

INDENTURE OF TRUST

by and between

NORTHSTAR EDUCATION FINANCE, INC.,
as Issuer

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of May 1, 2006

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of May 1, 2006 (this "*Indenture*"), is by and between Northstar Education Finance, Inc. (the "*Issuer*"), a nonstock nonprofit corporation duly organized and existing under the laws of the State of Delaware, and U.S. Bank National Association, a banking association duly organized and operating under the laws of the United States (together with its successors, the "*Trustee*"), as indenture trustee hereunder (all capitalized terms used in these preambles, recitals and granting clauses shall have the same meanings assigned thereto in Article I hereof);

WITNESSETH:

WHEREAS, the Issuer is a nonstock nonprofit corporation organized and existing under the laws of the State of Delaware and by proper action has duly authorized the execution and delivery of this Indenture, to provide for the issuance of student loan asset-backed notes (hereinafter referred to as the "*Notes*") and to provide for the payment to holders of the Notes and for the other purposes provided for herein; and

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

WHEREAS, it is hereby agreed between the parties hereto and the Registered Owners of the Notes (the Registered Owners evidencing their consent by their acceptance of the Notes) 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;

NOW, THEREFORE, the Issuer, in consideration of the premises and acceptance by the Trustee of the trusts herein created, of the purchase and acceptance of the Notes by the Registered Owners thereof and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby Grant to the Trustee, for the benefit of the Registered Owners of the Notes, all of the moneys, rights and properties described in the granting clauses First through Sixth below, whether existing as of the date hereof or hereinafter created (the "*Trust Estate*"), as follows:

GRANTING CLAUSE FIRST

The Available Funds and Accounts (other than moneys released from the lien of the Trust Estate as provided herein);

GRANTING CLAUSE SECOND

All Funds and Accounts created under Section 5.01 hereof, and all moneys and investments held therein, including all proceeds thereof and all income thereon subject to use and application in accordance with the provisions hereof;

GRANTING CLAUSE THIRD

The Financed Eligible Loans and all obligations of the obligors thereunder including all moneys accrued and paid thereunder on or after the applicable Cut-off Date;

GRANTING CLAUSE FOURTH

The rights of the Issuer in and to the Basic Documents, as such documents relate to Financed Eligible Loans;

GRANTING CLAUSE FIFTH

Any and all other property, rights and interests of every kind or description that from time to time hereafter is granted, conveyed, pledged, transferred, assigned or delivered to the Trustee as additional security hereunder; and

GRANTING CLAUSE SIXTH

All proceeds of the foregoing.

TO HAVE AND TO HOLD the Trust Estate, whether now owned or held or hereafter acquired, unto the Trustee and its successors or assigns;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit and security of all present and future Registered Owners of the Notes, without preference of any Note over any other, except as provided herein, and for enforcement of the payment of the Notes in accordance with their terms, and all other sums payable hereunder or on the Notes, and for the performance of and compliance with the obligations, covenants and conditions of this Indenture, as if all the Notes at any time Outstanding had been executed and delivered simultaneously with the execution and delivery of this Indenture;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Notes and the interest due and to become due thereon, or provide fully for payment thereof as herein provided, at the times and in the manner mentioned in the Notes according to the true intent and meaning thereof, and shall make all required payments into the Funds as required under Article V hereof, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee sums sufficient to pay or to provide for payment of the entire amount due and to become so due as herein provided, then this

Indenture and the rights hereby granted shall cease, terminate and be void; otherwise, this Indenture shall be and remain in full force and effect;

NOW, THEREFORE, it is mutually covenanted and agreed as follows:

ARTICLE I

DEFINITIONS AND USE OF PHRASES

Capitalized terms used herein and not otherwise defined shall have the meanings set forth below, unless the context clearly requires otherwise.

“*Account*” shall mean any of the trust accounts created and established by this Indenture.

“*Acquisition Fund*” shall mean the Fund by that name created in Section 5.01(a) hereof and further described in Section 5.02 hereof, including any Accounts and Subaccounts created therein.

“*Administration Agreement*” shall mean the Third Amended and Restated Administration Agreement, dated as of May 11, 2006, between the Issuer and the Issuer Administrator.

“*Affiliate*” shall mean, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, “control” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“*Authorized Representative*” shall mean, when used with reference to the Issuer, any Person duly authorized to act on the Issuer’s behalf and shall specifically include those individuals authorized to act for the Issuer as set forth in a list delivered by the Issuer to the Trustee, as such list may be amended from time to time by the Issuer.

“*Available Funds*” shall mean, with respect to a Quarterly Distribution Date or any related Monthly Payment Date, the sum of the following amounts received to the extent not previously distributed: (a) all collections received by a Servicer on the Financed Eligible Loans (including payments from any co-signer received with respect to the Financed Eligible Loans) and paid to the Trustee or the Issuer; (b) all Liquidation Proceeds from any Financed Eligible Loans which have become Liquidated Financed Student Loans in accordance with a Servicer’s customary servicing procedures, and all other moneys collected with respect to any Liquidated Financed Student Loan which has been written off, net of the sum of any amounts expended by a Servicer in connection with such liquidation and any amounts required by law to be remitted to the obligor on such Liquidated Financed Student Loan; (c) the aggregate Purchase Amounts received for Financed Eligible Loans sold by the Issuer; (d) other amounts received by a Servicer

pursuant to its role as Servicer under a Servicing Agreement and paid to the Issuer; and (e) all interest earned or gain realized from the investment of amounts in any Fund or Account.

“*Basic Documents*” shall mean this Indenture, the Servicing Agreement, the Custody Agreement, the Administration Agreement, and other documents and certificates delivered in connection with any of the foregoing.

“*Book-Entry System*” means the system maintained by the Securities Depository described in Section 2.12.

“*Borrower Benefits*” shall mean with respect to any Financed Student Loan, any reduction or forgiveness of principal and/or interest payments or a reduction in interest rate provided on such Financed Student Loan pursuant to an incentive or other program as specified in Exhibit E, or as the same may be otherwise amended or supplemented; *provided, however*, that if such amendment or supplement will result in an increase in the amount released from the Trust Estate, the Issuer will obtain a Rating Agency Confirmation prior to such amendment or supplement.

“*Business Day*” shall mean (a) for purposes of calculating LIBOR, any day on which the banks in New York, New York and London, England are open for the transaction of international business and (b) for all other purposes, any day other than a Saturday, Sunday, holiday or other day on which the New York Stock Exchange or banks located in New York, New York or the city in which the Principal Office of the Trustee is located, are authorized or permitted by law or executive order to close.

“*Capitalized Interest Account*” shall mean the Account by that name created in Section 5.01(d) hereof and further described in Section 5.05 hereof.

“*Carryover Servicing and Administration Fee*” shall mean fees, if any, designated by the Issuer as “Carryover Servicing and Administration Fees” in the Quarterly Distribution Date Certificate.

“*Class A Noteholders’ Interest Distribution Amount*” shall mean, for any Quarterly Distribution Date and a class of Class A Notes, the Class A-1 Noteholders’ Interest Distribution Amount, the Class A-2 Noteholders’ Interest Distribution Amount, the Class A-3 Noteholders’ Interest Distribution Amount or the Class A-4 Noteholders’ Interest Distribution Amount, as applicable, in each case to the extent payable on such Quarterly Distribution Date.

“*Class A Notes*” shall mean, collectively, the Class A-1 Notes, the Class A-2 Notes, the Class A-3 Notes and the Class A-4 Notes, secured on a senior priority to the Class B Notes.

“*Class A Percentage*” shall mean, for any Quarterly Distribution Date, 100% less the Class B Percentage.

“*Class A Principal Distribution Amount*” shall mean, for any Quarterly Distribution Date, the product of the Principal Distribution Amount and the Class A Percentage.

“Class A-1 Maturity Date” shall mean the November, 2020 Quarterly Distribution Date.

“Class A-1 Note Interest Shortfall” shall mean, with respect to any Quarterly Distribution Date, the excess, if any, of (a) the Class A-1 Noteholders’ Interest Distribution Amount on the immediately preceding Quarterly Distribution Date over (b) the amount of interest actually distributed to the Class A-1 Noteholders on such preceding Quarterly Distribution Date, plus interest on the amount of such excess interest due to the Class A-1 Noteholders, to the extent permitted by law, at the interest rate borne by the Class A-1 Notes from such immediately preceding Quarterly Distribution Date to, but not including, the current Quarterly Distribution Date, as determined by the Trustee.

“Class A-1 Noteholder” shall mean the Person in whose name a Class A-1 Note is registered in the Note Register.

“Class A-1 Noteholders’ Interest Distribution Amount” shall mean, with respect to any Quarterly Distribution Date, the sum of (a) the amount of interest accrued at the Class A-1 Rate for the related Interest Accrual Period on the aggregate Outstanding Amount of the Class A-1 Notes immediately prior to such Quarterly Distribution Date; and (b) the Class A-1 Note Interest Shortfall for such Quarterly Distribution Date, as based on the actual number of days in such Interest Accrual Period divided by 360.

“Class A-1 Notes” shall mean the \$155,063,000 Class A-1 Student Loan Asset-Backed Notes, Series 2006-A, issued by the Issuer pursuant to this Indenture, substantially in the form of Exhibit A-1 hereto.

“Class A-1 Rate” shall mean, for any Interest Accrual Period, other than the first Interest Accrual Period, the applicable Three-Month LIBOR, plus 0.04%, as determined by the Trustee on each LIBOR Determination Date. For the initial Interest Accrual Period, the Class A-1 Rate shall mean 5.22621%.

“Class A-2 Maturity Date” shall mean the November, 2023 Quarterly Distribution Date.

“Class A-2 Note Interest Shortfall” shall mean, with respect to any Quarterly Distribution Date, the excess, if any, of (a) the Class A-2 Noteholders’ Interest Distribution Amount on the immediately preceding Quarterly Distribution Date over (b) the amount of interest actually distributed to the Class A-2 Noteholders on such preceding Quarterly Distribution Date, plus interest on the amount of such excess interest due to the Class A-2 Noteholders, to the extent permitted by law, at the interest rate borne by the Class A-2 Notes from such immediately preceding Quarterly Distribution Date to, but not including, the current Quarterly Distribution Date, as determined by the Trustee.

“Class A-2 Noteholder” shall mean the Person in whose name a Class A-2 Note is registered in the Note Register.

“Class A-2 Noteholders’ Interest Distribution Amount” shall mean, with respect to any Quarterly Distribution Date, the sum of (a) the amount of interest accrued at the Class A-2 Rate

for the related Interest Accrual Period on the aggregate Outstanding Amount of the Class A-2 Notes immediately prior to such Quarterly Distribution Date; and (b) the Class A-2 Note Interest Shortfall for such Quarterly Distribution Date, as based on the actual number of days in such Interest Accrual Period divided by 360.

“Class A-2 Notes” shall mean the \$111,290,000 Class A-2 Student Loan Asset-Backed Notes, Series 2006-A, issued by the Issuer pursuant to this Indenture, substantially in the form of Exhibit A-2 hereto.

“Class A-2 Rate” shall mean, for any Interest Accrual Period other than the first Interest Accrual Period the Three-Month LIBOR for such Interest Accrual Period plus 0.19%, as determined by the Trustee. For the initial Interest Accrual Period, the Class A-2 Rate shall mean 5.37621%.

“Class A-3 Maturity Date” shall mean the May, 2026 Quarterly Distribution Date.

“Class A-3 Note Interest Shortfall” shall mean, with respect to any Quarterly Distribution Date, the excess, if any, of (a) the Class A-3 Noteholders' Interest Distribution Amount on the immediately preceding Quarterly Distribution Date over (b) the amount of interest actually distributed to the Class A-3 Noteholders on such preceding Quarterly Distribution Date, plus interest on the amount of such excess interest due to the Class A-3 Noteholders, to the extent permitted by law, at the interest rate borne by the Class A-3 Notes from such immediately preceding Quarterly Distribution Date to the current Quarterly Distribution Date, as determined by the Trustee.

“Class A-3 Noteholder” shall mean the Person in whose name a Class A-3 Note is registered in the Note Register.

“Class A-3 Noteholders' Interest Distribution Amount” shall mean, with respect to any Quarterly Distribution Date, the sum of (a) the amount of interest accrued at the Class A-3 Rate for the related Interest Accrual Period on the aggregate Outstanding Amount of the Class A-3 Notes immediately prior to such Quarterly Distribution Date; and (b) the Class A-3 Note Interest Shortfall for such Quarterly Distribution Date, as based on the actual number of days in such Interest Accrual Period divided by 360.

“Class A-3 Notes” shall mean the \$112,931,000 Class A-3 Student Loan Asset-Backed Notes, Series 2006-A, issued by the Issuer pursuant to this Indenture, substantially in the form of Exhibit A-3 hereto.

“Class A-3 Rate” shall mean, for any Interest Accrual Period other than the first Interest Accrual Period the Three-Month LIBOR for such Interest Accrual Period plus 0.21%, as determined by the Trustee. For the initial Interest Accrual Period, the Class A-3 Rate shall mean 5.39621%.

“Class A-4 Maturity Date” shall mean the August, 2035 Quarterly Distribution Date.

“Class A-4 Note Interest Shortfall” shall mean, with respect to any Quarterly Distribution Date, the excess, if any, of (a) the Class A-4 Noteholders’ Interest Distribution Amount on the immediately preceding Quarterly Distribution Date over (b) the amount of interest actually distributed to the Class A-4 Noteholders on such preceding Quarterly Distribution Date, plus interest on the amount of such excess interest due to the Class A-4 Noteholders, to the extent permitted by law, at the interest rate borne by the Class A-4 Notes from such immediately preceding Quarterly Distribution Date to the current Quarterly Distribution Date, as determined by the Trustee.

“Class A-4 Noteholder” shall mean the Person in whose name a Class A-4 Note is registered in the Note Register.

“Class A-4 Noteholders’ Interest Distribution Amount” shall mean, with respect to any Quarterly Distribution Date, the sum of (a) the amount of interest accrued at the Class A-4 Rate for the related Interest Accrual Period on the aggregate Outstanding Amount of the Class A-4 Notes immediately prior to such Quarterly Distribution Date; and (b) the Class A-4 Note Interest Shortfall for such Quarterly Distribution Date, as based on the actual number of days in such Interest Accrual Period divided by 360.

“Class A-4 Notes” shall mean the \$208,056,000 Class A-4 Student Loan Asset-Backed Notes, Series 2006-A, issued by the Issuer pursuant to this Indenture, substantially in the form of Exhibit A-4 hereto.

“Class A-4 Rate” shall mean, for any Interest Accrual Period other than the first Interest Accrual Period the Three-Month LIBOR for such Interest Accrual Period plus 0.35%, as determined by the Trustee. For the initial Interest Accrual Period, the Class A-4 Rate shall mean 5.53621%.

“Class B Maturity Date” shall mean the November, 2035 Quarterly Distribution Date.

“Class B Note Interest Shortfall” shall mean, with respect to any Quarterly Distribution Date, the excess, if any, of (a) the Class B Interest Distribution Amount on the immediately preceding Quarterly Distribution Date over (b) the amount of interest actually distributed to the Class B Noteholders on such preceding Quarterly Distribution Date, plus interest on the amount of such excess interest due to the Class B Noteholders, to the extent permitted by law, at the interest rate borne by the Class B Notes from such immediately preceding Quarterly Distribution Date to the current Quarterly Distribution Date, as determined by the Trustee.

“Class B Note Interest Trigger Event” shall mean, on any Quarterly Distribution Date while any Class A Notes are Outstanding, that the ratio (expressed as a percentage) of (i) the value of the assets in the Trust Estate, excluding amounts in the Reserve Fund, less accrued interest and fees payable with respect to all Class A Notes, to (ii) the principal amount of Class A Notes Outstanding as of the end of the related Collection Period and after giving effect to distributions to be made on that Quarterly Distribution Date is less than 100%. A Class B Note Interest Trigger Event will continue until such ratio is equal to or greater than 100%.

“Class B Note Principal Trigger Event” shall mean, on any Quarterly Distribution Date while any Class A Notes are Outstanding, that the ratio (expressed as a percentage) of (i) the value of the assets in the Trust Estate, excluding amounts in the Reserve Fund, less accrued interest and fees payable with respect to all Notes, to (ii) the principal amount of all Notes Outstanding, as of the end of the related Collection Period is less than 100% after giving effect to distributions made on that Quarterly Distribution Date. A Class B Note Principal Trigger Event will continue until such ratio is equal to or greater than 100%.

“Class B Noteholder” shall mean the Person in whose name a Class B Note is registered in the Note Register.

“Class B Noteholders’ Interest Distribution Amount” shall mean, with respect to any Quarterly Distribution Date, the sum of (a) the amount of interest accrued at the Class B Rate for the related Interest Accrual Period on the aggregate Outstanding Amount of the Class B Notes immediately prior to such Quarterly Distribution Date; and (b) the Class B Note Interest Shortfall for such Quarterly Distribution Date, as based on the actual number of days in such Interest Accrual Period divided by 360.

“Class B Notes” shall mean the \$65,260,000 Class B Student Loan Asset-Backed Notes, Series 2006-A, issued by the Issuer pursuant to this Indenture, substantially in the form of Exhibit B hereto and secured on a subordinate priority to the Class A Notes.

“Class B Percentage” shall mean, for any Quarterly Distribution Date, (a) prior to the Stepdown Date or with respect to any Quarterly Distribution Date on which a Class B Note Principal Trigger Event is in effect, 0%; or (b) for all other Quarterly Distribution Dates, a fraction expressed as a percentage, the numerator of which is the aggregate Outstanding Amount of the Class B Notes and the denominator of which is the aggregate Outstanding Amount of all Notes, in each case determined by the Issuer on the Determination Date for that Quarterly Distribution Date.

“Class B Principal Distribution Amount” shall mean, for any Quarterly Distribution Date, the product of the Principal Distribution Amount and the Class B Percentage.

“Class B Rate” shall mean, for any Interest Accrual Period other than the first Interest Accrual Period, Three-Month LIBOR for such Interest Accrual Period plus 0.55%, as determined by the Trustee. For the first Interest Accrual Period, the Class B Rate shall mean 5.73621%.

“Clearing Agency” shall mean an organization registered as a “clearing agency” pursuant to Section 17A of the Exchange Act. The initial Clearing Agencies shall be (a) The Depository Trust Company (and the initial nominee for the Clearing Agency shall be Cede & Co.), (b) Clearstream, Luxembourg and (c) Euroclear.

“Clearstream, Luxembourg” shall mean Clearstream Banking, société anonyme, Luxembourg.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code herein shall be deemed to include the United States Treasury Regulations, including applicable temporary and proposed regulations, relating to such section which are applicable to the Notes or the use of the proceeds thereof. A reference to any specific section of the Code shall be deemed also to be a reference to the comparable provisions of any enactment which supersedes or replaces the Code thereunder from time to time.

“Collection Fund” shall mean the Fund by that name created in Section 5.01(b) hereof and further described in Section 5.03 hereof.

“Collection Period” shall mean, with respect to the first Quarterly Distribution Date, the period beginning on the Date of Issuance and ending on July 31, 2006, and with respect to each subsequent Quarterly Distribution Date, the Collection Period means the three calendar months immediately following the end of the previous Collection Period, beginning August 1, 2006.

“Commission” shall mean the Securities and Exchange Commission.

“Credit and Collection Policy” shall mean the Issuer’s, or the Servicer’s, policies and procedures with respect to the origination and collection of Student Loans, as set forth in the Program Guidelines with respect to the Issuer.

“Custodian” shall mean any organization with which the Issuer has entered into a Custody Agreement.

“Custody Agreement” shall mean the (i) Assignment of Custody Agreement, dated as of May 11, 2006, by and between the Trustee and U.S. Bank National Association, as eligible lender trustee, as acknowledged by University National Bank or (ii) any agreement between the Issuer and any other Custodian, under which such other Person agrees to act as the Issuer’s agent in connection with the custody of documents relating to Financed Student Loans in accordance with this Indenture.

“Cut-off Date” shall mean May 1, 2006 with respect to Student Loans that the Issuer pledges to the Indenture Trustee on the Date of Issuance, and shall mean the date that the Student Loan is pledged to the Indenture Trustee with respect to Student Loans that the Issuer pledges to the Indenture Trustee on any date after the Date of Issuance.

“Date of Issuance” shall mean May 11, 2006.

“Defaulted Student Loan” shall mean any Student Loan that (a) is more than 180 days past due, or (b) has otherwise been designated as defaulted by either the Servicer or the Issuer in accordance with its customary servicing standards.

“Eligible Borrower” shall mean an obligor who meets the relevant criteria of the T.H.E. Loan Program or is an obligor on a loan purchased from Associated Bank.

“Eligible Loan” shall mean a Student Loan, on any date of determination:

(a) which was originated or acquired by the Issuer in the ordinary course of its business;

(b) that constitutes an instrument, account or a general intangible as defined in the Uniform Commercial Code as in effect in the jurisdiction that governs the perfection of the Issuer's interests therein and the perfection of the Trustee's interest therein;

(c) the borrower thereof is an Eligible Borrower;

(d) the borrower thereof is a United States citizen, a United States national or a resident alien;

(e) which is not a Defaulted Student Loan;

(f) that provides or, when the payment schedule with respect thereto is determined, will provide for payments on a periodic basis that fully amortize the Principal Balance thereof by its maturity, as such maturity may be modified in accordance with any applicable deferral or forbearance periods granted in accordance with applicable laws;

(g) with regard to which the representations and warranties set forth in Section 4.13(a)(iv) hereof are true and correct;

(h) with regard to which the granting of a security interest to the Trustee pursuant to this Indenture does not contravene or conflict with any law or regulation, or require the consent or approval of, or notice to, any Person;

(i) that is denominated and payable only in dollars in the United States;

(j) that together with the related Student Loan note therefor represents the genuine, legal, valid and binding payment obligation of the related borrower, enforceable by or on behalf of the holder thereof against such borrower in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, fraudulent conveyance and similar laws relating to creditors' rights generally and subject to general principles of equity; and that has not been satisfied, subordinated or rescinded and no right of rescission, setoff, counterclaim or defense has been asserted or, to the Issuer's knowledge, overtly threatened in writing with respect to such student loan;

(k) that complied at the time it was originated or made, and on the date that such Student Loan becomes a Financed Student Loan complies, and the Issuer, and its agents, with respect to such Student Loan, have at all times complied, in all material respects with all requirements of applicable federal, state and local laws and regulations thereunder;

(l) that is the subject of a valid Servicing Agreement;

(m) which complies in all material respects with the Credit and Collection Policy; and

(n) which is made pursuant to the Student Loan Program.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended.

“Euroclear” shall mean the Euroclear System, or any successor thereto.

“Event of Bankruptcy” shall mean (a) the Issuer shall have commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall have made a general assignment for the benefit of creditors, or shall have declared a moratorium with respect to its debts or shall have failed generally to pay its debts as they become due, or shall have taken any action to authorize any of the foregoing; or (b) an involuntary case or other proceeding shall have been commenced against the Issuer seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property *provided* such action or proceeding is not dismissed within 90 days.

“Event of Default” shall have the meaning specified in Article VI hereof.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Final Maturity Date” for the Class A-1, Class A-2, Class A-3, Class A-4 and the Class B Notes shall mean the Class A-1 Maturity Date, the Class A-2 Maturity Date, the Class A-3 Maturity Date, the Class A-4 Maturity Date and the Class B Maturity Date, respectively.

“Financed” or “Financing” when used with respect to Eligible Loans or Student Loans, shall mean or refer to Eligible Loans or Student Loans (a) acquired by the Issuer with balances in the Acquisition Fund or otherwise constituting a part of the Trust Estate and (b) Eligible Loans or Student Loans substituted or exchanged for Financed Eligible Loans or Student Loans, but does not include Eligible Loans or Student Loans released from the lien of this Indenture and sold or transferred, to the extent permitted by this Indenture.

“Fiscal Year” shall mean the fiscal year of the Issuer (initially October 1 to September 30) as otherwise established from time to time.

“Fitch” shall mean Fitch Inc., its successors and assigns.

“Fund” shall mean each of the Funds, Accounts and Subaccounts created pursuant to Section 5.01 hereof.

"Highest Priority Obligations" shall mean at any time when Class A Notes are Outstanding, the Class A Notes and at any time when no Class A Notes are Outstanding, the Class B Notes.

"Indenture" shall mean this Indenture of Trust, including any supplement hereto or amendment hereof entered into in accordance with the provisions hereof.

"Independent" shall mean, when used with respect to any specified Person, that the Person (a) is in fact independent of the Issuer, any other obligor upon the Notes and any Affiliate of any of the foregoing Persons; (b) does not have any direct financial interest or any material indirect financial interest in the Issuer, any such other obligor or any Affiliate of any of the foregoing Persons; and (c) is not connected with the Issuer, any such other obligor or any Affiliate of any of the foregoing Persons as an officer, employee, promoter, underwriter, placement agent, trustee, partner, director or person performing similar functions.

"Index Maturity" shall mean for Three-Month LIBOR, three months.

"Initial Pool Balance" shall mean \$595,842,262.

"Interest Accrual Period" shall mean with respect to each class of Notes, initially, the period commencing on the Date of Issuance to but not including the first Quarterly Distribution Date, and thereafter, with respect to each Quarterly Distribution Date, the period beginning on the prior Quarterly Distribution Date and ending on the day immediately preceding such Quarterly Distribution Date.

"Investment Securities" shall mean any of the following:

(i) direct general obligations of, or obligations fully and unconditionally guaranteed as to the timely payment of principal and interest by, the United States or any agency or instrumentality thereof, *provided* such obligations are backed by the full faith and credit of the United States, FHA debentures, Freddie Mac senior debt obligations, Federal Home Loan Bank consolidated senior debt obligations, and Fannie Mae senior debt obligations, but excluding any of such securities whose terms do not provide for payment of a fixed dollar amount upon maturity or call for redemption;

(ii) federal funds, certificates of deposit, time deposits and banker's acceptances (having original maturities of not more than 90 days) of any bank or trust company incorporated under the laws of the United States or any state thereof, *provided* that the short-term debt obligations of such bank or trust company at the date of acquisition thereof have been rated "A-1+" or better by S&P, "P-1" or "A2" or better by Moody's and "F1+" by Fitch;

(iii) deposits of any bank or savings and loan association which has combined capital, surplus and undivided profits of at least \$20,000,000 which deposits are held only up to the limits insured by the Bank Insurance Fund or Savings Association Insurance Fund administered by the Federal Deposit Insurance Corporation, *provided* that the

unsecured long-term debt obligations of such bank or savings and loan association have been rated “BBB” or better by S&P, “P-1” or “A-2” or better by Moody’s and “AA-” or better by Fitch;

(iv) commercial paper (having original maturities of not more than 90 days) rated “A-1+” or better by S&P, “P-1” or better by Moody’s and “F1+” by Fitch;

(v) debt obligations rated “AAA” by S&P, “Aaa” by Moody’s and “AAA” by Fitch (other than any such obligations that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date);

(vi) investments in money market funds (including those funds managed or advised by the Trustee or an Affiliate thereof) rated “AAAm” by S&P, “Aaa” by Moody’s and “AAA” by Fitch;

(vii) guaranteed investment contracts or surety bonds for which a Rating Agency Confirmation has been obtained and providing for the investment of funds in an account or insuring a minimum rate of return on investments of such funds;

(viii) a repurchase agreement for which a rating confirmation has been obtained; and

(ix) any other investment regarding which a Rating Agency Confirmation has been obtained (*provided, however*, that if such other investment meets the rating criteria above for a particular Rating Agency but not all Rating Agencies, then a Rating Agency Confirmation need be satisfied only with respect to any other Rating Agency for which such rating criteria has not been met).

“*Issuer*” shall mean Northstar Education Finance, Inc., a nonstock nonprofit Delaware corporation, and any successor or assignee thereto under this Indenture.

“*Issuer Administrator*” shall mean Northstar Capital Markets Services, Inc., a Delaware corporation, or any successor thereto or assignee thereof.

“*Issuer Contribution*” shall mean any additional funds pledged by the Issuer to the Collection Fund, the Capitalized Interest Account or the Reserve Fund, or any pledge of Eligible Loans (*provided* that such Eligible Loans at the time of such contribution must be less than 90 days delinquent) into the Trust Estate, in order to prevent or cure the occurrence of a T.H.E. Suspension Event.

“*Issuer Order*” shall mean a written order signed in the name of the Issuer by an Authorized Representative.

“*LIBOR*” shall mean Three-Month LIBOR.

“LIBOR Determination Date” shall mean, for each Interest Accrual Period, the second Business Day before the beginning of that Interest Accrual Period.

“Liquidated Financed Student Loan” shall mean any defaulted Financed Student Loan liquidated by the Servicer or which the Servicer has, after using all reasonable efforts to realize upon such Financed Student Loan, determined to charge off.

“Liquidation Proceeds” shall mean, with respect to any Liquidated Financed Student Loan which became a Liquidated Financed Student Loan during the current Collection Period in accordance with the Servicer’s customary servicing procedures, the moneys collected in respect of the liquidation thereof from whatever source, other than moneys collected with respect to any Liquidated Financed Student Loan which was written off in prior Collection Periods or during the current Collection Period, net of the sum of any amounts expended by the Servicer in connection with such liquidation and any amounts required by law to be remitted to the obligor on such Liquidated Financed Student Loan.

“Marketing and School Services Expense Allowance” shall mean a monthly allowance equal to one-twelfth of 0.10% of the ending Principal Balance of the Financed Student Loans, plus accrued interest thereon, during the preceding month, or such greater or lesser amount as the Issuer may direct (*provided* the Rating Agency Confirmation has been received) to be paid to the Issuer Administrator.

“Maturity” when used with respect to any Note, shall mean the date on which the principal thereof becomes due and payable as therein or herein provided, whether at its Final Maturity Date, by earlier prepayment or purchase, by declaration of acceleration, or otherwise.

“Minimum Release Price” shall mean, on any Quarterly Distribution Date, an amount that would be sufficient to (a) reduce the Outstanding Amount of each class of Notes on such Quarterly Distribution Date to zero; (b) pay to the respective Registered Owners the Class A Noteholders’ Interest Distribution Amount and the Class B Interest Distribution Amount payable on such Quarterly Distribution Date; and (c) pay any Servicing and Administration Fees and Carryover Servicing and Administration Fees due and owing.

“Monthly Payment Date” shall mean a Business Day selected by the Issuer in a given calendar month not later than the 15th day of such month.

“Monthly Payment Date Certificate” shall mean the certificate made available to the Trustee, substantially in the form of Exhibit C hereto.

“Moody’s” shall mean Moody’s Investors Service, Inc., its successors and assigns.

“Noteholder” shall mean the Person in whose name a Note is registered in the Note Register.

“Note Rates” shall mean, with respect to any Interest Accrual Period and the Class A-1 Notes, Class A-2 Notes, Class A-3 Notes, Class A-4 Notes and the Class B Notes, the Class A-1

Rate, the Class A-2 Rate, the Class A-3 Rate, the Class A-4 Rate and the Class B Rate for such Interest Accrual Period, respectively.

“*Note Register*” shall mean the register maintained by the Note Registrar pursuant to Section 2.03 hereof.

“*Note Registrar*” shall have the meaning set forth in Section 2.03 hereof.

“*Notes*” shall mean, collectively, the Class A Notes and the Class B Notes.

“*Opinion of Counsel*” shall mean with respect to the Issuer, one or more written opinions of counsel who may, except as otherwise expressly provided in this Indenture, be employees of or counsel to the Issuer, and who shall be satisfactory to the Trustee, which opinion or opinions shall be addressed to the Trustee as Trustee and shall be in form and substance satisfactory to the Trustee.

“*Optional Release Date*” shall have the meaning set forth in Section 10.03 hereof.

“*Outstanding*” shall mean, when used with respect to any Note, all Notes other than (a) any Notes deemed no longer outstanding as a result of the purchase, payment or defeasance thereof; (b) Notes surrendered for transfer or exchange for which another Note has been issued pursuant to the terms hereof; or (c) any Note owned by the Issuer.

“*Outstanding Amount*” shall mean the aggregate principal amount of all Notes Outstanding at the date of determination or, if the context so requires, the aggregate principal amount of one or more classes of Class A Notes or the Class B Notes Outstanding at the date of determination.

“*Participant*” means a broker, dealer, bank, other financial institution or other Person for whom from time to time a Security Depository effects book-entry transfers and pledges of securities deposited with the Security Depository.

“*Person*” shall mean an individual, corporation, partnership, joint venture, association, joint stock company, trust, limited liability company, unincorporated organization or government or agency, or political subdivision thereof.

“*Pool Balance*” shall mean as of any date the aggregate Principal Balance of the Financed Eligible Loans on such date (including accrued interest thereon that is expected to be capitalized), plus amounts on deposit in the Acquisition Fund, as reduced by the principal portion of the following, without duplication, and to the extent not already accounted for in the calculation of Principal Balance: (a) all payments received by the Issuer through such date from or on behalf of borrowers on such Financed Eligible Loans; (b) all Purchase Amounts on Financed Eligible Loans received by the Issuer through such date from a transferor or the Servicer; (c) all Liquidation Proceeds and Realized Losses on Financed Eligible Loans liquidated through such date; and (d) the aggregate amount of adjustments to balances of Financed Eligible Loans permitted to be effected by a Servicer under a Servicing Agreement, if any, recorded

through such date. The Pool Balance shall be calculated by the Issuer and certified to the Trustee, upon which the Trustee may conclusively rely with no duty to further examine or determine such information.

"Prefunding Period" shall mean the period beginning on the Date of Issuance and ending on May 31, 2006.

"Prepayment Date" when used with respect to any Note, all or any portion of the principal thereof which is to be prepaid prior to its Final Maturity Date, shall mean the date fixed for such prepayment by or pursuant to this Indenture.

"Prepayment Price" when used with respect to any Note to be prepaid, shall mean the price at which it is to be redeemed pursuant to this Indenture.

"Principal Balance" when used with respect to a Student Loan, shall mean the unpaid principal amount thereof (including any accrued interest that is expected to be capitalized) as of a given date.

"Principal Distribution Amount" shall mean, with respect to each Quarterly Distribution Date the greater of (i) the amount by which the aggregate Outstanding Amount of all Notes immediately prior to such Quarterly Distribution Date exceeds the quotient obtained by dividing the Pool Balance, plus amounts on deposit in the Capitalized Interest Account (if any) and the Reserve Fund, as of the last day of the related Collection Period by 103% or (ii) the amount by which the aggregate Outstanding Amount of all Notes immediately prior to that Quarterly Distribution Date exceeds the excess of the Pool Balance, plus amounts on deposit in the Capitalized Interest Account (if any) and the Reserve Fund as of the last day of the related Collection Period, over an amount equal to 2.25% of the total value of the assets which were in the Trust Estate on the Date of Issuance. Further, on the Final Maturity Date for a class of Notes, the *"Principal Distribution Amount"* on that date also shall include the amount needed to reduce the Outstanding principal amount of such class of Notes to zero.

"Principal Office" shall mean the principal office of the party indicated, as set forth in Section 9.01 hereof or elsewhere in this Indenture.

"Program" shall mean the Issuer's program for the origination and the purchase of Eligible Loans, as the same may be modified from time to time.

"Program Guidelines" shall mean the Issuer's program guidelines as are in effect as of the Date of Issuance, as revised, amended, modified or supplemented from time to time.

"Purchase Amount" with respect to any Financed Eligible Loan shall mean the amount required to prepay in full such Financed Eligible Loan under the terms thereof including all accrued interest thereon.

“Quarterly Distribution Date” shall mean the 28th day of each February, May, August and November (or, if any such day is not a Business Day, the immediately following Business Day), commencing on August 28, 2006.

“Quarterly Distribution Date Certificate” shall mean the certificate delivered by the Issuer to the Trustee, substantially in the form of Exhibit D hereto.

“Rating” shall mean one of the rating categories of Fitch, Moody’s and S&P or any other Rating Agency, *provided* Fitch, Moody’s and S&P or any other Rating Agency, as the case may be, is currently rating the Notes.

“Rating Agency” shall mean each of Fitch, Moody’s and S&P and their successors and assigns or any other rating agency requested by the Issuer to maintain a Rating on any of the Notes.

“Rating Agency Confirmation” shall mean a letter from each Rating Agency then providing a Rating for any of the Notes at the request of the Issuer, confirming that a proposed action, failure to act, or other event specified therein will not, in and of itself, result in a downgrade of any of the Ratings then applicable to the Notes, or cause any Rating Agency to suspend, withdraw or qualify the Ratings then applicable to the Notes.

“Realized Loss” shall mean the excess of the Principal Balance (including any interest that had been or had been expected to be capitalized) of any Liquidated Financed Student Loan over Liquidation Proceeds with respect to such Financed Eligible Loan to the extent allocable to principal (including any interest that had been or had been expected to be capitalized).

“Record Date” shall mean, with respect to a Quarterly Distribution Date, the Business Day immediately preceding such Quarterly Distribution Date,

“Reference Banks” shall mean, with respect to a determination of LIBOR for any Interest Accrual Period by the Trustee, four major banks in the London interbank market selected by the Issuer.

“Registered Owner” shall mean any Noteholder, except that, solely for the purpose of giving any consent pursuant to this Indenture, any Note registered in the name of the Issuer or any Affiliate of the Issuer shall be deemed not to be Outstanding and the Outstanding Amount evidenced thereby shall not be taken into account in determining whether the requisite principal amount of Notes necessary to effect such consent has been obtained unless at the time the Issuer and its Affiliates own all of the Notes that are Outstanding.

“Reserve Fund” shall mean the Fund by that name created in Section 5.01(c) hereof and further described in Section 5.04 hereof, including any Accounts and Subaccounts created therein.

“Reserve Fund Requirement” shall mean, as of any Quarterly Distribution Date, an amount equal to the greater of (i) 1.0% of the Pool Balance as of the close of business on the last

day of the related Collection Period; and (ii) 0.50% of the Pool Balance as of the Date of Issuance and after giving effect to pending disbursements; *provided* that such Reserve Fund Requirement may be reduced with Rating Agency Confirmation.

“S&P” shall mean Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., its successors and assigns.

“*Securities Depository*” shall mean The Depository Trust Company and its successors and assigns or if, (a) the then Securities Depository resigns from its functions as depository of the Notes or (b) 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 Notes and which is selected by the Issuer with the consent of the Trustee.

“*Senior Parity Percentage*” shall mean the ratio (expressed as a percentage) of the value of the assets in the Trust Estate, less accrued interest and fees payable with respect to all Senior Notes, to the Outstanding Amount of Class A Notes.

“*Series 2004-A Notes*” shall mean the auction rate student loan asset-backed notes issued pursuant to that certain Indenture dated as of February 1, 2004, among the Issuer, U.S. Bank National Association, as indenture trustee and as eligible lender trustee, Ambac Assurance Corporation, as insurer, and Northstar Capital Markets Services, Inc., as master servicer.

“*Servicer*” shall mean any organization with which the Issuer has entered into a Servicing Agreement; in any case, so long as such party acts as servicer of the financed student loans pledged hereunder.

“*Servicing Agreement*” shall mean (i) the Disbursement Services, Application Processing and Servicing Agreement for Private Loans, dated as of November 1, 2000, among Great Lakes Educational Loan Services, Inc., as servicer, U.S. Bank National Association, as eligible lender trustee, and the Issuer (as assignee of Northstar Guarantee, Inc., Division B), together with the Bailment Notice and Acknowledgement, dated as of May 11, 2006, which relates thereto, and (ii) any servicing agreement between the Issuer and any other Servicer, under which such other Servicer agrees to act as the Issuer’s agent in connection with the administration and collection of Financed Student Loans in accordance with this Indenture.

“*Servicing and Administration Fee*” shall mean (a) a monthly fee payable to Northstar Capital Markets Services, Inc. on each Monthly Payment Date equal to 1/12 of 0.50% of the ending Principal Balance of the Financed Student Loans, plus accrued interest thereon, during the preceding month, or such greater or lesser amount as may be provided by Issuer Order (*provided* that a Rating Agency Confirmation is obtained with respect to any increase in such amount) which may be released to the Servicer each month to cover its expenses incurred during the preceding month and (b) certain incidental amounts permitted by the Servicing Agreement.

“*Stepdown Date*” shall mean the earlier to occur of (a) the Quarterly Distribution Date in February 2012 or (b) the first date on which no Class A Notes remain Outstanding.

“*Student Loan*” shall mean a loan to a borrower for or in connection with post-secondary education, bar preparation expenses or medical residency expenses.

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

“*Supplemental Indenture*” shall mean an agreement supplemental hereto executed pursuant to Article VIII hereof.

“*Telerate Page 3750*” shall mean the display page so designated on the Telerate Service (or such other page as may replace that page on that service for the purpose of displaying comparable rates or prices).

“*T.H.E. Deposit Amount*” shall mean, initially, an amount equal to 1.3% of the Principal Amount of each Financed Student Loan originated before April 1, 2003 or 1.0% of the Principal Amount of each Financed Student Loan originated on or after April 1, 2003, multiplied by the Principal Balance of such Financed Student Loans in repayment (and not delinquent more than 60 days) calculated and transferred monthly from the Collection Fund on each Monthly Calculation Date.

“*T.H.E. Suspension Event*” means if, on any Quarterly Distribution Date occurring on or after the August 2007 Quarterly Distribution Date, after giving effect to the payments described in Section 5.03(c)(A) through (I) (as if no T.H.E. Suspension Event were in effect), the ratio (expressed as a percentage) of (i) the total value of the assets in the Trust Estate, less accrued interest and fees payable with respect to all Notes, to (ii) the principal amount of all Notes Outstanding determined as of the end of the preceding calendar month but giving effect to the payments on such Quarterly Distribution Date and any Issuer Contribution made prior to such Quarterly Distribution Date, would be less than as follows on the Quarterly Distribution Dates specified below:

August 2007 – May 2008	100.75%
August 2008 – May 2009	101.50
August 2009 – May 2010	102.25
August 2010 and thereafter	103.00

In addition, on any Quarterly Distribution Date occurring on or after the August 2010 Quarterly Distribution Date, a T.H.E. Suspension Event will occur if the amount which is equal to (i) the total value of the assets in the Trust Estate, less accrued interest and fees payable, minus (ii) the principal amount of all Notes Outstanding, is less than 2.25% of the total value of the assets which were on deposit in the Trust Estate on the Date of Issuance. If a T.H.E. Suspension Event has occurred and is continuing, then until (i) the ratio (expressed as a percentage) of (A) the value of the assets in the Trust Estate, less accrued interest and fees payable with respect to all Notes, to (B) the principal amount of all Notes Outstanding, determined as of the end of the preceding calendar month and giving effect to any Issuer Contribution made before the Quarterly

Distribution Date, is equal to or greater than 103% and (ii) the amount which is equal to (A) the total value of the assets in the Trust Estate, less accrued interest and fees payable minus (B) the principal amount of all Notes Outstanding, determined as of the end of the preceding calendar month, is equal to or greater than 2.25% of the total value of the assets which were pledged to the Trust Estate on the Date of Issuance, the T.H.E. Deposit Amount will be zero.

“Three-Month LIBOR” shall mean, with respect to any Interest Accrual Period, the London interbank offered rate for deposits in U.S. dollars having the applicable Index Maturity as it appears on Telerate Page 3750 as of 11:00 a.m., London time, on the related LIBOR Determination Date as determined by the Issuer. If this rate does not appear on Telerate Page 3750, the rate for that day will be determined on the basis of the rates at which deposits in U.S. dollars, having the Index maturity and in a principal amount of not less than U.S. \$1,000,000, are offered at approximately 11:00 a.m., London time, on that LIBOR Determination Date, to prime banks in the London interbank market by the Reference Banks. The Issuer or the Trustee, as applicable, will request the principal London office of each Reference Bank to provide a quotation of its rate. If the Reference Banks provide at least two quotations, the rate for that day will be the arithmetic mean of the quotations. If the Reference Banks provide fewer than two quotations, the rate for that day will be the arithmetic mean of the rates quoted by major banks in New York City, selected by the Issuer or the Trustee, as applicable, at approximately 11:00 a.m., New York time, on that LIBOR Determination Date, for loans in U.S. dollars to leading European banks having the Index Maturity and in a principal amount of not less than U.S. \$1,000,000. If the banks selected as described above are not providing quotations, Three-Month LIBOR in effect for the applicable Interest Accrual Period will be Three-Month LIBOR in effect for the previous Interest Accrual Period.

“Total Parity Percentage” shall mean the ratio (expressed as a percentage) of the value of assets in the Trust Estate, less accrued interest and fees payable with respect to the Notes, to the Outstanding Amount of all Notes.

“Trust Estate Auction Date” shall have the meaning set forth in Section 10.04 hereof.

“Trust Estate” shall mean the property described as such in the granting clauses hereto.

“Trustee” shall mean U.S. Bank National Association, acting in its capacity as Trustee under this Indenture, or any successor trustee designated pursuant to this Indenture.

“Trustee Fee” shall mean the fees and expenses due to the Trustee pursuant to the fee letter, dated as of February 9, 2006, from the Trustee to the Issuer.

Words importing the masculine gender include the feminine gender, and words importing the feminine gender include the masculine gender. Words importing persons include firms, associations and corporations. Words importing the singular number include the plural number and vice versa. Additional terms are defined in the body of this Indenture.

ARTICLE II

NOTE DETAILS AND FORM OF NOTES

Section 2.01. Note Details. The Notes, together with the Trustee's certificate of authentication, shall be in substantially the forms set forth in Exhibits A-1, A-2, A-3, A-4 and B, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may, consistently herewith, be determined by the officers executing the Notes, as evidenced by their execution of the Notes. Any portion of the text of any Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

The definitive Notes shall be typewritten, printed, lithographed or engraved or produced by any combination of these methods (with or without steel engraved borders), all as determined by the Authorized Representatives executing such Notes, as evidenced by their execution of such Notes.

Each Note shall be dated the date of its authentication. The terms of the Notes set forth in Exhibits A-1, A-2, A-3, A-4 and B are part of the terms of this Indenture.

Section 2.02. Execution, Authentication and Delivery of Notes. The Notes shall be executed in the name and on behalf of the Issuer by the manual or facsimile signature of an Authorized Representative. Any Note may be signed (manually or by facsimile) or attested on behalf of the Issuer by any Person who, at the date of such act, shall hold the proper office or position, notwithstanding that at the date of authentication, issuance or delivery, such person may have ceased to hold such office or position.

The Trustee shall upon Issuer Order authenticate and deliver Notes for original issue in an aggregate principal amount of \$652,600,000. The aggregate principal amount of Notes outstanding at any time may not exceed such amount except as provided in Section 2.04 hereof.

Each Note shall be dated the date of its authentication. The Notes shall be issuable as registered Notes, in minimum denominations of \$100,000 and in integral multiples of \$1,000 in excess thereof.

No Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless there appears on such Note a certificate of authentication substantially in the form provided for in Section 2.05 hereof.

Section 2.03. Registration, Transfer and Exchange of Notes; Persons Treated as Registered Owners. The Issuer shall cause books for the registration and for the transfer of the Notes (the "Note Register") as provided in this Indenture to be kept by the Trustee which is hereby appointed the transfer agent and note registrar (the "Note Registrar") of the Issuer for the Notes. Notwithstanding such appointment and with the prior written consent of the Issuer, the Trustee is hereby authorized to make any arrangements with other institutions which it deems

necessary or desirable in order that such institutions may perform the duties of transfer agent for the Notes. Upon surrender for transfer of any Note at the Principal Office of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or its attorney duly authorized in writing, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Note or Notes of the same interest rate and for a like class, and aggregate principal amount of the same maturity.

Notes may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of fully registered Notes of the same class, interest rate and maturity in authorized denominations. The Issuer shall execute and the Trustee shall authenticate and deliver Notes which the Registered Owner making the exchange is entitled to receive, bearing numbers not contemporaneously outstanding. The execution by the Issuer of any fully registered Note of any authorized denomination shall constitute full and due authorization of such denomination and the Trustee shall thereby be authorized to authenticate and deliver such fully registered Note.

As to any Note, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either principal or interest on any fully registered Note shall be made only to or upon the written order of the Registered Owner thereof or his legal representative but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums paid.

Each Registered Owner and each transferee of a Note shall be deemed to represent and warrant that either (a) it is not acquiring the Note directly or indirectly for, or on behalf of, an ERISA plan or any entity whose underlying assets are deemed to be plan assets of such ERISA plan; or (b) (i) the acquisition and holding of the Notes will not result in a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar law and (ii) if the Notes are subsequently deemed to be "plan assets" pursuant to the regulations set forth at 29 C.F.R. § 2510.3-101, it will promptly dispose of the Notes

The Trustee shall require the payment by any Registered Owner requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer. The applicant for any such transfer or exchange may be required to pay all taxes and governmental charges in connection with such transfer or exchange, other than exchanges pursuant to Section 2.07 hereof.

Section 2.04. Lost, Stolen, Destroyed and Mutilated Notes. Upon receipt by the Trustee of evidence satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note and, in the case of a lost, stolen or destroyed Note, of indemnity satisfactory to it, and upon surrender and cancellation of the Note, if mutilated, (a) the Issuer shall execute, and the Trustee shall authenticate and deliver, a replacement Note of the same interest rate, maturity and denomination in lieu of such lost, stolen, destroyed or mutilated Note or (b) if such lost, stolen, destroyed or mutilated Note shall have matured within 15 days and be due and payable, in lieu of executing and delivering a new Note as aforesaid, the Issuer may pay such Note. Any such new

Note shall bear a number not contemporaneously outstanding. The applicant for any such new Note may be required to pay all taxes and governmental charges and all expenses and charges of the Issuer and of the Trustee in connection with the issuance of such Note. All Notes shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, lost or stolen Notes, negotiable instruments or other securities.

Section 2.05. Trustee's Authentication Certificate. The Trustee's authentication certificate upon any Notes shall be substantially in the form attached to the Notes. No Note shall be secured hereby or entitled to the benefit hereof, or shall be valid or obligatory for any purpose, unless a certificate of authentication, substantially in such form, has been duly executed by the Trustee; and such certificate of the Trustee upon any Note shall be conclusive evidence and the only competent evidence that such Note has been authenticated and delivered hereunder. The Trustee's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same person sign the certificate of authentication on all of the Notes issued hereunder.

Section 2.06. Cancellation and Destruction of Notes by the Trustee. Whenever any Outstanding Notes shall be delivered to the Trustee for the cancellation thereof pursuant to this Indenture, upon payment of the principal amount and interest represented thereby, or for replacement pursuant to Section 2.04 hereof, such Notes shall be promptly cancelled. All cancelled Notes held by the Trustee shall be disposed of as directed by an Issuer Order.

Section 2.07. Temporary Notes. Pending the preparation of definitive Notes, the Issuer may execute and the Trustee shall authenticate and deliver temporary Notes. Temporary Notes shall be issuable as fully registered Notes without coupons, of any denomination, and substantially in the form of the definitive Notes but with such omissions, insertions and variations as may be appropriate for temporary Notes, all as may be determined by the Issuer. Every temporary Note shall be executed by the Issuer and be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Notes. As promptly as practicable the Issuer shall execute and shall furnish definitive Notes and thereupon temporary Notes may be surrendered in exchange therefor without charge at the Principal Office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Notes a like aggregate principal amount of definitive Notes. Until so exchanged the temporary Notes shall be entitled to the same benefits under this Indenture as definitive Notes.

Section 2.08. Issuance of Notes. The Issuer shall have the authority, upon complying with the provisions of this Article II, to issue and deliver the Notes which shall be secured by the Trust Estate.

Section 2.09. Definitive Notes. If (a) the Issuer advises the Trustee in writing that the Clearing Agency is no longer willing or able to discharge its responsibilities with respect to the Notes, and the Issuer is unable to locate a successor; (b) the Issuer at its option advises the Trustee in writing that it elects to terminate the book-entry system through the Clearing Agency; or (c) after the occurrence of an Event of Default, or a default by a Servicer under a Servicing

Agreement, Noteholders representing beneficial interests aggregating at least a majority of the Outstanding Amount of the Notes advise the Clearing Agency (which shall then notify the Trustee) in writing that the continuation of a book-entry system through the Clearing Agency is no longer in the best interests of the Noteholders, then the Trustee shall cause the Clearing Agency to notify all Noteholders, through the Clearing Agency, of the occurrence of any such event and of the availability of definitive Notes to Noteholders requesting the same. Upon surrender to the Trustee of the typewritten Notes representing the book-entry Notes by the Clearing Agency, accompanied by registration instructions, the Issuer shall execute and the Trustee shall authenticate the definitive Notes in accordance with the instructions of the Clearing Agency. None of the Issuer, the Note Registrar or the Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such instructions. Upon the issuance of definitive Notes, the Trustee shall recognize the holders of the definitive Notes as Registered Owners.

Section 2.10. Payment of Principal and Interest. (a) The Notes shall accrue interest as provided in the forms of the Class A-1 Notes, Class A-2 Notes, Class A-3 Notes, Class A-4 Notes and Class B Notes set forth in Exhibits A-1, A-2, A-3, A-4 and B hereto. Such interest shall be payable with respect to each class of Notes on each applicable Quarterly Distribution Date as specified in Section 5.03(c) hereof. Any installment of interest or principal, if any, payable on any Note which is punctually paid or duly provided for by the Issuer on the applicable Quarterly Distribution Date shall be paid to the Person in whose name such Note is registered on the applicable Record Date by check mailed first-class, postage prepaid to such Person's address as it appears on the records of the Trustee on such Record Date, except that, unless definitive Notes have been issued pursuant to Section 2.09, with respect to Notes registered on the Record Date in the name of the nominee of the Clearing Agency (initially, such nominee to be Cede & Co.), payment shall be made by wire transfer in immediately available funds to the account designated by such nominee and except for the final installment of principal payable with respect to such Note on a Quarterly Distribution Date or on the Final Maturity Date for such Note which shall be payable as provided below.

(b) The principal of each Note shall be payable in installments on each applicable Quarterly Distribution Date as provided in Section 5.03(c) hereof. Notwithstanding the foregoing, the entire unpaid principal amount of each class of the Notes shall be due and payable, if not previously paid, on the Final Maturity Date for such class of Notes and on the date on which an Event of Default shall have occurred and be continuing if the Trustee or the Registered Owners of the Notes representing not less than a majority of the Outstanding Amount of the Notes have declared the Notes to be immediately due and payable in the manner provided in Section 6.02. The Trustee shall notify the Person in whose name a Note is registered at the close of business on the Record Date preceding the applicable Quarterly Distribution Date (other than the Final Maturity Date) on which the Issuer expects that the final installment of principal of and interest on such Note will be paid. Such notice shall be mailed or transmitted by facsimile prior to such final Quarterly Distribution Date and shall specify that such final installment will be payable only upon presentation and surrender of such Note and shall specify the place where such Note may be presented and surrendered for payment of such installment.

Section 2.11. Notes Are Limited Obligations. The Notes and the obligations of the Issuer contained in this Indenture are special, limited obligations of the Issuer, secured by and payable solely from the Trust Estate herein provided. The Issuer shall not be obligated to pay the Notes, the interest thereon, or any other obligation created by or arising from this Indenture from any other source.

Section 2.12. Book Entry Notes.

(a) Subject to subsections (c) and (g) below, the registered holder of all Notes shall be the Securities Depository, and the Notes shall be registered in the name of the nominee for the Securities Depository.

(b) Each of the Class A-1 Notes, Class A-2 Notes, Class A-3 Notes, Class A-4 Notes and Class B Notes shall be initially issued in the form of a separate, authenticated fully-registered in the initial aggregate principal amount of such series. Upon initial issuance, the ownership of each such Note shall be registered in the registration books kept by the Note Registrar in the name of the nominee of the Securities Depository. The Trustee and the Issuer may treat the Securities Depository (or its nominee) as the sole and exclusive owner of the Notes registered in its name for the purposes of (1) payment of the principal or Prepayment Price of and interest on the Notes, (2) selecting the Notes or portions thereof to be redeemed, (3) giving any notice permitted or required to be given to the Registered Owner of a Note under the Indenture, (4) registering the transfer of Notes, and (5) obtaining any consent or other action to be taken by the Registered Owner of the Notes and for all other purposes whatsoever, and neither the Trustee nor the Issuer shall be affected by any notice to the contrary (except as provided in subsection (c) below). Neither the Trustee nor the Issuer shall have any responsibility or obligation to any Participant, any beneficial owner of Notes or any other Person claiming a beneficial ownership interest in the Notes under or through the Securities Depository or any Participant, or any other Person that is not shown on the registration books of the Note Registrar as being a Registered Owner, with respect to the accuracy of any records maintained by the Securities Depository or any Participant; the payment to the Securities Depository of any amount in respect of the principal or Prepayment Price of or interest on the Notes; any notice that is permitted or required to be given to Registered Owners of Notes under the Indenture; the selection by the Securities Depository or any Participant of any Person to receive payment in the event of a partial redemption of the Notes; or any consent given or other action taken by the Securities Depository as Registered Owner of the Notes. The Trustee shall pay all principal and Prepayment Price of and interest on the Notes only to or upon the order of the Securities Depository, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to the principal, purchase price or Prepayment Price of and interest on the Notes to the extent of the sum or sums so paid. Except as provided in subsection (c) below, no Person other than the Securities Depository shall receive an authenticated Note evidencing the obligation of the Issuer to make payments of principal or Prepayment Price and interest pursuant to this Indenture. Upon delivery by the Securities Depository to the Trustee of written notice to the effect that the Securities Depository has determined to substitute a new nominee in place of the preceding nominee, the Notes will be transferable to such new nominee in accordance with subsection (f) below.

(c) In the event the Issuer determines that it is in the best interest of the Issuer not to continue the Book-Entry System of transfer or that the interest of the Noteholders might be adversely affected if the Book-Entry System of transfer is continued, the Issuer may so notify the Securities Depository and the Trustee, whereupon the Securities Depository will notify the Participants of the availability through the Securities Depository of definitive Notes. In such

event, the Trustee shall authenticate, transfer and exchange definitive Notes as requested by the Securities Depository in appropriate amounts in accordance with subsection (f) below. The Securities Depository may determine to discontinue providing its services with respect to the Notes at any time by giving notice to the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable law, or the Issuer may determine that the Securities Depository is incapable of discharging its responsibilities and may so advise the Securities Depository. In either such event, the Issuer shall either establish its own Book-Entry System or use reasonable efforts to locate another securities depository. Under such circumstances (if there is no successor Securities Depository), the Issuer and the Trustee shall be obligated to deliver definitive Notes as described in this Indenture and in accordance with subsection (f) below. In the event definitive Notes are issued, the provisions of this Indenture shall apply to such definitive Notes in all respects, including, among other things, the transfer and exchange of such Notes and the method of payment of principal or Prepayment Price of and interest on such Notes. Whenever the Securities Depository requests the Issuer and the Trustee to do so, the Issuer and the Trustee will cooperate with the Securities Depository in taking appropriate action after reasonable notice (A) to make available one or more separate definitive Notes to any Participant having Notes credited to its account with the Securities Depository or (B) to arrange for another securities depository to maintain custody of definitive Notes.

(d) Notwithstanding any other provision of the Indenture to the contrary, so long as any Note is registered in the name of the Securities Depository or its nominee, all payments with respect to the principal or Prepayment Price of and interest on such Note and all notices with respect to such Note shall be made and given, respectively, to the Securities Depository as provided in its letter of representations.

(e) In connection with any notice or other communication to be provided to the Registered Owners of the Notes pursuant to the Indenture by the Issuer or the Trustee or with respect to any consent or other action to be taken by the Registered Owners of the Notes, the Issuer or the Trustee, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository notice of such record date not less than fifteen (15) calendar days in advance of such record date (or such shorter or longer time as may be required by the Securities Depository) to the extent possible. Such notice to the Securities Depository shall be given only when the Securities Depository is the sole Registered Owner of the Notes.

(f) In the event that any transfer or exchange of Notes is permitted under subsection (b) or (c) of this Section 2.12, such transfer or exchange shall be accomplished upon receipt by the Trustee from the Registered Owner thereof of the Notes to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of the Indenture. In the event definitive Notes are issued to holders other than the nominee of the Securities Depository, or another securities depository as holder of all the Notes, the provisions of the Indenture shall also apply to, among other things, the printing of such definitive Notes and the methods of payment of principal or Prepayment Price of and interest on such Notes.

ARTICLE III

PARITY AND PRIORITY OF LIEN

Section 3.01. Parity and Priority of Lien. The provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Registered Owners, all of which shall be of equal rank without preference, priority or distinction of any of the Notes over any other thereof, except as expressly provided in this Indenture with respect to certain payment and other priorities.

Section 3.02. Other Obligations. The Available Funds and other moneys, Financed Eligible Loans, securities, evidences of indebtedness, interests, rights and properties pledged under this Indenture are and will be owned by the Issuer free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, of equal rank with or subordinate to the respective pledges created by this Indenture, except as otherwise expressly provided herein, and all action on the part of the Issuer to that end has been duly and validly taken. If any Financed Eligible Loan is found to have been subject to a lien at the time such Financed Eligible Loan was acquired, the Issuer shall cause such lien to be released, shall cause such Financed Eligible Loan to be released from the lien of the Indenture by depositing into the Trust Estate a release price equal to its principal amount and interest accrued thereon or shall replace such Financed Eligible Loan with another Eligible Loan with substantially identical characteristics which replacement Eligible Loan shall be free and clear of liens at the time of such replacement. Except as otherwise provided herein, the Issuer shall not create or voluntarily permit to be created any debt, lien or charge on the Financed Eligible Loans which would be on a parity with, subordinate to, or prior to the lien of this Indenture; shall not knowingly do or omit to do or suffer to be done or omitted to be done any matter or things whatsoever whereby the lien of this Indenture or the priority of such lien for the Notes hereby secured might or could be lost or impaired; and will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence to or any equality with this Indenture as a lien or charge upon the Financed Eligible Loans; *provided, however*, that nothing in this Section 3.02 shall require the Issuer to pay, discharge or make provision for any such lien, charge, claim or demand so long as the validity thereof shall be by it in good faith contested, unless thereby, in the opinion of the Trustee, the same will endanger the security for the Notes; and *provided further* that any subordinate lien hereon (i.e., subordinate to the lien securing the Class A Notes and the Class B Notes) shall be entitled to no payment from the Trust Estate, nor may any remedy be exercised with respect to such subordinate lien against the Trust Estate until all Notes have been paid or deemed paid hereunder.

ARTICLE IV

COVENANTS TO SECURE NOTES, REPRESENTATIONS AND WARRANTIES

Section 4.01. Custody of Financed Student Loans. The Issuer shall cause all Financed Student Loans to be delivered to a Custodian or a Servicer.

Section 4.02. [Reserved].

Section 4.03. Collection and Assignment of Financed Student Loans. The Issuer shall diligently cause to be collected all principal and interest payments (subject to any adjustments described in Section 4.04 hereof) on all the Financed Student Loans and other sums to which the Issuer is entitled with respect to such Financed Student Loans.

Section 4.04. Enforcement of Financed Student Loans. The Issuer shall cause to be diligently enforced, and shall cause to be taken all steps, actions and proceedings reasonably necessary in the judgment of the Issuer for the enforcement of, all terms, covenants and conditions of all Financed Student Loans and agreements in connection therewith, including the prompt payment of all principal and interest payments and all other amounts due the Issuer thereunder. The Issuer shall not permit the release of the obligations of any borrower under any Financed Student Loan and shall at all times, to the extent permitted by law, cause to be defended, enforced, preserved and protected the rights and privileges of the Issuer, the Trustee and the Noteholders under or with respect to each Financed Student Loan and agreement in connection therewith. The Issuer shall not consent or agree to or permit any amendment or modification of any Financed Student Loan or agreement in connection therewith which will in any manner materially adversely affect the rights or security of the Noteholders; *provided*, that nothing in this Section or in Sections 4.03 and 4.05 hereof shall be construed to prevent the Issuer from (i) settling a default or from curing a delinquency on any Financed Student Loan on such terms as shall be permitted by law; (ii) amending the terms of a Financed Student Loan to provide for a different rate of interest thereon to the extent permitted by law; (iii) amending the terms of any Financed Student Loan or agreement in connection therewith in any manner if a Rating Agency Confirmation is obtained with respect to such amendment; (iv) waiving amounts owing under a Financed Student Loan; or (v) providing any Borrower Benefits with respect to Financed Student Loans.

Section 4.05. Administration and Collection of Financed Student Loans. The Issuer has entered into a Servicing Agreement pursuant to which a Servicer agrees to service and collect all Financed Student Loans in accordance with all applicable requirements of this Indenture.

The Issuer shall cause to be diligently enforced, and take all steps, actions and proceedings reasonably necessary in the judgment of the Issuer for the enforcement of, all terms, covenants and conditions of any Servicing Agreement and the Administration Agreement, including, in the case of the Servicing Agreement, the prompt payment of all principal and interest payments and all other amounts due the Issuer or the Trustee thereunder. The Issuer shall not permit the release of the obligations of any Servicer under any Servicing Agreement except in accordance with the terms thereof. The Issuer shall at all times, to the extent permitted

by law, cause to be defended, enforced, preserved and protected the rights and privileges of the Issuer, the Trustee and the Registered Owners under or with respect to each Servicing Agreement.

Section 4.06. Punctual Payments. The Issuer shall duly and punctually pay, or cause to be paid, the principal of, premium, if any, and interest on (and accrued interest thereon) due and payable with respect to each and every Note, but solely from the revenues and other assets pledged hereunder, on the dates and at the places, and in the manner provided, in the Notes, and the Issuer shall faithfully do and perform and at all times fully observe and keep any and all of its covenants, undertakings, stipulations and provisions contained in the Notes and this Indenture. The Issuer shall duly and punctually pay, or cause to be paid, the Trustee Fees and the Servicing and Administration Fees, but solely from the revenues and other assets pledged hereunder, as and when the same became due.

Section 4.07. Further Assurances. The Issuer shall at any and all times, insofar as it may be authorized so to do, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, indentures, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming any and all of the rights, revenues, securities and other moneys hereby pledged or charged with or assigned to the payment of the Notes, or intended so to be, or which the Issuer may hereafter become bound to pledge or charge or assign.

Section 4.08. Protection of Security; Power to Issue Notes and Pledge Revenues and Other Funds. The Issuer is duly authorized under all applicable law to create and issue the Notes, to enter into this Indenture and to pledge the revenues and other moneys, Financed Student Loans, securities, properties, rights, interests and evidences of indebtedness purported to be pledged by this Indenture in the manner and to the extent provided in this Indenture. The revenues and other moneys, securities, evidences of indebtedness and properties so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by this Indenture, except as otherwise expressly provided herein, and all action on the part of the Issuer to that end has been and will be duly and validly taken. The Notes and the provisions of this Indenture are and will be valid and legally enforceable limited 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 revenues and other moneys, Financed Student Loans, securities, properties, rights, interests and evidences of indebtedness pledged under this Indenture and all the rights of the Registered Owners hereto against all claims and demands of all Persons whomsoever.

The pledge of the revenues and other moneys, Financed Student Loans, securities, properties, rights, interests and evidences of indebtedness made hereby includes the pledge of any contract or any evidence of indebtedness or other rights of the Issuer to receive any of the same, whether now existing or hereafter coming into existence, and whether now or hereafter acquired, and the proceeds thereof.

In consideration of the purchase and acceptance of the Notes by the Registered Owners, the provisions of this Indenture shall be a part of the contract of the Issuer, the Trustee and the Registered Owners and shall be deemed to be and shall constitute a contract between the Issuer, the Trustee and the Registered Owners.

Section 4.09. No Encumbrances. The Issuer will not create, or permit the creation of, any pledge, lien, charge or encumbrance upon the Financed Student Loans or the revenues and other moneys, securities, properties, rights, interests and evidences of indebtedness pledged under this Indenture, except only as to a lien subordinate to the lien of this Indenture created by any other indenture authorizing the issuance of bonds, notes or other evidences of indebtedness of the Issuer the proceeds of which have been or will be used to refund or otherwise retire all or a portion of the Outstanding Notes (but only upon receipt by the Trustee of an Opinion of Counsel that the creation of such lien will not be prejudicial to the Trustee or the Noteholders of any Outstanding Notes) or as otherwise provided in or permitted by this Indenture. The Issuer will not issue any bonds or other evidences of indebtedness, secured by a pledge of the revenues and other moneys, securities, properties, rights, interests and evidences of indebtedness herein pledged under this Indenture, creating a lien or charge on such revenues and other moneys, securities, properties, rights, interests and evidences of indebtedness equal or superior to the lien of this Indenture, other than the Notes as permitted by this Indenture; *provided* that nothing in this Indenture shall prevent the Issuer from issuing obligations secured by assets and revenues of the Issuer other than the revenues and other moneys, securities, properties, rights, interests and evidences of indebtedness pledged in this Indenture.

Section 4.10. Continuing Existence; Merger and Consolidation. The Issuer will maintain its existence as a nonprofit corporation, and will not dispose of all or substantially all of its assets (by sale, lease or otherwise), except as otherwise specifically authorized in this Indenture and in accordance with its Certificate of Incorporation and By-Laws, or consolidate with or merge into another entity or permit any other entity to consolidate with or merge into it unless either the Issuer is the surviving entity or the conditions set forth in its Certificate of Incorporation and By-laws and each of the following conditions is satisfied:

- (a) the surviving, resulting or transferee entity, as the case may be, shall be a corporation, limited liability company or other legal entity organized under the laws of the United States or one of the states thereof;
- (b) at least 30 days before any merger, consolidation or transfer of assets becomes effective, the Issuer shall give the Trustee written notice of the proposed transaction;
- (c) immediately after giving effect to any merger, consolidation or transfer of assets, no Event of Default shall have occurred and be continuing;
- (d) a Rating Agency Confirmation is obtained with respect to such merger, consolidation or transfer of assets; and

(e) prior to or concurrently with any merger, consolidation or transfer of assets, (i) any action as is necessary to maintain the lien and security interest created in favor of the Trustee by this Indenture shall have been taken; (ii) the surviving, resulting or transferee entity, as the case may be, shall deliver to the Trustee an instrument assuming all of the obligations of the Issuer under this Indenture, any Notes, and any Servicing Agreement, together with the consent of the other parties, if any, to each such instrument to such assumption; and (iii) the Issuer shall have delivered to the Trustee and each Rating Agency a certificate and an Opinion of Counsel (which shall describe the actions taken as required by clause (i) of this paragraph or that no such action need be taken) each stating that all conditions precedent herein provided for relating to such merger, consolidation or transfer of assets have been compiled with.

Section 4.11. Tax Treatment. The Issuer has entered into this Indenture, and the Notes will be issued, with the intention that, for federal, state and local income, business and franchise tax purposes, the Notes will qualify as indebtedness of the Issuer. The Issuer, by entering into this Indenture, and each Noteholder, by its acceptance of its Note, agree to treat the Notes for federal, state and local income, business and franchise tax purposes as indebtedness of the Issuer.

Section 4.12. Representations and Warranties of the Issuer. By execution of this Indenture, the Issuer makes the following representations and warranties:

(a) *Organization and Good Standing.* It has been duly organized and is validly existing as a nonstock nonprofit Delaware corporation, with power and authority to own its properties and to conduct its business as such properties are currently owned and as such business is currently conducted and is proposed to be conducted pursuant to this Indenture.

(b) *Power and Authority.* It has the power and authority to execute and deliver this Indenture and to perform its obligations pursuant thereto; and the execution, delivery and performance of this Indenture and the Notes have been duly authorized by all necessary corporate action.

(c) *No Consent Required.* No consent, license, approval or authorization of, or registration or declaration with, any Person or any governmental authority, bureau or agency is required to be obtained by the Issuer in connection with the execution, delivery or performance of this Indenture and the Notes, except for such as have been obtained, effected or made.

(d) *No Violation.* The consummation of the transactions contemplated by this Indenture and the Notes and the fulfillment of its obligations under this Indenture and the Notes will not conflict with, result in any breach of any of the terms and provisions of or constitute (with or without notice, lapse of time or both) a default under, its certificate of incorporation or bylaws, or any indenture, agreement, mortgage, deed of trust or other instrument to which it is a party or by which it is bound, or result in the creation or imposition of any lien upon any of its properties pursuant to the terms of any such indenture, agreement, mortgage, deed of trust or other instrument, or to its knowledge

violate any law, order, rule or regulation applicable to it of any court or of any federal or state regulatory body, administrative agency or other governmental instrumentality having jurisdiction over it or any of its properties.

(e) *No Proceedings.* There are no proceedings or investigations pending or, to its knowledge, threatened against it before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality having jurisdiction over it or its properties (i) asserting the invalidity of this Indenture or any Note; (ii) seeking to prevent the issuance of the Notes or the consummation of any of the transactions contemplated by this Indenture or any Note; or (iii) seeking any determination or ruling that might materially and adversely affect its performance of its obligations under, or the validity or enforceability of, this Indenture or any Note.

(f) *Not an Investment Company.* The Issuer is not an “investment company” within the meaning of the Investment Company Act of 1940, as amended, or is exempt from all provisions of such act.

(g) *Binding Obligations.* This Indenture and the Notes constitute the legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect, affecting the enforcement of creditors’ rights in general; and (ii) as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity).

(h) *Valid Security Interest.* This Indenture creates a valid and continuing security interest (as defined in the Uniform Commercial Code) in the Financed Student Loans in favor of 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.

Section 4.13. Representations and Warranties Regarding Financed Student Loans; Purchase Obligation. (a) The Issuer hereby represents and warrants that, as of the Date of Issuance, all Financed Student Loans to be pledged hereunder will meet the following requirements:

(i) Each Financed Student Loan is evidenced by an executed promissory note (which may be a promissory note or in electronic form), 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.

(ii) The amount of the unpaid Principal Balance of each Financed Student Loan is owing, and, to the Issuer’s knowledge, no counterclaim, offset, defense or right to rescission exists with respect to any such Financed Student Loan which can be asserted and maintained or which, with notice, lapse of time, or the occurrence or failure to occur

of any act or event, could be asserted and maintained by the borrower against the Issuer as assignee thereof. The Issuer shall take all reasonable actions to assure that no maker of a Financed Student Loan has or may acquire a defense to the payment thereof.

(iii) No Financed Student Loan has a payment that is more than 150 days overdue at the time it is initially pledged under the Indenture.

(iv) The Issuer has full right, title and interest in each Financed Student Loan free and clear of all liens, pledges or encumbrances whatsoever, and other than the security interest granted to the Trustee hereunder, the Issuer has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Financed Student Loans to any other Person. The Issuer has not authorized the filing of and is not aware of any financing statements against it that include a description of collateral covering the Financed Student Loans, other than any financing statement relating to the security interest granted to the Trustee hereunder or any financing statement that has been terminated. The Issuer is not aware of any judgment lien or tax lien filings against it.

(v) Each Financed Student Loan was made in compliance with all applicable local, state and federal laws, rules and regulations, including, without limitation, all applicable nondiscrimination, truth-in-lending, consumer credit and usury laws.

(vi) All loan documentation not retained by the Issuer shall be delivered to a Custodian (as custodian for the Trustee) prior to payment of the purchase price of such Financed Student Loan.

(vii) Each Financed Student Loan is accruing interest (whether or not such interest is being paid currently by the borrower, or is being capitalized), except as otherwise expressly permitted by this Indenture.

(viii) The Financed Student Loans and evidences of indebtedness purported to be pledged by this Indenture in favor of the Trustee constitute "general intangibles" or "instruments" within the meaning of the applicable Uniform Commercial Code.

(ix) The Issuer has received all consents and approvals, if any, required by the terms of each Financed Student Loan to the pledge of such Financed Student Loan hereunder to the Trustee.

(x) The Issuer has caused or will have caused, within ten days of the issuance of the Notes, the filing of all appropriate financing statements in the proper offices of all jurisdictions in which filing is necessary under applicable law in order to perfect the security interest of the Trustee in the Financed Student Loans.

(xi) On the Date of Issuance, or at such other time as a Financed Student Loan note is delivered to a Custodian, the Issuer will receive a written acknowledgment from such Custodian that such Custodian is holding each promissory note that constitutes or evidences a Financed Student Loan solely on behalf of and for the benefit of the Trustee

(which evidence may be in the form of a loan roster, a bond or note identification report, or any other similar report routinely generated by the Custodian).

(xii) The promissory notes that constitute or evidence the Financed Student Loans will not have any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Trustee. All financing statements filed or to be filed against the Issuer in favor of the Trustee in connection herewith describing the Financed Student Loans contain the following statement: "A purchase of or security interest in any collateral described in this financing statement will violate the rights of the Trustee."

(b) If there is a breach of any representation or warranty made by the Issuer with respect to a Financed Student Loan pursuant to subsection (a) above and the Trust Estate will be materially and adversely affected by such breach, the Issuer shall, within a reasonable period of time:

(i) purchase such Financed Student Loan by depositing into the Collection Fund (or during the Prefunding Period, the Acquisition Fund) an amount equal to 100% of the then outstanding Principal Balance of such Financed Student Loan;

(ii) substitute for such Financed Student Loan one or more Eligible Loans with an aggregate outstanding Principal Balance at least equal to the outstanding Principal Balance of the Financed Student Loan being substituted; or

(iii) cure the breach.

Section 4.14. Maintenance of Tax Exempt Status. The Issuer will not take any action that would result in the loss of, and will take all reasonable action necessary to maintain, its status as an organization described in Section 501(c)(3) of the Code and exempt from federal income taxation under Section 501(a) of the Code (or any successor provisions).

Section 4.15. Opinion as to Trust Estate. On the Date of Issuance, the Issuer shall furnish to the Trustee an Opinion of Counsel either stating, in the opinion of such counsel, what financing statements and continuation statements must be filed so as to perfect the lien and security interest of this Indenture and reciting the details of such action, or stating that, in the opinion of such counsel, no such action is necessary to perfect such lien and security interest.

Section 4.16. Covenants of the Issuer Regarding the Trustee's Security Interest. The Issuer hereby covenants for the benefit of the Trustee and the Noteholders as follows:

(a) The representations and warranties set forth in subsections 4.12(h), 4.13(a)(iv), 4.13(a)(viii), 4.13(a)(x) and 4.13(a)(xi) shall survive the termination of this Indenture and cannot be waived without Rating Agency Confirmation with respect thereto.

(b) The Issuer shall take all steps necessary, or shall cause the Issuer Administrator or each Servicer to take all steps necessary and appropriate, to maintain the perfection and priority of the Trustee's security interest in the Financed Student Loans.

Section 4.17. Issuer Contribution. The Issuer may, at its option, contribute additional money at any time to the Collection Fund, the Capitalized Interest Account or the Reserve Fund, or pledge additional Eligible Loans to the Indenture Trustee, in order to prevent or cure the occurrence of a T.H.E. Suspension Event, *provided* that (i) such additional Eligible Loans will not include any Eligible Loans made to medical student borrowers that are not in a repayment status, (ii) such additional Eligible Loans at the time of the related pledge will be less than 60 days delinquent, (iii) no more than 10% in aggregate Principal Balance of such Eligible Loans being contributed will, at the time of such contribution, be delinquent and (iv) after the August 2012 Quarterly Distribution Date, the Issuer may pledge such Eligible Loans into the Trust Estate only if it obtains a Rating Agency Confirmation with respect to the pledge of such Eligible Loans.

ARTICLE V

FUNDS

Section 5.01. Creation and Continuation of Funds and Accounts. There are hereby created and established the following Funds and Accounts to be held and maintained by the Trustee for the benefit of the Registered Owners:

- (a) Acquisition Fund;
- (b) Collection Fund;
- (c) Reserve Fund; and
- (d) Capitalized Interest Account.

The Trustee is hereby authorized for the purpose of facilitating the administration of the Trust Estate and for the administration of any Notes issued hereunder to create further Accounts or Subaccounts in any of the various Funds and Accounts established hereunder which are deemed necessary or desirable.

Section 5.02. Acquisition Fund. There shall be deposited into the Acquisition Fund moneys from the proceeds of the Notes in an amount equal to \$593,817,958.

Moneys on deposit in the Acquisition Fund shall be used (a) for the payment of the costs of issuance of the Notes; (b) to acquire Eligible Loans on or around the Date of Issuance from various Affiliates of the Issuer and other transferors; (c) to refund and refinance the Series 2004-A Notes; (d) to fund pending disbursements on Eligible Loans during the Prefunding Period; (e) to the Collection Fund to make payments on the Notes or other payments required hereunder as set forth herein; and (f) for such other purposes related to the Issuer's loan

programs as may be provided in an Issuer Order and regarding which Rating Agency Confirmation has been obtained.

On the first Monthly Payment Date following the end of the Prefunding Period, the Trustee shall transfer from the Acquisition Fund to the Collection Fund any funds remaining in the Acquisition Fund, other than such amounts related to unpaid costs and expenses incurred in connection with the issuance of the Notes that the Issuer expects to be due and owing after the end of the Prefunding Period.

Section 5.03. Collection Fund.

(a) *Deposits to Collection Fund.* There shall be deposited into the Collection Fund moneys from proceeds of the Notes in an amount equal to \$0. There shall also be deposited to the Collection Fund all Available Funds, and all other moneys and investments derived from assets on deposit in and transfers from the Acquisition Fund, the Capitalized Interest Account and the Reserve Fund, and any other amounts deposited thereto upon receipt of an Issuer Order not otherwise inconsistent with this Indenture, including any Issuer Contribution. Moneys on deposit in the Collection Fund shall be used to make the payments described below. The Trustee may conclusively rely on all written instructions of the Issuer described in this Indenture with no further duty to examine or determine the information contained in any Issuer Order.

(b) *Payments on Monthly Payment Dates.* The Issuer shall instruct the Trustee in writing no later than the Business Day preceding each Monthly Payment Date (by delivering the information contained in the Monthly Payment Date Certificate), or on such Monthly Payment Date if the Trustee so consents to make the following distributions by 1:00 p.m. (New York time) on such Monthly Payment Date, from and to the extent of the Available Funds on deposit in the Collection Fund, to the Issuer, the T.H.E. Deposit Amount, and for payment to the Servicer, the Servicing and Administration Fees and the Marketing and School Services Expense Allowance (to the extent unpaid from prior months), except that while (i) the ratio of (A) the total value of the assets in the Trust Estate, less accrued interest and fees payable, over (B) the Outstanding Amount of all Notes, is less than 103% or (ii) the amount which is equal to (A) the total value of the assets in the Trust Estate, less accrued interest and fees payable, minus (B) the Outstanding Amount of all Notes, is less than 2.25% of the total value of the assets which were on deposit in the Trust Estate on the Date of Issuance, no Servicing or Administration Fees or Marketing and School Services Expense Allowance shall be paid except for (x) servicing fees due to third-party servicers and (y) servicing and administration fees in the amount of one-twelfth of \$50,000. Notwithstanding the foregoing, if a T.H.E. Suspension Event has occurred and is continuing, the T.H.E. Deposit Amount will not be paid to the Issuer on such Monthly Payment Date.

(c) *Payments on Quarterly Distribution Dates.* The Issuer shall instruct the Trustee in writing no later than the Business Day preceding each Quarterly Distribution Date (by delivering the information contained in the Quarterly Distribution Date Certificate), or on such Quarterly Distribution Date if the Trustee so consents to make the following deposits and distributions in the order and priority indicated from Available Funds in the Collection Fund to the Persons or to

the account specified below by 1:00 p.m. (New York time) on such Quarterly Distribution Date, and the Trustee shall comply with such instructions:

(A) FIRST, *pro rata*, to the Trustee for payment of Trustee Fees due on such Quarterly Distribution Date, and to the Issuer Administrator for payment of the Servicing and Administration Fee and the Marketing and School Services Expense Allowance (to the extent remaining unpaid after the previous Monthly Payment Dates), except that while (i) the ratio of (a) the total value of the assets in the Trust Estate, less accrued interest and fees payable, over (b) the Outstanding Amount of all Notes, is less than 103% or (ii) the amount which is equal to (a) the total value of the assets in the Trust Estate, less accrued interest and fees payable, minus (b) the Outstanding Amount of all Notes, is less than 2.25% of the total value of the assets which were on deposit in the Trust Estate on the Date of Issuance, no Servicing or Administration Fees or Marketing and School Services Expense Allowance shall be paid except for (x) servicing fees due to third-party servicers and (y) servicing and administration fees in the amount of one-twelfth of \$50,000 owed for such month;

(B) SECOND, to pay to the Class A Noteholders of each class, the portion of the Class A Noteholders' Interest Distribution Amount payable to such class on such Quarterly Distribution Date;

(C) THIRD, to pay to the Class B Noteholders, the portion of the Class B Interest Distribution Amount, *provided* that no Class B Note Interest Trigger Event has occurred, in which case no such payment will occur until the Class B Note Interest Trigger Event is no longer occurring;

(D) FOURTH, to the Reserve Fund, the amount, if any, necessary to restore the Reserve Fund to the Reserve Fund Requirement;

(E) FIFTH, so long as no T.H.E. Suspension Event has occurred and is continuing, to pay an amount up to the T.H.E. Deposit Amount at the direction of the Issuer;

(F) SIXTH, to pay the Class A Noteholders, the Class A Principal Distribution Amount, in the following order:

(1) to the Class A-1 Noteholders until the Class A-1 Notes have been paid in full;

(2) to the Class A-2 Noteholders until the Class A-2 Notes have been paid in full;

(3) to the Class A-3 Noteholders until the Class A-3 Notes have been paid in full; and

(4) to the Class A-4 Noteholders until the Class A-4 Notes have been paid in full;

(G) SEVENTH, on and after the Stepdown Date, and *provided* that no Class B Note Principal Trigger Event is in effect on such Quarterly Distribution Date, to pay the Class B Noteholders the Class B Principal Distribution Amount, *provided further* that if a Class B Note Principal Trigger Event has occurred, then payment will be made pursuant to clause (F) above until no such Class B Principal Trigger Event is then occurring;

(H) EIGHTH, to pay to the Issuer Administrator, for payment of the Servicing and Administration Fee and the Marketing and School Services Expense Allowance to the extent not paid pursuant to clause (A) above, so long as (i) the ratio of (a) the total value of the assets in the Trust Estate, less accrued interest and fees payable, over (b) the Outstanding Amount of all Notes, is equal to or greater than 103% and (ii) the amount which is equal to (a) the total value of the assets in the Trust Estate, less accrued interest and fees payable, minus (b) the Outstanding Amount of all Notes, is equal to or greater than 2.25% of the total value of the assets which were on deposit in the Trust Estate on the Date of Issuance; and

(I) NINTH, to pay the Issuer any remaining amounts so long as (i) the ratio of (a) the total value of the assets in the Trust Estate, less accrued interest and fees payable, over (b) the Outstanding Amount of all Notes, is equal to or greater than 103% and (ii) the amount which is equal to (a) the total value of the assets in the Trust Estate, less accrued interest and fees payable, minus (b) the Outstanding Amount of all Notes, is equal to or greater than 2.25% of the total value of the assets which were on deposit in the Trust Estate on the Date of Issuance.

Amounts properly distributed to the Issuer pursuant to paragraph (I) shall be deemed released from the Trust Estate and the security interest therein granted to the Trustee, and the Issuer shall in no event thereafter be required to refund any such distributed amounts.

Section 5.04. Reserve Fund. (a) On the Date of Issuance, the Trustee shall deposit \$5,958,982 into the Reserve Fund. Thereafter, the Trustee shall transfer to the Reserve Fund from the Collection Fund all amounts designated for transfer thereto pursuant to Section 5.03(c)(D) hereof.

(b) On each Quarterly Distribution Date, to the extent there are insufficient Available Funds in the Collection Fund to make one or more of the transfers required by Section 5.03(c)(F) through (G), and, after giving effect to any transfers from the Capitalized Interest Account to the Collection Fund on such Monthly Payment Date or Quarterly Distribution Date, to the extent there are insufficient Available Funds in the Collection Fund to make one or more of the transfers required by Section 5.03(c)(A) through (C), as the case may be, then the Issuer shall instruct the Trustee in writing to withdraw from the Reserve Fund on such Quarterly Distribution Date, an amount equal to such deficiency and to deposit such amount in the Collection Fund, *provided, however*, that a withdrawal from the Reserve Account to make a payment of principal pursuant to Section 5.03(c)(F) or (G) shall only be made on the respective Final Maturity Date

for the applicable Notes. Additionally, if on the Final Maturity Date for a class of Notes, and after giving effect to the distribution of the Available Funds on such Final Maturity Date, the principal amount of such class of Notes will not be reduced to zero, the Issuer shall instruct the Trustee electronically or in writing to withdraw from the Reserve Fund on such Final Maturity Date an amount equal to the amount needed to reduce the principal amount of such class of Notes to zero and to deposit such amount in the Collection Fund for application to payment of the Outstanding Amount of such class of Notes.

(c) After giving effect to Section 5.04(b) above, if the amount on deposit in the Reserve Fund on any Quarterly Distribution Date is greater than the Reserve Fund Requirement for such Quarterly Distribution Date, the Issuer shall instruct the Trustee electronically or in writing to withdraw from the Reserve Fund on such Quarterly Distribution Date an amount equal to such excess and to deposit such amount in the Collection Fund.

(d) On the final Quarterly Distribution Date upon termination of the Trust Estate and following the payment in full of the Outstanding Amount of the Notes and of all other amounts (other than Carryover Servicing and Administration Fees) owing or to be distributed hereunder to Noteholders, the Trustee or any Servicer, to the extent that Available Funds on such date are insufficient to make the following payments, amounts remaining in the Reserve Fund shall be used first to pay any Carryover Servicing and Administration Fees. Any amount remaining on deposit in the Reserve Fund after such payments have been made shall be distributed to the Issuer. The Issuer shall in no event be required to refund any amounts properly distributed pursuant to this Section 5.04(d).

Section 5.05. Capitalized Interest Account. (a) On the Date of Issuance, the Trustee shall deposit \$50,800,000 into the Capitalized Interest Account. On each Quarterly Distribution Date, to the extent there are insufficient Available Funds in the Collection Fund to make one or more of the transfers required by Section 5.03(c)(A) through (c)(C), before giving effect to any transfers from the Reserve Fund to the Collection Fund on such Quarterly Distribution Date, then the Issuer shall instruct the Trustee electronically or in writing to withdraw from the Capitalized Interest Account on such Quarterly Distribution Date, an amount equal to such deficiency and to deposit such amount in the Collection Fund.

(b) Any moneys remaining in the Capitalized Interest Account on August 28, 2006 in excess of \$42,500,000, on November 28, 2006 in excess of \$37,000,000, on February 28, 2007 in excess of \$30,000,000, on May 28, 2007 in excess of \$23,000,000, on August 28, 2007 in excess of \$18,000,000, on November 28, 2007 in excess of \$13,000,000, on February 28, 2008 in excess of \$8,000,000, on May 28, 2008 in excess of \$6,000,000 or on August 28, 2008 in excess of \$0 will be transferred to the Collection Fund.

Section 5.06. Investment of Funds Held by Trustee. The Trustee shall invest money held for the credit of any Fund or Account or Subaccount held by the Trustee hereunder as directed in writing by an Authorized Representative of the Issuer, to the fullest extent practicable and reasonable, in Investment Securities which shall mature or be redeemed at the option of the holder prior to the next Monthly Payment Date. In the absence of any such direction and to the extent practicable, the Trustee may invest amounts held hereunder in those Investment Securities

described in clause (vi) of the definition of the Investment Securities. All such investments shall be held by (or by any Custodian on behalf of) the Trustee for the benefit of the Issuer; *provided* that prior to or on the Business Day preceding each Quarterly Distribution Date and Monthly Payment Date all interest and other investment income collected (net of losses and investment expenses) on funds on deposit therein shall be deposited into the Collection Fund and shall be deemed to constitute a portion of the Available Funds for such Quarterly Distribution Date. The Trustee and the Issuer hereby agree that unless an Event of Default shall have occurred hereunder, the Issuer acting by and through an Authorized Representative shall be entitled to, and shall, provide written direction or oral direction confirmed in writing to the Trustee with respect to any discretionary acts required or permitted of the Trustee under any Investment Securities, and the Trustee shall not take such discretionary acts without such written direction.

The Investment Securities purchased shall be held by the Trustee and shall be deemed at all times to be part of such Fund or Account or Subaccounts or combination thereof, and the Trustee shall inform the Issuer of the details of all such investments. Upon direction in writing from an Authorized Representative of the Issuer, the Trustee shall use its best efforts to sell at the best price obtainable, or present for redemption, any Investment Securities purchased by it as an investment whenever it shall be necessary to provide money to meet any payment from the applicable Fund.

Money in any Fund constituting a part of the Trust Estate may be pooled for the purpose of making investments and may be used to pay accrued interest on Investment Securities purchased. The Trustee and its Affiliates may act as principal or agent in the acquisition or disposition of any Investment Securities.

Any earnings on investment of such funds shall be credited to the Collection Fund.

Notwithstanding the foregoing, the Trustee shall not be responsible or liable for any losses on investments made by it hereunder or for keeping all Funds held by it, fully invested at all times, its only responsibility being to comply with the investment instructions of the Issuer or its designee in a non-negligent manner.

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.

Any investment of funds in Investment Securities shall be held by a financial institution in accordance with the following requirements:

(i) all Investment Securities shall be held in an account with such financial institution in the name of the Trustee;

(ii) all Investment Securities held in such account shall be delivered to the Trustee in the following manner:

(A) with respect to bankers' acceptances, commercial paper, negotiable certificates of deposit and other obligations that constitute "instruments" within the meaning of Section 9-102(a)(47) of the Uniform Commercial Code in effect in the applicable jurisdiction (the "UCC") (other than certificated securities) and are susceptible of physical delivery, transferred to the Trustee by physical delivery to the Trustee, indorsed to, or registered in the name of, the Trustee or its nominee or indorsed in blank; or such additional or alternative procedures as may hereafter become appropriate to effect the complete transfer of ownership of any such Investment Securities to the Trustee free of any adverse claims, consistent with changes in applicable law or regulations or the interpretation thereof;

(B) with respect to a "certificated security" (as defined in Section 8-102(a)(4) of the UCC), transferred:

(1) by physical delivery of such certificated security to the Trustee, *provided* that if the certificated security is in registered form, it shall be indorsed to, or registered in the name of, the Trustee or indorsed in blank;

(2) by physical delivery of such certificated security in registered form to a "securities intermediary" (as defined in Section 8-102(a)(14) of the UCC) acting on behalf of the Trustee if the certificated security has been specially indorsed to the Trustee by an effective endorsement;

(C) with respect to any security issued by the U.S. Treasury, the Federal Home Loan Mortgage Corporation or by the Federal National Mortgage Association that is a book-entry security held through the Federal Reserve System pursuant to Federal book entry regulations, the following procedures, all in accordance with applicable law, including applicable federal regulations and Articles 8 and 9 of the UCC: book-entry registration of such property to an appropriate book-entry account maintained with a Federal Reserve Bank by a securities intermediary which is also a "depository" pursuant to applicable federal regulations and issuance by such securities intermediary of a deposit advice or other written confirmation of such book-entry registration to the Trustee of the purchase by the securities intermediary on behalf of the Trustee of such book-entry security; the making by such securities intermediary of entries in its books and records identifying such book-entry security held through the Federal Reserve System pursuant to Federal book-entry regulations as belonging to the Trustee and indicating that such securities intermediary holds such book-entry security solely as agent for the Trustee; or such additional or alternative procedures as may hereafter become appropriate to effect complete transfer of ownership of any such Investment Securities to the Trustee free of any adverse claims, consistent with changes in applicable law or regulations or the interpretation thereof;

(D) with respect to any "uncertificated security" (as defined in Section 8-102(a)(18) of the UCC) that is not governed by clause (C) above, transferred:

(1) (a) by registration to the Trustee as the registered owner thereof, on the books and records of the issuer thereof, or

(b) by registration to another Person (not a securities intermediary) that either becomes the registered owner of the uncertificated security on behalf of the Trustee or, having become the registered owner, acknowledges that it holds for the Trustee; or

(2) by the issuer thereof having agreed that it will comply with instructions originated by the Trustee without further consent of the registered owner thereof;

(E) with respect to any "security entitlement" (as defined in Section 8-102(a)(17) of the UCC):

(1) if a securities intermediary

(a) indicates by book entry that a "financial asset" (as defined in Section 8-102(a)(9) of the UCC) has been credited to the Trustee's "securities account" (as defined in Section 8-501(a) of the UCC),

(b) receives a financial asset (as so defined) from the Trustee or acquires a financial asset for the Trustee, and, in either case, accepts it for credit to the Trustee's securities account (as so defined),

(c) becomes obligated under other law, regulation or rule to credit a financial asset to the Trustee's securities account, or

(d) has agreed that it will comply with "entitlement orders" (as defined in Section 8-102(a)(8) of the UCC) originated by the Trustee, without further consent by the "entitlement holder" (as defined in Section 8-102(a)(7) of the UCC), and

(2) such financial asset either is such Investment Security or a security entitlement evidencing a claim thereto; and

(F) in each case of delivery contemplated pursuant to clauses (A) through (E) above, the Trustee shall make appropriate notations on its records, and shall cause the same to be made on the records of its nominees,

indicating that such Investment Security is held in trust pursuant to and as provided in this Indenture.

Any cash held by the Trustee shall be considered a "financial asset" for purposes of this paragraph. Subject to the other provisions hereof, the Trustee shall have sole control over each such investment and the income thereon, and any certificate or other instrument evidencing any such investment, if any, shall be delivered directly to the Trustee or its agent, together with each document of transfer, if any, necessary to transfer title to such investment to the Trustee in a manner which complies with this paragraph.

The Trustee agrees that it has no security interest or other adverse claim to the Funds or the Investment Securities therein that are part of the Trust Estate other than pursuant to this Indenture and that it will not enter into any agreement that would give any Person or entity other than the Trustee the right to give entitlement orders with respect to such Investment Securities or the Funds.

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 Investment Securities held hereunder, and, in general, to exercise each and every other power or right with respect to such Investment Securities 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 Investment Securities.

Section 5.07. Release. (a) The Trustee shall, upon Issuer Order and subject to the provisions of this Indenture, take all actions reasonably necessary to effect the release of any Financed Eligible Loans from the lien of this Indenture to the extent the terms hereof permit the sale, disposition or transfer of such Financed Eligible Loans.

(b) Subject to the payment of its fees and expenses pursuant to Sections 7.05 and 7.07, the Trustee may, and when required by the provisions of this Indenture shall, execute instruments to release property from the lien of this Indenture, or convey the Trustee's interest in the same, in a manner and under circumstances that are not inconsistent with the provisions of this Indenture. No party relying upon an instrument executed by the Trustee as provided in this Article V shall be bound to ascertain the Trustee's authority, inquire into the satisfaction of any conditions precedent or see to the application of any moneys.

(c) The Trustee shall, at such time as there are no Notes Outstanding and all sums due the Trustee pursuant to Sections 7.05 and 7.07 and all amounts payable to the Servicer have been paid, release any remaining portion of the Trust Estate that secured the Notes from the lien of this Indenture and release to the Issuer or any other Person entitled thereto any funds then on deposit in the Funds and Accounts.

(d) Subject to the provisions of this Indenture, the Trustee shall release property from the lien of this Indenture only in accordance with, and upon receipt of, an Issuer Order.

ARTICLE VI

DEFAULTS AND REMEDIES

Section 6.01. Events of Default Defined. For the purpose of this Indenture, the following events are hereby defined as, and are declared to be, "*Events of Default*":

(a) (i) default in the due and punctual payment of any interest on any Class A Note when the same becomes due and payable, or (ii) if no Class A Notes are Outstanding, default in the due and punctual payment of any interest on any Class B Note when the same becomes due and payable;

(b) default in the due and punctual payment of the principal of any Note when the same becomes due and payable on the related Final Maturity Date;

(c) default in the performance or observance of any other of the covenants, agreements or conditions in this Indenture or the Notes on the part of the Issuer, and continuation of such default for a period of 60 days after written notice thereof by the Trustee to the Issuer, *provided* that, if the default is such that it can be corrected but not within 60 days, it shall not constitute an Event of Default if corrective action is undertaken by the Issuer within such 60 day period and is diligently pursued until the default is corrected; and

(d) the occurrence of an Event of Bankruptcy.

Any notice herein provided to be given to the Issuer with respect to any default shall be deemed sufficiently given if sent by registered mail to the mailing address for the Issuer as shown in Section 9.01 of this Indenture or such other address as may hereafter be given as the Principal Office of the Issuer in writing to the Trustee by an Authorized Representative of the Issuer. The Trustee may give any such notice in its discretion and shall give such notice if requested to do so in writing by the Registered Owners of a majority of the Outstanding Amount of the Highest Priority Obligations. The Trustee shall not be required to take notice, or be deemed to have knowledge, of any default or Event of Default of the Issuer hereunder and may conclusively assume that there has been no such default or Event of Default (other than an Event of Default described in Section 6.01(a) or (b) hereof) unless and until it shall have been specifically notified in writing thereof.

Section 6.02. Remedy on Default; Possession of Trust Estate. Subject to Sections 7.05, 7.07 and 6.09 hereof, upon the happening and continuance of any Event of Default, the Trustee, by itself or by its attorneys or agents, may take possession of such portion of the Trust Estate as shall be in the custody of others, and all property comprising the Trust Estate, and each and every part thereof, and exclude the Issuer and its agents, servants and employees wholly therefrom, and have, hold, use, and control the same and each and every part thereof, and in the name of the Issuer or otherwise, as they shall deem best, conduct the business thereof and exercise the privileges pertaining thereto and all the rights and powers of the Issuer and use all of the then existing Trust Estate for that purpose, and collect and receive all charges, income and

Available Funds of the same and of every part thereof, and after deducting therefrom all expenses incurred hereunder and all other proper outlays herein authorized, and all payments which may be made as just and reasonable compensation for its own services, and for the services of its attorneys, agents, and assistants, the Trustee shall apply the rest and residue of the money received by the Trustee as follows (*provided, however*, in the case of an Event of Default described in Section 6.01(c), priorities THIRD and FIFTH below will be paid in that order and prior to priorities FOURTH and SIXTH below):

FIRST, to the Trustee, any Trustee Fee due and owing;

SECOND, to the Issuer for payment to the Servicer or Issuer Administrator, as applicable, any Servicing and Administration Fees due and remaining unpaid;

THIRD, *pro rata*, to the Class A Noteholders of each class for amounts due and unpaid on each such class of Class A Notes for interest, ratably, without preference or priority of any kind, according to the amounts due and payable on each such class of Class A Notes for such interest;

FOURTH, to Class A Noteholders for amounts due and unpaid on the Class A Notes for principal, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal;

FIFTH, to Class B Noteholders for amounts due and unpaid on the Class B Notes for interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Class B Notes for such interest;

SIXTH, to Class B Noteholders for amounts due and unpaid on the Class B Notes for principal, *pro rata* without preference or priority of any kind, according to the amounts due and payable on the Class B Notes for principal;

SEVENTH, to the Issuer for payment to the Servicer or Issuer Administrator, as applicable, any unpaid Carryover Servicing and Administration Fees;

EIGHTH, to the Issuer, for distribution in accordance with the terms of this Indenture.

The Trustee may fix a record date and payment date for any payment to Registered Owners pursuant to this Section 6.02. At least 15 days before such record date, the Trustee shall mail to each Registered Owner (*provided*, that so long as the Notes remain in book-entry form, the only Registered Owner shall be the Clearing Agency or its nominee) and the Issuer a notice that states the record date, the payment date and the amount to be paid.

Section 6.03. Remedies on Default; Advice of Counsel. Upon the happening of any Event of Default, the Trustee may proceed to protect and enforce the rights of the Trustee and the Registered Owners in such manner as counsel for the Trustee may advise, whether for the specific performance of any covenant, condition, agreement or undertaking herein contained, or in aid of the execution of any power herein granted, or for the enforcement of such other

appropriate legal or equitable remedies as, in the opinion of such counsel, may be more effectual to protect and enforce the rights aforesaid.

Section 6.04. Remedies on Default; Sale of Trust Estate. Upon the happening of any Event of Default and if the principal of all of the Outstanding Notes shall have been declared due and payable, then and in every such case, and irrespective of whether other remedies authorized shall have been pursued in whole or in part, the Trustee may sell, with or without entry, to the highest bidder the Trust Estate, and all right, title, interest, claim and demand thereto and the right of redemption thereof, at any such place or places, and at such time or times and upon such notice and terms as may be required by law. Upon such sale the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the Issuer and all Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money or to inquire as to the authorization, necessity, expediency or regularity of any such sale. The Trustee is hereby irrevocably appointed the true and lawful attorney-in-fact of the Issuer, in its name and stead, to make and execute all bills of sale, instruments of assignment and transfer and such other documents of transfer as may be necessary or advisable in connection with a sale of all or part of the Trust Estate, but the Issuer, if so requested by the Trustee, shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary, or in the judgment of the Trustee, proper for the purpose which may be designated in such request. In addition, the Trustee may proceed to protect and enforce the rights of the Trustee and the Registered Owners in such manner as counsel for the Trustee may advise, whether for the specific performance of any covenant, condition, agreement or undertaking herein contained, or in aid of the execution of any power herein granted, or for the enforcement of such other appropriate legal or equitable remedies as may in the opinion of such counsel, be more effectual to protect and enforce the rights aforesaid. The Trustee shall take any such action or actions if requested to do so in writing by the Registered Owners of a majority of the Outstanding Amount of the Highest Priority Obligations at the time Outstanding. However, in the case of an Event of Default described in Section 6.01(d), the Trustee may take such action or actions only if requested to do so in writing by the Registered Owners of all Notes at the time Outstanding unless the net proceeds received by the Trustee from selling the Trust Estate are sufficient to pay all amounts owed to all the Registered Owners.

Section 6.05. Appointment of Receiver. If an Event of Default occurs, and all of the Outstanding Notes shall have been declared due and payable and if any judicial proceedings are commenced to enforce any right of the Trustee or of the Registered Owners under this Indenture or otherwise, then as a matter of right, the Trustee shall be entitled to the appointment of a receiver of the Trust Estate and of the earnings, income or revenue, rents, issues and profits thereof with such powers as the court making such appointments may confer.

Section 6.06. Restoration of Position. In case the Trustee shall have proceeded to enforce any rights under this Indenture by sale or otherwise, and such proceedings shall have been discontinued, or shall have been determined adversely to the Trustee, then and in every such case to the extent not inconsistent with such adverse decree, the Issuer, the Trustee, the Registered Owners shall be restored to their former respective positions and the rights hereunder in respect

to the Trust Estate, and all rights, remedies and powers of the Trustee and of the Registered Owners shall continue as though no such proceeding had been taken.

Section 6.07. Purchase of Properties by Trustee or Registered Owners. In case of any such sale of the Trust Estate, any Registered Owner or Registered Owners or committee of Registered Owners or the Trustee, may bid for and purchase such property and upon compliance with the terms of sale may hold, retain possession and dispose of such property as the absolute right of the purchaser or purchasers without further accountability and shall be entitled, for the purpose of making any settlement or payment for the property purchased, to use and apply any Notes hereby secured and any interest thereon due and unpaid, by presenting such Notes in order that there may be credited thereon the sum apportionable and applicable thereto out of the net proceeds of such sale, and thereupon such purchaser or purchasers shall be credited on account of such purchase price payable to him or them with the sum apportionable and applicable out of such net proceeds to the payment of or as a credit on the Notes so presented.

Section 6.08. Application of Sale Proceeds. The proceeds of any sale of the Trust Estate, together with any funds at the time held by the Trustee and not otherwise appropriated, shall be applied by the Trustee as set forth in Section 6.02 hereof, and then to the Issuer or whomsoever shall be lawfully entitled thereto.

Section 6.09. Acceleration of Maturity; Rescission and Annulment. If an Event of Default should occur and be continuing, then and in every such case the Trustee or the Registered Owners of Notes representing a majority of the Outstanding Amount of the Highest Priority Obligations may declare all the Outstanding Notes to be immediately due and payable, by a notice in writing to the Issuer (and to the Trustee if given by Registered Owners), and upon any such declaration the unpaid principal amount of such Outstanding Notes, together with accrued and unpaid interest thereon through the date of acceleration, shall become immediately due and payable, subject, however, to Section 6.04 of this Indenture.

At any time after such declaration of acceleration of maturity has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article VI provided, the Registered Owners of Notes representing a majority of the Outstanding Amount of the Highest Priority Obligations, by written notice to the Issuer and the Trustee, may rescind and annul such declaration and its consequences if:

- (a) the Issuer has paid or deposited with the Trustee a sum sufficient to pay:
 - (i) all payments of principal of and interest on all Notes and all other amounts that would then be due hereunder or upon such Notes if the Event of Default giving rise to such acceleration had not occurred; and
 - (ii) all sums paid by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, the Servicer and their agents and counsel; and

(b) all Events of Default, other than the nonpayment of the principal of the Notes that has become due solely by such acceleration, have been cured or waived as provided in Section 6.14 hereof.

No such rescission shall affect any subsequent default or impair any right consequent thereto.

Section 6.10. Remedies Not Exclusive. The remedies herein conferred upon or reserved to the Trustee or the Registered Owners (excluding the Issuer) of Notes are not intended to be exclusive of any other remedy, but each remedy herein provided shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, and every power and remedy hereby given to the Trustee or to the Registered Owners of Notes, or any supplement hereto, may be exercised from time to time as often as may be deemed expedient. No delay or omission of the Trustee or of any Registered Owner of Notes to exercise any power or right arising from any default hereunder shall impair any such right or power or shall be construed to be a waiver of any such default or to be acquiescence therein.

Section 6.11. Direction of Trustee. Upon the happening of any Event of Default, the Registered Owners of a majority of the Outstanding Amount of the Highest Priority Obligations, shall have the right by an instrument or instruments in writing delivered to the Trustee to direct and control the Trustee as to the method of taking any and all proceedings for any sale of any or all of the Trust Estate, or for the appointment of a receiver of the Trust Estate, if permitted by law, and may at any time cause any proceedings authorized by the terms hereof to be so taken or to be discontinued or delayed; *provided, however*, that such Registered Owners shall not be entitled to cause the Trustee to take any proceedings which in the Trustee's opinion would be unjustly prejudicial to non-assenting Registered Owners of Notes, but the Trustee shall be entitled to assume that the action requested by the Registered Owners of a majority of the Outstanding Amount of the Highest Priority Obligations will not be prejudicial to any non-assenting Registered Owners unless the Registered Owners of a majority of the Outstanding Amount of the non-assenting Registered Owners of such Notes, in writing, show the Trustee how they will be prejudiced. *Provided, however*, that anything in this Indenture to the contrary notwithstanding, the Registered Owners of a majority of the Outstanding Amount of the Highest Priority Obligations together with the Registered Owners of a majority of the Outstanding Amount of all other Notes shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder, *provided* that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture. The provisions of this Section 6.11 shall be expressly subject to the provisions of Sections 7.01(c), 7.05 and 7.07 hereof.

Section 6.12. Right to Enforce in Trustee. No Registered Owner of any Note shall have any right as such Registered Owner to institute any suit, action or proceedings for the enforcement of the provisions of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or for any other remedy hereunder, all rights of action hereunder being vested exclusively in the Trustee, unless and until such Registered Owner shall have

previously given to the Trustee written notice of a default hereunder, and of the continuance thereof, and also unless the Registered Owners of the requisite principal amount of the Notes then Outstanding shall have made written request upon the Trustee and the Trustee shall have been afforded reasonable opportunity to institute such action, suit or proceeding in its own name, and unless the Trustee shall have been offered indemnity and security satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, which offer of indemnity shall be an express condition precedent hereunder to any obligation of the Trustee to take any such action hereunder, and the Trustee for 60 days after receipt of such notification, request and offer of indemnity, shall have failed to institute any such action, suit or proceeding. It is understood and intended that no one or more Registered Owners of the Notes shall have the right in any manner whatever by his or their action to affect, disturb or prejudice the lien of this Indenture or to enforce any right hereunder except in the manner herein provided and for the equal benefit of the Registered Owners of not less than a majority of the Outstanding Amount of the Notes.

Section 6.13. Physical Possession of Notes Not Required. In any suit or action by the Trustee arising under this Indenture or on all or any of the Notes issued hereunder, or any supplement hereto, the Trustee shall not be required to produce such Notes, but shall be entitled in all things to maintain such suit or action without their production.

Section 6.14. Waivers of Events of Default. The Trustee may in its discretion waive any Event of Default hereunder and its consequences and rescind any declaration of acceleration of Notes, and shall do so upon the written request of the Registered Owners (excluding the Issuer) of at least a majority of the Outstanding Amount of the Highest Priority Obligations; *provided, however,* that there shall not be waived (a) any Event of Default in the payment of the principal of or premium on any Outstanding Notes at the date of maturity thereof, or any default in the payment when due of the interest on any such Notes, unless prior to such waiver or rescission, all arrears of interest or all arrears of payments of principal and all expenses of the Trustee, in connection with such default shall have been paid or provided for; or (b) any default in the payment of amounts set forth in Sections 7.05 and 7.07 hereof. In case of any such waiver or rescission, or in case any proceedings taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Issuer, the Trustee and the Registered Owners of Notes shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to or affect any subsequent or other default, or impair any rights or remedies consequent thereon.

Section 6.15. Notice of Defaults. Within 90 days after the occurrence of any default hereunder with respect to the Notes, the Trustee shall transmit to the Noteholders, notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived. For the purpose of this Section 6.15, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to the Notes.

ARTICLE VII

THE TRUSTEE

Section 7.01. Acceptance of Trust. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following terms and conditions:

(a) Except during the continuance of an Event of Default,

(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 bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform as to form with the requirements of this Indenture.

(b) In case an Event of Default has occurred and is continuing, the Trustee, in exercising the rights and powers vested in it by this Indenture, shall use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(c) Before taking or refraining from taking any action hereunder, the Trustee may require that it be furnished an indemnity bond or other indemnity and security satisfactory to it by the Issuer or the Registered Owners, as applicable, for the reimbursement of all expenses to which it may be put and to protect it against all liability, including costs incurred in defending itself against any and all charges, claims, complaints, allegations, assertions or demands of any nature whatsoever arising from or related to its role as Trustee, except liability which results from the negligence or willful misconduct of the Trustee.

Section 7.02. Recitals of Others. The recitals, statements and representations set forth herein and in the Notes shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the title of the Issuer in the Trust Estate or as to the security afforded thereby and hereby, or as to the validity or sufficiency of this Indenture or of the Notes issued hereunder, and the Trustee shall incur no responsibility in respect of such matters.

Section 7.03. As to Filing of Indenture. The Trustee shall be under no duty (a) to file or record, or cause to be filed or recorded, this Indenture or any instrument supplemental hereto, (b)

or to procure any further order or additional instruments of further assurance, (c) to see to the delivery to it of any personal property intended to be mortgaged or pledged hereunder or thereunder, (d) or to do any act which may be suitable to be done for the better maintenance of the lien or security hereof, or (e) for giving notice of the existence of such lien, or for extending or supplementing the same or to see that any rights to the Trust Estate and Funds intended now or hereafter to be transferred in trust hereunder are subject to the lien hereof. The Trustee shall not be liable for failure of the Issuer to pay any tax or taxes in respect of such property, or any part thereof, or the income therefrom or otherwise, nor shall the Trustee be under any duty in respect of any tax which may be assessed against it or the Registered Owners in respect of such property or pledged to the Trust Estate.

Section 7.04. Trustee May Act Through Agents. The Trustee may execute any of the trusts or powers hereof and perform any duty hereunder, either itself or by or through its attorneys or agents, and it shall not be answerable or accountable for any default, neglect or misconduct of any such attorneys or agents if due care has been exercised in the appointment of such attorneys or agents; *provided, however*, that if the Trustee assigns or delegates all of substantially all of its duties under this Indenture to one or more agents, the Trustee must provide written notice of such delegation or assignment to the each Rating Agency. All reasonable costs incurred by the Trustee and all reasonable compensation to all such Persons as may reasonably be employed in connection with the trusts hereof shall be paid by the Issuer.

Section 7.05. Indemnification of Trustee. The Issuer agrees to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expenses incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder arising from the Trust Estate; *provided, however*, that any such indemnification shall be payable solely out of the Trust Estate. Other than with respect to the information contained under the heading "The Trustee" in the offering memorandum prepared in connection with the offering of the Notes, the Trustee shall have no responsibility or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Notes.

Section 7.06. Trustee's Right to Reliance. (a) The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, appraisal, opinion, report or document of the Issuer or the Servicer or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties, and the Trustee shall be under no duty to make any investigation as to any statement contained in any such instance, paper or document, but may accept the same as conclusive evidence of the truth and accuracy of such statement. Before acting or refraining from acting in the administration hereof, the Trustee may consult with experts and with counsel (who may but need not be counsel for the Issuer, the Trustee, or for a Registered Owner), and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered, and in respect of any determination made by it hereunder in good faith and in accordance with the opinion of such counsel. All reasonable costs incurred by the Trustee in connection with retaining such counsel shall be paid by the Issuer.

(b) Whenever in the administration hereof the Trustee shall reasonably deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a certificate signed by an Authorized Representative of the Issuer. Whenever in the administration hereof the Trustee is directed to comply with an Issuer Order, the Trustee will be entitled to act in reliance upon such Issuer Order.

(c) The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions, or agreements on the part of the Issuer or any Servicer but the Trustee may require of the Issuer or any Servicer full information and advice as to the performance of any covenants, conditions or agreements pertaining to Financed Eligible Loans.

(d) The Trustee shall not be answerable for other than its negligence or willful misconduct and shall not be liable for any action taken, suffered or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it hereby, or in an error of judgment made in good faith; *provided, however*, that the Trustee shall be liable for its negligence or willful misconduct.

(e) The permissive right of the Trustee to take action under or otherwise do things enumerated in this Indenture shall not be construed as a duty.

(f) The Trustee is authorized to enter into agreements with other Persons, in its capacity as Trustee, in order to carry out or implement the terms and provisions of this Indenture. The Trustee shall not be liable with respect to any action taken, suffered or omitted to be taken in good faith in accordance with this Indenture or any other transaction document or at the direction of the Registered Owners evidencing the appropriate percentage of the aggregate principal amount of the Outstanding Notes 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 or any other transaction document.

(g) The Trustee shall not be liable for any action taken or omitted by it in good faith on the direction of the Registered Owners of a majority of the Outstanding Amount of the Highest Priority Obligations as to the time, method and place of conducting any proceedings for any remedy available to this Indenture Trustee or the exercising any power conferred by this Indenture.

Section 7.07. Compensation of Trustee. Except as otherwise expressly provided herein, all counsel fees (including without limitation allocated fees of in-house counsel) and other expenses reasonably made or incurred by the Trustee in and about the execution and administration of the trust hereby created and reasonable compensation to the Trustee for its services in the premises shall be paid by the Issuer. The compensation of the Trustee shall not be limited to or by any provision of law in regard to the compensation of trustees of an express trust. The Trustee shall not change the amount of its annual compensation without giving the Issuer at least 90 days' written notice prior to the beginning of a Fiscal Year and the delivery of a Rating Agency Confirmation; *provided, however*, that a Rating Agency Confirmation shall not be required if such change will not materially and adversely affect the Trust Estate. If not paid

by the Issuer, the Trustee shall have a lien against all money held pursuant to this Indenture (a) except during the continuance of an Event of Default, subject only to the prior lien of the Notes against the money and investments in the Collection Fund for the payment of the principal thereof, premium, if any, and interest thereon, and (b) during the continuance of an Event of Default, in accordance with Section 6.02, for such reasonable compensation, expenses, advances and counsel fees incurred in and about the execution of the trusts hereby created and the exercise and performance of the powers and duties of the Trustee hereunder and the cost and expense incurred in defending against any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the negligence or willful misconduct of the Trustee).

Section 7.08. Trustee May Own Notes. The Trustee hereunder, or any successor Trustee, in its individual or other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Issuer, with the same rights it would have if it were not the Trustee. The Trustee may act as depository for, and permit any of its officers or directors to act as a member of, or act in any other capacity in respect to, any committee formed to protect the rights of the Registered Owners or to effect or aid in any reorganization growing out of the enforcement of the Notes or of this Indenture, whether or not any such committee shall represent the Registered Owners of more than 60% of the Outstanding Amount of the Outstanding Notes.

Section 7.09. Resignation of Trustee. The Trustee and any successor to the Trustee may resign and be discharged from the trust created by this Indenture by giving to the Issuer notice in writing which notice shall specify the date on which such resignation is to take effect. The Trustee shall be obligated to so resign if it no longer meets the qualifications set forth in Section 7.11 hereof. Resignation of the Trustee pursuant to this Section 7.09 shall only take effect on the day specified in such notice if a successor Trustee shall have been appointed pursuant to Section 7.11 hereof (and is qualified to be the Trustee under the requirements of Section 7.11 hereof). If no successor Trustee has been appointed by the date specified or within a period of 60 days from the receipt of the notice by the Issuer, whichever period is longer, the Trustee may (a) appoint a temporary successor Trustee having the qualifications provided in Section 7.11 hereof or (b) request a court of competent jurisdiction to (i) require the Issuer to appoint a successor, as provided in Section 7.11 hereof, within three days of the receipt of citation or notice by the court, or (ii) appoint a Trustee having the qualifications provided in Section 7.11 hereof. In no event may the resignation of the Trustee be effective until a qualified successor Trustee shall have been selected and appointed. In the event a temporary successor Trustee is appointed pursuant to (a) above, the Issuer may remove such temporary successor Trustee and appoint a successor thereto pursuant to Section 7.11 hereof.

Section 7.10. Removal of Trustee. The Trustee or any successor Trustee may be removed by written notice (a) at any time by the Registered Owners of a majority of the Outstanding Amount of Notes which are the Highest Priority Obligations, (b) by the Issuer for cause or upon the sale or other disposition of the Trustee or its corporate trust functions or (c) by the Issuer without cause so long as no Event of Default exists or has existed within the last 30 days, upon payment to the Trustee so removed of all money then due to it hereunder and appointment of a successor thereto by the Issuer and acceptance thereof by said successor.

In the event a Trustee (or successor Trustee) is removed, by any person or for any reason permitted hereunder, such removal shall not become effective until (a) in the case of removal by the Registered Owners, such Registered Owners by instrument or concurrent instruments in writing (signed and acknowledged by such Registered Owners or their attorneys-in-fact) filed with the Trustee removed have appointed a successor Trustee or otherwise the Issuer shall have appointed a successor, and (b) the successor Trustee has accepted appointment as such.

Section 7.11. Successor Trustee. In case at any time the Trustee or any successor Trustee shall resign, be dissolved, or otherwise shall be disqualified to act or be incapable of acting, or in case control of the Trustee or of any successor Trustee or of its officers shall be taken over by any public officer or officers, a successor Trustee may be appointed by the Issuer by an instrument in writing duly authorized by the Issuer. In the case of any such appointment by the Issuer of a successor to the Trustee, the Issuer shall forthwith cause notice thereof to be mailed to the Registered Owners of the Notes at the address of each Registered Owner appearing on the Note Register.

Every successor Trustee appointed by the Registered Owners, by a court of competent jurisdiction, or by the Issuer shall be a bank or trust company in good standing, organized and doing business under the laws of the United States or of a state therein, which has a reported capital and surplus of not less than \$50,000,000, be authorized under the law to exercise corporate trust powers and be subject to supervision or examination by a federal or state authority.

Section 7.12. Manner of Vesting Title in Trustee. Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Issuer, an instrument accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, deed or conveyance shall become fully vested with all the estate, properties, rights, powers, trusts, duties and obligations of its predecessors in trust hereunder (except that the predecessor Trustee shall continue to have the benefits to indemnification hereunder together with the successor Trustee), with like effect as if originally named as Trustee herein; but the Trustee ceasing to act shall nevertheless, on the written request of an Authorized Representative of the Issuer, or an authorized officer of 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 Trustee which it succeeds, in and to the Trust Estate and such rights, powers, trusts, duties and obligations, and the Trustee ceasing to act also, upon like request, pay over, assign and deliver to the successor Trustee any money or other property or rights subject to the lien of this Indenture, including any pledged securities which may then be in its possession. Should any deed or instrument in writing from the Issuer be required by the successor Trustee for more fully and certainly vesting in and confirming to such new Trustee such estate, properties, rights, powers and duties, any and all such deeds and instruments in writing shall on request be executed, acknowledged and delivered by the Issuer.

In case any of the Notes to be issued hereunder shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of the Trustee or of

any successor to the Trustee; and in case any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes in its own name; and in all such cases such certificate shall have the full force which it has anywhere in the Notes or in this Indenture.

Section 7.13. Right of Inspection. Any Registered Owner shall be permitted at reasonable times during regular business hours and in accordance with reasonable regulations prescribed by the Trustee to examine at the Principal Office of the Trustee a copy of any report or instrument theretofore filed with the Trustee relating to the condition of the Trust Estate.

Section 7.14. Limitation with Respect to Examination of Reports. Except as provided in this Indenture, the Trustee shall be under no duty to examine any report or statement or other document required or permitted to be filed with it by the Issuer or any Servicer, and the Trustee may accept the same as conclusive evidence of the truth and accuracy of any statement contained therein or as to the existence or non-existence of any facts stated therein.

Section 7.15. Additional Covenants of Trustee. The Trustee, by the execution hereof, covenants, represents and agrees that it will not exercise any of the rights, duties or privileges under this Indenture in such manner as would cause the Eligible Loans held or acquired under the terms hereof to be transferred, assigned or pledged as security to any Person other than as permitted by this Indenture.

Section 7.16. Merger of the Trustee, Etc. Any corporation into which the Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, or any Affiliate of the Trustee to which all or a portion of its corporate trust business is transferred, shall be the successor of the Trustee hereunder, *provided* such corporation or Affiliate shall be otherwise qualified and eligible under this Indenture, without the execution or filing of any paper or any further act on the part of any other parties hereto.

Section 7.17. Receipt of Funds from Servicer. The Trustee shall not be accountable or responsible in any manner whatsoever for any action of the Issuer, the depository bank of any funds of the Issuer, or the Servicer while the Servicer is acting as bailee or agent of the Trustee with respect to the Eligible Loans for actions taken in compliance with any instruction or direction given to the Trustee, or for the application of funds or moneys by the Servicer until such time as funds are received by the Trustee.

Section 7.18. Special Circumstances Leading to Resignation of Trustee. Because the Trustee serves as trustee hereunder for Notes of different priorities, it is possible that circumstances may arise which will cause the Trustee to resign from its position as trustee for one or more of the Notes. In the event that the Trustee makes a determination that it should so resign, due to the occurrence of an Event of Default or potential default hereunder, or otherwise, the Issuer may permit such resignation as to one or more of the Notes or request the Trustee's resignation as to all Notes, as the Issuer may elect. If the Issuer should determine that a conflict of interest has arisen as to the trusteeship of any of the Notes, it may authorize and execute a

Supplemental Indenture with one or more successor Trustees, under which the administration of certain of the Notes would be separated from the administration of the other Notes.

Section 7.19. Survival of Trustee's Rights to Receive Compensation, Reimbursement and Indemnification. The Trustee's rights to receive compensation, reimbursement and indemnification of money due and owing hereunder at the time of the Trustee's resignation or removal shall survive the Trustee's resignation or removal.

Section 7.20. Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Issuer or any other obligor upon the Notes or the property of the Issuer or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Notes of any class shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Issuer for the payment of overdue principal, premium, if any, or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount, or such lesser amount as may be provided for in the Notes, of principal (and premium, if any) and interest, if any, owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable fees, compensation, expenses, disbursements and advances of the Trustee and its agents and counsel) and of the Registered Owners allowed in such judicial proceeding; and

(b) to collect and receive any money or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each Registered Owner of Notes to make such payments to the Trustee, and if the Trustee shall consent to the making of such payments directly to the Registered Owners, to pay to the Trustee any amount due to it for the reasonable fees, compensation, expenses, disbursements and advances of the Trustee and any predecessor Trustee, their agents and counsel, and any other amounts due the Trustee or any predecessor Trustee.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Registered Owner of a Note any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Registered Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Registered Owner of a Note in any such proceeding.

In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of this Indenture to which the Trustee shall be a party), the Trustee shall be held to represent all the Registered Owners of the Notes, and it shall not be necessary to make any Registered Owners of the Notes parties to any such proceedings.

Section 7.21. Determination of LIBOR. On each LIBOR Determination Date, the Trustee shall determine each applicable rate of LIBOR as set forth in the definition of Three-Month LIBOR and shall advise the Issuer of each such determination.

Section 7.22. Notices to Rating Agencies. So long as any Outstanding Notes are rated by a Rating Agency, the Trustee agrees to give the Rating Agency prompt written notice of any Event of Default, the appointment of any successor Trustee, the appointment of any co-trustee or any amendments or modifications of or supplements to the Indenture.

ARTICLE VIII

SUPPLEMENTAL INDENTURES

Section 8.01. Supplemental Indentures Not Requiring Consent of Registered Owners. The Issuer and the Trustee may, without the consent of or notice to any of the Registered Owners, enter into any indenture or indentures supplemental to this Indenture for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Indenture;
- (b) to grant to or confer upon the Trustee for the benefit of the Registered Owners any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Registered Owners or the Trustee;
- (c) to subject to this Indenture additional revenues, properties or collateral;
- (d) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, if this Indenture is required to be so qualified, or any similar federal statute hereafter in effect or to permit the qualification of the Notes for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939, as amended, or similar federal statute, if this Indenture is required to be so qualified;
- (e) the appointment of a separate or co-Trustee or a co-registrar or transfer agent or the succession of a new Trustee hereunder;
- (f) to make any change as shall be necessary in order to obtain and maintain for any of the Notes an investment grade Rating from a nationally recognized rating service, which changes, in the opinion of the Trustee are not to the prejudice of the Registered Owner of any of the Notes;
- (g) to make any changes necessary to comply with the Internal Revenue Code and the regulations promulgated hereunder;

(h) to make the terms and provisions of this Indenture, including the lien and security interest granted herein, applicable to a derivative product;

(i) to create any additional Funds or Accounts or Subaccounts under this Indenture deemed by the Trustee to be necessary or desirable; or

(j) to make any other change that, in the judgment of the Trustee, is not to the material prejudice of the Registered Owners;

provided, however, that nothing in this Section shall permit, or be construed as permitting, any modification of the trusts, powers, rights, duties, remedies, immunities and privileges of the Trustee without the prior written approval of the Trustee, which approval shall be evidenced by execution of a Supplemental Indenture.

Section 8.02. Supplemental Indentures Requiring Consent of Registered Owners.

(a) *Registered Owners of Notes.* Exclusive of Supplemental Indentures covered by Section 8.01 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Registered Owners of not less than a majority of the Outstanding Amount of the Notes shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; *provided, however,* that nothing in this Section shall permit, or be construed as permitting (a) without the consent of the Registered Owners of all then Outstanding Notes, (i) an extension of the maturity date of the principal of or the interest on any Note, or (ii) a reduction in the principal amount of any Note or the rate of interest thereon, or (iii) a privilege or priority of any Note or Notes over any other Note or Notes except as otherwise provided herein, (iv) a reduction in the aggregate principal amount of the Notes required for consent to such Supplemental Indenture, or (v) the creation of any lien other than a lien ratably securing all of the Notes at any time Outstanding hereunder except as otherwise provided herein; or (b) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee without the prior written approval of the Trustee.

(b) *Notices to Registered Owners.* If at any time the Issuer shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be mailed by registered or certified mail to each Registered Owner of a Note at the address shown on the registration books. Such notice (which shall be prepared by the Issuer) shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Registered Owners. If, within 60 days, or such longer period as shall be prescribed by the Issuer, following the mailing of such notice, the Registered Owners of not less than a majority of the Outstanding Amount of the Notes at the time of the execution of any such Supplemental Indenture shall have consented in writing to and approved the execution thereof as herein provided, no Registered Owner of any Note shall have

any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Section 8.02 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

ARTICLE IX

GENERAL PROVISIONS

Section 9.01. Notices. Any notice, request or other instrument required by this Indenture to be signed or executed by the Registered Owners may be executed by the execution of any number of concurrent instruments of similar tenor, and may be signed or executed by such Registered Owners in person or by agent appointed in writing. As a condition for acting thereunder the Trustee may demand proof of the execution of any such instrument and of the fact that any person claiming to be the owner of any of said Notes is such owner and may further require the actual deposit of such Note or Notes with the Trustee. The fact and date of the execution of such instrument may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction, that the person signing such instrument acknowledged before him the execution thereof, or may be proved by any affidavit of a witness to such execution sworn to before such officer.

The amount of Notes held by any person executing such instrument as a Registered Owner of Notes and the fact, amount and numbers of the Notes held by such person and the date of his holding the same may be proved by a certificate executed by any responsible trust company, bank, banker or other depository in a form approved by the Trustee, showing that at the date therein mentioned such person had on deposit with such depository the Notes described in such certificate; *provided, however*, that at all times the Trustee may require the actual deposit of such Note or Notes with the Trustee.

All notices, requests and other communications to any party hereunder shall be in writing (including facsimile) and shall be personally delivered or sent by express mail or courier or by facsimile to the following addresses or facsimile numbers, and each address shall constitute each party's respective "Principal Office" for purposes of this Indenture:

If intended for the Issuer:

Northstar Education Finance, Inc.
444 Cedar Street, Suite 550
St. Paul, MN 55101
Attention: Secretary
Facsimile No: (888) 843-3098
With a copy to the General Counsel at the same address

If intended for the Trustee:

U.S. Bank National Association
425 Walnut Street
CN-OH-W6CT
Attention: Corporate Trust Services
Facsimile: (513) 632-3286

If intended for the Rating Agencies:

Standard & Poor's Ratings Services,
A Division of the McGraw-Hill Companies, Inc.
55 Water Street, 41st Floor
New York, NY 10041-0003
Attention: ABS Surveillance Group

Moody's Investors Service, Inc.
99 Church Street
New York, NY 10007
Attention: ABS Monitoring Group

Fitch Inc.
One State Street Plaza
New York, NY 10004
Attention: ABS Surveillance

Any party may change the address to which subsequent notices to such party are to be sent, or of its Principal Office, by notice to the others in accordance with the first paragraph of this section. Each such notice, request or other communication shall be effective upon receipt.

Section 9.02. Covenants Bind Issuer. 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 hereof 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 parties hereto and their successors and assigns and of the Registered Owners from time to time of the Notes.

No extension of time of payment of any of the Notes shall operate to release or discharge the Issuer, it being agreed that the liability of the Issuer, limited to the Trust Estate and to the extent permitted by law, shall continue until all of the Notes are paid to the full extent of the Trust Estate, notwithstanding any transfer of Financed Eligible Loans or extension of time for payment.

Section 9.03. Lien Created. This Indenture shall operate effectually as (a) a grant of lien on and security interest in, and (b) an assignment of, the Trust Estate.

Section 9.04. Severability of Lien. If the lien of this Indenture shall be or shall ever become ineffectual, invalid or unenforceable against any part of the Trust Estate, which is not subject to the lien, because of want of power or title in the Issuer, the inclusion of any such part shall not in any way affect or invalidate the pledge and lien hereof against such part of the Trust Estate as to which the Issuer in fact had the right to pledge.

Section 9.05. Consent of Registered Owners Binds Successors. Any request or a consent of the Registered Owner of any Note given for any of the purposes of this Indenture shall bind all future Registered Owners of the same Note or any Notes issued in exchange therefor or in substitution thereof in respect of anything done or suffered by the Issuer or the Trustee in pursuance of such request or consent.

Section 9.06. Nonliability of Persons; No General Obligation. It is hereby expressly made a condition of this Indenture that any agreements, covenants or representations herein contained or contained in the Notes do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the organizers, officers, employees, agents or trustees of the Issuer, or against the general credit of the Issuer, and in the event of a breach of any such agreement, covenant or representation, no personal or pecuniary liability or charge payable directly or indirectly from the general revenues of the Issuer shall arise therefrom. Nothing contained in this Section, however, shall relieve the Issuer from the observance and performance of the several covenants and agreements on its part herein contained.

Section 9.07. Nonpresentment of Notes or Interest Checks. Should any of the Notes not be presented for payment when due, the Trustee shall retain from any money transferred to it for the purpose of paying such Notes for the benefit of the Registered Owners thereof, a sum of money sufficient to pay such Notes when the same are presented by the Registered Owners thereof for payment. Such money shall not be required to be invested. All liability of the Issuer to the Registered Owners of such Notes and all rights of such Registered Owners against the Issuer under the Notes or under this Indenture shall thereupon cease, and the sole right of such Registered Owners shall thereafter be against such deposit. If any Note shall not be presented for payment within the period of two years following its payment or Prepayment Date, the Trustee shall return to the Issuer the money theretofore held by it for payment of such Note, and such Note shall (subject to the defense of any applicable statute of limitation) thereafter be an unsecured obligation of the Issuer. The Trustee's responsibility for any such money shall cease upon remittance thereof to the Issuer.

Section 9.08. Security Agreement. This Indenture constitutes a Financing Statement and a Security Agreement under the Uniform Commercial Code of the State of Minnesota.

Section 9.09. Laws Governing. It is the intent of the parties hereto that this Indenture shall in all respects be governed by the laws of the State of Minnesota.

Section 9.10. Severability. Of 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 9.11. Exhibits. The terms of the Annexes and Exhibits, if any, attached to this Indenture are incorporated herein in all particulars.

Section 9.12. Non-Business Days. Except as may otherwise be provided herein, if the date for taking any action hereunder is not a Business Day, then such action can be taken on the next succeeding Business Day, with the same force and effect as if taken on such required date.

Section 9.13. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Trustee, the paying agent, if any, and the Registered Owners, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Trustee, the paying agent, if any, and the Registered Owners.

Section 9.14. Disclosure of Names and Addresses of Registered Owners. Registered Owners of Notes, by receiving and holding the same, agree with the Issuer and the Trustee that neither the Issuer nor the Trustee nor any Securities Depository shall be held accountable by reason of the disclosure of any information as to the names and addresses of the Registered Owners of Notes, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request.

ARTICLE X

PAYMENTS AND CANCELLATION OF NOTES AND SATISFACTION OF INDENTURE

Section 10.01. Trust Estate Irrevocable. The Trust Estate created by the terms and provisions of this Indenture is irrevocable until the indebtedness secured hereby (the Notes and interest thereon) is fully paid or provision made for its payment as provided in this Article.

Section 10.02. Satisfaction of Indenture. (a) If the Issuer shall pay, or cause to be paid, or there shall otherwise be paid to the Registered Owners of the Notes, the principal of and interest on the Notes, at the times and in the manner stipulated in this Indenture, then the pledge of the Trust Estate, and all covenants, agreements and other obligations of the Issuer to the Registered Owners of Notes shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver all money held by it under this Indenture to the party entitled to receive the same under this Indenture. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Registered Owners of any Outstanding Notes the principal of and interest on such Notes at the times and in the manner stipulated in this Indenture, such Notes shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of

the Issuer to the Registered Owners thereof shall thereupon cease, terminate and become void and be discharged and satisfied.

(b) The Notes shall be deemed to have been paid within the meaning of Section 10.02(a) hereof if money for the payment thereof has been set aside and is being held in trust by the Trustee at the Final Maturity Date or earlier Prepayment Date thereof. Any Outstanding Note shall, prior to the Final Maturity Date or earlier prepayment thereof, be deemed to have been paid within the meaning and with the effect expressed in Section 10.02(a) hereof if (i) such Note is to be prepaid on any date prior to its Final Maturity Date and (ii) the Issuer shall have given notice of prepayment as provided herein on said date, there shall have been deposited with the Trustee either money (fully insured by the Federal Deposit Insurance Corporation or fully collateralized by Governmental Obligations) in an amount which shall be sufficient, or Governmental Obligations (including any Governmental Obligations issued or held in book-entry form on the books of the Department of Treasury of the United States of America) the principal of and the interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal of and interest to become due on such Note on and prior to the Prepayment Date or Final Maturity Date thereof, as the case may be. Any deposit under the immediately preceding sentence shall be accompanied by an Issuer Order (A) setting forth the principal of and interest to become due on such Notes to be paid or prepaid on and prior to the Prepayment Date or Final Maturity Date thereof, as applicable, and all amounts described in Sections 5.03(a), (b) or (c), and any related expenses, to be accrued through such latest payment or Prepayment Date, together with instructions to make all such payments, and (B) in the case of a deposit of any Governmental Obligations, certifying that such Governmental Obligations, together with any moneys also being deposited or already held by the Trustee hereunder, are sufficient, and will mature as needed, to make all such payments described in (A) as and when due and payable. Notwithstanding anything herein to the contrary, however, no such deposit shall have the effect specified in this subsection (b) if made during the existence of an Event of Default, unless made with respect to all of the Notes then Outstanding. Neither Governmental Obligations nor money deposited with the Trustee pursuant to this subsection (b) nor principal or interest payments on any such Governmental Obligations shall be withdrawn or used for any purpose other than, and shall be held irrevocably in trust in an escrow account for, the payment of the principal of and interest on such Notes. Any cash received from such principal of and interest on such Governmental Obligations deposited with the Trustee, if not needed for such purpose, shall, to the extent practicable, be reinvested in Governmental Obligations maturing at times and in amounts sufficient to pay when due the principal of and interest on such Notes on and prior to such Prepayment Date or Final Maturity Date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Issuer, as received by the Trustee, free and clear of any trust, lien or pledge. Any payment for Governmental Obligations purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Governmental Obligations. For the purposes of this Section, "Governmental Obligations" shall mean and include only non-callable direct obligations of the Department of the Treasury of the United States of America or portions thereof (including interest or principal portions thereof), and such Governmental Obligations shall be of such amounts, maturities and interest payment dates and bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make the payments

required herein, and which obligations have been deposited in an escrow account which is irrevocably pledged as security for the Notes. Such term shall not include mutual funds and unit investment trusts.

Section 10.03. Optional Release of All Financed Eligible Loans. The Issuer shall notify the Trustee in writing, within 15 days after the last Business Day of each Collection Period in which the then outstanding Pool Balance is 15% or less of the Initial Pool Balance. The Issuer shall have the option to release all of the remaining Financed Eligible Loans from the lien of the Indenture on the last Business Day of the current Collection Period (the "*Optional Release Date*"). To exercise such option, the Issuer shall deposit in the Collection Fund on the Optional Release Date, an amount equal to the excess of (i) the Minimum Release Price over (ii) the amount on deposit in the Funds and Accounts on the Optional Release Date.

Section 10.04. Auction of Financed Eligible Loans. If the Issuer does not exercise its option to release from the lien of the Indenture all of the remaining Financed Eligible Loans pursuant to Section 10.03, the Trustee (or its designated agent) shall, promptly after the Business Day next succeeding the Optional Release Date, offer for sale all of the remaining Financed Eligible Loans, and any such sale shall be consummated on or before such Quarterly Distribution Date (the "*Trust Estate Auction Date*"). The Trustee shall provide written notice to the Issuer of any such offer for sale at least three Business Days in advance of the Trust Estate Auction Date. The Issuer and its Affiliates and third parties may offer to purchase the Issuer's Student Loans in such auction. If at least two bids are received, the Trustee (or its designated agent) shall solicit and resolicit new bids from all participating bidders until only one bid remains or the remaining bidders decline to resubmit bids. The Trustee shall accept the highest of such remaining bids if it is equal to or in excess of both (i) the Minimum Release Price and (ii) the fair market value of such Financed Eligible Loans as of the end of the Collection Period immediately preceding the Trust Estate Auction Date. If at least two bids are not received or the highest bid after the resolicitation process is completed is not equal to or in excess of the higher of the amounts described in the preceding sentence, the Trustee shall not consummate such sale. The Trustee may consult, and, at the direction of the Issuer, shall consult, with a financial advisor, including an underwriter of the Notes, to determine if the fair market value of the Financed Eligible Loans has been offered. The proceeds of any such sale will be applied to the redemption of all Notes Outstanding in accordance with Section 10.05 hereof. Unless requested by the Issuer, if the sale is not completed, the Trustee may, but will not be obligated to, solicit bids for sale of the Financed Eligible Loans with respect to future Quarterly Distribution Dates upon terms similar to those described above. The Trustee shall be obligated to make such solicitations, however, if requested to do so by the Issuer. Notice of the prepayment of any Notes resulting from a purchase of the Financed Eligible Loans on the Optional Release Date or the auction of the Financed Eligible Loans on the Trust Estate Auction Date, shall be given by the Trustee to the Registered Owners by first-class mail within five Business Days of such Optional Release Date or Trust Estate Auction Date.

Section 10.05. Notice of Redemption. Notice of prepayment with respect to any class of Notes shall be given by the Trustee by first-class mail, postage prepaid, mailed by no later than 15 days prior to the Prepayment Date to the Registered Owners of Notes to be prepaid at the address of such Registered Owner appearing in the note register; but neither failure to give such

notice nor any defect in any notice so given shall affect the validity of the proceedings for prepayment of any Note not affected by such failure or defect. So long as any such Notes are maintained in book-entry form, the Trustee shall treat the Clearing Agency as the sole Registered Owner of such Notes. All notices of prepayment shall state (i) the Prepayment Date, (ii) the Prepayment Price, (iii) the name (including class designation), Final Maturity Date and CUSIP number of each of the Notes to be prepaid, (iv) the principal amount of Notes of each class to be prepaid, and, if less than all outstanding Notes of a class are to be prepaid, the identification (and, in the case of partial prepayment, the respective principal amounts) of the Notes of each class to be prepaid, (v) that, on the Prepayment Date, the Prepayment Price on each such Note will become due and payable and that interest on each such Note shall cease to accrue on and after such date, (vi) the place or places where such Notes are to be surrendered for payment of the Prepayment Price thereof, and (vii) if it be the case, that such Notes are to be prepaid by the application of certain specified trust moneys and for certain specified reasons.

Within 60 days after any Prepayment Date, a second notice of prepayment shall be given by the Trustee, in the manner described above, to the Registered Owner of a Note that was not presented for prepayment within 30 days after the Prepayment Date. Following provision of notice, the Prepayment Price will become due and payable on the Prepayment Date, and interest shall cease to accrue on the Notes to be redeemed. Upon surrender of any such Note for redemption in accordance with such notice, such Note shall be paid at the Prepayment Price. If any Note called for redemption shall not be so paid upon surrender thereof for redemption, the Prepayment Price and, to the extent lawful, interest thereon shall, until paid, bear interest from the Prepayment Date at the interest rate borne by the Note on the Prepayment Date.

Any Note which is to be redeemed only in part shall be surrendered to the Trustee (with, if the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Trustee duly executed by, the Registered Owner thereof or his, her or its attorney duly authorized in writing) and an Authorized Representative shall execute and the Trustee shall authenticate and deliver to the Registered Owner of such Note, without service charge, a new Note or Notes of the same class, of any authorized denomination or denominations, in aggregate Outstanding principal balance equal to the unredeemed portion of the principal of the Note so surrendered. Any Note with respect to which a partial distribution of principal is made shall remain Outstanding in the then current Outstanding principal balance. The Trustee shall retain a record of the Outstanding principal balance of each Note any portion of the principal of which has been distributed.

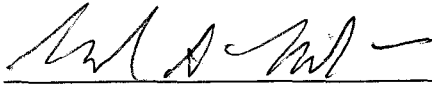
Section 10.06. Limitation on Sale of Financed Eligible Loans. Except as otherwise permitted by a Rating Agency Confirmation, the Issuer may direct the Trustee to sell to any purchaser one or more Financed Eligible Loans only in the following circumstances: (i) to the Issuer if it is required to repurchase such Financed Eligible Loan pursuant to Section 4.13(b); (ii) pursuant to Section 10.03 hereof; or (iii) if necessary for administrative purposes or if requested by the borrower corresponding to such Financed Eligible Loan, the Issuer may substitute another Eligible Loan for an existing Financed Eligible Loan if the substituted Eligible Loan has characteristics (including principal amount, maturity date and interest rate) which are substantially similar to the characteristics of the substituted Financed Eligible Loan, and the collective amount of all such substitutions does not exceed \$1,000,000. Any money received by

the Issuer in connection with a sale of Financed Eligible Loans pursuant to this paragraph shall, in the case of a sale pursuant to (1) clauses (i) and (ii) of the preceding sentence, be deposited into the Collection Fund for application on the immediately succeeding Monthly Payment Date, Quarterly Distribution Date, and (2) clause (iii) of the preceding sentence, be applied as set forth in Section 10.03 hereof. Notwithstanding the foregoing, except pursuant to Section 10.03 hereof, the Issuer may not direct the Trustee to sell any Financed Eligible Loans to the Issuer (unless the Issuer is required to repurchase such Eligible Loan pursuant 4.13(b)).

[Remainder of This Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Issuer has caused this Indenture to be executed this, and the Trustee, to evidence its acceptance of the trusts hereby created, has caused this Indenture to be executed in its organizational name and behalf, all in multiple counterparts, each of which shall be deemed an original, and the Issuer and the Trustee have caused this Indenture to be dated as of the date herein above first shown.

NORTHSTAR EDUCATION FINANCE, INC., as
Issuer

By: 
Name: Mark A. Lindgren
Title: Secretary

U.S. BANK NATIONAL ASSOCIATION, as Trustee


By: 
Name: Aicaterini Sias
Title: Assistant Vice President

EXHIBIT A-1

FORM OF CLASS A-1 NOTE

Unless this Note is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Issuer (as defined below) or its agent for registration of transfer, exchange or payment, and any Note issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

THE PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANYONE PURCHASING THIS NOTE MAY ASCERTAIN THE OUTSTANDING PRINCIPAL AMOUNT HEREOF BY INQUIRY TO THE TRUSTEE (AS DEFINED BELOW). THIS NOTE IS NOT GUARANTEED OR INSURED BY ANY GOVERNMENTAL AGENCY.

**NORTHSTAR EDUCATION FINANCE, INC.
STUDENT LOAN ASSET-BACKED NOTES
SERIES 2006-A
CLASS A-1**

No. R-_____

\$ _____

DATE OF ISSUANCE
May 11, 2006

FINAL MATURITY DATE
November 30, 2020

INTEREST RATE
Variable

CUSIP No.
66704J BN 7

ISIN
US66704JBN72

EUROPEAN COMMON CODE
02537666

ORIGINAL PRINCIPAL AMOUNT:

REGISTERED OWNER: CEDE & CO.

Northstar Education Finance, Inc., a nonstock nonprofit corporation organized and existing under the laws of the State of Delaware (herein referred to as the “Issuer”), for value received, hereby promises to pay, but only from the sources and as herewith provided, to the registered owner specified above, or its registered assigns (the “Registered Owner”), on each Quarterly Distribution Date (as defined below) the principal sum equal to the Class A Principal Distribution Amount (as defined below) for such Quarterly Distribution Date, according to the priorities described in the Indenture of Trust, dated as of May 1, 2006 (the “Indenture”),

between the Issuer and U.S. Bank National Association, as indenture trustee (the "*Trustee*"); *provided, however*, that the entire unpaid principal amount of this Note shall be due and payable on the Final Maturity Date specified above (the "*Class A-1 Maturity Date*"). Capitalized terms used but not defined herein shall have the meanings given in the Indenture.

The Issuer shall pay interest on this Note at the rate per annum equal to the Class A-1 Rate (as defined below), on each Quarterly Distribution Date until the principal of this Note is paid or made available for payment, on the principal amount of this Note outstanding on the preceding Quarterly Distribution Date or on May 11, 2006 in the case of the first Quarterly Distribution Date (after giving effect to all payments of principal made on the preceding Quarterly Distribution Date), subject to certain limitations contained in the Indenture. Interest on this Note shall accrue from and including the preceding Quarterly Distribution Date (or, in the case of the first Interest Accrual Period, May 11, 2006) to but excluding the following Quarterly Distribution Date (each an "*Interest Accrual Period*"). Interest shall be calculated on the basis of the actual number of days elapsed in each Interest Accrual Period divided by 360. Such principal of and interest on this Note shall be paid in the manner specified below.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Note shall be applied first to interest due and payable on this Note as provided above and then to the unpaid principal of this Note.

This Note is a limited obligation of the Issuer, payable solely from the principal and interest on student loans financed pursuant to the Indenture, and certain other revenues and earnings to be held pursuant to the Indenture all in an amount and in the manner provided in the Indenture. Reference is made to the Indenture for a complete statement of the terms and conditions upon which the Notes have been issued and provisions made for the security and for the rights, duties and obligations of the Issuer, the Trustee and the owners of the Notes.

This Note is one of a duly authorized issue of Notes of the Issuer, designated as its Student Loan Asset-Backed Notes, Series 2006-A, Class A-1 (the "*Class A-1 Notes*"), which, together with the Issuer's Student Loan Asset-Backed Notes, Series 2006-A, Class A-2 Notes, Class A-3 Notes, Class A-4 Notes (collectively, the "*Class A Notes*") and Class B Notes (together with the Class A Notes, the "*Notes*"), are issued under and secured by the Indenture, to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Registered Owners. The Notes are subject to all terms of the Indenture.

The Class A-1 Notes are and will be secured by the trust estate pledged as security therefor as provided in the Indenture. The Class A Notes are senior to the Class B Notes as and to the extent provided in the Indenture. The Class A Notes are paid sequentially, from the lowest to the highest numerical designation as and to the extent provided in the Indenture.

Principal of the Class A-1 Notes shall be payable on each Quarterly Distribution Date in an amount equal to the lesser of (a) the amounts available to pay principal as described in the

Indenture and (b) the product of the Principal Distribution Amount (as defined in the Indenture) and the Class A Percentage (as defined in the Indenture) (the "*Class A Principal Distribution Amount*") for such Quarterly Distribution Date. "*Quarterly Distribution Date*" means the 28th day of each February, May, August and November or, if any such date is not a Business Day, the immediately succeeding Business Day, commencing August 28, 2006.

The entire unpaid principal amount of this Note shall be due and payable on the Class A-1 Maturity Date. Notwithstanding the foregoing, the entire unpaid principal amount of this Note shall be due and payable on the date on which (a) an Event of Default shall have occurred and be continuing and (b) either the Trustee or the Registered Owners of Notes representing a majority of the Outstanding Amount of the Highest Priority Obligations shall have declared the Notes to be immediately due and payable in the manner provided in the Indenture.

Interest on the Class A-1 Notes shall be payable on each Quarterly Distribution Date on the principal amount outstanding of the Class A-1 Notes until the principal amount thereof is paid in full, at a rate per annum equal to the Class A-1 Rate. The "Class A-1 Rate" for each Interest Accrual Period, other than the first Interest Accrual Period, shall be equal to the applicable Three-Month LIBOR, plus 0.04%. The "Class A-1 Rate" for the first Interest Accrual Period shall mean _____%.

Payments of interest on this Note on each Quarterly Distribution Date, together with the installment of principal, if any, to the extent not in full payment of this Note, shall be paid to the Registered Owner on the Record Date by check mailed first-class, postage prepaid to such Person's address as it appears on the records of the Trustee on such Record Date, except that, unless definitive Notes have been issued pursuant to the Indenture, with respect to Notes registered on the Record Date in the name of the nominee of the Clearing Agency, payment shall be made by wire transfer in immediately available funds to the account designated by such nominee. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Note on a Quarterly Distribution Date, then the Trustee shall notify the Registered Owner at the close of business on the Record Date preceding the Quarterly Distribution Date on which the Issuer expects that the final installment of principal of and interest on such Note will be paid. Such notice shall be mailed or transmitted by facsimile prior to such final Quarterly Distribution Date and shall specify that such final installment will be payable only upon presentation and surrender of such Note and shall specify the place where such Note may be presented and surrendered for payment of such installment.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered upon the records of the Trustee upon surrender for transfer of any Note at the Principal Office of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly authorized in writing, and thereupon the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Note or Notes of the same interest rate and for a like class, and aggregate principal amount of the same maturity.

As to any Note, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either principal or

interest on any fully registered Note shall be made only to or upon the written order of the Registered Owner thereof or his legal representative but such registration may be changed as provided in the Indenture. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums paid.

Each Registered Owner and each transferee of a Note shall be deemed to represent and warrant that either (a) it is not acquiring the Note directly or indirectly for, or on behalf of, an ERISA plan or any entity whose underlying assets are deemed to be plan assets of such ERISA plan; or (b) (i) the acquisition and holding of the Notes will not result in a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar law and (ii) if the Notes are subsequently deemed to be "plan assets" pursuant to the regulations set forth at 29 C.F.R. § 2510.3-101, it will promptly dispose of the Notes.

The Trustee shall require the payment by any Registered Owner requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer. The applicant for any such transfer or exchange may be required to pay all taxes and governmental charges in connection with such transfer or exchange, other than exchanges pursuant to the Indenture.

The term "*Issuer*" as used in this Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee, the Registered Owners under the Indenture.

The Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Note shall be construed in accordance with the laws of the State of Minnesota, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency, herein prescribed.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Note to be duly executed, manually or in facsimile, as of the date set forth below.

Date:

NORTHSTAR EDUCATION FINANCE, INC.

By: _____

Name:

Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes designated above and referred to in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity but solely as Trustee

By _____
Authorized Signatory

DATE:

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(name and address of assignee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

By _____ *

Name:

Title:

Signature Guaranteed:

By _____ *

*NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular, without alteration, enlargement or any change whatever. Such signature must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar, which requirements include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT A-2

FORM OF CLASS A-2 NOTE

Unless this Note is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Issuer (as defined below) or its agent for registration of transfer, exchange or payment, and any Note issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

THE PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANYONE PURCHASING THIS NOTE MAY ASCERTAIN THE OUTSTANDING PRINCIPAL AMOUNT HEREOF BY INQUIRY TO THE TRUSTEE (AS DEFINED BELOW). THIS NOTE IS NOT GUARANTEED OR INSURED BY ANY GOVERNMENTAL AGENCY.

**NORTHSTAR EDUCATION FINANCE, INC.
STUDENT LOAN ASSET-BACKED NOTES
SERIES 2006-A
CLASS A-2**

No. R-_____

\$_____

DATE OF ISSUANCE
May 11, 2006

FINAL MATURITY DATE
November 28, 2023

INTEREST RATE
Variable

CUSIP No.
66704J BP 2

ISIN
US66704JBP21

EUROPEAN COMMON CODE
025376757

ORIGINAL PRINCIPAL AMOUNT:

REGISTERED OWNER: CEDE & CO.

Northstar Education Finance, Inc., a nonstock nonprofit corporation organized and existing under the laws of the State of Delaware (herein referred to as the “Issuer”), for value received, hereby promises to pay, but only from the sources and as herewith provided, to the registered owner specified above, or its registered assigns (the “Registered Owner”), on each Quarterly Distribution Date (as defined below) the principal sum equal to the Class A Principal Distribution Amount (as defined below) for such Quarterly Distribution Date, according to the priorities described in the Indenture of Trust, dated as of May 1, 2006 (the “Indenture”), between the Issuer and U.S. Bank National Association, as indenture trustee (the “Trustee”);

provided, however, that the entire unpaid principal amount of this Note shall be due and payable on the Final Maturity Date specified above (the "*Class A-2 Maturity Date*"). Capitalized terms used but not defined herein shall have the meanings given in the Indenture.

The Issuer shall pay interest on this Note at the rate per annum equal to the Class A-2 Rate (as defined below), on each Quarterly Distribution Date until the principal of this Note is paid or made available for payment, on the principal amount of this Note outstanding on the preceding Quarterly Distribution Date or on May 11, 2006 in the case of the first Quarterly Distribution Date (after giving effect to all payments of principal made on the preceding Quarterly Distribution Date), subject to certain limitations contained in the Indenture. Interest on this Note shall accrue from and including the preceding Quarterly Distribution Date (or, in the case of the first Interest Accrual Period, May 11, 2006) to but excluding the following Quarterly Distribution Date (each an "*Interest Accrual Period*"). Interest shall be calculated on the basis of the actual number of days elapsed in each Interest Accrual Period divided by 360. Such principal of and interest on this Note shall be paid in the manner specified below.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Note shall be applied first to interest due and payable on this Note as provided above and then to the unpaid principal of this Note.

This Note is a limited obligation of the Issuer, payable solely from the principal and interest on student loans financed pursuant to the Indenture, and certain other revenues and earnings to be held pursuant to the Indenture all in an amount and in the manner provided in the Indenture. Reference is made to the Indenture for a complete statement of the terms and conditions upon which the Notes have been issued and provisions made for the security and for the rights, duties and obligations of the Issuer, the Trustee and the owners of the Notes.

This Note is one of a duly authorized issue of Notes of the Issuer, designated as its Student Loan Asset-Backed Notes, Series 2006-A, Class A-2 (the "*Class A-2 Notes*"), which, together with the Issuer's Student Loan Asset-Backed Notes, Series 2006-A, Class A-1 Notes, Class A-3 Notes, Class A-4 Notes (collectively, the "*Class A Notes*") and Class B Notes (together with the Class A Notes, the "*Notes*"), are issued under and secured by the Indenture, to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Registered Owners. The Notes are subject to all terms of the Indenture.

The Class A-2 Notes are and will be secured by the trust estate pledged as security therefor as provided in the Indenture. The Class A Notes are senior to the Class B Notes as and to the extent provided in the Indenture. The Class A Notes are paid sequentially, from the lowest to the highest numerical designation as and to the extent provided in the Indenture. The Class A-2 Notes will not receive payments of principal until the Class A-1 Notes are paid in full.

Principal of the Class A-2 Notes shall be payable on each Quarterly Distribution Date in an amount equal to the lesser of (a) the amounts available to pay principal as described in the

Indenture and (b) the product of the Principal Distribution Amount (as defined in the Indenture) and the Class A Percentage (as defined in the Indenture) (the "*Class A Principal Distribution Amount*") for such Quarterly Distribution Date. "*Quarterly Distribution Date*" means the 28th day of each February, May, August and November or, if any such date is not a Business Day, the immediately succeeding Business Day, commencing August 28, 2006.

The entire unpaid principal amount of this Note shall be due and payable on the Class A-2 Maturity Date. Notwithstanding the foregoing, the entire unpaid principal amount of this Note shall be due and payable on the date on which (a) an Event of Default shall have occurred and be continuing and (b) either the Trustee or the Registered Owners of Notes representing a majority of the Outstanding Amount of the Highest Priority Obligations shall have declared the Notes to be immediately due and payable in the manner provided in the Indenture.

Interest on the Class A-2 Notes shall be payable on each Quarterly Distribution Date on the principal amount outstanding of the Class A-2 Notes until the principal amount thereof is paid in full, at a rate per annum equal to the Class A-2 Rate. The "Class A-2 Rate" for each Interest Accrual Period, other than the first Interest Accrual Period, shall be equal to the applicable Three-Month LIBOR, plus 0.19%. The "Class A-2 Rate" for the first Interest Accrual Period shall mean _____%.

Payments of interest on this Note on each Quarterly Distribution Date, together with the installment of principal, if any, to the extent not in full payment of this Note, shall be paid to the Registered Owner on the Record Date by check mailed first-class, postage prepaid to such Person's address as it appears on the records of the Trustee on such Record Date, except that, unless definitive Notes have been issued pursuant to the Indenture, with respect to Notes registered on the Record Date in the name of the nominee of the Clearing Agency, payment shall be made by wire transfer in immediately available funds to the account designated by such nominee. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Note on a Quarterly Distribution Date, then the Trustee shall notify the Registered Owner at the close of business on the Record Date preceding the Quarterly Distribution Date on which the Issuer expects that the final installment of principal of and interest on such Note will be paid. Such notice shall be mailed or transmitted by facsimile prior to such final Quarterly Distribution Date and shall specify that such final installment will be payable only upon presentation and surrender of such Note and shall specify the place where such Note may be presented and surrendered for payment of such installment.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered upon the records of the Trustee upon surrender for transfer of any Note at the Principal Office of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly authorized in writing, and thereupon the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Note or Notes of the same interest rate and for a like class, and aggregate principal amount of the same maturity.

As to any Note, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either principal or

interest on any fully registered Note shall be made only to or upon the written order of the Registered Owner thereof or his legal representative but such registration may be changed as provided in the Indenture. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums paid.

Each Registered Owner and each transferee of a Note shall be deemed to represent and warrant that either (a) it is not acquiring the Note directly or indirectly for, or on behalf of, an ERISA plan or any entity whose underlying assets are deemed to be plan assets of such ERISA plan; or (b) (i) the acquisition and holding of the Notes will not result in a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar law and (ii) if the Notes are subsequently deemed to be "plan assets" pursuant to the regulations set forth at 29 C.F.R. § 2510.3-101, it will promptly dispose of the Notes.

The Trustee shall require the payment by any Registered Owner requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer. The applicant for any such transfer or exchange may be required to pay all taxes and governmental charges in connection with such transfer or exchange, other than exchanges pursuant to the Indenture.

The term "*Issuer*" as used in this Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee, the Registered Owners under the Indenture.

The Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Note shall be construed in accordance with the laws of the State of Minnesota, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency, herein prescribed.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Note to be duly executed, manually or in facsimile, as of the date set forth below.

Date:

NORTHSTAR EDUCATION FINANCE, INC.

By: _____

Name:

Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes designated above and referred to in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity but solely as Trustee

By _____
Authorized Signatory

DATE:

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(name and address of assignee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

By _____ *

Name:

Title:

Signature Guaranteed:

By _____ *

*NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular, without alteration, enlargement or any change whatever. Such signature must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar, which requirements include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT A-3

FORM OF CLASS A-3 NOTE

Unless this Note is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Issuer (as defined below) or its agent for registration of transfer, exchange or payment, and any Note issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

THE PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANYONE PURCHASING THIS NOTE MAY ASCERTAIN THE OUTSTANDING PRINCIPAL AMOUNT HEREOF BY INQUIRY TO THE TRUSTEE (AS DEFINED BELOW). THIS NOTE IS NOT GUARANTEED OR INSURED BY ANY GOVERNMENTAL AGENCY.

**NORTHSTAR EDUCATION FINANCE, INC.
STUDENT LOAN ASSET-BACKED NOTES
SERIES 2006-A
CLASS A-3**

No. R-____

\$ _____

DATE OF ISSUANCE
May 11, 2006

FINAL MATURITY DATE
May 28, 2026

INTEREST RATE
Variable

CUSIP No.
66704J BQ 0

ISIN
US66704JBQ04

EUROPEAN COMMON CODE
025376781

ORIGINAL PRINCIPAL AMOUNT:

REGISTERED OWNER: CEDE & Co.

Northstar Education Finance, Inc., a nonstock nonprofit corporation organized and existing under the laws of the State of Delaware (herein referred to as the “Issuer”), for value received, hereby promises to pay, but only from the sources and as herewith provided, to the registered owner specified above, or its registered assigns (the “Registered Owner”), on each Quarterly Distribution Date (as defined below) the principal sum equal to the Class A Principal Distribution Amount (as defined below) for such Quarterly Distribution Date, according to the priorities described in the Indenture of Trust, dated as of May 1, 2006 (the “Indenture”), between the Issuer and U.S. Bank National Association, as indenture trustee (the “Trustee”);

provided, however, that the entire unpaid principal amount of this Note shall be due and payable on the Final Maturity Date specified above (the "*Class A-3 Maturity Date*"). Capitalized terms used but not defined herein shall have the meanings given in the Indenture.

The Issuer shall pay interest on this Note at the rate per annum equal to the Class A-3 Rate (as defined below), on each Quarterly Distribution Date until the principal of this Note is paid or made available for payment, on the principal amount of this Note outstanding on the preceding Quarterly Distribution Date or on May 11, 2006 in the case of the first Quarterly Distribution Date (after giving effect to all payments of principal made on the preceding Quarterly Distribution Date), subject to certain limitations contained in the Indenture. Interest on this Note shall accrue from and including the preceding Quarterly Distribution Date (or, in the case of the first Interest Accrual Period, May 11, 2006) to but excluding the following Quarterly Distribution Date (each an "*Interest Accrual Period*"). Interest shall be calculated on the basis of the actual number of days elapsed in each Interest Accrual Period divided by 360. Such principal of and interest on this Note shall be paid in the manner specified below.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Note shall be applied first to interest due and payable on this Note as provided above and then to the unpaid principal of this Note.

This Note is a limited obligation of the Issuer, payable solely from the principal and interest on student loans financed pursuant to the Indenture, and certain other revenues and earnings to be held pursuant to the Indenture all in an amount and in the manner provided in the Indenture. Reference is made to the Indenture for a complete statement of the terms and conditions upon which the Notes have been issued and provisions made for the security and for the rights, duties and obligations of the Issuer, the Trustee and the owners of the Notes.

This Note is one of a duly authorized issue of Notes of the Issuer, designated as its Student Loan Asset-Backed Notes, Series 2006-A, Class A-3 (the "*Class A-3 Notes*"), which, together with the Issuer's Student Loan Asset-Backed Notes, Series 2006-A, Class A-1 Notes, Class A-2 Notes, Class A-4 Notes (collectively, the "*Class A Notes*") and Class B Notes (together with the Class A Notes, the "*Notes*"), are issued under and secured by the Indenture, to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Registered Owners. The Notes are subject to all terms of the Indenture.

The Class A-3 Notes are and will be secured by the trust estate pledged as security therefor as provided in the Indenture. The Class A Notes are senior to the Class B Notes as and to the extent provided in the Indenture. The Class A Notes are paid sequentially, from the lowest to the highest numerical designation as and to the extent provided in the Indenture. The Class A-3 Notes will not receive payments of principal until the Class A-1 Notes and the Class A-2 Notes are paid in full.

Principal of the Class A-3 Notes shall be payable on each Quarterly Distribution Date in an amount equal to the lesser of (a) the amounts available to pay principal as described in the Indenture and (b) the product of the Principal Distribution Amount (as defined in the Indenture) and the Class A Percentage (as defined in the Indenture) (the "*Class A Principal Distribution Amount*") for such Quarterly Distribution Date. "*Quarterly Distribution Date*" means the 28th day of each February, May, August and November or, if any such date is not a Business Day, the immediately succeeding Business Day, commencing August 28, 2006.

The entire unpaid principal amount of this Note shall be due and payable on the Class A-3 Maturity Date. Notwithstanding the foregoing, the entire unpaid principal amount of this Note shall be due and payable on the date on which (a) an Event of Default shall have occurred and be continuing and (b) either the Trustee or the Registered Owners of Notes representing a majority of the Outstanding Amount of the Highest Priority Obligations shall have declared the Notes to be immediately due and payable in the manner provided in the Indenture.

Interest on the Class A-3 Notes shall be payable on each Quarterly Distribution Date on the principal amount outstanding of the Class A-3 Notes until the principal amount thereof is paid in full, at a rate per annum equal to the Class A-3 Rate. The "Class A-3 Rate" for each Interest Accrual Period, other than the first Interest Accrual Period, shall be equal to the applicable Three-Month LIBOR, plus 0.21%. The "Class A-3 Rate" for the first Interest Accrual Period shall mean _____%.

Payments of interest on this Note on each Quarterly Distribution Date, together with the installment of principal, if any, to the extent not in full payment of this Note, shall be paid to the Registered Owner on the Record Date by check mailed first-class, postage prepaid to such Person's address as it appears on the records of the Trustee on such Record Date, except that, unless definitive Notes have been issued pursuant to the Indenture, with respect to Notes registered on the Record Date in the name of the nominee of the Clearing Agency, payment shall be made by wire transfer in immediately available funds to the account designated by such nominee. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Note on a Quarterly Distribution Date, then the Trustee shall notify the Registered Owner at the close of business on the Record Date preceding the Quarterly Distribution Date on which the Issuer expects that the final installment of principal of and interest on such Note will be paid. Such notice shall be mailed or transmitted by facsimile prior to such final Quarterly Distribution Date and shall specify that such final installment will be payable only upon presentation and surrender of such Note and shall specify the place where such Note may be presented and surrendered for payment of such installment.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered upon the records of the Trustee upon surrender for transfer of any Note at the Principal Office of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly authorized in writing, and thereupon the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Note or Notes of the same interest rate and for a like class, and aggregate principal amount of the same maturity.

As to any Note, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either principal or interest on any fully registered Note shall be made only to or upon the written order of the Registered Owner thereof or his legal representative but such registration may be changed as provided in the Indenture. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums paid.

Each Registered Owner and each transferee of a Note shall be deemed to represent and warrant that either (a) it is not acquiring the Note directly or indirectly for, or on behalf of, an ERISA plan or any entity whose underlying assets are deemed to be plan assets of such ERISA plan; or (b) (i) the acquisition and holding of the Notes will not result in a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar law and (ii) if the Notes are subsequently deemed to be "plan assets" pursuant to the regulations set forth at 29 C.F.R. § 2510.3-101, it will promptly dispose of the Notes.

The Trustee shall require the payment by any Registered Owner requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer. The applicant for any such transfer or exchange may be required to pay all taxes and governmental charges in connection with such transfer or exchange, other than exchanges pursuant to the Indenture.

The term "*Issuer*" as used in this Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee, the Registered Owners under the Indenture.

The Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Note shall be construed in accordance with the laws of the State of Minnesota, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency, herein prescribed.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Note to be duly executed, manually or in facsimile, as of the date set forth below:

Date:

NORTHSTAR EDUCATION FINANCE, INC.

By: _____

Name:

Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes designated above and referred to in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity but solely as Trustee

By _____
Authorized Signatory

DATE:

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(name and address of assignee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

By _____ *

Name:

Title:

Signature Guaranteed:

By _____ *

*NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular, without alteration, enlargement or any change whatever. Such signature must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar, which requirements include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT A-4

FORM OF CLASS A-4 NOTE

Unless this Note is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Issuer (as defined below) or its agent for registration of transfer, exchange or payment, and any Note issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

THE PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANYONE PURCHASING THIS NOTE MAY ASCERTAIN THE OUTSTANDING PRINCIPAL AMOUNT HEREOF BY INQUIRY TO THE TRUSTEE (AS DEFINED BELOW). THIS NOTE IS NOT GUARANTEED OR INSURED BY ANY GOVERNMENTAL AGENCY.

**NORTHSTAR EDUCATION FINANCE, INC.
STUDENT LOAN ASSET-BACKED NOTES
SERIES 2006-A
CLASS A-4**

No. R-_____ \$ _____

DATE OF ISSUANCE
May 11, 2006

FINAL MATURITY DATE
August 28, 2035

INTEREST RATE
Variable

CUSIP No.
66704J BR 8

ISIN
US66704JBR86

EUROPEAN COMMON CODE
025376838

ORIGINAL PRINCIPAL AMOUNT:

REGISTERED OWNER: CEDE & CO.

Northstar Education Finance, Inc., a nonstock nonprofit corporation organized and existing under the laws of the State of Delaware (herein referred to as the “Issuer”), for value received, hereby promises to pay, but only from the sources and as herewith provided, to the registered owner specified above, or its registered assigns (the “Registered Owner”), on each Quarterly Distribution Date (as defined below) the principal sum equal to the Class A Principal Distribution Amount (as defined below) for such Quarterly Distribution Date, according to the priorities described in the Indenture of Trust, dated as of May 1, 2006 (the “Indenture”), between the Issuer and U.S. Bank National Association, as indenture trustee (the “Trustee”);

provided, however, that the entire unpaid principal amount of this Note shall be due and payable on the Final Maturity Date specified above (the "*Class A-4 Maturity Date*"). Capitalized terms used but not defined herein shall have the meanings given in the Indenture.

The Issuer shall pay interest on this Note at the rate per annum equal to the Class A-4 Rate (as defined below), on each Quarterly Distribution Date until the principal of this Note is paid or made available for payment, on the principal amount of this Note outstanding on the preceding Quarterly Distribution Date or on May 11, 2006 in the case of the first Quarterly Distribution Date (after giving effect to all payments of principal made on the preceding Quarterly Distribution Date), subject to certain limitations contained in the Indenture. Interest on this Note shall accrue from and including the preceding Quarterly Distribution Date (or, in the case of the first Interest Accrual Period, May 11, 2006) to but excluding the following Quarterly Distribution Date (each an "*Interest Accrual Period*"). Interest shall be calculated on the basis of the actual number of days elapsed in each Interest Accrual Period divided by 360. Such principal of and interest on this Note shall be paid in the manner specified below.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Note shall be applied first to interest due and payable on this Note as provided above and then to the unpaid principal of this Note.

This Note is a limited obligation of the Issuer, payable solely from the principal and interest on student loans financed pursuant to the Indenture, and certain other revenues and earnings to be held pursuant to the Indenture all in an amount and in the manner provided in the Indenture. Reference is made to the Indenture for a complete statement of the terms and conditions upon which the Notes have been issued and provisions made for the security and for the rights, duties and obligations of the Issuer, the Trustee and the owners of the Notes.

This Note is one of a duly authorized issue of Notes of the Issuer, designated as its Student Loan Asset-Backed Notes, Series 2006-A, Class A-4 (the "*Class A-4 Notes*"), which, together with the Issuer's Student Loan Asset-Backed Notes, Series 2006-A, Class A-1 Notes, Class A-2 Notes, Class A-3 Notes (collectively, the "*Class A Notes*") and Class B Notes (together with the Class A Notes, the "*Notes*"), are issued under and secured by the Indenture, to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Registered Owners. The Notes are subject to all terms of the Indenture.

The Class A-4 Notes are and will be secured by the trust estate pledged as security therefor as provided in the Indenture. The Class A Notes are senior to the Class B Notes as and to the extent provided in the Indenture. The Class A Notes are paid sequentially, from the lowest to the highest numerical designation as and to the extent provided in the Indenture. The Class A-4 Notes will not receive payments of principal until the Class A-1 Notes, the Class A-2 Notes and the Class A-3 Notes are paid in full.

Principal of the Class A-4 Notes shall be payable on each Quarterly Distribution Date in an amount equal to the lesser of (a) the amounts available to pay principal as described in the Indenture and (b) the product of the Principal Distribution Amount (as defined in the Indenture) and the Class A Percentage (as defined in the Indenture) (the "*Class A Principal Distribution Amount*") for such Quarterly Distribution Date. "*Quarterly Distribution Date*" means the 28th day of each February, May, August and November or, if any such date is not a Business Day, the immediately succeeding Business Day, commencing August 28, 2006.

The entire unpaid principal amount of this Note shall be due and payable on the Class A-4 Maturity Date. Notwithstanding the foregoing, the entire unpaid principal amount of this Note shall be due and payable on the date on which (a) an Event of Default shall have occurred and be continuing and (b) either the Trustee or the Registered Owners of Notes representing a majority of the Outstanding Amount of the Highest Priority Obligations shall have declared the Notes to be immediately due and payable in the manner provided in the Indenture.

Interest on the Class A-4 Notes shall be payable on each Quarterly Distribution Date on the principal amount outstanding of the Class A-4 Notes until the principal amount thereof is paid in full, at a rate per annum equal to the Class A-4 Rate. The "*Class A-4 Rate*" for each Interest Accrual Period, other than the first Interest Accrual Period, shall be equal to the applicable Three-Month LIBOR, plus 0.35%. The "*Class A-4 Rate*" for the first Interest Accrual Period shall mean _____%.

Payments of interest on this Note on each Quarterly Distribution Date, together with the installment of principal, if any, to the extent not in full payment of this Note, shall be paid to the Registered Owner on the Record Date by check mailed first-class, postage prepaid to such Person's address as it appears on the records of the Trustee on such Record Date, except that, unless definitive Notes have been issued pursuant to the Indenture, with respect to Notes registered on the Record Date in the name of the nominee of the Clearing Agency, payment shall be made by wire transfer in immediately available funds to the account designated by such nominee. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Note on a Quarterly Distribution Date, then the Trustee shall notify the Registered Owner at the close of business on the Record Date preceding the Quarterly Distribution Date on which the Issuer expects that the final installment of principal of and interest on such Note will be paid. Such notice shall be mailed or transmitted by facsimile prior to such final Quarterly Distribution Date and shall specify that such final installment will be payable only upon presentation and surrender of such Note and shall specify the place where such Note may be presented and surrendered for payment of such installment.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered upon the records of the Trustee upon surrender for transfer of any Note at the Principal Office of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly authorized in writing, and thereupon the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Note or Notes of the same interest rate and for a like class, and aggregate principal amount of the same maturity.

As to any Note, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either principal or interest on any fully registered Note shall be made only to or upon the written order of the Registered Owner thereof or his legal representative but such registration may be changed as provided in the Indenture. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums paid.

Each Registered Owner and each transferee of a Note shall be deemed to represent and warrant that either (a) it is not acquiring the Note directly or indirectly for, or on behalf of, an ERISA plan or any entity whose underlying assets are deemed to be plan assets of such ERISA plan; or (b) (i) the acquisition and holding of the Notes will not result in a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar law and (ii) if the Notes are subsequently deemed to be "plan assets" pursuant to the regulations set forth at 29 C.F.R. § 2510.3-101, it will promptly dispose of the Notes.

The Trustee shall require the payment by any Registered Owner requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer. The applicant for any such transfer or exchange may be required to pay all taxes and governmental charges in connection with such transfer or exchange, other than exchanges pursuant to the Indenture.

The term "*Issuer*" as used in this Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee, the Registered Owners under the Indenture.

The Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Note shall be construed in accordance with the laws of the State of Minnesota, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency, herein prescribed.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Note to be duly executed, manually or in facsimile, as of the date set forth below.

Date:

NORTHSTAR EDUCATION FINANCE, INC.

By: _____

Name:

Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes designated above and referred to in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity but solely as Trustee

By _____
Authorized Signatory

DATE:

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(name and address of assignee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

By _____ *

Name:

Title:

Signature Guaranteed:

By _____ *

*NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular, without alteration, enlargement or any change whatever. Such signature must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar, which requirements include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT B

FORM OF CLASS B NOTE

Unless this Note is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Issuer (as defined below) or its agent for registration of transfer, exchange or payment, and any Note issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

THE PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANYONE PURCHASING THIS NOTE MAY ASCERTAIN THE OUTSTANDING PRINCIPAL AMOUNT HEREOF BY INQUIRY TO THE TRUSTEE (AS DEFINED BELOW). THIS NOTE IS NOT GUARANTEED OR INSURED BY ANY GOVERNMENTAL AGENCY.

**NORTHSTAR EDUCATION FINANCE, INC.
STUDENT LOAN ASSET-BACKED NOTES
SERIES 2006-A
CLASS B**

No. R-_____ \$ _____

DATE OF ISSUANCE
May 11, 2006

FINAL MATURITY DATE
November 28, 2035

INTEREST RATE
Variable

CUSIP No.
66704J BS 6

ISIN
US66704JBS69

EUROPEAN COMMON CODE
025376978

ORIGINAL PRINCIPAL AMOUNT:

REGISTERED OWNER: CEDE & CO.

Northstar Education Finance, Inc., a nonstock nonprofit corporation organized and existing under the laws of the State of Delaware (herein referred to as the “Issuer”), for value received, hereby promises to pay, but only from the sources and as herewith provided, to the registered owner specified above, or its registered assigns (the “Registered Owner”), on each Quarterly Distribution Date (as defined below) the principal sum equal to the Class B Principal Distribution Amount (as defined below) for such Quarterly Distribution Date, according to the priorities described in the Indenture of Trust, dated as of May 1, 2006 (the “Indenture”), between the Issuer and U.S. Bank National Association, as indenture trustee (the “Trustee”);

provided, however, that the entire unpaid principal amount of this Note shall be due and payable on the Final Maturity Date specified above (the "*Class B Maturity Date*"). Capitalized terms used but not defined herein shall have the meanings given in the Indenture.

The Issuer shall pay interest on this Note at the rate per annum equal to the Class B Rate (as defined below), on each Quarterly Distribution Date until the principal of this Note is paid or made available for payment, on the principal amount of this Note outstanding on the preceding Quarterly Distribution Date or on May 11, 2006 in the case of the first Quarterly Distribution Date (after giving effect to all payments of principal made on the preceding Quarterly Distribution Date), subject to certain limitations contained in the Indenture. Interest on this Note shall accrue from and including the preceding Quarterly Distribution Date (or, in the case of the first Interest Accrual Period, May 11, 2006) to but excluding the following Quarterly Distribution Date (each an "*Interest Accrual Period*"). Interest shall be calculated on the basis of the actual number of days elapsed in each Interest Accrual Period divided by 360. Such principal of and interest on this Note shall be paid in the manner specified below.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Note shall be applied first to interest due and payable on this Note as provided above and then to the unpaid principal of this Note.

This Note is a limited obligation of the Issuer, payable solely from the principal and interest on student loans financed pursuant to the Indenture, and certain other revenues and earnings to be held pursuant to the Indenture all in an amount and in the manner provided in the Indenture. Reference is made to the Indenture for a complete statement of the terms and conditions upon which the Notes have been issued and provisions made for the security and for the rights, duties and obligations of the Issuer, the Trustee and the owners of the Notes.

This Note is one of a duly authorized issue of Notes of the Issuer, designated as its Student Loan Asset-Backed Notes, Series 2006-A, Class B (the "*Class B Notes*"), which, together with the Issuer's Student Loan Asset-Backed Notes, Series 2006-A, Class A-1 Notes, Class A-2 Notes, Class A-3 Notes and Class A-4 Notes (collectively, the "*Class A Notes*" and, together with the Class B Notes, the "*Notes*"), are issued under and secured by the Indenture, to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Registered Owners. The Notes are subject to all terms of the Indenture.

The Class B Notes are and will be secured by the trust estate pledged as security therefor as provided in the Indenture. The Class B Notes are junior to the Class A Notes as and to the extent provided in the Indenture.

Principal of the Class B Notes shall be payable on each Quarterly Distribution Date in an amount equal to the lesser of (a) the amounts available to pay principal as described in the Indenture and (b) the product of the Principal Distribution Amount and the Class B Percentage (the "*Class B Principal Distribution Amount*") for such Quarterly Distribution Date. "*Quarterly*

Distribution Date” means the 28th day of each February, May, August and November or, if any such date is not a Business Day, the immediately succeeding Business Day, commencing August 28, 2006.

The entire unpaid principal amount of this Note shall be due and payable on the Class B Maturity Date. Notwithstanding the foregoing, the entire unpaid principal amount of this Note shall be due and payable on the date on which (a) an Event of Default shall have occurred and be continuing and (b) either the Trustee or the Registered Owners of Notes representing a majority of the Outstanding Amount of the Highest Priority Obligations shall have declared the Notes to be immediately due and payable in the manner provided in the Indenture.

Interest on the Class B Notes shall be payable on each Quarterly Distribution Date on the principal amount outstanding of the Class B Notes until the principal amount thereof is paid in full, at a rate per annum equal to the Class B Rate. The “Class B Rate” for each Interest Accrual Period, other than the first Interest Accrual Period, shall be equal to the applicable Three-Month LIBOR, plus 0.55%. The “Class B Rate” for the first Interest Accrual Period shall mean _____%.

Payments of interest on this Note on each Quarterly Distribution Date, together with the installment of principal, if any, to the extent not in full payment of this Note, shall be paid to the Registered Owner on the Record Date by check mailed first-class, postage prepaid to such Person’s address as it appears on the records of the Trustee on such Record Date, except that, unless definitive Notes have been issued pursuant to the Indenture, with respect to Notes registered on the Record Date in the name of the nominee of the Clearing Agency, payment shall be made by wire transfer in immediately available funds to the account designated by such nominee. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Note on a Quarterly Distribution Date, then the Trustee shall notify the Registered Owner at the close of business on the Record Date preceding the Quarterly Distribution Date on which the Issuer expects that the final installment of principal of and interest on such Note will be paid. Such notice shall be mailed or transmitted by facsimile prior to such final Quarterly Distribution Date and shall specify that such final installment will be payable only upon presentation and surrender of such Note and shall specify the place where such Note may be presented and surrendered for payment of such installment.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered upon the records of the Trustee upon surrender for transfer of any Note at the Principal Office of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly authorized in writing, and thereupon the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Note or Notes of the same interest rate and for a like class, and aggregate principal amount of the same maturity.

As to any Note, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either principal or interest on any fully registered Note shall be made only to or upon the written order of the Registered Owner thereof or his legal representative but such registration may be changed as

provided in the Indenture. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums paid.

Each Registered Owner and each transferee of a Note shall be deemed to represent and warrant that either (a) it is not acquiring the Note directly or indirectly for, or on behalf of, an ERISA plan or any entity whose underlying assets are deemed to be plan assets of such ERISA plan; or (b) (i) the acquisition and holding of the Notes will not result in a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar law and (ii) if the Notes are subsequently deemed to be "plan assets" pursuant to the regulations set forth at 29 C.F.R. § 2510.3-101, it will promptly dispose of the Notes.

The Trustee shall require the payment by any Registered Owner requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer. The applicant for any such transfer or exchange may be required to pay all taxes and governmental charges in connection with such transfer or exchange, other than exchanges pursuant to the Indenture.

The term "*Issuer*" as used in this Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee, the Registered Owners under the Indenture.

The Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Note shall be construed in accordance with the laws of the State of Minnesota, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency, herein prescribed.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Note to be duly executed, manually or in facsimile, as of the date set forth below.

Date:

NORTHSTAR EDUCATION FINANCE, INC.

By: _____

Name:

Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes designated above and referred to in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity but solely as Trustee.

By _____
Authorized Signatory

DATE:

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(name and address of assignee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

By _____ *

Name:

Title:

Signature Guaranteed:

By _____ *

*NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular, without alteration, enlargement or any change whatever. Such signature must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar, which requirements include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT C

**FORM OF ISSUER'S MONTHLY
PAYMENT DATE CERTIFICATE**

This Issuer's Monthly Payment Date Certificate (the "*Certificate*") is being provided by Northstar Education Finance, Inc., as Issuer (the "*Issuer*") pursuant to Section 5.03(b) of the Indenture of Trust, dated as of May 1, 2006 (the "*Indenture*"), between the Issuer and U.S. Bank National Association, as indenture trustee (the "*Trustee*"). All capitalized terms used in this Certificate and not otherwise defined shall have the same meanings as assigned to such terms in the Indenture.

The ratio of (A) the total value of the assets in the Trust Estate, less accrued interest and fees payable, over (B) the Outstanding Amount of all Notes, is [equal to or greater than] [less than] than 103%. The amount which is equal to (A) the total value of the assets in the Trust Estate, less accrued interest and fees payable, minus (B) the Outstanding Amount of all Notes, is [equal to or greater than] [less than] 2.25%.

Pursuant to this Certificate, the Issuer hereby directs the Trustee to distribute by 1:00 p.m. (New York time) on _____, _____, from and to the extent of the amounts on deposit in the Collection Fund, the following amounts to the following parties:

to the Issuer: \$ _____

to the Servicer: \$ _____

The Issuer hereby certifies that the information herein is true and accurate in all material respects and that the Trustee may conclusively rely on this Certificate with no further duty to examine or determine the information contained herein.

IN WITNESS WHEREOF, the Issuer has caused this Certificate to be duly executed and delivered as of the date written below.

Date: _____, 20__

NORTHSTAR EDUCATION FINANCE, INC.

By: _____

Name:

Title:

EXHIBIT D

FORM OF ISSUER'S QUARTERLY DISTRIBUTION DATE CERTIFICATE

SERIES 2006-A NOTES, WATERFALL FOR DISTRIBUTIONS

REMAINING
FUNDS
BALANCE

Total Available Funds (Collection Fund)

Payments to the Trustee, and to the Issuer Administrator for payment of servicing and administration fees and marketing and school services expense allowance

Interest Payments to Class A Noteholders

Class A-1 Notes

Class A-2 Notes

Class A-3 Notes

Class A-4 Notes

TOTAL INTEREST DISTRIBUTION ON CLASS A NOTES

Interest Payments to Class B Noteholders

Class B Notes

TOTAL INTEREST DISTRIBUTION ON CLASS B NOTES

Reserve Fund - amount, if any, necessary to restore the Reserve Fund to the Reserve Fund Requirement

The T.H.E. Deposit Amount, so long as not T.H.E. Suspension Event has occurred and is continuing

Principal Payments to Class A Noteholders

The Class A Principal Distribution Amount to the Class A-1 Noteholders (until paid in full);

The Class A Principal Distribution Amount to the Class A-2 Noteholders (until paid in full);

The Class A Principal Distribution Amount to the Class A-3 Noteholders (until paid in full);

REMAINING
FUNDS
BALANCE

SERIES 2006-A NOTES, WATERFALL FOR DISTRIBUTIONS

The Class A Principal Distribution Amount to the Class A-4 Noteholders (until paid in full);

Principal Payments to Class B Noteholders

On and after the Stepdown Date (and provided no Class B Note Interest Trigger Event is in effect), the Class B Principal Distribution Amount to the Class B Noteholders (until paid in full);

To the Issuer Administrator, for payment of any unpaid carry-over servicing and administration fee and marketing and school services expense allowance

Remaining amounts

NORTHSTAR EDUCATION FINANCE, INC.

By: _____
Name:
Title:

EXHIBIT E

BORROWER INCENTIVES AND SPECIAL PROGRAMS

T.H.E. Bonus Program