determined and applicable to the Bonds, but in no event more than the maximum rate with respect to such Bonds, for such amount, or portion thereof. To the extent any previous monthly deposit was less than the amount required pursuant to this paragraph, the Trustee shall also deposit an amount equal to such deficiency.

In making the deposits required to be deposited and credited to the Interest Subaccount of the Payment Account, all other deposits and credits otherwise made or required to be made to the Interest Subaccount of the Payment Account shall, to the extent available for such purpose, be taken into consideration and allowed for.

The moneys in the Interest Subaccount of the Payment Account required for the payment of interest on the Bonds of any series shall be applied by the Trustee to the payment of such interest (or to reimburse the Credit Provider for such payments as provided in clause (f) above) or amounts when due without further authorization or direction.

Amounts transferred to the Interest Subaccount of the Payment Account pursuant to Section 5.3(b)(v) shall be used solely for the payment of interest on Senior Bonds (or to reimburse the Credit Provider for draws on Credit Enhancement for the payment of such interest). Amounts transferred to the Interest Subaccount of the Payment Account pursuant to Section 5.3(b)(vii) shall be used solely for the payment of interest on Senior Subordinate Bonds (or to reimburse the Credit Provider for draws on Credit Enhancement for payment of such interest). Amounts transferred to the Interest Subaccount of the Payment Account pursuant to Section 5.3(b)(ix) shall be used solely for the payment of interest on Subordinate Bonds (or to reimburse the Credit Provider for draws on Credit Enhancement for payment of such interest). Amounts transferred to the Interest Subaccount of the Payment Account pursuant to Section 5.3(b)(xi) shall be used solely for the payment of interest on Junior Subordinate Bonds (or to reimburse the Credit Provider for draws on Credit Enhancement for payment of such interest).

(ii) The Trustee shall deposit to the credit of the Principal Subaccount of the Principal Account all amounts required to be transferred from the Accounts specified herein.

To provide for the payment of each installment of principal of the Bonds due at the Stated Maturity thereof (or to reimburse the Credit Provider for draws on Credit Enhancement for the payment of such principal), the Trustee shall make substantially equal monthly deposits to the credit of the Principal Subaccount of the Payment Account on the last Business Day of each of the 12 calendar months preceding such Stated Maturity, to aggregate the full amount of such installment (except that if there are fewer than 12 calendar months between the delivery of the Bonds of a series to the initial purchasers thereof, and a Stated Maturity with respect to such series of Bonds, then the Trustee shall make equal monthly deposits to the credit of the Principal Subaccount on the last Business Day of each calendar month beginning with the calendar month following the month in which such Bonds are delivered to the initial purchasers to aggregate the full amount of such installment). In making the deposits required to be deposited and credited to the Principal Subaccount of the Payment Account, all other deposits and credits otherwise made or required to be made to the Principal Subaccount of the Payment Account shall, to the extent available for such purpose, be taken into consideration and allowed for.

The moneys in the Principal Subaccount of the Payment Account required for the payment of the principal of Bonds at the Stated Maturity thereof or on a sinking fund payment date therefor (or to reimburse the Credit Provider for draws

on Credit Enhancement for the payment of such principal) shall be applied by the Trustee to such payment when due without further authorization or direction.

Amounts transferred to the Principal Subaccount of the Payment Account pursuant to Section 5.3(b)(vi) shall be used solely for the payment of principal at Stated Maturity or on a sinking fund payment date on Senior Bonds (or to reimburse the Credit Provider for draws on Credit Enhancement for the payment of such principal). Amounts transferred to the Principal Subaccount of the Payment Account pursuant to Section 5.3(b)(viii) shall be used solely for the payment of principal at Stated Maturity or on a sinking fund payment date on Senior Subordinate Bonds (or to reimburse the Credit Provider for draws on Credit Enhancement for the payment of such principal). Amounts transferred to the Principal Subaccount of the Payment Account pursuant to Section 5.3(b)(x) shall be used solely for the payment of principal at Stated Maturity or on a sinking fund payment date on Subordinate Bonds (or to reimburse the Credit Provider for draws on Credit Enhancement for the payment of such principal). Amounts transferred to the Principal Subaccount of the Payment Account pursuant to Section 5.3(b)(xii) shall be used solely for the payment of principal at Stated Maturity or on a sinking fund payment date on Junior Subordinate Bonds (or to reimburse the Credit Provider for draws on Credit Enhancement for the payment of such principal).

(iii) The Trustee shall deposit to the credit of the Retirement Subaccount of the Payment Account any amounts transferred thereto or deposited therein to provide for the redemption of the Bonds. All redemptions of Bonds (other than at a Stated Maturity or on a sinking fund payment date), shall be made with moneys deposited to the credit of the Retirement Subaccount of the Payment Account. In the event that Bonds are to be prepaid from the Retirement Subaccount of the Payment Account on a date other than a regularly scheduled Interest Payment Date, accrued interest on such Bonds shall be paid from the Interest Subaccount of the Payment Account. The moneys in the Retirement Subaccount of the Payment Account required for the redemption of Bonds shall be applied by the Trustee to such payment as set forth in any Supplemental Indenture providing for such redemption or distribution of principal without further authorization or direction.

Section 5.4 Loan Account. (a) There shall be deposited in the Loan Account proceeds of Bonds in accordance with a Direction by the Issuer, any other amounts which are required to be deposited therein pursuant to this Indenture, and any other amount, as specified in a Direction by the Issuer, available therefor and determined by the Issuer to be deposited therein and not inconsistent with this Indenture. The Trustee shall, as directed by the Issuer, (i) pay out of the Loan Account any Costs of Issuance, and (ii) transfer from the Loan Account to the Payment Account on each Interest Payment Date or other redemption date the amounts required for the payment of the principal, if any, of or interest or premium, if any, due on the Outstanding Bonds on such date not provided for pursuant to Section 5.3(b)(v), (vi), (vii), (viii), (ix), (x), (xi), (xii) or (xvi) hereof.

(b) In addition to the uses described in (a) above, amounts in the Loan Account shall be expended (i) to finance the acquisition of Eligible Loans as provided in Section 6.9, including costs of such acquisition; (ii) to pay Costs of Issuance or other Fees and Expenses not otherwise provided for; (iii) to pay when due the principal of and interest and premium, if any, on any Bonds, whether at maturity or earlier redemption, or to reimburse any Credit Provider which has provided funds to make such payments, as provided in Section 5.3(b); and (iv) to refund any bonds or other obligations of the Issuer. The price paid for any Eligible Loan shall include interest accrued thereon and may include any other amounts permitted by applicable laws. All Eligible Loans financed by application of amounts in the Loan Account shall be held by a Servicer, as bailee for the Trustee, and credited as an asset of the Loan Account.

(c) The Trustee shall pay out and permit the withdrawal of amounts on deposit in the Loan Account at any time for the purpose of making payments pursuant to (b)(i) or (ii) of this Section, but only upon receipt of:

(i) a Direction setting forth the amount to be paid, the person or persons to whom such payment is to be made (which may be or include the Issuer) and, in reasonable detail, the purpose or purposes of such withdrawal; and

(ii) a Certificate of an Authorized Officer identifying such Direction and stating that the amount to be withdrawn from the Loan Account pursuant to such requisition is a proper charge thereon and, if such Direction is made to finance Eligible Loans, (A) that the charge to the Loan Account of financing such Eligible Loans does not (x) exceed the purchase price permitted by applicable law and regulations then in effect or (y) any limitation in (b) of this Section; and (B) that either (x) the Servicer has received the promissory note with respect to each such Eligible Loan so financed or, (y) in the case of a master promissory note, a true and correct copy thereof or, (z) in the case of an E-loan, the Servicer controls the Loan and the electronic files with respect thereto.

Section 5.5 Reserve Account. Amounts on deposit in the Reserve Account shall be used by the Trustee to pay debt service on the Bonds when due to the extent amounts available therefor pursuant to Section 5.3(b)(v), (vi), (vii), (viii), (ix), (x), (xi) or (xii) or amounts on deposit in the Loan Account are insufficient. Amounts on deposit in the Reserve Account in excess of the Reserve Account Requirement may, at the Direction of the Issuer, be transferred to the applicable account of the Revenue Account or the Loan Account. The Issuer may direct the Trustee to apply amounts on deposit in the applicable account of the Reserve Account to the purchase or redemption of Bonds if, upon giving effect to such purchase or redemption, the amount on deposit in the Reserve Account shall be not less than the Reserve Account Requirement. Any Supplemental Indenture providing for the issuance of Bonds may provide that the Reserve Account Requirement set forth therein may be satisfied by a surety bond, letter of credit or other instrument.

Section 5.6 Operating Account. Amounts on deposit in the Operating Account shall be used by the Trustee, at the Issuer's direction, to pay Fees and Expenses, *provided* that amounts withdrawn from the Revenue Account and deposited to the Operating Account shall be

used for the Fees and Expenses or returned to the Revenue Account as directed by the Issuer. Amounts transferred to the Operating Account from the Revenue Account pursuant to clauses (b)(i), (ii), (iii), (iv), (xiv) and (xvii) of Section 5.3 shall be used solely to pay the Fees and Expenses specified in each such clause.

Section 5.7 Trustee Expense Reserve Subaccount. The Trustee shall transfer to the Trustee Expense Reserve Subaccount from the Revenue Account all amounts designated for transfer thereto pursuant to Section 5.3(b)(iii) hereof. Amounts on deposit in the Trustee Expense Reserve Subaccount shall be used by the Trustee, as directed by the Issuer, to pay Trustee Expenses. Amounts in excess of \$150,000 in the Trustee Expense Reserve Subaccount shall be transferred to the Revenue Account for application in accordance with the provisions of the Indenture.

Section 5.8 Investment of Certain Funds. (a) Pursuant to Direction by the Issuer to invest or deposit funds hereunder in Permitted Investments, moneys in any Account shall be continuously invested and reinvested or deposited and redeposited by the Trustee. The Issuer shall direct the Trustee by Direction (or, if time does not permit, by oral direction of an Authorized Officer, promptly confirmed in writing) to invest and reinvest the moneys in any Account in Permitted Investments so that the maturity date or date of redemption at not less than par at the option of the owner thereof shall be no later than the date as of which moneys are needed to be expended; *provided* that amounts held in the Non-Pledged Account shall be invested as directed by the Issuer in any investments specified by such Direction, without regard to any other provision hereof. In the absence of Direction from the Issuer, the Trustee shall make reasonable effort to invest the otherwise uninvested moneys in available overnight investments permissible under this Indenture and previously directed in writing by an Authorized Officer of the Issuer for such purposes. The Trustee shall not be responsible for determining the legality of any investment or for any loss on investments provided the Trustee shall have followed the Directions of the Issuer and the provisions of this Indenture. The Permitted Investments purchased shall be held by the Trustee in trust for the benefit of the Owners and shall be deemed at all times to be part of the appropriate Account, except as provided in subsection (b) hereof, and the Trustee shall keep the Issuer advised as to the details of all such investments. The Issuer acknowledges that to the extent the regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Issuer the right to receive brokerage confirmations of security transactions, the Issuer waives receipt of such confirmations. The Issuer shall retain the authority to institute, participate and join in any plan of reorganization, readjustment, merger or consolidation with respect to the issuer of any Permitted Investments held hereunder, and, in general, to exercise each and every other power or right with respect to such Permitted Investments as individuals generally have and enjoy with respect to their own assets and investments, including power to vote upon any matter relating to holders of such Permitted Investments.

(b) Permitted Investments purchased as an investment of moneys in any Account held by the Trustee under the provisions of this Indenture shall be deemed at all times to be a part of such Account but the income or earnings and gains realized in excess of losses suffered by an Account due to the investment thereof shall be deposited in the applicable account of the Revenue Account or shall be credited as Revenues to the applicable account of the Revenue Account from time to time and reinvested; *provided*,

however, that the income or earnings and gains realized in excess of losses in the Reserve Account will only be transferred to the Revenue Account if the balance in the Reserve Account is greater than or equal to the Reserve Account Requirement.

(c) The Trustee, pursuant to a Direction of the Issuer, shall sell at the best price reasonably obtainable, or present for redemption or exchange, or make a withdrawal under, any Permitted Investment purchased by it pursuant to this Indenture in accordance with its terms whenever it shall be necessary in order to provide moneys to meet any payment. Any Permitted Investment may be credited on a pro rata basis to more than one Account and need not be sold in order to provide for the transfer of amounts from one Account to another. The Trustee shall advise the Issuer in writing, on or before the tenth day of each calendar month, of all investments held for the credit of each Account in its custody under the provisions of this Indenture as of the end of the preceding month.

Section 5.9 Deposits. (a) In order to permit such amounts to be available for use at the time when needed, any amounts held under this Indenture by the Trustee as such may, if and as directed by the Issuer, be deposited in the commercial banking department of the Trustee, which may honor checks and drafts on such deposit with the same force and effect as if it were not the Trustee. The Trustee shall allow and credit on such amounts such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

(b) All amounts deposited by the Trustee pursuant to subsection (a) shall be continuously and fully secured (i) by lodging with the Trustee as custodian and as fiduciary for the owners of the Bonds, as collateral security, Permitted Investments having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (ii) if applicable state or federal law requires, in such other manner as may then be so required.

Section 5.10 Provisions Relating to Credit Enhancement. (a) The Trustee shall hold and maintain each Credit Enhancement for the benefit of the applicable Bondholders until such Credit Enhancement terminates or expires in accordance with its terms. The Trustee shall (subject to the provisions of this Indenture and the applicable Credit Enhancement) diligently enforce all terms, covenants and conditions of each Credit Enhancement for the benefit of the applicable Bondholders. If at any time during the term of any Credit Enhancement any successor Trustee shall be appointed and qualified under this Indenture, the resigning or removed Trustee shall request that the Credit Provider transfer the Credit Enhancement to the successor Trustee, to the extent such action is necessary, and shall comply with the applicable provisions of the Credit Enhancement. If the resigning or removed Trustee fails to make this request, the successor Trustee shall do so before accepting appointment. On the date of termination of any Credit Enhancement, the Trustee shall immediately surrender such Credit Enhancement to the applicable Credit Provider unless such Credit Provider has failed to honor a properly presented and conforming drawing thereunder. The Trustee, for the benefit of the Holders of Bonds, shall (subject to the provisions of this Indenture and the applicable Credit Enhancement) diligently enforce and take all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and provisions of each Credit Enhancement as contemplated herein and therein. The Trustee shall not consent to any amendment or modification of any Credit

Enhancement which would materially adversely affect the rights or interests of the Holders of any Bonds of any series without either (i) receipt of a Rating Agency Condition, or (ii) the prior written consent of the Holders of all of the Bonds of such series. The Trustee shall not consent to any amendment or modification of any Credit Enhancement without the prior written consent of the Issuer.

(b) The Trustee shall request payments under each Credit Enhancement, in accordance with and to the extent, if any, required by the terms thereof, in the amounts and at such time as may be necessary to make full and timely payments of the principal of and interest on the applicable series of Bonds or to pay the purchase price of Bonds tendered for purchase and not remarketed.

ARTICLE VI

PARTICULAR COVENANTS

The Issuer covenants and agrees with the Trustee, and the owners of the Bonds as follows.

Section 6.1 Payment of Bonds. The Issuer shall duly and punctually pay or cause to be paid, solely from Pledged Assets or Credit Enhancement, the principal of every Bond and the interest thereon at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof and nothing herein or in the Bonds shall be construed as assigning or pledging any other funds of the Issuer.

Section 6.2 Extension of Payment of Bonds. The Issuer shall not directly or indirectly extend or consent to the extension of the maturity of any of the Bonds or claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement. In the event that the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled to the benefits of this Indenture or to any payment out of (i) the Accounts established pursuant to this Indenture, including the investments, if any, thereof, or (ii) any assets or revenues pledged hereunder, prior to the payment of the principal of all Bonds the maturity of which has not been extended and the payment of such portion of the accrued interest on the Bonds as is not represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Issuer to issue refunding bonds, and such issuance shall not be deemed to constitute an extension of the maturity of the Bonds being refunded.

Section 6.3 Offices for Servicing Bonds. The Issuer shall at all times maintain an office or agency where Bonds may be presented for registration, transfer or exchange. The Issuer hereby appoints the Trustee as its agent to maintain such office or agency for the registration, transfer or exchange of Bonds, and such office shall be the Trustee's Principal Office.

Section 6.4 Power to Issue Bonds and Pledge Revenues, Funds and Other Property. The Issuer is duly authorized under all applicable laws to authorize and issue the Bonds and to enter into, execute and deliver this Trust Indenture and to pledge the assets and revenues purported to be pledged hereby in the manner and to the extent herein provided. The assets and revenues so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon, except for the pledge created hereby, and all corporate or other action on the part of the Issuer to that end has been and will be duly and validly taken. The Bonds and the provisions of this Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their terms and the terms of this Indenture. The Issuer shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Assets, including all Revenues and other assets and revenues, including rights pledged under this Indenture, and all the rights of the owners of the Bonds under this Indenture against all claims and demands of all persons whomsoever.

Section 6.5 Further Assurance. At any and all times the Issuer shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolution, act, deed, conveyance, assignment, transfer and assurance as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Revenues and assets hereby pledged or assigned, or intended so to be, or which the Issuer may become bound to pledge or assign. Other than the security interest granted to the Trustee pursuant to this Trust Indenture, the Issuer has not pledged, assigned, sold, or granted a security interest in or otherwise conveyed any of the Pledged Assets, and has not authorized the filing of and is not aware of any financing statements against the Issuer that include a description of the Pledged Assets and is not aware of any judgment or tax lien filings against the Issuer. The provisions of this Section shall survive so long as any of the Bonds are secured by a pledge of the Pledged Assets.

Section 6.6 Issuance of Additional Obligations. (a) The Issuer shall not hereafter create or permit the creation of or issue any other obligations or create any additional indebtedness which will be secured by a superior or equal charge and lien on the Pledged Assets, except that Additional Bonds may be issued under this Indenture.

Section 6.7 Compliance With Conditions Precedent. Upon the date of issuance of any of the Bonds, all conditions, acts and things required by law or by this Trust Indenture to exist, to have happened or to have been performed precedent to or in the issuance of such Bonds shall exist, have happened and have been performed, or will have happened or been performed, and such Bonds, together with all other indebtedness of the Issuer, shall be within every debt and other limit prescribed by law.

Section 6.8 General. The Issuer shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Issuer under the provisions of this Indenture in accordance with the terms of such provisions.

Section 6.9 Student Loan Program. (a) The Issuer shall from time to time, with all practical dispatch and in a sound and economical manner, (i) use and apply proceeds of the Bonds and moneys in the Loan Account, to refinance Eligible Loans (subject to receipt of a Credit Confirmation) or to pay other obligations of the Issuer required to be paid under this Indenture, (ii) do all such acts and things as shall be necessary to receive and collect Revenues (including special allowance payments) sufficient to pay the Bonds, and (iii) diligently enforce and take all steps, actions and proceedings reasonably necessary in the judgment of the Issuer to protect its rights with respect to Loans, to maintain any insurance thereon and to enforce all terms, covenants and conditions of the Loans.

(b) No amount in the Loan Account shall be expended or applied for the purpose of refinancing a Higher Education Act Eligible Loan, and no Higher Education Act Eligible Loan shall be refinanced, unless (except to the extent that a variance from such requirements is required by an agency or instrumentality of the United States of America insuring or guaranteeing the payment of an Eligible Loan) the Issuer has determined:

(i) that the payment of the principal of and interest on any Higher Education Act Eligible Loan is guaranteed by a Guarantor to the extent applicable as to such Loan as provided by federal law, and that the United States Secretary of Education is required, by the Higher Education Act at the time of the refinancing to reimburse the Guarantor to the extent permitted by federal law for any amount expended by the Guarantor in discharge of its insurance obligation on such Higher Education Act Eligible Loan;

(ii) that the stated interest rate borne by a Higher Education Act Eligible Loan and payable on such Higher Education Act Eligible Loan at the time of its refinancing will not be less than the maximum rate permitted under applicable law at the time the particular Higher Education Act Eligible Loan was made;

(iii) that as of the date of acquisition of such Higher Education Act Eligible Loan each of the representations in Schedule I hereto is true; and

(iv) (A) that the Higher Education Act Eligible Loan is subject to being repurchased by the seller if such Higher Education Act Eligible Loan does not comply with the provisions of the applicable purchase agreement or other documentation relating to such Higher Education Act Eligible Loan and (B) that the seller or other transferor of such Higher Education Act Eligible Loan represented at the time such Loan was acquired by the Issuer that such Higher Education Act Eligible Loan subject to such transfer is free of any encumbrance or lien.

The foregoing clauses (i) and (ii) notwithstanding, (A) Higher Education Act Eligible Loans (I) insured by a Guarantor under the Higher Education Act to less than the percentage provided for in applicable law as of the date of this Indenture (including reductions provided for in such applicable law) of the claim relating thereto or (II) having a return thereon less than the return as may be provided for in applicable law as of the date of this Indenture shall not be refinanced unless prior thereto the Issuer shall have received a Credit Confirmation with respect to the financing of any such Higher Education Act Eligible Loans; and (B) Higher Education Act Eligible Loans insured by a Guarantor which the Issuer knows to be insolvent shall not be refinanced.

(c) (i) The Issuer shall direct the Trustee to, at any time sell, assign, transfer or otherwise dispose of a Loan in the manner specified in such Direction, and cause the Trustee to execute and deliver such documents as shall be necessary to effect such sale, assignment, transfer or other disposition if such sale, assignment, transfer or disposition (A) is made to the entity from which the Issuer obtained such Loan at a price equal to the principal amount of the Loan plus accrued interest, (B) is made for the purpose of consolidating the Loans incurred by any borrower, and if such sale assignment, transfer or disposition is made at a price at least equal to the principal amount of the Loan (plus accrued interest), (C) is made to realize on any insurance or guaranty of any Loan in default, (D) is made to another program, indenture or other obligation of the Issuer at a price not less than par plus accrued interest plus unamortized premium, if any, or

origination costs, if any, (E) is necessary to permit the payment of Bonds when due, or (F) under any other circumstances not set forth in clauses (A) through (E) above if the Issuer shall have received a Credit Confirmation. Dispositions described in clauses (A) through (E) above shall be subject to a Credit Confirmation.

(ii) The Issuer may cause the Trustee to transfer Loans in the Loan Account to any other account of the Issuer, free and clear of the lien of this Indenture, *provided* that simultaneously with such transfer the Issuer shall cause there to be delivered to the credit of the Loan Account free of all other liens and encumbrances other than the lien of this Indenture, either or both of (A) cash in an amount equal to the principal of and accrued borrower interest on the transferred Loans plus, if the total cash in the Loan Account on any Interest Payment Date resulting from such transfers aggregates \$100,000 or more, any additional amount which is necessary to enable the sum of such cash to produce Revenues in an amount at least equal to the Revenues that would have been produced by the transferred Loans (net of any expenses related to such transferred Loans) until such cash is applied to acquire Eligible Loans or to redeem Bonds; or (B) Eligible Loans with substantially the same principal amount and an average expected remaining term no later than the maturity of the Bonds to be paid from such Loans and which (1) in the reasonable determination of the Issuer, would not have the effect of violating any of the terms hereof and (2) are accompanied by a Credit Confirmation.

(d) The Issuer will use its best efforts to evaluate the reinvestment of principal and interest receipts with respect to Loans to ensure that it will continue to be able to fulfill its debt service requirements under this Indenture.

(e) The Eligible Lender Trustee is an Eligible Lender. So long as the Higher Education Act requires an Eligible Lender to be the owner or holder of Higher Education Act Eligible Loans, (i) the Issuer will utilize an Eligible Lender as its trustee to acquire Higher Education Act Eligible Loans; and (ii) it will not dispose of or transfer any Higher Education Act Eligible Loans or any security interest in any such Higher Education Act Eligible Loans to any party who is not an Eligible Lender; *provided, however*, that nothing above shall prevent the Issuer from delivering the Higher Education Act Eligible Loans to a Servicer or a Guarantor for purposes of remediation, collection or similar purposes.

(f) The Issuer will, from and after it shall have either entered into, or succeeded to the rights and interests of any Eligible Lender under any guarantee agreement covering any Higher Education Act Eligible Loans, maintain the same and diligently enforce its rights thereunder; and not consent to or permit any rescission of or consent to any amendment thereto or otherwise take any action under or in connection therewith which in any manner would adversely affect the rights of the Owners or of any Credit Provider. The Issuer will enforce its rights under the agreements with the Secretary and each Guarantor pertaining to the Higher Education Act Eligible Loans and will not voluntarily consent to or permit any rescission of or consent to any amendment

to or otherwise take any action under or in connection therewith which in any manner will adversely affect the rights of the Owners or any Credit Provider.

(g) The Issuer, through the Servicer, shall diligently collect all principal and interest payments on all Loans, and all interest benefit payments, insurance and default claims and special allowance payments which relate to such Loans. The Issuer shall cause the Servicer to assign and file all claims for payment on defaulted Higher Education Act Eligible Loans prior to the filing deadline for such claims under the Higher Education Act. The Issuer will comply with the Higher Education Act and regulations thereunder which apply to its student loan program, if any, and to all Higher Education Act Eligible Loans. Notwithstanding the foregoing, the Issuer may forgive a Loan and cease collection and servicing efforts if the Issuer determines that the probable costs of collection and servicing approximate or exceed the expected proceeds of collection. The Issuer may also offer such borrower benefits as are in place at the time of execution of this Indenture or approved by a Credit Confirmation.

Section 6.10 Right of Entry. The Issuer shall permit the duly authorized representatives of any Credit Provider during normal business hours and upon reasonable notice to enter its premises, or any parts thereof, to examine and copy its financial and corporate books, records and accounts, and to discuss its affairs, finances, business and accounts with its officers and employees; *provided, however*, that such Credit Provider shall comply with all material applicable privacy laws with respect to all such information received.

Section 6.11 Notices to Rating Agency and Credit Provider. The Trustee shall give reasonable written notice to each Rating Agency and to each Credit Provider of each of the following:

- (a) any proposed action hereunder which requires a Credit Confirmation and of which the Issuer has advised the Trustee in writing;
- (b) any change in the trustee or any change in or additional tender agent, remarketing agent, Guarantor or Servicer of which the Trustee has been advised in writing;
- (c) any redemption (other than mandatory sinking fund redemption), mandatory tender or acceleration of the Bonds;
- (d) this Trust Indenture is amended or supplemented in any way;
- (e) the occurrence of any change in the interest rate mode of any Bonds;
- (f) of the occurrence of any Rating Agency Condition, if known to the Trustee;
- (g) any increase in Fees and Expenses payable under this Trust Indenture, if known to the Trustee;

(h) the expiration, extension, termination or substitution of any Credit Enhancement; or

(i) the defeasance of any of the Bonds.

Failure to provide any such notice to any Rating Agency or Credit Provider or any defect therein will not affect the validity of any action with respect to which notice is to be given or the effectiveness of any such action. The provisions of this Section 6.11 do not apply when such documents have been supplied to such Rating Agencies and the Trustee has received evidence to such effect.

Any such notices and other communications to any Rating Agency shall be sent to the address provided by the applicable Rating Agency. As of the date of execution hereof the addresses, if applicable, for each rating agency are as follows:

Fitch: Fitch, Inc.
One State Street Plaza
New York, New York 10004
Attention: Asset-Backed Surveillance Group

Moody's: Moody's Investors Service
7 World Trade Center
250 Greenwich Street
New York, New York 10007
Attention: Structured Finance Department

S&P: Standard & Poor's Ratings Services
55 Water Street, 41st Floor
New York, New York 10041-0003
Attn: Structured Finance LOC Surveillance Group
nyloc@standardandpoors.com

For any Bonds secured by a Credit Facility, a copy shall also be provided to S&P at:

Standard & Poor's Rating Services,
Structured Finance Group LOC Department
55 Water Street, 41st Floor
New York, New York 10041
nyloc@standardandpoors.com

Any such notices or other communications to any Credit Provider shall be sent to the address provided by such Credit Provider.

ARTICLE VII

SUPPLEMENTAL INDENTURES

Section 7.1 Supplemental Indentures Effective Without Consent of Owners. The Issuer and the Trustee, without the consent of or notice to any of the Owners, may enter into a Supplemental Indenture, for any one or more of the following purposes:

(a) to provide limitations and restrictions in addition to the limitations and restrictions contained in this Indenture on the authentication and delivery of Bonds or the issuance of other evidences of indebtedness, or to add other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with this Indenture as then in effect;

(b) to add to the covenants and agreements of the Issuer in this Indenture other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with this Indenture as then in effect;

(c) to make such amendments to this Indenture as are required to permit the Trustee or the Issuer fully to comply with the Higher Education Act or as required in order for this Indenture, as amended by such Supplemental Indenture, not to be contrary to the terms of the Higher Education Act;

(d) to surrender any right, power or privilege reserved to or conferred upon the Issuer by the terms of this Indenture, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Issuer contained in this Indenture;

(e) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Indenture, the pledge of the Pledged Assets, including Revenues or of any other revenues or assets;

(f) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Indenture;

(g) to insert such provisions clarifying matters or questions arising under this Indenture as are necessary or desirable and are not contrary to or inconsistent with this Indenture as then in effect;

(h) to provide for additional duties of the Trustee in connection with the Loans or for the appointment of a successor Trustee;

(i) to provide for the issuance of any series of Additional Bonds, and in connection therewith to provide for rights, preferences, privileges, terms and conditions applicable only to such series of Bonds, including without limitation any amendments desirable to provide for the issuance of such series of Bonds as commercial paper or in some other form;

(j) to modify, alter, amend or supplement this Indenture, including any Supplemental Indenture, in any manner which does not alter the interest rate, maturity, or security for any Bonds;

(k) to modify, alter, amend or supplement this Indenture, including any Supplemental Indenture, in any other manner determined by the Trustee not to be materially adverse to the interests of the owners of any Bonds who have not consented thereto, *provided* that in making any such determination the Trustee shall be entitled to conclusively rely on a Counsel's Opinion;

(l) to satisfy the requirements of a Rating Agency in order to obtain, maintain or improve the rating on any Bonds;

(m) to provide for the orderly sale or remarketing of Bonds;

(n) to modify, alter, amend or supplement this Indenture, including any Supplemental Indenture, in any other respect, including Supplemental Indentures which would otherwise be described in Section 7.5 hereof, (i) as of any date required for mandatory tender of Bonds for purchase, to the extent such change affects only Bonds which are subject to such mandatory tender on such date; or (ii) if notice of the proposed Supplemental Indenture is given to Owners (in the same manner as notices of redemption are given) at least fifteen (15) days before the effective date thereof, and the owners have the right to demand purchase of their Bonds on or before such effective date; and any such owners of Bonds being required to tender such Bonds for purchase or having the right to demand purchase thereof shall, as of such effective date, be deemed to have consented to such Supplemental Indenture for purposes of determining the percentage of Owners who have consented to any Supplemental Indenture and for all other purposes hereof if all such tenders or demands for purchase are timely honored; and if less than all of the Owners are required to tender their Bonds for purchase or have such right to demand purchase, any such Supplemental Indenture may be made applicable only to such owners and their successors; or

(o) to modify the maximum rate with respect to any series of Bonds, in the manner and to the extent permitted in the Supplemental Indenture with respect to such Bonds.

In addition, any and all provisions of this Indenture, including any Supplemental Indenture, relating to procedures for determining any other Variable Rate, may be amended by Supplemental Indenture from time to time to conform to market or industry practice solely upon the written consent of the Issuer and the Trustee and upon written notice of such proposed Supplemental Indenture to the applicable Marketing Parties and to the affected Bondholders, and no prior written consent of any such Bondholder shall be required in connection with the execution of such Supplemental Indenture. In determining whether any Supplemental Indenture relating to procedures for determining any Variable Rate conforms to market or industry practice, the Trustee may conclusively rely upon a Counsel's Opinion, Certificate of the Issuer delivered to the Trustee, or Certificate of the applicable Marketing Parties as to the effect of any such Supplemental Indenture.

Section 7.2 Supplemental Indentures Effective Only Upon Consent of Owners. At any time or from time to time, a Supplemental Indenture may be entered into by the Issuer and the Trustee subject to consent by Owners which would be affected by the action proposed to be taken in accordance with and subject to the provisions of Section 7.5. Any such Supplemental Indenture shall become fully effective in accordance with its terms only upon the execution thereof and upon compliance with the provisions of this Article VII. Nothing herein shall be construed to limit any requirement in any other document to which the Issuer is a party which requires the consent of any other party to any Supplemental Indenture.

Section 7.3 General Provisions. (a) This Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article or as set forth in any Supplemental Indenture permitted or authorized by this Article VII. Notwithstanding anything herein to the contrary, this Indenture may only be modified or amended pursuant to a Supplemental Indenture. Nothing contained in this Article shall affect or limit the right or obligation to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of Section 6.5 or the right or obligation of the Issuer to execute and deliver to the Trustee any instrument which is to be delivered to the Trustee pursuant to this Indenture.

(b) Any Supplemental Indenture permitted or authorized by this Article VII (other than any Supplemental Indenture executed at the time of execution hereof) shall become effective only (i) on the conditions, to the extent and at the time provided in this Article; and (ii) upon receipt by the Trustee of (A) a Counsel's Opinion or Bond Counsel Opinion, or both, to the effect that such Supplemental Indenture has been duly and lawfully entered into in accordance with the provisions of this Trust Indenture, is authorized or permitted by this Trust Indenture, and is valid and binding upon the Issuer; and (B) a Credit Confirmation.

(c) No Supplemental Indenture shall change or modify any of the rights or obligations of the Trustee without its written assent thereto.

(d) No Supplemental Indenture shall change or modify any of the rights or obligations of the Delaware Trustee without its written assent thereto.

Section 7.4 Mailing of Notice of Amendment. Any provision in this Article for the mailing of a notice or other paper to Owners shall be fully complied with if it is mailed postage prepaid to each Owner of Bonds then Outstanding at such Owner's address, if any, appearing upon the registration books of the Trustee.

Section 7.5 Powers of Amendment. Any modification of or amendment to this Indenture and the rights and obligations of the Issuer and of the Owners of the Bonds hereunder, in any particular, shall be made by a Supplemental Indenture, but only, in the event such Supplemental Indenture shall be entered into pursuant to Section 7.2 hereof, with the written consent of the owners of at least a majority in principal amount of the Bonds Outstanding which would be affected by the action proposed to be taken (including at least a majority in principal amount of the Owners which would be affected by the action proposed to be taken (i) of all Outstanding Senior Bonds, (ii) of all Outstanding Senior Subordinate Bonds if no Senior Bonds

are then Outstanding, (iii) of all Outstanding Subordinate Bonds if no Senior Bonds or Senior Subordinate Bonds are then Outstanding, or (iv) of all Outstanding Junior Subordinate Bonds if no Senior Bonds, Senior Subordinate Bonds or Subordinate Bonds are then Outstanding) at the time such consent is given, as provided in Section 7.6 hereof. If any such modification or amendment will not take effect so long as any particular Bonds remain Outstanding, however, the consent of the owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of maturity of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount thereof or in the rate of interest thereon without the consent of the owner of such Bond (the consent of the Owner of which is required to effect any such modification or amendment). So long as Credit Enhancement is in effect and the Credit Provider has not failed to honor a properly presented and conforming drawing thereunder, the Credit Provider shall be deemed the sole owner of the Bonds supported by such Credit Enhancement for purposes of this Article VII; *provided, however* no modification or amendment to this Indenture shall permit a change in the terms of maturity of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount thereof or in the rate of interest thereon without the consent of the owner of such Bond. Nothing herein shall be construed to limit any requirement in any other document to which the Issuer is a party which requires the consent of any other party to any modification to or amendment of this Indenture.

Section 7.6 Consent of Owners. (a) The Trustee shall mail to the owners of all Bonds affected thereby a copy of any Supplemental Indenture (or brief summary thereof or reference thereto) making a modification or amendment which is not permitted by the provisions of Section 7.1, together with a request to such owners for their consent thereto; *provided, however*, that failure to mail such copy and request shall not affect the validity of the Supplemental Indenture when consented to as provided in this Section and shall not subject the Trustee to any liability. Such notice shall set forth a Record Date as of which the ownership of Bonds shall be determined for purposes of obtaining consents of the owners of such Bonds, which date may be extended from time to time by the Trustee upon Direction of the Issuer. Such Supplemental Indenture shall not be effective unless and until there shall have been filed with the Trustee (i) the written consents of the owners of the proportions of Outstanding Bonds specified in Section 7.5 hereof, and (ii) the items required by Section 7.3(b).

(b) The consent of an Owner to any modification or amendment shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 9.12 hereof. Any such consent shall be binding on such Owner and on any transferee of such Bonds and may not be revoked. A certificate of the Trustee that it has examined such proof and found it to be in accordance with Section 9.12 shall be conclusive proof that the consents have been given by and are binding on the consenting owners and upon any subsequent owner of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent owner thereof has notice thereof).

Section 7.7 Modifications by Unanimous Consent. The terms and provisions of this Indenture and the rights and obligations of the Issuer and of the owners of the Bonds hereunder may also be modified or amended in any respect upon the entry by the Issuer and the Trustee into

a Supplemental Indenture, subject to Section 7.3, upon the consent of the owners of all the Bonds then Outstanding, such consent to be given as provided in Section 7.6 hereof. No notice to Owners of any such modification or amendment shall be required.

Section 7.8 Exclusion of Bonds. Bonds owned or held by or for the account of the Issuer, the Administrator or NEF or any of their affiliates shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article, and the Issuer, the Administrator and NEF and any of their affiliates shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the Issuer shall furnish the Trustee with a Certificate of an Authorized Officer, upon which the Trustee may rely, describing all Bonds so to be excluded.

Section 7.9 Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as provided in this Article may and, if the Trustee or the Issuer so determines, shall bear a notation by endorsement or otherwise in form approved by the Issuer and the Trustee as to such action, and in that case upon demand of the owner of any Outstanding Bond at such effective date and presentation of such owner's Bond for the purpose at the Principal Office of the Trustee or upon any transfer or exchange of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Trustee as to any such action. If the Issuer or the Trustee shall so determine, new Bonds modified to conform to such action in the opinion of the Trustee and the Issuer shall be prepared, executed, authenticated and delivered, and upon demand of the owner of any Bond then Outstanding shall be exchanged, without cost to such owner, upon surrender of such Outstanding Bond.

Section 7.10 Consent of Delaware Trustee. Any Supplemental Indenture which affects the rights, duties, liabilities or immunities of the Delaware Trustee shall require the Delaware Trustee's written consent.

ARTICLE VIII

DEFAULTS, ACCELERATIONS AND REMEDIES

Section 8.1 Events of Default. (a) Each of the following events is hereby declared an “Event of Default”:

(i) the failure by the Issuer to pay the principal of or any installment of interest on any Bond or the redemption price or purchase price thereof when and as the same shall become due, whether at maturity or otherwise;

(ii) the Issuer shall fail or refuse to comply with the provisions of this Indenture, or shall default in the performance or observance of any of the covenants, agreements or conditions on its part contained herein or in any Supplemental Indenture or the Bonds, and such failure, refusal or default shall continue for a period of thirty (30) days after written notice thereof by the Trustee, by any Credit Provider or by the owners of not less than 25% in principal amount of the Outstanding Bonds to the Issuer (*provided* that such owners shall include the owners of at least 25% in principal amount of (A) Outstanding Senior Bonds, or (B) Outstanding Senior Subordinate Bonds if no Senior Bonds are then Outstanding, or (C) Outstanding Subordinate Bonds if no Senior Bonds or Senior Subordinate Bonds are then Outstanding, or (D) Outstanding Junior Subordinate Bonds if no Senior Bonds, Senior Subordinate Bonds or Subordinate Bonds are then Outstanding); *provided* that if such failure is such that it cannot be corrected within such 30-day period, it shall not constitute an Event of Default if corrective action reasonably acceptable to each Credit Provider is instituted within such period and diligently pursued until the failure is corrected; *provided further, however* that it shall not be an Event of Default under this Section 8.1(ii) unless the Credit Provider has provided its prior written consent; and

(iii) at the option of any Credit Provider, with written notice to the Issuer and the Trustee, the occurrence of any event of default under the related Credit Enhancement or agreement relating thereto.

(b) The foregoing notwithstanding, for so long as there shall be Senior Bonds Outstanding failure to pay the principal of or any installment of interest on any Senior Subordinate Bond, Subordinate Bond or Junior Subordinate Bond shall not constitute an Event of Default unless there is a corresponding failure to make timely payment on a Senior Bond; for so long as there shall be Senior Subordinate Bonds Outstanding failure to pay the principal of or any installment of interest on any Subordinate Bond or Junior Subordinate Bond shall not constitute an Event of Default unless there is a corresponding failure to make timely payment on a Senior Subordinate Bond; and for so long as there shall be Subordinate Bonds Outstanding failure to pay the principal of or any installment of interest on any Junior Subordinate Bond shall not constitute an Event of Default unless there is a corresponding failure to make timely payment on a Subordinate Bond.

Section 8.2 Acceleration. Upon the happening of any Event of Default, (i) the Trustee may (with the consent of the Credit Provider), and shall at the written direction of the owners of not less than a majority of the principal amount of the Outstanding Bonds in the case of an Event of Default described in Section 8.1(a)(i) hereof (including a majority in principal amount of (i) Outstanding Senior Bonds, or (ii) Outstanding Senior Subordinate Bonds if no Senior Bonds are then Outstanding, or (iii) Outstanding Subordinate Bonds if no Senior Bonds or Senior Subordinate Bonds are then Outstanding, or (iv) Outstanding Junior Subordinate Bonds if no Senior Bonds, Senior Subordinate Bonds or Subordinate Bonds are then Outstanding), and (ii) the Trustee shall, in the case of an Event of Default described in Section 8.1(a)(ii) and Section 8.1(a)(iii) hereof, if directed by the Credit Provider, by notice in writing delivered to the Issuer, declare the entire principal amount of the Bonds secured by the related Credit Facility then outstanding and the interest accrued thereon due and payable, whereupon they shall, without further action, become and be immediately due and payable, anything to the contrary in this Indenture or the Bonds notwithstanding, and the Trustee shall immediately draw on the related Credit Facility, if a Credit Facility is then in effect, and interest thereon shall cease to accrue provided moneys are available for the payment of the accelerated amounts on the date for payment (which shall be within 2 Business Days of the date of declaration).

Section 8.3 Other Remedies. (a) Subject to the provisions of Section 2.2 hereof, if any Event of Default specified in paragraph (i) or (iii) of Section 8.1(a) hereof shall have occurred, the Trustee shall proceed, or if any Event of Default specified in paragraph (ii) of Section 8.1(a) shall have occurred, the Trustee may proceed, and, upon the written request of the owners of not less than twenty five percent (25%) in principal amount of the Outstanding Bonds, including the owners of at least 25% in principal amount of (i) Outstanding Senior Bonds, or (ii) Outstanding Senior Subordinate Bonds, if no Senior Bonds are then Outstanding, or (iii) Outstanding Subordinate Bonds, if no Senior Bonds or Senior Subordinate Bonds are then Outstanding, or (iv) Outstanding Junior Subordinate Bonds, if no Senior Bonds, Senior Subordinate Bonds or Subordinate Bonds are then Outstanding, shall proceed, in its own name, subject, in either case, to the indemnification and other provisions of Sections 8.7, 9.2 and 9.3 hereof, to protect and enforce the rights of the Owners by such of the following remedies as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

- (i) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Owners;
- (ii) by bringing suit upon the Bonds;
- (iii) by action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the Bonds;
- (iv) by selling or otherwise disposing of Loans and Permitted Investments; or
- (v) by any other remedy reasonably deemed by the Trustee to be legal and appropriate.

(b) Subject to the provisions of Sections 2.2, 8.7, 9.2 and 9.3 hereof, in the enforcement of any rights and remedies under this Indenture, the Trustee shall be entitled to and shall sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due and unpaid from the Issuer for principal, interest or otherwise, under any provisions of this Indenture, including any Supplemental Indenture, or of the Bonds, with interest on overdue payments at the rate of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings thereunder, without prejudice to any other right or remedy of the Trustee or of the Owners, and to recover and enforce a judgment or decree against the Issuer for any portion of such amounts remaining unpaid, with interest, costs and expenses (including without limitation pre-trial, trial and appellate attorney fees), and to collect from any moneys available for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable; *provided, however*, that any recovery against the Issuer is limited to the Pledged Assets.

Section 8.4 Priority of Payments After Default. (a) In the event that upon the happening and continuance of any Event of Default the funds held by the Trustee are insufficient for the payment of principal and interest then due on the Bonds (other than funds held for the payment of particular Bonds which have theretofore become due at maturity or prior redemption), any other amounts received or collected by the Trustee acting pursuant to this Article, other than the proceeds of any Credit Enhancement or the proceeds of the remarketing of any Bonds (which shall, in each case, be held for the payment of the particular Bonds with respect to which such proceeds were received), after making provision for the payment of any expenses necessary in the opinion of the Trustee to protect the interest of the owners of the Bonds (including, without limitation, Trustee Fees, Credit Enhancement Fees, Servicing Fees and Issuer Fees in the order of priority set forth in Section 5.3(b) hereof) and for the payment of the charges, expenses and liabilities incurred and advances made by the Trustee in the performance of its duties under this Indenture, shall be applied as follows:

(i) Unless the principal of all of the Bonds shall have become or have been declared due and payable:

FIRST: to the payment to the persons entitled thereto of all installments of interest then due (which for purposes of clarification does not include any Contingent Default Amount), in the order of Senior Bonds first and thereafter Senior Subordinate Bonds, then Subordinate Bonds and finally Junior Subordinate Bonds (or, in each case, to any Credit Provider as reimbursement for amounts paid with respect to such Bonds, in the applicable order of priority), and in order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference (other than Senior Bonds prior to Senior Subordinate Bonds, Senior Subordinate Bonds prior to Subordinate Bonds and Subordinate Bonds prior to Junior Subordinate Bonds); and

SECOND: to the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due and, if the amounts available shall not be sufficient to pay in full all the Bonds due, then to the payment thereof for Senior Bonds

first and thereafter Senior Subordinate Bonds, then Subordinate Bonds and finally Junior Subordinate Bonds (or, in each case, to any Credit Provider as reimbursement for amounts paid with respect to such Bonds or otherwise due and owing to the Credit Provider, as set forth in a certificate of the Credit Provider, in the applicable order of priority), and ratably to the extent necessary, according to the amounts of principal due on such date, to the persons entitled thereto, without any discrimination or preference (other than Senior Bonds prior to Senior Subordinate Bonds, Senior Subordinate Bonds prior to Subordinate Bonds and Subordinate Bonds prior to Junior Subordinate Bonds).

(ii) If the principal of all of the Bonds shall have become or have been declared immediately due and payable, then to the payment of the principal and interest then due and unpaid (which for purposes of clarification does not include any Contingent Default Amount) upon the Bonds for Senior Bonds first and thereafter Senior Subordinate Bonds, then Subordinate Bonds and finally Junior Subordinate Bonds (or, in each case, to any Credit Provider as reimbursement for amounts paid with respect to such Bonds, or otherwise due and owing to such Credit Provider, as set forth in a certificate of the Credit Provider, in the applicable order of priority), and otherwise without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Senior Bond over any other Senior Bond, or of any Senior Subordinate Bond over any other Senior Subordinate Bond, or of any Subordinate Bond over any other Subordinate Bond, or of any Junior Subordinate Bond over any other Junior Subordinate Bond, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any other discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

(b) Notwithstanding the provisions of Section 8.4(a) above, with respect to an Event of Default under Section 8.1(a)(ii) hereof, the Trustee shall seek consent from the Credit Provider and direction from Owners of the majority in principal amount of the Bonds then Outstanding with respect to any action that would incur expenses payable under this Section 8.4 in excess of the amount then on deposit in the Trustee Expense Reserve Subaccount; *provided, however*, that nothing in this Section 8.4(b) shall require the Trustee to act or to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(c) Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application. The deposit and setting aside of such moneys in trust for the proper purpose shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Issuer, the Administrator, any Owner or any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard for the circumstances and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the

time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable and, if applicable, as otherwise provided in Section 8.2 hereof) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date, and for which funds are available for such payment, shall cease to accrue. The Trustee shall give such notice as it may deem appropriate for the fixing of any such date. The Trustee shall not be required to make payment to the owner of any Bond unless such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 8.5 Termination of Proceedings. In case any proceedings taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason and there has not been an acceleration pursuant to Section 8.2 hereof, then in every such case the Issuer, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding has been taken; *provided* each Credit Enhancement for the Bonds previously in effect is fully reinstated and in full force and effect.

Section 8.6 Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding, upon the occurrence and continuation of an Event of Default, the Owners of the majority in principal amount of the Bonds then Outstanding (including a majority of (i) all Outstanding Senior Bonds, or (ii) all Outstanding Senior Subordinate Bonds if no Senior Bonds are then Outstanding, or (iii) all Outstanding Subordinate Bonds if no Senior Bonds or Senior Subordinate Bonds are then Outstanding, or (iv) all Outstanding Junior Subordinate Bonds if no Senior Bonds, Senior Subordinate Bonds or Subordinate Bonds are then Outstanding) shall have the right, by a written instrument or concurrent written instruments executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee hereunder, *provided* that (a) such direction shall not be otherwise than in accordance with law or the provisions of this Indenture (in particular, but not exclusively, those contained in Sections 8.7, 9.2 and 9.3 hereof), (b) there shall have been offered to the Trustee security and indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred, and (c) the Trustee shall have the right to decline to follow any direction which, in the opinion of the Trustee, would be unjustly prejudicial to Owners not parties to such direction or would subject the Trustee to liability.

Section 8.7 Limitation on Rights of Owners. (a) No Owner of any Bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law hereunder, or for the protection or enforcement of any right under this Indenture unless (i) such Owner shall have given to the Trustee written notice of the Event of Default or breach of duty on account of which such suit, action or proceeding is to be taken, and (ii) the Owners of not less than twenty-five percent (25%) in principal amount of the Bonds then Outstanding shall have made written request of the Trustee, after the right to exercise such powers or rights of action shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted under the law or to institute such action, suit or proceeding in its name and there shall have been offered to the Trustee security and indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred, and the Trustee shall have refused or neglected to comply with such request within a reasonable time;

and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution by the Trustee of its powers under this Indenture or for any other remedy hereunder or by law. It is understood and intended that no one or more owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder or under law with respect to the Bonds or this Indenture, except in the manner provided herein, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner hereunto provided and for the benefit of all owners of the Outstanding Bonds. Nothing contained in this Article shall affect or impair the right of any owner of Bonds to enforce the payment of the principal of and interest on such Bonds, or the obligation of the Issuer (subject to the provisions of Section 2.2 hereof) to pay the principal of and interest on each Bond issued hereunder to the owner thereof at the time and place in said Bond expressed.

(b) Anything to the contrary notwithstanding contained in this Section or any other provision of this Indenture, each Owner of any Bond by such Owner's acceptance thereof shall be deemed to have agreed that any court in its discretion may require, in any suit for the enforcement of any right or remedy under this Trust Indenture or any Supplemental Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the reasonable costs of such suit, and that such court may in its discretion assess reasonable costs of such suit, including reasonable pre-trial, trial and appellate attorneys' fees, against any party litigant in any such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this paragraph shall not apply to any suit instituted by the Trustee, to any suit instituted by any Owner or group of Owners holding at least twenty-five percent (25%) in principal amount of the Bonds Outstanding, or to any suit instituted by any Owner for the enforcement of the payment of any Bond on or after the respective due date thereof expressed in such Bond.

Section 8.8 Possession of Bonds by Trustee Not Required. All rights of action under this Indenture or under any of the Bonds enforceable by the Trustee may be enforced by it without the possession of any of the Bonds or the production thereof at the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the owners of such Bonds, subject to the provisions of this Indenture.

Section 8.9 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 8.10 Waiver of Default. No delay or omission of the Trustee or of any owner of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein and every power and remedy given by this Indenture to the Trustee, and the owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient. Notwithstanding the foregoing, an Event of Default may be waived by the Owners of at least a majority in principal amount of the Bonds Outstanding; *provided* that no Event of Default which

results in a drawing or other claim by the Trustee under any Credit Enhancement shall be waived unless such Credit Enhancement is first reinstated in full and in the case of an Event of Default under Section 8.1(a)(iii) the Trustee has received written notice from the Credit Provider to the effect that the Credit Provider has waived the Event of Default and rescinded the related Notice.

Section 8.11 Notice of Event of Default. As soon as practicable, the Trustee shall give notice to the Owners, the Issuer, each Credit Provider and each Marketing Party of each Event of Default hereunder known to the Trustee after actual knowledge of the occurrence thereof of an officer of its corporate trust department, unless such Event of Default shall have been remedied or cured before the giving of such notice; *provided*, that, except in the case of default in the payment of the principal of or interest on any of the Bonds, the Trustee shall be protected in withholding such notice if and so long as the board of directors or the responsible officer or officers of the Trustee in good faith determines that the withholding of such notice is in the interest of the Owners. The Trustee shall not be deemed to have actual knowledge of an Event of Default under Section 8.1(a)(ii) hereof unless written notice of such Event of Default shall have been received by an officer of its corporate trust department. Each such notice of an Event of Default shall be given by the Trustee by mailing written notice thereof to all owners of Bonds, as the names and addresses of such owners appear upon the books kept by the Trustee for the registration and transfer of Bonds as kept by the Trustee.

Section 8.12 Consent or Direction of Credit Provider. Nothing herein shall be construed to limit any requirement herein or in any other document to which the Issuer is a party which requires the consent or permits the direction of any Credit Provider to any action taken pursuant to this Article. Payment by any Credit Provider pursuant to its Credit Enhancement shall not be deemed to cure any event of default under the agreement with the Credit Provider.

Each Credit Provider who has not failed to honor a properly presented and conforming drawing on its Credit Enhancement shall be deemed to be the Owner of the Bonds related to such Credit Enhancement for all purposes of directing the remedies to be exercised under this Article.

Section 8.13 Limitation of the Issuer's Liability. No agreements or provisions contained herein nor any agreement, covenant or undertaking by the Issuer contained in any document executed by the Issuer in connection with the issuance, sale and delivery of the Bonds shall give rise to any pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way, except with respect to the Pledged Assets and its application as provided herein. No failure of the Issuer to comply with any term, covenant or agreement herein or in any document executed by the Issuer in connection with the issuance, sale and delivery of the Bonds, shall subject the Issuer to liability for any claim for damages, costs or other financial or pecuniary charge except to the extent that the same can be paid or recovered from the Pledged Assets. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant or agreement herein; *provided*, that no costs, expenses or other monetary relief shall be recoverable from the Issuer except as may be payable from the Pledged Assets.

ARTICLE IX

CONCERNING THE TRUSTEE

Section 9.1 Appointment and Acceptance of Duties of Trustee. U.S. Bank National Association is hereby appointed as Trustee. The Trustee shall signify its acceptance of the duties and obligations of Trustee as a fiduciary for the Owners by executing this Trust Indenture.

Section 9.2 Duties and Responsibilities of Trustee.

(a) Prior to the occurrence of an Event of Default of which it has or is deemed to have notice hereunder, and after the curing or waiver of any Event of Default which may have occurred:

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of negligence or bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements expressed therein, upon certificates furnished to the Trustee and conforming to the requirements of this Indenture.

(b) In case an Event of Default of which the Trustee has or is deemed to have notice hereunder has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use in the conduct of such person's own affairs.

(c) No provision of this Indenture 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, except that:

(i) this subsection shall not be construed to limit the effect of subsection (a) of this Section;

(ii) the Trustee is not liable for any error of judgment made in good faith by a responsible officer, unless it is proven that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee is not liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners under any provision of this Indenture 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 Indenture; and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance

of any of its duties hereunder, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it; *provided* that the Trustee shall not require indemnity before making a draw, claim or other demand under any Credit Enhancement, before making payments to Bondholders, before declaring mandatory tenders or before the redemption or acceleration of Bonds.

(d) Whether or not expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee is subject to the provisions of this Article.

Section 9.3 Certain Rights of the Trustee. Except as otherwise provided in Section 9.2 hereof:

(a) the Trustee may rely and is protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture or other paper or document believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties;

(b) any Certificate, Direction, request, order or demand of the Issuer under this Indenture shall be sufficiently evidenced if executed in the name of the Issuer by an Authorized Officer;

(c) whenever in the administration of this Indenture the Trustee deems it desirable that a matter be proved or established prior to taking suffering or omitting any action hereunder, including payment of moneys out of an Account, the Trustee (unless other evidence thereof is specifically prescribed) may, in the absence of bad faith on its part, rely upon a Certificate or Direction signed by an Authorized Officer of the Issuer;

(d) the Trustee may consult with counsel, who may be counsel to the Issuer, and the written opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith; *provided* that such opinion is addressed to the Issuer or expressly states that the Issuer may rely thereon;

(e) the Trustee is under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Owners unless such Owners have offered to the Trustee security or indemnity satisfactory to the Trustee as to its terms, coverage, duration, amount and otherwise with respect to the costs, expenses and liabilities which may be incurred by it in compliance with such request or direction, and the provision of such indemnity shall be mandatory for any remedy taken upon direction of the Owners of a majority in aggregate principal amount of the Bonds Outstanding;

(f) the Trustee is not required to make any inquiry or investigation into the facts or matters stated in any Certificate, Direction, resolution, statement, instrument,

opinion, report, notice, request, consent, order, approval, bond, debenture or other paper or document but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit and, if the Trustee determines to make such further inquiry or investigation, it is entitled to examine the books, records and premises of the Issuer, in person or by agent or attorney;

(g) the Trustee may execute any of its trusts or powers or perform any duties under this Indenture either directly or by or through agents or attorneys, and the Trustee shall not be answerable or accountable for any default, neglect or misconduct of any such agents or attorneys if reasonable care has been exercised in the appointment thereof, and the Trustee may in all cases pay, subject to reimbursement as provided in Section 9.6 hereof relating to the Bonds as to which it is serving as Trustee, such reasonable compensation as it deems proper to all such agents and attorneys reasonably employed or retained by it;

(h) the Trustee is not required to take notice or deemed to have notice of any default or Event of Default hereunder, except Events of Default under Section 8.1(a)(i) hereof, unless a responsible officer in the corporate trust department of the Trustee who is assigned to or responsible for administration of this Indenture has actual knowledge thereof or has received notice in writing of such default or Event of Default, and in the absence of any such notice, the Trustee may conclusively assume that no such default or Event of Default exists;

(i) the Trustee is not required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Indenture;

(j) the Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees and such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture and final payment of the Bonds;

(k) the permissive right of the Trustee to take the actions permitted by this Indenture shall not be construed as an obligation or duty to do so;

(l) except for information provided by the Trustee concerning the Trustee, the Trustee shall have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to the Bonds, and the Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds;

(m) the Trustee, in its commercial banking or in any other capacity, may in good faith (i) buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Bondholder may be entitled to take with like effect as if it were not Trustee, (ii) engage in or be interested in any financial or other transaction with the Issuer or NEF, as freely as if it were not Trustee, (iii) be a participant in NEF's student loan program and

sell Eligible Loans to the Issuer, and (iv) be an underwriter in connection with the sale of the Bonds or of any other securities offered or issued by the Issuer. The provision of this subsection shall extend to affiliates of the Trustee;

(n) the Trustee shall not be accountable for the use or application by the Issuer or the Administrator of any of the Bonds or the proceeds thereof, or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Trust Indenture, or for the use and application of any money received by any paying agent;

(o) the Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; wars; terrorism; similar military disturbances; sabotage; epidemic; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances;

(p) the Trustee shall not, under any circumstances, be liable in its individual capacity for the obligations evidenced by the Bonds;

(q) the Trustee shall have no responsibility for complying any provision of the Code or any other federal tax laws or regulations applicable to the Bonds; and

(r) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, or in the exercise of any of its rights or powers, if repayment of such funds or adequate indemnity against such risk or liability is not assured to Trustee's satisfaction.

Section 9.4 Trustee Not Responsible for Recitals. Except for the certificate of authentication on the Bonds and any description or recitation of the corporate existence or powers of the Trustee, the recitals contained in this Indenture and in the Bonds are statements of the Issuer and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the value, condition or sufficiency of any assets pledged or assigned as security for the Bonds, the right, title or interest of the Issuer therein, the security provided thereby or by this Indenture or the tax status of the Bonds. The Trustee is not accountable for the use or application by the Issuer of any of the Bonds or the proceeds of the Bonds, or for the use or application of any moneys paid over by the Trustee in accordance with any provision of this Indenture.

Section 9.5 Compensation and Expenses of the Trustee. The Issuer shall, subject to the limitations contained therein, and subject to Section 10.2 hereof:

(a) pay to the Trustee compensation for all services rendered by it hereunder and under the other agreements relating to the Bonds to which the Trustee is a party in

accordance with terms agreed to from time to time, and, subsequent to default, in accordance with the Trustee's then current fee schedule for default administration (the entirety of which compensation shall not be limited by any provision of law regarding compensation of a trustee of an express trust);

(b) reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture or any other agreement relating to the Bonds to which it is a party or in complying with any request by the Issuer or any Rating Agency with respect to the Bonds, including the reasonable compensation, expenses and disbursements of its agents and counsel, except any such expense, disbursements or advance attributable to the Trustee's negligence or bad faith; and

(c) indemnify, defend and hold the Trustee, or its directors, employees or agents harmless from and against any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the office of Trustee under this Indenture, including the costs of defending itself, or its directors, employees or agents against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder or thereunder, and the provisions of this Section shall survive the Trustee's resignation or removal.

As security for the performance of the obligations of the Issuer under this Section, the Trustee shall have a lien upon all property or funds held or collected by the Trustee pursuant to this Indenture (other than moneys in the Non-Pledged Account and other than proceeds of any Credit Enhancement or proceeds of the remarketing of any Bonds) for the payment of principal of, redemption premium, if any, and interest on the Bonds. The obligations of the Issuer to make the payments described in this Section shall survive discharge of this Indenture, the resignation or removal of the Trustee and payment in full of the Bonds.

Section 9.6 Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by this Indenture by giving not less than sixty (60) days written notice to the Issuer, the Credit Provider and the Owners, specifying the date when such resignation shall take effect, and such resignation shall take effect upon any day specified in such notice unless (i) a successor shall have been appointed previously, as provided in Section 9.8 hereof, in which event such resignation shall take effect immediately on the acceptance of such successor, or (ii) no such successor shall have been appointed, in which event such resignation shall take effect immediately upon, but not until, the acceptance of a successor.

Section 9.7 Removal of Trustee. The Issuer may remove the Trustee at any time, except during the existence of an Event of Default, upon giving written notice to the Trustee of at least sixty (60) days (or such lesser period provided in a Supplemental Indenture) and filing with the Trustee an instrument of appointment signed by an Authorized Officer and accepted by such successor Trustee pursuant to the terms of Section 9.8 hereof.

Section 9.8 Appointment of Successor Trustee. (a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a

bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the Issuer covenants and agrees that (unless an Event of Default shall have occurred and be continuing) it will, upon the Direction of the Issuer and receipt of the prior written consent of the Credit Provider, thereupon appoint a successor Trustee.

(b) If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Trustee shall have given to the Issuer written notice, as provided in Section 9.6 hereof, or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, or an Event of Default shall have occurred and be continuing as described in (a) above, the Trustee, the Issuer or the owner of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice as such court may deem proper and prescribe, appoint a successor Trustee.

(c) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a trust company or bank having the powers of a trust company, having capital, surplus and undivided profits aggregating at least \$75,000,000, if there be such a trust company or bank willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

Section 9.9 Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee and to the Issuer an instrument accepting such appointment as a fiduciary for the Owners, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee, but the Trustee ceasing to act shall transfer each Credit Enhancement to its successor Trustee and shall, on the request of the Issuer or the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Issuer be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments shall, on request and so far as may be authorized by law, be executed, acknowledged and delivered by the Issuer. Upon the effectiveness of the resignation or removal of the Trustee, such Trustee's authority to act pursuant to this Indenture shall terminate and such Trustee shall have no further responsibility or liability whatsoever as Trustee for performance of this Indenture.

Section 9.10 Merger or Consolidation. Any entity into which the Trustee may be merged or converted or with which it may be consolidated or any entity resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, *provided* such

company shall be a trust company or bank which is qualified to be a successor to the Trustee under Section 9.8 hereof and which shall be authorized by law to perform all the duties imposed upon it by this Indenture, shall be the successor to the Trustee without the execution or filing of any paper or the performance of any further act, anything herein to the contrary notwithstanding.

Section 9.11 Adoption of Authentication. In case any of the Bonds contemplated to be issued under this Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated, and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee or in the name of the successor Trustee, and in all such cases such certificate shall have the full force provided anywhere in said Bonds or in this Indenture.

Section 9.12 Evidence of Signatures of Owners and Ownership of Bonds. (a) Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may nevertheless in its sole discretion require further or other proof in cases where it deems the same desirable.

The fact and date of the execution by any Owner or such Owner's attorney of such instrument may be proved by the Certificate, which need not be acknowledged or verified, of an officer of a bank or trust company, financial institution or other member of the National Association of Bonds Dealers, Inc., satisfactory to the Trustee, or a Certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request or other instrument acknowledged at the time of the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer, is the owner of such Bond. The authority of the person or persons executing any such instrument on behalf of a corporate Owner may be established without further proof if such instrument is signed by a person purporting to be the president or vice president of such corporation and such signature is attested by a person purporting to be its secretary or an assistant secretary; and

(b) The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registration books.

(c) Any request, consent or vote of the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Issuer or the Trustee in accordance therewith.

Section 9.13 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Trust Indenture, including any Supplemental Indenture (or microfilm, microcard or other photographic reproduction thereof) shall be retained in its possession, subject to its document retention policies, and shall be subject at all reasonable times

to the inspection of the Issuer, the Administrator and any Owner and Credit Providers and their agents and their representatives, any of whom may make copies thereof.

ARTICLE X

DEFEASANCE; MISCELLANEOUS PROVISIONS

Section 10.1 Defeasance. (a) If the Issuer shall pay, cause to be paid or otherwise make adequate provision for payment to the owners of the Bonds the principal and interest, including deferred interest whether or not then due, to become due thereon at the times and in the manner stipulated therein and in this Indenture, and shall have paid all other amounts due hereunder to the Trustee and to each Credit Provider, the pledge of the Pledged Assets, including any Revenues and other moneys, securities, funds and property hereby pledged and all other rights granted hereby in favor of the Owners shall be discharged and satisfied. In such event, upon making the provision for payment to the Owners, to the Trustee and to each Credit Provider referred to in the prior sentence, the Trustee, upon the Direction of the Issuer, shall execute and deliver to the Issuer all such instruments as may be desirable to evidence the discharge and satisfaction described above, and the Trustee shall pay over or deliver to the Issuer all moneys or securities held by it pursuant to this Indenture which are not required for the payment of Bonds not theretofore surrendered for such payment and shall return any Credit Enhancement to the Credit Provider for cancellation, if applicable. If the Issuer shall pay or cause to be paid or there shall otherwise be paid to the owners of all Outstanding Bonds the principal and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, such Bonds shall cease to be entitled to any lien, benefit or security hereunder and all covenants, agreements and obligations of the Issuer to the Owners of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

(b) Bonds for the payment of which funds are held in trust by the Trustee (through deposit by the Issuer of funds for such payment or otherwise) shall, at the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section. All Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section if (i) there shall have been deposited with the Trustee funds consisting of moneys or non-callable, fixed rate, direct obligations of or guaranteed by the United States of America the principal of and the interest on which when due will provide moneys sufficient to pay the principal of and interest due and to become due on said Bonds on or prior to the maturity date or the prior redemption date thereof, and (ii) the Issuer shall have given the Trustee, in form satisfactory to it, (A) a Certificate of the Issuer to the effect that all conditions necessary to deem said Bonds paid within the meaning and effect expressed in subsection (a) of this Section have been met and (B) irrevocable written instructions to give notice by mail as soon as practicable to the Owners of such Bonds that the deposit required by (i) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section and stating the date upon which moneys are to be available for the payment of the principal of and interest on said Bonds, such instructions to be accompanied by a certificate of an independent certified public accountant confirming the sufficiency of the deposit as described in (i) above. Neither (x) non-callable direct obligations of the United States of America or moneys deposited with the Trustee pursuant to this Section nor (y) principal or interest payments on any such obligations shall be withdrawn or used for any purpose other than the payment of the principal of and interest on said Bonds; but

any cash received from such principal or interest payments on such obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable and permitted by Section 6.6 hereof, be reinvested in such direct non-callable United States obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds on or prior to the maturity date or redemption date thereof, and interest earned from such reinvestments, not needed to redeem Bonds, shall be paid over to the Issuer, as received by the Trustee, free and clear of any trust, lien or pledge.

(c) The deposit required by subsection (b) hereof may be made with respect to Bonds within any particular series and maturity, in which case such maturity of Bonds of such series shall no longer be deemed to be Outstanding under the terms of this Indenture, and the Owners of such defeased Bonds shall be secured only by such trust funds and not by any other part of the Pledged Assets, and this Indenture shall remain in full force and effect to protect the interests of the Owners of Bonds remaining Outstanding thereafter.

(d) Any deposit of moneys made pursuant to (b) shall be sufficient for the purposes of this Section only if in the case of any Bonds bearing interest at a rate which may change before the date the Bonds are to be paid at maturity or upon redemption, (a) the amount of interest required to be deposited shall be computed assuming the maximum rate permitted for such Bonds, and (b) the Trustee and all Marketing Parties required for such Bonds shall remain in office until such Bonds are paid at maturity or upon redemption.

(e) Anything in this Indenture to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for four years after the date when all of the Bonds have become due and payable, if such moneys were held by the Trustee at such date, or for four years after the date of deposit of such moneys if deposited with the Trustee after the said date when all of the Bonds became due and payable, shall, at the written request of an Authorized Officer of the Issuer, be repaid by the Trustee to the Issuer, as its absolute property free from trust, and the Trustee shall thereupon be released and discharged, and any Owner may only look to the Issuer for payment with respect to any payment thereon.

Section 10.2 Limited Liability; No Recourse. The obligations of the Issuer hereunder shall be limited as provided in Section 2.2 hereof, and notwithstanding any other provision of this Indenture, any liability incurred by the Issuer as a result of the failure to perform any covenant, undertaking or obligation under this Indenture, the Bonds or any other document, or as a result of the incorrectness of any representation made by the Issuer in this Indenture or any other document, or for any other reason, shall be limited to the Pledged Assets. All covenants, stipulations, promises, agreements and obligations of the Issuer contained in this Indenture and in any Certificate or Direction of the Issuer shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, officer, director or employee of the Issuer in its, his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this

Indenture against any member, officer, director or employee of the Issuer or against any natural person executing the Bonds.

Section 10.3 Severability. If any covenant, agreement, waiver or part thereof in this Indenture contained be forbidden by any pertinent law, or under any pertinent law be effective to render this Indenture invalid or unenforceable or to impair the lien hereof, then each such covenant, agreement, waiver or part thereof shall itself be and is hereby declared to be wholly ineffective and this Indenture shall be construed as if the same were not included herein.

Section 10.4 Date for Action or Payment. In instances where the Issuer or the Trustee is required to cause any act to be performed on a date certain (including the transfer of moneys), except as otherwise specifically provided herein, if the date so specified is not a Business Day such action shall be taken on the next succeeding Business Day. Except as otherwise provided herein, payments required hereunder to be made or actions required hereunder to be taken on any day which is not a Business Day may be made or taken, as the case may be, instead on the next succeeding Business Day, and no interest shall accrue on such payments in the interim.

Section 10.5 Notices. Except as otherwise provided in this Indenture, all notices, certificates or other communications shall be sufficiently given and shall be deemed given upon receipt, by hand delivery, mail overnight delivery, first class mail, or telecopy or other electronic means which produces evidence of transmission (*provided* that originals of such communication are provided to the Trustee as soon as possible by hand delivery, mail overnight delivery, or first class mail), addressed as follows:

If to the Issuer:

NorthStar Student Loan Trust II
c/o Wilmington Trust, National Association
Rodney Square North
1100 North Market Street
Wilmington, DE 19890
Attention: Corporate Trust Administration
Phone: (302) 636-6194
Facsimile: (302) 636-4140

With a copy to
the Sub-Administrator:

NorthStar Education Services LLC
Suite 800
444 Cedar Street
St. Paul, MN 55101-2133
Attention: President
Telephone: (651) 290-8784
Facsimile: (651) 290-8799

If to the Trustee:

U.S. Bank National Association
Global Structured Finance
425 Walnut Street
CN-OH-W6CT
Cincinnati, OH 45202
Attention: Chris McKim
Phone: (513) 632-4582
Facsimile: (513) 632-5511

If to the Eligible Lender Trustee:

U.S. Bank National Association
Global Structured Finance
425 Walnut Street
CN-OH-W6CT
Cincinnati, OH 45202
Attention: Chris McKim
Phone: (513) 632-4582
Facsimile: (513) 632-5511

Any party may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, documents or other communications shall be sent.

In any case where notice to Owners is given by mail, such notice shall be conclusively presumed to have been given and such Owners shall be deemed to have received due notice regardless of the failure of one or more Owners to receive such notice, or any defect therein. Where this Trust Indenture provides for notice in any manner, such notice may be waived in writing by the Owner entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Owners shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon any such waiver.

Section 10.6 Successors and Assigns; Parties in Interest. The covenants, agreements, conditions, promises and undertakings in this Indenture shall extend to and be binding upon the successors and assigns of the Issuer and all of the covenants thereof shall bind such successors and assigns, and each of them, jointly and severally. All the covenants, conditions and provisions hereof shall be held to be for the sole and exclusive benefit of the Issuer, the Trustee, the Eligible Lender Trustee, each Credit Provider and their successors and assigns and the Owners from time to time of the Bonds.

Section 10.7 Laws Governing. This Indenture shall in all respects be governed by the internal laws (other than Sections 5-1401 and 5-1402 of the New York General Obligations Law) of the State of New York.

Section 10.8 Concerning the Delaware Trustee. It is expressly understood and agreed by the parties to this Trust Indenture and the Owners that (a) this Trust Indenture is executed and delivered by the Delaware Trustee not in its individual or personal capacity but solely in its capacity as Delaware Trustee under the Trust Agreement on behalf of the Issuer, in the exercise of the powers and authority conferred and vested in it as Delaware Trustee under the Trust Agreement, subject to the protections, indemnities and limitations from liability afforded to the Delaware Trustee thereunder; (b) in no event shall Wilmington Trust, in its individual capacity have any liability for the representations, warranties, covenants, agreements or other obligations of the Issuer hereunder, as to all of which recourse shall be had solely to the Pledged Assets of the Issuer; (c) nothing contained herein shall be construed as creating any liability on Wilmington Trust, individually or personally, to perform any expressed or implied covenant, duty or obligation of any kind whatsoever contained herein; and (d) under no circumstances shall Wilmington Trust be personally liable for the payment of any fees, costs, indebtedness or expenses of any kind whatsoever or be personally liable for the breach or failure of any obligation, representation, agreement, warranty or covenant whatsoever made or undertaken by the Delaware Trustee or Issuer hereunder.

Section 10.9 Effective Date; Counterparts. This Trust Indenture shall take effect immediately upon delivery of an executed copy hereof to the Trustee. This Trust Indenture may be simultaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

IN WITNESS WHEREOF, the Issuer has caused these presents to be signed in its name and behalf by its Authorized Officer, and to evidence its acceptance of the trusts hereby created, U.S. Bank National Association, as Trustee and as Eligible Lender Trustee, has caused these presents to be signed in its name and on its behalf by its duly authorized officer, all as of the day and year first above written.

NORTHSTAR STUDENT LOAN TRUST II, a
Delaware statutory trust

By: Wilmington Trust, National Association, not
in its individual capacity or personal
capacity but solely in its capacity as
Delaware Trustee

By _____
Name: _____
Title: _____

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Name: _____
Title: _____

U.S. BANK NATIONAL ASSOCIATION, as
Eligible Lender Trustee

By _____
Name: _____
Title: _____

[Signature Page to Trust Indenture]

SCHEDULE I

REPRESENTATIONS REGARDING ELIGIBLE LOANS

(1) Each Loan is evidenced by an original executed copy of a promissory note, or a true and correct copy thereof, which note is a valid and binding obligation of the borrower, enforceable by or on behalf of the holder thereof in accordance with its terms, subject to bankruptcy, insolvency and other laws relating to or affecting creditors' rights.

(2) No Loan has been satisfied, subordinated or rescinded; no right of rescission, setoff, counterclaim or defense has been asserted or threatened or exists with respect to any Loan; and each Loan is free and clear of all liens and other encumbrances.

(3) Each Loan is accruing interest (whether or not such interest is being paid currently, either by the borrower or the Secretary, in the case of Higher Education Act Eligible Loans, or is being capitalized), except as otherwise expressly permitted by the Indenture.

This Schedule I may be amended without the consent of any Bondholders upon receipt by the Issuer of a Credit Confirmation.