

FIRST SUPPLEMENT TO FIRST AMENDED AND RESTATED INDENTURE OF TRUST

between

NORTHSTAR EDUCATION FINANCE, INC.

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of October 1, 2005

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This First Supplement to First Amended and Restated Indenture of Trust, dated as of October 1, 2005, between Northstar Education Finance, Inc., a Delaware nonstock, nonprofit corporation (the "*Issuer*"), and U.S. Bank National Association, a national banking association duly established, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States (the "*Trustee*");

WITNESSETH:

WHEREAS, the Issuer, U.S. Bank National Association, as eligible lender trustee, and the Trustee, as indenture trustee, have executed and delivered a First Amended and Restated Indenture of Trust, dated as of the date hereof (as amended and supplemented from time to time, the "*Indenture*"); and

WHEREAS, the Indenture prescribes the terms and conditions upon which the Issuer may from time to time authorize and issue series of Notes (as defined in the Indenture); and

WHEREAS, the Issuer has, by proper action of its Board, authorized and determined to issue five series of Senior Notes in the respective aggregate principal amounts of \$193,100,000 (the "*Series 2005-1A-1 Notes*"), \$118,300,000 (the "*Series 2005-1A-2 Notes*"), \$227,900,000 (the "*Series 2005-1A-3 Notes*"), \$210,700,000 (the "*Series 2005-1A-4 Notes*") and \$250,000,000 (the "*Series 2005-1A-5 Notes*" and, together with the Series 2005-1A-1 Notes, the Series 2005-1A-2 Notes, the Series 2005-1A-3 Notes and the Series 2005-1A-4 Notes, the "*Series 2005-1A Notes*") and one series of Subordinate Notes in the aggregate principal amount of \$20,000,000 (the "*Series 2005-1B Notes*" and, together with the Series 2005-1A Notes, the "*Series 2005-1 Notes*"); and

WHEREAS, the Issuer desires by this First Supplement to prescribe the terms and provisions of the Series 2005-1 Notes, all as more fully set forth herein; and

WHEREAS, the execution and delivery of this First Supplement and the issuance of the Series 2005-1 Notes have been in all respects duly and validly authorized by the Issuer;

NOW, THEREFORE, THIS FIRST SUPPLEMENT WITNESSETH:

SECTION 1. DEFINITIONS.

In this First Supplement, the terms defined in the Indenture shall, except as otherwise provided in this Section 1, have the same meaning when used herein unless the context or use thereof indicates another or different meaning or intent. In addition, the following terms shall have the following respective meanings unless the context hereof clearly requires otherwise:

"*Actual/Actual (ISMA) Accrual Method*" shall mean a calculation in accordance with the definition of "Actual/Actual" adopted by the International Securities Market Association ("*ISMA*"), which means that interest is calculated on the following basis:

(a) where the number of days in the relevant Interest Period is equal to or shorter than the determination period during which such Interest Period ends, the number of days in such Interest Period divided by the product of (i) the number of days in such determination period and (ii) the number of distribution dates that would occur in one calendar year; or

(b) where the Interest Period is longer than the determination period during which the Interest Period ends, the sum of:

(i) the number of days in such Interest Period falling in the determination period in which the Interest Period begins divided by the product of (x) the number of days in such determination period and (y) the number of distribution dates that would occur in one calendar year; and

(ii) the number of days in such Interest Period falling in the next determination period divided by the product of (x) the number of days in such determination period and (y) the number of distribution dates that would occur in one calendar year;

where “determination period” means the period from and including one calculation date to but excluding the next calculation date and “calculation date” means, in each year, each of those days in the calendar year that are specified herein as being the scheduled distribution dates.

“*Administrative Allowance*” shall mean an amount equal to 0.50% of claim payments Guarantee Agencies make to the Issuer on defaulted Student Loans (so long as a Servicer qualifies as an “exceptional performer” under the Higher Education Act), plus a monthly allowance equal to 1/12 of 0.5% 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 the Rating Agency Condition is met with respect to any increase in such amount).

“*All Hold Rate*” shall mean, on any date of determination, the Applicable LIBOR-Based Rate less 0.25%, *provided* that in no event shall the applicable All Hold Rate be greater than the applicable Maximum Rate.

“*Applicable Interest Rate*” shall mean the rate of interest per annum borne from time to time by a series of the Series 2005-1 Notes, which shall be (i) during the Initial Interest Period for such series, the Initial Interest Rate, (ii) during each Interest Period thereafter for the Auction Rate Notes or Auction Rate Reset Notes, the rate of interest determined in accordance with the provisions of Sections 4 through 12 hereof, (iii) during each Interest Period thereafter for the LIBOR Rate Notes, LIBOR plus 0.10% with respect to the Series 2005-1A-1 Notes, LIBOR plus 0.13% with respect to the Series 2005-1A-2 Notes, LIBOR plus 0.17% with respect to the Series 2005-1A-3 Notes, and LIBOR plus 0.23% with respect to the Series 2005-1A-4 Notes and (iv) during each Reset Period after the Initial Interest Period for the Reset Rate Notes (other than

Auction Reset Rate Notes), the rate of interest determined in accordance with the Reset Rate Note Procedures.

“Applicable LIBOR-Based Rate” shall mean (a) for an Auction Period of 35 days or less, One-Month LIBOR, (b) for an Auction Period of more than 35 days but less than 115 days, Three-Month LIBOR, (c) for an Auction Period of more than 114 days but less than 195 days, Six-Month LIBOR, and (d) for an Auction Period of more than 194 days, One-Year LIBOR.

“Applicable Number of Business Days” shall mean the greater of two Business Days or one Business Day plus the number of Business Days by which the Auction Date precedes the first day of the next succeeding Interest Period.

“Auction” shall mean the implementation of the Auction Procedures on an Auction Date.

“Auction Agent” shall mean the Initial Auction Agent under the Initial Auction Agent Agreement unless and until a Substitute Auction Agent Agreement becomes effective, after which *“Auction Agent”* shall mean the Substitute Auction Agent.

“Auction Agent Agreement” shall mean the Initial Auction Agent Agreement unless and until a Substitute Auction Agent Agreement is entered into, after which *“Auction Agent Agreement”* shall mean such Substitute Auction Agent Agreement.

“Auction Agent Fee” shall have the meaning ascribed to such term in the Auction Agent Agreement.

“Auction Agent Fee Rate” shall have the meaning ascribed to such term in the Auction Agent Agreement.

“Auction Date” shall mean, initially, with respect to the Series 2005-1B Notes, November 29, 2005, and thereafter, the Business Day immediately preceding the first day of each succeeding Auction Period, other than:

- (a) an Auction Period commencing after the ownership of such series is no longer maintained in Book-Entry Form by the Securities Depository;
- (b) an Auction Period commencing after and during the continuance of a Payment Default; or
- (c) an Auction Period commencing less than the Applicable Number of Business Days after the cure or waiver of a Payment Default.

Notwithstanding the foregoing, the Auction Date for one or more Auction Periods may be changed pursuant to Section 11 hereof.

“Auction Period” shall mean the Interest Period applicable to the Auction Rate Notes or Auction Reset Rate Notes, which Auction Period (after the Initial Interest Period for such series)

initially shall consist generally of 28 days, as the same may be adjusted pursuant to Section 10 hereof.

“*Auction Period Adjustment*” shall mean an adjustment to the Auction Period as provided in Section 10 hereof.

“*Auction Procedures*” shall mean the procedures set forth in Section 4 through Section 11 hereof by which the Auction Rate is determined.

“*Auction Rate*” shall mean the rate of interest per annum that results from implementation of the Auction Procedures and is determined as described in Section 4(c)(ii) hereof.

“*Auction Rate Notes*” shall mean the Series 2005-1B Notes.

“*Auction Rate Reset Notes*” shall mean the Reset Rate Notes then bearing interest at an Auction Rate as determined in accordance with the Auction Procedures.

“*Authorized Denominations*” shall mean (a) with respect to the LIBOR Rate Notes, \$100,000 and multiples of \$1,000 in excess thereof, (b) with respect to the Reset Rate Notes, \$100,000 and multiples of \$1,000 in excess thereof and (c) with respect to the Auction Rate Notes, \$50,000 and any integral multiple thereof.

“*Available Auction Rate Notes*” shall have the meaning ascribed to such term in Section 4(c)(i)(A) hereof.

“*Bid*” shall have the meaning ascribed to such term in Section 4(a)(i) hereof.

“*Bidder*” shall have the meaning ascribed to such term in Section 4(a)(i) hereof.

“*Book-Entry Form*” or “*Book-Entry System*” shall mean a form or system under which (i) the beneficial right to principal and interest may be transferred only through a book entry and (ii) physical securities in registered form are issued only to a Securities Depository or its nominee as registered holder, with the securities “immobilized” to the custody of the Securities Depository.

“*Broker-Dealer*” shall mean initially, with respect to the Series 2005-1B Notes, Banc of America Securities LLC, or any other broker or dealer (each as defined in the Exchange Act), commercial bank or other entity permitted by law to perform the functions required of a Broker-Dealer set forth in the Auction Procedures that (a) is a Participant (or an affiliate of a Participant), (b) has been appointed as such with respect to such series of Auction Rate Notes by the Issuer pursuant to Section 9 hereof and (c) has entered into a Broker-Dealer Agreement that is in effect on the date of reference.

“*Broker-Dealer Agreement*” shall mean each agreement between the Auction Agent and a Broker-Dealer, approved by the Issuer, pursuant to which the Broker-Dealer agrees to

participate in Auctions as set forth in the Auction Procedures, as such agreement may from time to time be amended or supplemented. Each Broker-Dealer Agreement shall be in substantially the form of the Broker-Dealer Agreement, dated as of October 1, 2005, between Deutsche Bank Trust Company Americas, as Auction Agent, and Banc of America Securities, LLC, as Broker-Dealer.

“Broker-Dealer Fee” shall have the meaning ascribed to such term in the Auction Agent Agreement.

“Broker-Dealer Fee Rate” shall have the meaning ascribed to such term in the Broker-Dealer Agreement.

“Business Day” shall mean any day other a Saturday, Sunday, holiday or day on which banks located in the city of New York, New York, or the New York Stock Exchange or in the city in which the Principal Office of the Trustee is located are authorized or permitted by law or executive order to close and, with respect to the LIBOR Rate Notes and any Reset Rate Notes the interest rate of which uses LIBOR as the index, for purposes of calculating LIBOR, any day on which banks in New York, New York and London, England are open for the transaction of international business and, with respect to the Auction Rate Notes, the term “business day” shall also exclude April 14, April 15, December 30, December 31, such other dates as the Issuer may agree with the Market Agent, the Auction Agent and the Broker-Dealer or any day on which the banks in the city in which the Principal Office of the Auction Agent is located are authorized or permitted by law or executive order to close.

“Call Option” shall mean the purchase in lieu of redemption option, held by the Issuer, to purchase 100% of the Reset Rate Notes as of the related Reset Date, exercisable at a price equal to 100% of the Outstanding Principal Amount of the Reset Rate Notes, less all amounts distributed to the Reset Rate Noteholders as a payment of principal in respect of the related Quarterly Distribution Date, plus any accrued and unpaid interest not paid by the Issuer in respect of the related Quarterly Distribution Date, and pursuant to the terms and conditions set forth in the Reset Rate Note Procedures.

“Call Option Notice” shall mean a written notice from the Issuer, stating its desire to exercise the Call Option on the related Reset Date, delivered to each Clearing Agency, the Indenture Trustee, the Remarketing Agents, the Rating Agencies and, if the Reset Rate Notes are then listed on the Irish Stock Exchange, the Irish Listing Agent (the contents of which are to be published in a leading newspaper having general circulation in Ireland).

“Call Rate” shall mean, if a Call Option has been exercised with respect to the Reset Rate Notes, the rate of interest that is either (a) if the Reset Rate Notes did not have at least one Currency Swap Agreement or Interest Rate Swap Agreement, as applicable, in effect during the previous Reset Period, the floating rate applicable for the most recent Reset Period during which the Failed Remarketing Rate was not in effect; or (b) if the Reset Rate Notes had one or more related Currency Swap Agreement or Interest Rate Swap Agreement, as applicable, in effect during the previous Reset Period, the weighted average of the floating rates of interest that were due to the related Interest Rate Swap Counterparties from the Issuer during the previous Reset

Period. The Call Rate will continue to apply to each Reset Period while the Issuer retains the Reset Rate Notes.

“*Carry-Over Amount*” shall mean the excess, if any, of (a) the amount of interest on an Auction Rate Note that would have accrued with respect to the related Auction Period at the Auction Rate over (b) the amount of interest on such Notes actually accrued with respect to such Auction Period based on the Maximum Rate, together with the unpaid portion of any such excess from prior Auction Periods; *provided* that any reference to “principal” or “interest” in this First Supplement, in the Indenture, and in the Auction Rate Notes shall not include, within the meanings of such words, any Carry-Over Amount or any interest accrued on any Carry-Over Amount.

“*Clearing Agency*” shall mean the Securities Depository, Euroclear or Clearstream, Luxembourg, as applicable, or another organization registered as a “clearing agency” pursuant to applicable law and appointed by the Issuer.

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

“*Closing Date*” shall mean October 25, 2005, the date of initial issuance and delivery of the Series 2005-1 Notes hereunder.

“*CMT Rate*” shall mean, for the Reset Rate Notes bearing interest at a floating rate based on the CMT Rate for any relevant Interest Rate Determination Date, the rate displayed on the applicable Designated CMT Money line Telerate Page described below by 3:00 p.m., New York City time, on that Interest Rate Determination Date under the caption “Treasury Constant Maturities Federal Reserve Board Release H.15 Mondays...Approximately 3:45 p.m.,” under the column for:

(a) If the Designated CMT Money line Telerate Page is 7051, the rate on that Interest Rate Determination Date; or

(b) If the Designated CMT Money line Telerate Page is 7052, the average for the week, or the month, as specified on the related Remarketing Terms Determination Date, ended immediately before the week in which the related Interest Rate Determination Date occurs.

The following procedures will apply if the CMT Rate cannot be determined as described above:

(a) If the rate described above is not displayed on the relevant page by 3:00 p.m., New York City time on such Interest Rate Determination Date, unless the calculation is made earlier and the rate is available from that source at that time on that Interest Rate Determination Date, then the CMT Rate will be the Treasury constant maturity rate having the designated index maturity, as published in H.15(519) or another recognized electronic source for displaying the rate.

(b) If the applicable rate described above is not published in H.15(519) or another recognized electronic source for displaying such rate by 3:00 p.m., New York City time on such Interest Rate Determination Date, unless the calculation is made earlier and the rate is available from one of those sources at that time, then the CMT Rate will be the Treasury constant maturity rate, or other United States Treasury rate, for the index maturity and with reference to the relevant Interest Rate Determination Date, that is published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury and that the Issuer determines to be comparable to the rate formerly displayed on the Designated CMT Money line Telerate Page shown above and published in H.15(519).

(c) If the rate described in the prior paragraph cannot be determined, then the Issuer will determine the CMT Rate to be a yield to maturity based on the average of the secondary market closing offered rates as of approximately 3:30 p.m., New York City time, on the relevant Interest Rate Determination Date reported, according to their written records, by leading primary United States government securities dealers in New York City. The Issuer shall select five such securities dealers and will eliminate the highest and lowest quotations or, in the event of equality, one of the highest and lowest quotations, for the most recently issued direct nonmalleable fixed rate obligations of the United States Treasury ("Treasury Notes") with an original maturity of approximately the designated index maturity and a remaining term to maturity of not less than the designated index maturity minus one-year in a representative amount.

(d) If the Issuer cannot obtain three Treasury Note quotations of the kind described in the prior paragraph, the Issuer will determine the CMT Rate to be the yield to maturity based on the average of the secondary market bid rates for Treasury Notes with an original maturity longer than the designated CMT index maturity which have a remaining term to maturity closest to the designated CMT index maturity and in a representative amount, as of approximately 3:30 p.m., New York City time, on the relevant Interest Rate Determination Date of leading primary United States government securities dealers in New York City. In selecting these offered rates, the Issuer will request quotations from at least five such securities dealers and will disregard the highest quotation (or if there is equality, one of the highest) and the lowest quotation (or if there is equality, one of the lowest). If two Treasury Notes with an original maturity longer than the designated CMT index maturity have remaining terms to maturity that are equally close to the designated CMT index maturity, the Issuer will obtain quotations for the Treasury Note with the shorter remaining term to maturity.

(e) If three or four (but not five) leading primary United States government securities dealers are quoting as described in the prior paragraph, then the CMT Rate for the relevant Interest Rate Determination Date will be based on the average of the bid rates obtained and neither the highest nor the lowest of those quotations will be eliminated.

(f) If fewer than three leading primary United States government securities dealers selected by the Issuer are quoting as described above, the CMT Rate will remain the CMT Rate then in effect on that Interest Rate Determination Date.

“*Commercial Paper Rate*” shall mean, for the Reset Rate Notes bearing interest at a floating rate based on the Commercial Paper Rate, for any relevant Interest Rate Determination Date prior to each Interest Rate Change Date, the Bond Equivalent Yield shown below the rate for 90-day commercial paper, as published in H.15(519) prior to 3:00 p.m., New York City time, on such Interest Rate Determination Date under the heading “Commercial Paper—Financial.”

The Issuer shall observe the following procedures if the Commercial Paper Rate cannot be determined as described above:

(a) If the rate described above is not published in H.15(519) by 3:00 p.m., New York City time, on such Interest Rate Determination Date, unless the calculation is made earlier and the rate was available from that source at that time, then the Commercial Paper Rate will be the Bond Equivalent Yield of the rate on the relevant Interest Rate Determination Date, for commercial paper having the index maturity specified on the Remarketing Terms Determination Date, as published in H.15 Daily Update or any other recognized electronic source used for displaying that rate under the heading “Commercial Paper—Financial.” The “Bond Equivalent Yield” will be calculated as follows:

$$\text{Bond Equivalent Yield} = \frac{N \times D}{360 (D \times 90)} \times 100$$

where “D” refers to the per annum rate determined as set forth above, quoted on a bank discount basis and expressed as a decimal and “N” refers to 365 or 366, as the case may be.

(b) If the rate described in the prior paragraph cannot be determined, the Commercial Paper Rate will remain the Commercial Paper Rate then in effect on that Interest Rate Determination Date.

(c) The Commercial Paper Rate will be subject to a lock-in period of six New York City business days.

“*Currency Swap Agreement*” shall mean with respect to the Reset Rate Notes in Foreign Exchange Mode, each Swap Agreement between the Issuer and a Currency Swap Counterparty which (a) converts the secondary market trade proceeds into U.S. Dollars received on the effective day of such Currency Swap Agreement; (b) converts all principal payments in U.S. Dollars by the Issuer to the Reset Rate Noteholders into the applicable currency; (c) converts the interest rate on the Reset Rate Notes from a LIBOR-based rate to a fixed or floating rate payable in the applicable currency; (d) converts the U.S. Dollar equivalent of all secondary market trade proceeds received on the related Reset Date resulting in the successful remarketing of the Reset Rate Notes or the exercise of a Call Option into the applicable currency for the payment of principal to the tendering series Reset Rate Noteholders; or (e) pays to the Paying Agent, on the

Issuer's behalf, for the benefit of the tendering Reset Rate Noteholders, the required amount of additional interest at the interest rate applicable to the tendered Reset Rate Notes resulting from any required delay in Reset Date payments through Euroclear and Clearstream, Luxembourg.

"Currency Swap Counterparty" shall mean each Eligible Swap Counterparty that is a party, in its capacity as swap counterparty, to the related Currency Swap Agreement.

"Day Count Basis" shall mean 30/360, actual/360, actual/365 (Fixed), actual/actual (accrual basis), actual/actual (ISMA) or Actual/Actual (payment basis), as applicable, or any other day count basis set forth in the Remarketing Terms Notice.

"Eligible Carry-Over Make-Up Amount" shall mean, with respect to each Interest Period relating to the Auction Rate Notes as to which, as of the first day of such Interest Period, there is any unpaid Carry-Over Amount, an amount equal to the lesser of (a) interest computed on the principal balance of such series in respect of such Interest Period at a per annum rate equal to the excess, if any, of the Maximum Rate over the Applicable Interest Rate, and (b) the aggregate Carry-Over Amount remaining unpaid as of the first day of such Interest Period together with interest accrued and unpaid thereon through the end of such Interest Period. The Eligible Carry-Over Make-Up Amount shall be \$0.00 for any Interest Period with respect to which the Maximum Rate equals or exceeds the Auction Rate.

"Eligible Swap Counterparty" shall mean an entity, which may be an affiliate of a Remarketing Agent, engaged in the business of entering into derivative instrument contracts that satisfies the Rating Agency Condition.

"EURIBOR" shall mean, for any Interest Period, the Euro-zone interbank offered rate for deposits in Euros having a maturity of three months, commencing on the first day of the Interest Period, which appears on Telerate Page 248 as of 11:00 a.m. Brussels time, on the related EURIBOR Determination Date. If an applicable rate does not appear on Telerate Page 248, the rate for that day will be determined on the basis of the rates at which deposits in Euros, having the applicable maturity and in a principal amount of not less than €1,000,000, are offered at approximately 11:00 a.m., Brussels time, on that EURIBOR Determination Date, to prime banks in the Euro-zone interbank market by the Reference Banks. The Issuer will request the principal Euro-zone 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 the Euro-zone, selected by the Issuer, at approximately 11:00 a.m. Brussels time, on that EURIBOR Determination Date, for loans in Euros to leading European banks having the applicable maturity and in a principal amount of not less than €1,000,000. If the banks selected as described above are not providing quotations, three-month EURIBOR in effect for the applicable Interest Period will be three-month EURIBOR in effect for the previous Interest Period. If the Reset Rate Notes bear interest at a rate based on EURIBOR, interest due for any Interest Period will always be determined based on the actual number of days elapsed in the Interest Period over a 360-day year.

“*EURIBOR Determination Date*” shall mean, for each Interest Period, the day that is two Settlement Days before the beginning of that Interest Period.

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

“*Existing Holder*” shall mean (i) with respect to and for the purpose of dealing with the Auction Agent in connection with an Auction, a Person who is a Broker-Dealer listed in the Existing Holder Registry at the close of business on the Business Day immediately preceding such Auction and (ii) with respect to and for the purpose of dealing with the Broker-Dealer in connection with an Auction, a Person who is a beneficial owner of Auction Rate Notes.

“*Extension Rate*” shall mean, for each Quarterly Distribution Date following a Failed Remarketing when the Reset Rate Notes are in Foreign Exchange Mode, the rate of interest payable to each Currency Swap Counterparty set at the time such Currency Swap Agreement is entered into; *provided* that in any such case the Rating Agency Condition must be satisfied.

“*Existing Holder Registry*” shall mean the registry of Persons who are owners of the Auction Rate Notes, maintained by the Auction Agent as provided in the Auction Agent Agreement.

“*Failed Remarketing*” shall mean, on any Reset Date for the Reset Rate Notes, the situation where:

(a) the Remarketing Agents, in consultation with the Issuer, cannot establish one or more of the terms required to be set on the Remarketing Terms Determination Date;

(b) the Remarketing Agents or the Auction Agent, as applicable, are unable to establish the Spread, the initial auction rate or the fixed rate on the Interest Rate Determination Date;

(c) either the Remarketing Agents or the Broker-Dealer, as applicable, are unable to remarket all or some of the tendered Reset Rate Notes at the Spread, the initial auction rate or the fixed rate established on the Interest Rate Determination Date, or any committed purchasers default on their purchase obligations and in their sole discretion, the Remarketing Agents elect not to purchase those Reset Rate Notes themselves;

(d) the Remarketing Agents, in consultation with the Issuer, are unable to obtain one or more Currency Swap Agreements or Interest Rate Swap Agreements, as applicable, meeting the required criteria, if applicable;

(e) any applicable Rating Agency Condition has not been satisfied; or

(f) any of the conditions specified in Section 8 of the Remarketing Agreement are not satisfied.

“Failed Remarketing Rate” shall mean, for any Reset Period when the Reset Rate Notes are denominated in U.S. Dollars, Three-Month LIBOR plus 0.75%; and for any Reset Period when the Reset Rate Notes are in Foreign Exchange Mode, the rate that will be determined on the related Interest Rate Determination Date pursuant to the terms of the related Currency Swap Agreement.

“Federal Funds Rate” shall mean, with respect to the Reset Rate Notes bearing interest at a floating interest rate, for any relevant Interest Rate Determination Date, the rate for U.S. dollar Federal funds, as published in H.15(519) for that day opposite the caption “Federal Funds (Effective)” as that rate is displayed on such Interest Rate Determination Date on Money line Telerate Page 120 under the heading “Federal Funds Rate.” The Issuer shall observe the following procedures if the Federal Funds Rate cannot be determined as described above:

(a) If the rate described above does not appear on Money line Telerate Page 120 or is not yet published in H.15(519) by 3:00 p.m., New York City time, on such Interest Rate Determination Date, unless the calculation is made earlier and the rate was available from that source at that time, then the Federal funds rate for the relevant Interest Rate Determination Date will be the rate described above in H.15 Daily Update, or any other recognized electronic source used for the purpose of displaying such rate, opposite the heading “Federal Funds (Effective).”

(b) If the rate described above does not appear on Money line Telerate Page 120 or is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source for displaying such rate by 3:00 p.m., New York City time, on such Interest Rate Determination Date, the Federal Funds Rate for that Interest Rate Determination Date will be the arithmetic mean of the rates for the last transaction in overnight U.S. Dollar Federal funds arranged by three leading brokers of Federal Funds transactions in New York City, selected by the Issuer, on such Interest Rate Determination Date.

(c) If fewer than three brokers selected by the Issuer are quoting as described above, the Federal Funds Rate will remain the Federal Funds Rate then in effect on the relevant Interest Rate Determination Date.

“First Supplement” shall mean this First Supplement to First Amended and Restated Indenture of Trust, dated as of October 1, 2005, between the Issuer and the Trustee, as amended or supplemented in accordance with the terms hereof and of the Indenture.

“Foreign Exchange Mode” shall mean that the Reset Rate Notes are denominated in a currency other than U.S. Dollars during the related Reset Period.

“GBP-LIBOR” shall mean, for any Interest Period, the London interbank offered rate for deposits in Pounds Sterling having the specified maturity commencing on the first day of the Interest Period, which appears on Telerate Page 3750 as of 11:00 a.m. London time, on the related GBP-LIBOR Determination Date. If an applicable 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

Pounds Sterling, having the specified maturity and in a principal amount of not less than £1,000,000 are offered at approximately 11:00 a.m., London time, on such GBP-LIBOR Determination Date, to prime banks in the London interbank market by the Reference Banks. The Issuer 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 prime banks in London, selected by the Issuer, at approximately 11:00 a.m. London time, on such GBP-LIBOR Determination Date, for loans in Pounds Sterling to leading European banks having the specified maturity and in a principal amount of not less than £1,000,000. If the banks selected as described above are not providing quotations, GBP-LIBOR in effect for the applicable Interest Period will be GBP-LIBOR for the specified maturity in effect for the previous Interest Period. For any GBP-LIBOR-based securities, interest due for any Interest Period will always be determined based on the actual number of days elapsed in the Interest Period over a 365-day year.

“GBP-LIBOR Determination Date” shall mean, for any Interest Period, the day that is two GBP-LIBOR Settlement Days before the beginning of that Interest Period.

“GBP-LIBOR Settlement Day” shall mean any day on which banks in both London and New York City are open for business.

“Hold Notice” shall mean a written statement (or an oral statement confirmed in writing, which may be by e-mail) from a holder of Reset Rate Note denominated in U.S. Dollars during the then-current and immediately following Reset Periods, delivered to a Remarketing Agent stating that the holder desires to hold some or all of its Reset Rate Notes for the upcoming Reset Period and affirmatively agrees to receive a rate of interest of not less than the applicable Reset Rate Note All Hold Rate during such Reset Period.

“Hold Order” shall have the meaning ascribed to such term in Section 4(a)(i) hereof.

“Indenture” shall mean the First Amended and Restated Indenture of Trust, dated as of October 1, 2005, from the Issuer and the Eligible Lender Trustee to the Trustee as amended and supplemented from time to time.

“Index” or *“Indices”* shall mean LIBOR, EURIBOR, GBP-LIBOR, a Commercial Paper Rate, the CMT Rate, the Federal Funds Rate, the 91-day Treasury Bill Rate, the Prime Rate or any other interest rate index specified in the Reset Rate Notes.

“Initial Auction Agent” shall mean Deutsche Bank Trust Company Americas, a New York banking corporation, its successors and assigns, in its capacity as auction agent under the Initial Auction Agent Agreement.

“Initial Auction Agent Agreement” shall mean the Auction Agent Agreement, dated as of October 1, 2005, by and among the Issuer, the Trustee and the Initial Auction Agent, including any amendment thereof or supplement thereto.

“Initial Interest Period” shall mean, as to a series of Series 2005-1 Notes, the period commencing on the Closing Date and continuing through the day immediately preceding the Initial Interest Rate Adjustment Date for such series.

“Initial Interest Rate” shall mean 4.30975% per annum for the Series 2005-1A-1 Notes, 4.33975% per annum for the Series 2005-1A-2 Notes, 4.37975% per annum for the Series 2005-1A-3 Notes, 4.43975% per annum for the Series 2005-1A-4 Notes, 4.74% per annum for the Series 2005-1A-5 Notes and 4.07% per annum for the Series 2005-1B Notes. The Trustee shall determine the Initial Interest Rate for the 2005-1A-1 Notes, the Series 2005-1A-2 Notes, the Series 2005-1A-3 notes and the Series 2005-1A-4 Notes by reference to straight-line interpolation between three-month and four-month LIBOR based on the actual number of days in the Initial Interest Period, determined by the Trustee on the second Business Day prior to the Closing Date using the following formula:

$$x + 5/33 * (y-x)$$

where: x = three-month LIBOR, and y = four-month LIBOR, in each case, as of the second Business Day before the start of the Initial Interest Period.

“Initial Interest Rate Adjustment Date” shall mean, with respect to the LIBOR Rate Notes, January 30, 2006, with respect to the Reset Rate Notes, the Initial Reset Date and with respect to the Auction Rate Notes, November 30, 2005.

“Initial Interest Rate Swap Agreements” shall mean the 2002 ISDA Master Agreement, dated as of October 13, 2005, between the Issuer and Bank of America, N.A., the related Schedule and the two related Confirmations, dated as of October 18, 2005, and the 2002 ISDA Master Agreement, dated as of October 13, 2005, between the Issuer and Royal Bank of Canada, the related Schedule and the two related Confirmations, dated October 13, 2005.

“Initial Reset Date” shall mean, for the Reset Rate Notes, the Quarterly Distribution Date in October of 2008.

“Initial Reset Date Notice” shall mean the written notice delivered pursuant to Section 3(a) of the Reset Rate Note Procedures.

“Interest Payment Date” shall mean (i) each regularly scheduled interest payment date on the Series 2005-1 Notes, (a) which for each series of the LIBOR Rate Notes and Reset Rate Notes (other than Auction Rate Reset Notes) shall be each Quarterly Distribution Date and (b) for each series of Auction Rate Notes and Auction Rate Reset Notes shall be the Business Day immediately following the expiration of the Initial Interest Period for such series and each related Auction Period thereafter; *provided, however*, if the duration of the Interest Period for the Auction Rate Notes or Auction Rate Reset Notes is six months or longer, then the Interest Payment Dates therefor shall be the Quarterly Distribution Dates and on the first Business Day immediately following the end of such Interest Period; or (ii) with respect to the payment of interest upon acceleration of the Series 2005-1 Notes, such date on which such interest is payable under the Indenture. Notwithstanding the foregoing, upon any Failed Remarketing of the Reset

Rate Notes, distributions of interest on the Reset Rates Notes will be made on each Quarterly Distribution Date thereafter until the Reset Rate Notes are successfully remarketed.

“Interest Period” shall mean (a) for the LIBOR Rate Notes or Reset Rate Notes (other than Auction Rate Reset Notes), (i) with respect to the initial Quarterly Distribution Date, the Initial Interest Period; and (ii) with respect to each Quarterly Distribution Date thereafter, the period beginning on the prior Quarterly Distribution Date and ending on the day immediately preceding such Quarterly Distribution Date, (b) for the Auction Rate Notes or Auction Rate Reset Rate Notes, (i) unless otherwise changed as described herein, initially, the period commencing on the Closing Date to and not including the Initial Interest Rate Adjustment Date for such series, and, thereafter, each successive period of generally 28 days, commencing on the first Business Day following the applicable Series Auction Date, and ending on (and including) the applicable Series Auction Date (unless such date is not followed by a Business Day, in which case on the next succeeding day that is followed by a Business Day); and (ii) if the Auction Periods are changed as provided herein, each period commencing on an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date. By way of example, if an Interest Period for the Auction Rate Notes ordinarily would end on a Tuesday, but the following Wednesday is not a Business Day, the Interest Period will end on that Wednesday and the new Interest Period will begin on Thursday.

“Interest Rate Adjustment Date” shall mean (a) with respect to the LIBOR Rate Notes and the Reset Rate Notes (other than Auction Rate Reset Notes), each Quarterly Distribution Date and (b) with respect to the Auction Rate Notes and the Auction Rate Reset Notes, the date on which the interest rate thereon is effective, which for the Auction Rate Notes and the Auction Rate Reset Notes shall be the date of commencement of each Auction Period for such series.

“Interest Rate Change Date” shall mean, for each Interest Period, the date or dates, based on the applicable Index, on which the rate of interest for the Reset Rate Notes bearing interest at a floating rate is to be reset.

“Interest Rate Determination Date” shall mean, (a) for the Auction Rate Notes or the Auction Rate Reset Notes, the Auction Date for such series, or, if no Auction Date is applicable to such series, the Business Day immediately preceding the date of commencement of an Auction Period and (b) for the Reset Rate Notes that bear interest at (i) a LIBOR, GBP-LIBOR or EURIBOR based rate, the related LIBOR or EURIBOR Determination Date, as applicable; or (ii) a floating rate that is not LIBOR, GBP LIBOR or LIBOR based, the applicable date or dates set forth in the Remarketing Terms Notice, on which the applicable rate of interest to be in effect as of the next Interest Rate Change Date will be determined by the Issuer.

“Interest Rate Swap Agreement” shall mean, each Initial Interest Rate Swap Agreement, or, with respect to the Reset Rate Notes during any Reset Period when they are denominated in U.S. Dollars and (i) bear a fixed rate of interest (or bear interest based on LIBOR or a U.S. Commercial Paper Rate, if an Interest Rate Swap Agreement is to be entered into pursuant to the Reset Rate Note Procedures), or (ii) bear interest based on an index other than LIBOR or a U.S. Commercial Paper Rate, any Swap Agreement between the Issuer and an Eligible Swap

Counterparty, to hedge the basis risk during the related Reset Period. Any such Interest Rate Swap Agreement will be an Other Senior Obligation of the Issuer.

“Interest Rate Swap Counterparty” shall mean each Eligible Swap Counterparty that is a party, in its capacity as swap counterparty, to the related Interest Rate Swap Agreement. Any such Interest Rate Swap Counterparty will be an Other Senior Beneficiary.

“Irish Listing Agent” shall mean, initially, McCann Fitzgerald Listing Services Limited.

“LIBOR” shall mean, with respect to the LIBOR Rate Notes and any Interest Period other than the Initial Interest Period, the London interbank offered rate for deposits in U.S. dollars having a maturity of three months, which appears on Telerate Page 3750 as of 11:00 a.m., London time, on the related LIBOR Determination Date as determined by the Trustee or its agent. 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 a maturity of three months 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 Trustee will request the principal London office of each Reference Bank identified to it by the Issuer 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 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 a maturity of three months 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, LIBOR in effect for the applicable Interest Period will be the LIBOR in effect for the previous Interest Period.

“LIBOR Determination Date” shall mean (a) with respect to the LIBOR Rate Notes or the Reset Rate Notes while bearing interest at a LIBOR based floating rate, for each Interest Period, the second Business Day immediately preceding the first day of that Interest Period and (b) with respect to the Auction Rate Notes, the Auction Date, or if no Auction Date is applicable, the Business Day immediately preceding the first day of each Interest Period.

“LIBOR Rate Notes” shall mean the Series 2005-1A-1 Notes, the Series 2005-1A-2 Notes, the Series 2005-1A-3 Notes and the Series 2005-1A-4 Notes.

“Listing Costs” shall mean the costs of listing the Series 2005-1 Notes on any exchange, including the fees of any listing agents. Such amounts shall be paid out of the Administration Fund.

“Market Agent” shall mean Banc of America Securities LLC, or with respect to any series of the Auction Rate Notes, any successor in such capacity hereunder.

“Market Agent Agreement” shall mean that certain Market Agent Agreement dated as of October 1, 2005, between the Market Agent and the Trustee, including any supplement thereto or amendment thereof.

“Marketing and School Services Expense Allowance” shall mean a monthly allowance equal to 1/12 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 may be provided by Issuer Order (*provided* that the Rating Agency Condition is met with respect to any increase in such amount). Such amount shall be paid of out the Administration Fund.

“Maximum Auction Rate” shall mean, for any Auction, a per annum interest rate on the Auction Rate Notes which, when taken together with the interest rate on the Auction Rate Notes for the one-year period ending on the final day of the proposed Auction Period, would result in the average interest rate on the Auction Rate Notes for such period either (a) not being in excess (on a per annum basis) of the average of the Ninety-One Day United States Treasury Bill Rate plus 1.20% for such one-year period (if all of the ratings assigned by the Rating Agencies to the Auction Rate Notes are “Aa3” or “AA-” or better), (b) not being in excess (on a per annum basis) of the Ninety-One Day United States Treasury Bill Rate plus 1.50% for such one-year period (if any one of the ratings assigned by the Rating Agencies to the Auction Rate Notes is less than “Aa3” or “AA-” but all are at least any category of “A”), or (c) not being in excess (on a per annum basis) of the average of Ninety-One Day United States Treasury Bill Rate plus 1.75% for such one-year period (if any one of the ratings assigned by the Rating Agencies to the Auction Rate Notes is less than the lowest category of “A”); *provided, however*, that if the Auction Rate Notes have not been Outstanding for at least such one-year period then for any portion of such period during which such Auction Rate Notes were not Outstanding, the interest rates on the Auction Rate Notes for purposes of this definition shall be deemed to be equal to such rates as the Market Agent shall determine were the rates of interest on equivalently rated auction securities with comparable lengths of auction periods during such period; *provided, however*, that this definition may be modified at the direction of the Issuer upon receipt by the Trustee of (A) written consent of the Market Agent and (B) written consent from each Rating Agency then rating the Auction Rate Notes that such change will not in and of itself result in a reduction of the rating on any Series 2005-1 Notes. For purposes of the Auction Agent and the Auction Procedures, the ratings referred to in this definition shall be the last ratings of which the Auction Agent has been given notice pursuant to the Auction Agent Agreement. The percentage amount to be added to the Ninety-One Day United States Treasury Bill Rate in any one or more of (a), (b) or (c) above may be increased by delivery to the Auction Agent and the Trustee of a certificate signed by an Authorized Officer of the Issuer directing such increase, together with satisfaction of the Rating Agency Condition with respect to such increase.

“Maximum Interest Rate” shall mean the lesser of (a) 18% per annum or (b) the highest rate the Issuer may legally pay, from time to time, as interest on the Auction Rate Notes.

“Maximum Rate” on any date of determination, shall mean the interest rate per annum equal to the least of: (a) the Maximum Auction Rate, (b) the Maximum Interest Rate, (c) the sum of (i) One-Month LIBOR and (ii) 1.50% and (d) during the occurrence of a Net Loan Rate Restriction Period, the Net Loan Rate.

“Monthly Funding Amount” shall mean, for the Reset Rate Notes, for any Monthly Calculation Date that is (a) more than one year before the next Reset Date, zero and (b) one year or less before the next Reset Date, an amount to be deposited in the Administration Fund for the Reset Rate Notes so that the amount therein for the payment of Remarketing Fees and expenses with respect thereto equals the Monthly Required Amount for the Reset Rate Notes; *provided, however,* that if on any Monthly Calculation Date that is not a Reset Date, the amount on deposit in the Administration Fund allocated for the payment of Remarketing Fees and expenses with respect to the Reset Rate Notes is greater than the Monthly Required Amount, such excess will be transferred to the Collection Fund and applied in the same manner as other funds on deposit therein.

“Monthly Required Amount” means, for the Reset Rate Notes, (a) on any related Reset Date, the Reset Period Target Amount or (b) on a Monthly Calculation Date that is one year or less before the next related Reset Date, one-twelfth of the Reset Period Target Amount.

“Net Loan Rate” shall mean, with respect to any Auction Period, (a) the rate of interest per annum (rounded to the next highest 0.01%) equal to the Adjusted Student Loan Portfolio Rate of Return for the calendar month immediately preceding such Auction Period, as determined by the Issuer on the last day of such calendar month, less (b) the Program Expense Percentage with respect to such Auction Period. *“Adjusted Student Loan Portfolio Rate of Return”* means, for any calendar month, the amount determined by dividing (i) the product of 12 times the sum of the following amounts accrued during such calendar month (whether or not actually received or paid): (A) interest (including interest subsidy payments) and Special Allowance Payments with respect to the Financed Student Loans plus (B) any Counterparty Swap Payments minus (C) any amount required to be paid to the Department of Education or to be repaid to Guarantee Agencies with respect to the Financed Student Loans that do not qualify for Guarantees, minus (D) the aggregate amount of default claims filed during the month with respect to Financed Student Loans which (1) exceed the amount the related Guarantee Agency is required to pay under the applicable Guarantee Agreement or (2) are payable only by a Guarantor that is in default of its Guarantee obligations with respect to Financed Student Loans and has not provided collateral security sufficient to pay such claims, minus (E) any reduction in interest as a result of borrower incentive programs, other than the T.H.E. Bonus Plan, minus (F) any Issuer Swap Payments; by (ii) the average daily outstanding Principal Balance of the Financed Student Loans during such calendar month. For this purpose, the Special Allowance Payment shall be computed based upon the average of the bond equivalent rates of Ninety-One-Day United States Treasury Bills auctioned, or the commercial paper rates published, during that portion of the then current quarter.

“Net Loan Rate Restriction Period” shall mean, with respect to the Auction Rate Notes, the period of time from and including a Net Loan Rate Trigger Date to but excluding a Net Loan Rate Termination Date.

“Net Loan Rate Termination Date” shall mean, for the Auction Rate Notes for which the Net Loan Rate Trigger Date has occurred, the first day of an Auction Period which immediately follows three consecutive Auction Dates for such Auction Rate Notes where (a) if the Net Loan Trigger Date occurred due to the applicable Auction Rate exceeding the sum of (i) the Ninety-

One Day United States Treasury Bill Rate in effect as of such Auction Date plus (ii) 1.0%, the Auction Rate established on each such Auction Date for such series was equal to or less than a per annum rate equal to the sum of (x) the Ninety-One Day United States Treasury Bill Rate in effect as of each such Auction Date plus (y) 1.0% or (b) if the Net Loan Rate Trigger Date occurred due to One-Month LIBOR exceeding the Ninety-Day Commercial Paper Rate by more than 0.30%, One-Month LIBOR did not exceed the Ninety-Day Commercial Paper Rate by more than 0.30%.

“Net Loan Rate Trigger Date” shall mean, for the Auction Rate Notes, the first day of an Auction Period which immediately follows six consecutive Auction Dates for the Auction Rate Notes where (a) the Auction Rate established on each such Auction Date exceeded a per annum rate equal to the sum of (i) the Ninety-One Day United States Treasury Bill Rate in effect as of each such Auction Date plus (ii) 1.0% or (b) One-Month LIBOR exceeded the Ninety-Day Commercial Paper Rate by more than 0.30%.

“Ninety-Day Commercial Paper Rate” shall mean the 90-day financial CP rate reported in the Federal Reserve’s Statistical Release H-15.

“Ninety-One Day United States Treasury Bill Rate” shall mean, (a) with respect to the Reset Rate Notes, for any relevant Interest Rate Determination Date, prior to each related Interest Rate Change Date, the rate equal to the weighted average per annum discount rate (expressed as a bond equivalent yield and applied on a daily basis) for direct obligations of the United States with a maturity of thirteen weeks (“91-day Treasury Bills”) sold at the applicable 91-day Treasury Bill auction, as published in H.15(519) or otherwise or as reported by the U.S. Department of the Treasury; in the event that the results of the auctions of 91-day Treasury Bills cease to be published or reported as provided above, or that no 91-day Treasury Bill auction is held in a particular week, then the 91-day Treasury Bill Rate in effect as a result of the last such publication or report will remain in effect until such time, if any, as the results of auctions of 91-day Treasury Bills will again be so published or reported or such auction is held, as the case may be, and (b) with respect to the Auction Rate Notes, the bond-equivalent yield on the 91-day United States Treasury bills sold at the last auction thereof that immediately precedes the Auction Date, as determined by the Market Agent on the Auction Date.

“Non-Payment Rate” shall mean for any determination date, a rate per annum equal to the lesser of (a) the sum of (i) One-Month LIBOR and (ii) 150 basis points and (b) the Maximum Interest Rate.

“Notice Date” shall mean, for the Reset Rate Notes, 12:00 p.m. (noon), New York City time, on the sixth day prior to the Reset Date.

“Note Registrar” shall mean, with respect to the Series 2005-1 Notes, the Trustee.

“One-Month LIBOR,” “Three-Month LIBOR,” “Six-Month LIBOR” or *“One-Year LIBOR”* shall mean, with respect to the Auction Rate Notes, the offered rate, as determined by the Auction Agent or Trustee, as applicable, of the Applicable LIBOR-Based Rate for United States dollar deposits which appears on Telerate Page 3750, as reported by Bloomberg Financial

Markets Commodities News (or such other page as may replace Telerate Page 3750 for the purpose of displaying comparable rates) as of approximately 11:00 a.m., London time, on the LIBOR Determination Date; *provided*, that if on any calculation date, no rate appears on Telerate Page 3750 as specified above, the Auction Agent or Trustee, as applicable, shall determine the arithmetic mean of the offered quotations of four major banks in the London interbank market, for deposits in U.S. dollars for the respective periods specified above to the banks in the London interbank market as of approximately 11:00 a.m., London time, on such calculation date and in a principal amount of not less than \$1,000,000 that is representative of a single transaction in such market and at such time, unless fewer than two such quotations are provided, in which case, the Applicable LIBOR-Based Rate shall be the arithmetic mean of the offered quotations that leading banks in New York City selected by the Auction Agent or Trustee, as applicable, are quoting on the relevant LIBOR Determination for loans in U.S. dollars to leading European banks in a principal amount of not less than \$1,000,000 that is representative of a single transaction in such market at such time. All percentages resulting from such calculations shall be rounded upwards, if necessary, to the nearest one-hundredth of one percent. If the banks selected as described above are not providing such quotations, the applicable LIBOR-based rate in effect for the applicable Interest Period will be the applicable LIBOR-based rate in effect for the previous Interest Period.

“*Order*” shall have the meaning ascribed to such term in Section 4(a)(i) hereof.

“*Participant*” shall mean a member of, or participant in, the Securities Depository.

“*Paying Agent*” shall mean the Trustee and its successor or successors or any other commercial bank designated in accordance herewith as a place at which principal of, premium, if any, or interest on the Series 2005-1 Notes is payable.

“*Payment Default*” shall mean, with respect to the Auction Rate Notes and the Auction Rate Reset Notes, (i) a default in the due and punctual payment of any installment of interest on such Notes, or (ii) the circumstance that on any Auction Date there are insufficient moneys in the Debt Service Fund to pay, or otherwise held by the Trustee under the Indenture and available to pay, the principal of and interest due on the Auction Rate Notes on the Interest Payment Date immediately following such Auction Date.

“*Pool Factor*” shall mean, with respect to each series of the LIBOR Rate Notes, a seven-digit decimal computed after distributions on each Quarterly Distribution Date reflecting the reductions in the Principal Amount of the LIBOR Rate Notes of such series. Each Pool Factor will initially be 1.0000000.

“*Potential Holder*” shall mean any Person (including an Existing Holder) that is (i) a Broker-Dealer when dealing with the Auction Agent and (ii) a potential beneficial owner when dealing with a Broker-Dealer, who may be interested in acquiring Auction Rate Notes or Auction Rate Reset Notes (or, in the case of an Existing Holder thereof, an additional Principal Amount of Auction Rate Notes or Auction Rate Reset Notes).

“Prime Rate” shall mean, for any relevant Interest Rate Determination Date prior to each related Interest Rate Change Date, the prime rate or base lending rate on that date, as published in H.15(519), prior to 3:00 p.m., New York City time, on that Interest Rate Determination Date under the heading “Bank Prime Loan.” The Issuer shall observe the following procedures if the Prime Rate cannot be determined as described above: (a) if the rate described above is not published in H.15(519) prior to 3:00 p.m., New York City time, on the relevant Interest Rate Determination Date unless the calculation is made earlier and the rate was available from that source at that time, then the Prime Rate will be the rate for that Interest Rate Determination Date, as published in H.15 Daily Update or another recognized electronic source for displaying such rate opposite the caption “Bank Prime Loan”; (b) if the above rate is not published in either H.15(519), H.15 Daily Update or another recognized electronic source for displaying such rate by 3:00 p.m., New York City time, on the relevant Interest Rate Determination Date, then the Issuer will determine the Prime Rate to be the average of the rates of interest publicly announced by each bank that appears on the Reuters screen designated as “USPRIME1” as that bank’s prime rate or base lending rate as in effect on such Interest Rate Determination Date; (c) if fewer than four rates appear on the Reuters screen USPRIME1 page on the relevant Interest Rate Determination Date, then the Prime Rate will be the average of the prime rates or base lending rates quoted, on the basis of the actual number of days in the year divided by a 360-day year, as of the close of business on such Interest Rate Determination Date by three major banks in New York City selected by the Issuer; or (d) if the banks selected by the Issuer are not quoting as mentioned above, the Prime Rate will remain the prime rate then in effect on such Interest Rate Determination Date.

“Principal Balance” when used with respect to a Financed Student Loan, shall mean the unpaid principal amount thereof.

“Prior Indenture” shall mean the Indenture of Trust, dated as of November 1, 2000, among the Issuer (as assignee of Northstar Guarantee, Inc., Division B) and U.S. Bank National Association (f/k/a Firststar Bank, National Association), as eligible lender trustee and as trustee.

“Program Expense Percentage” shall mean, with respect to any Auction Period, the per annum rate of interest (rounded to the next highest 0.01%) equal to the sum of the Note Fees, Administrative Allowance, Marketing and School Services Expense Allowance and Servicing Fees (without duplication of any amounts paid for Servicing Fees under the definition of Administrative Allowance), in each case for the calendar month immediately preceding such Auction Period, as determined by the Issuer on the last day of such calendar month, expressed as a percentage of the average daily outstanding Principal Balance of the Financed Student Loans during such month.

“Quarterly Distribution Date” shall mean the 28th day of each January, April, July and October, or if such day is not a Business Day, the next succeeding Business Day, commencing January 30, 2006.

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

“Regular Record Date” shall mean, with respect to the Auction Rate Notes and the Auction Rate Reset Notes, (a) so long as Interest Payment Dates are specified to occur at the end of each Auction Period, the Applicable Number of Business Days immediately preceding each Interest Payment Date and (b) if and for so long as interest on the Auction Rate Notes or Auction Rate Reset Notes is payable on a date other than at the end of such Auction Period, one Business Day prior to each Interest Payment Date; and with respect to any series of LIBOR Rate Notes and Reset Rate Notes (other than Auction Rate Reset Notes), one Business Day prior to each Quarterly Distribution Date.

“Remarketing Agency Agreement” shall mean each agreement, substantially in the form of Appendix A to the Remarketing Agreement, to be entered into on each Remarketing Terms Determination Date (unless a Call Option has been exercised or a Failed Remarketing has been declared) between the Remarketing Agents and the Issuer.

“Remarketing Agents” shall mean, initially Banc of America Securities LLC and RBC Dain Rauscher Inc. The Issuer, in its sole discretion, may change any Remarketing Agent for the Reset Rate Notes for any Reset Period at any time.

“Remarketing Agreement” shall mean the Remarketing Agreement, dated as of October 25, 2005, between the Issuer and the Remarketing Agents, as acknowledged by Northstar Capital Markets Services, Inc.

“Remarketing Fees” shall mean the fees payable to the Remarketing Agents as set forth in any Remarketing Agency Agreement.

“Remarketing Memorandum” as described in Section 7(d) of the Remarketing Agreement.

“Remarketing Terms Determination Date” shall mean, for the Reset Rate Notes, not later than 3:00 p.m., New York time, on the eighth Business Day prior to the applicable Reset Date.

“Remarketing Terms Notice” shall mean the notice delivered by the Remarketing Agents to the Reset Rate Noteholders, the Trustee, the Rating Agencies and the applicable Clearing Agencies on each Remarketing Terms Determination Date containing the information set forth in the Reset Rate Note Procedures.

“Reserve Fund Requirement” shall mean, at any time, an amount equal to (1) 0.75% of the aggregate Principal Amount of Series 2005-1 Notes then Outstanding, or (2) such other amount specified as the Reserve Fund Requirement in another supplemental indenture; *provided, however,* that in no event shall the amount be less than \$2,500,000.

“Reset Date” shall mean a Quarterly Distribution Date on which certain terms for any Reset Rate Note may be changed in accordance with the Reset Rate Note Procedures.

“Reset Period” shall mean, with respect to the Reset Rate Notes, a period of at least three months (or any other longer duration that is a multiple of three months) that will always end on

the day before a Quarterly Distribution Date, which Quarterly Distribution Date will be the next Reset Date for the Reset Rate Notes; *provided*, that no Reset Period may end after the Stated Maturity of such Reset Rate Note.

“Reset Period Target Amount” shall mean, with respect to the Reset Rate Notes, for any Monthly Calculation Date that is (a) more than one year before the next Reset Date, zero, and (b) one year or less before the next Reset Date, the highest Remarketing Fee payable to the Remarketing Agents (not to exceed 0.35% of the maximum principal balance of the Reset Rate Notes that could be remarketed) on the next Reset Date as determined by the Issuer based on the assumed weighted average life of the Reset Rate Notes and the maximum Remarketing Fee set forth in the Remarketing Agreement, as may be amended from time to time.

“Reset Rate Note All Hold Rate” shall mean, if the Reset Rate Notes are denominated in U.S. Dollars during the then-current Reset Period and the immediately following Reset Period, the applicable Index plus or minus the applicable Spread (if the Reset Rate Notes are then bearing interest at a floating rate) or the applicable fixed rate, which may be expressed as the fixed rate pricing benchmark plus or minus a spread (if the Reset Rate Notes are then bearing interest at a fixed rate), that the Remarketing Agents, in consultation with the Issuer, determine will be effective, unless the related Call Option is exercised, in the event that 100% of the holders of the Reset Rate Notes choose to hold their Notes for the upcoming Reset Period. The Reset Rate Note All Hold Rate shall be a rate that the Remarketing Agents, in consultation with the Issuer, determine based upon then-existing market conditions.

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

“Reset Rate Note Swap Counterparty” shall mean any Currency Swap Counterparty or Interest Rate Swap Counterparty.

“Reset Rate Note Swap Interest Payment” shall mean, with respect to each Quarterly Distribution Date, the amount payable to the related Reset Rate Note Swap Counterparty by the Issuer for such date (other than termination payments), as specified in the related Currency Swap Agreement or Interest Rate Swap Agreement.

“Reset Rate Notes” shall mean the Series 2005-1A-5 Notes.

“Reset Rate Note Procedures” shall mean the procedures relating to the Reset Rate Notes attached hereto as Appendix A.

“Revolving Period” shall mean the period beginning on the Closing Date and ending on January 1, 2007, or the last day of such other month as may be provided by Issuer Order, *provided* that the Rating Agency Condition shall have been met with respect to such Issuer Order. In the event of a Failed Remarketing of the Reset Rate Notes during the Revolving Period, the Revolving Period shall terminate. The Revolving Period shall resume upon the next successful remarketing or upon redemption of the Reset Rate Notes if such successful

remarketing or redemption occurs prior to the date which otherwise would have been the end of the Revolving Period.

“Schedule Replacement Order” shall mean an Issuer Order replacing Schedule A to the Reset Rate Notes to be delivered with respect to the related Reset Date.

“Securities Depository” shall mean The Depository Trust Company, New York, New York, and its successors and assigns, or, if (i) the then-existing Securities Depository resigns from its functions as depository of the Series 2005-1 Notes or (ii) the Issuer discontinues use of the Securities Depository pursuant to Section 17(c) hereof, then any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the Series 2005-1 Notes and which is selected by the Issuer with the consent of the Trustee.

“Sell Order” shall have the meaning ascribed to such term in Section 4(a)(i) hereof.

“Series Auction Date” shall mean Wednesday, with respect to the Series 2005-1B Notes.

“Series 2005-1 Notes” shall mean, collectively, the Series 2005-1A-1 Notes, the Series 2005-1A-2 Notes, the Series 2005-1A-3 Notes, the Series 2005-1A-4 Notes, the Series 2005-1A-5 Notes and the Series 2005-1B Notes.

“Series 2005-1A-1 Notes” shall mean the Notes created and to be issued under this First Supplement in the original Principal Amount of \$193,100,000 and designated as the “Student Loan Asset-Backed Notes, Senior Series 2005-1A-1.”

“Series 2005-1A-2 Notes” shall mean the Notes created and to be issued under this First Supplement in the original Principal Amount of \$118,300,000 and designated as the “Student Loan Asset-Backed Notes, Senior Series 2005-1A-2.”

“Series 2005-1A-3 Notes” shall mean the Notes created and to be issued under this First Supplement in the original Principal Amount of \$227,900,000 and designated as the “Student Loan Asset-Backed Notes, Senior Series 2005-1A-3.”

“Series 2005-1A-4 Notes” shall mean the Notes created and to be issued under this First Supplement in the original Principal Amount of \$210,700,000 and designated as the “Student Loan Asset-Backed Notes, Senior Series 2005-1A-4.”

“Series 2005-1A-5 Notes” shall mean the Notes created and to be issued under this First Supplement in the original Principal Amount of \$250,000,000 and designated as the “Student Loan Asset-Backed Notes, Senior Series 2005-1A-5.”

“Series 2005-1B Notes” shall mean the Notes created and to be issued under this First Supplement in the original Principal Amount of \$20,000,000 and designated as the “Student Loan Asset-Backed Notes, Subordinate Series 2005-1B.”

“Settlement Day” shall mean any day on which TARGET (the Trans-European Automated Real-time Gross Settlement Express Transfer System) is open which is also a day on which banks in New York City are open for business.

“Seventh Supplemental Indenture” shall mean the Seventh Supplemental Indenture of Trust, dated as of December 1, 2004, between the Issuer and the Trustee, as amended or supplemented in accordance with the terms hereof and of the Indenture.

“Sixth Supplemental Indenture” shall mean the Sixth Supplemental Indenture of Trust, dated as of March 1, 2004, between the Issuer and the Trustee, as amended or supplemented in accordance with the terms hereof and of the Indenture.

“Spread” shall mean the percentage, determined by the Remarketing Agents on the Spread Determination Date, with respect to the Reset Rate Notes that are to bear a floating rate of interest, in excess of or below the applicable interest rate Index that will be applicable to the Reset Rate Notes during any Reset Period after the initial Reset Period so as to result in an interest rate that, in the reasonable opinion of the Remarketing Agents, will enable all of the tendered Reset Rate Notes to be remarketed by the Remarketing Agents.

“Spread Determination Date” shall mean, for the Reset Rate Notes, not later than 3:00 p.m., New York City time, on the third Business Day prior to the applicable Reset Date.

“Spread Determination Notice” shall mean the notice delivered by the Remarketing Agents to the Reset Rate Noteholders, the Trustee, the Rating Agencies, the Clearing Agencies and, if the Reset Rate Notes are then listed on the Irish Stock Exchange, the Irish Listing Agent, on each Spread Determination Date containing the information set form in the Reset Rate Note Procedures.

“Submission Deadline” shall mean 1:00 p.m., New York City time, on any Auction Date or such other time on any Auction Date by which Broker-Dealers are required to submit Orders to the Auction Agent as specified by the Auction Agent from time to time.

“Submission Processing Deadline” shall mean the earlier of (i) 40 minutes after the Submission Deadline and (ii) the time when the Auction Agent begins to disseminate the results of the Auction to the Broker-Dealers.

“Submission Processing Representation” shall have the meaning specified in Section 4(b)(xi) hereof.

“Submitted Bid” shall have the meaning ascribed to such term in Section 4(c)(i) hereof.

“Submitted Hold Order” shall have the meaning ascribed to such term in Section 4(c)(i) hereof.

“Submitted Order” shall have the meaning ascribed to such term in Section 4(c)(i) hereof.

“*Submitted Sell Order*” shall have the meaning ascribed to such term in Section 4(c)(i) hereof.

“*Substitute Auction Agent*” shall mean the Person with whom the Trustee enters into a Substitute Auction Agent Agreement.

“*Substitute Auction Agent Agreement*” shall mean an auction agent agreement containing terms substantially similar to the terms of the Initial Auction Agent Agreement, whereby a Person having the qualifications required by Section 8 hereof agrees with the Trustee and the Issuer to perform the duties of the Auction Agent under this First Supplement.

“*Sufficient Bids*” shall have the meaning ascribed to such term in Section 4(c)(i)(B) hereof.

“*Supplemental Remarketing Agency Agreement*” shall mean each agreement, substantially in the form of Appendix B to the Remarketing Agreement, to be entered into on each Spread Determination Date (unless a Call Option has been exercised or a Failed Remarketing has been declared) between the Remarketing Agents and the Issuer.

“*Targeted Balance*” shall mean, for each series of LIBOR Rate Notes and each Quarterly Distribution Date, the amount listed on Schedule I hereto as the Targeted Balance for each such series on such Quarterly Distribution Date.

“*Telerate Page 248*” shall mean the display page so designated on the Money line Telerate Service or any other page that may replace that page on that service for the purpose of displaying comparable rates or prices.

“*Telerate Page 3750*” shall mean the display page so designated on the Money line 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. Bonus Deposit*” initially shall mean an amount up to 130 basis points per annum multiplied by the Principal Balance of the Financed Student Loans in repayment (and not delinquent more than 60 days) (75 basis points per annum with respect to Consolidation Loans) calculated and transferred monthly from the Collection Account to the Issuer Administrator on each Monthly Calculation Date. If on any Monthly Calculation Date One-Month LIBOR is 9.0% or greater, the T.H.E. Bonus Deposit shall be equal to zero; *provided, however*, that this restriction shall not apply if the Rating Agency Condition is satisfied with respect to the Series 2005-1 Notes. Such amounts shall be made through January 1, 2007, unless extended or amended as to timing or amount as provided by an Issuer Order (*provided* that the Rating Agency Condition is met with respect to such extension or amendment).

“*U.S. Dollar Principal Equivalent Amount*” means, with respect to the Reset Rate Notes while in Foreign Exchange Mode, the U.S. Dollar equivalent of the Outstanding Principal Amount of such Reset Rate Notes as of the date of determination based on the exchange rate provided in the related Currency Swap Agreement.

“*Winning Bid Rate*” shall have the meaning ascribed to such term in Section 4(c)(i)(C) hereof.

SECTION 2. AUTHORIZATION AND TERMS OF SERIES 2005-1 NOTES.

There is hereby created and there shall be (1) a series of Senior Notes entitled “Student Loan Asset-Backed Notes, Senior Series 2005-1A-1,” (2) a series of Senior Notes entitled “Student Loan Asset-Backed Notes, Senior Series 2005-1A-2,” (3) a series of Senior Notes entitled “Student Loan Asset-Backed Notes, Senior Series 2005-1A-3,” (4) a series of Senior Notes entitled “Student Loan Asset-Backed Notes, Senior Series 2005-1A-4,” (5) a series of Senior Notes entitled “Student Loan Asset-Backed Notes, Senior Series 2005-1A-5” and (6) a series of Subordinate Notes entitled “Student Loan Asset-Backed Notes, Subordinate Series 2005-1B.” Subject to Section 2.8 of the Indenture, the aggregate Principal Amount of the Series 2005-1A-1 Notes that may be authenticated and delivered and Outstanding under the Indenture is limited to and shall not exceed \$193,100,000; the aggregate Principal Amount of the Series 2005-1A-2 Notes that may be authenticated and delivered and Outstanding under the Indenture is limited to and shall not exceed \$118,300,000; the aggregate Principal Amount of the Series 2005-1A-3 Notes that may be authenticated and delivered and Outstanding under the Indenture is limited to and shall not exceed \$227,900,000; the aggregate Principal Amount of the Series 2005-1A-4 Notes that may be authenticated and delivered and Outstanding under the Indenture is limited to and shall not exceed \$210,700,000; the aggregate Principal Amount of the Series 2005-1A-5 Notes that may be authenticated and delivered and Outstanding under the Indenture is limited to and shall not exceed \$250,000,000; and the aggregate Principal Amount of the Series 2005-1B Notes that may be authenticated and delivered and Outstanding under the Indenture is limited to and shall not exceed \$20,000,000.

The Series 2005-1A-1 Notes shall have a Stated Maturity on the Quarterly Distribution Date in October of 2026, the Series 2005-1A-2 Notes shall have a Stated Maturity on the Quarterly Distribution Date in July of 2027, the Series 2005-1A-3 Notes shall have a Stated Maturity on the Quarterly Distribution Date in October of 2030, and the Series 2005-1A-4 Notes shall have a Stated Maturity on the Quarterly Distribution Date in April of 2032.

The Reset Rate Notes shall have a Stated Maturity on October 30, 2045.

The Auction Rate Notes shall have a Stated Maturity on October 30, 2045.

Each series of Series 2005-1 Notes shall bear interest at its Applicable Interest Rate, and at such Applicable Interest Rate (to the extent that the payment of such interest shall be legally enforceable) on overdue installments of interest.

The Series 2005-1 Notes shall be issued as fully registered Notes without coupons in Authorized Denominations.

The Series 2005-1 Notes shall be dated as provided in Section 2.9 of the Indenture and shall bear interest from their date of original issue until payment of principal has been made or duly provided for. With respect to each series of Series 2005-1 Notes, the date of original issue

of the Series 2005-1 Notes shall be the Closing Date set forth in this First Supplement. The Series 2005-1 Notes of each series shall be numbered in such manner as the Note Registrar shall determine.

Interest on each series of LIBOR Rate Notes and on the Reset Rate Notes bearing interest at a floating rate shall be computed on the basis of a 360-day year for the number of days actually elapsed, and accrue daily from the date thereof and shall be payable on each Quarterly Distribution Date with respect to such series prior to the Maturity thereof and at the Maturity thereof. The interest payable on each Quarterly Distribution Date for each series of the LIBOR Rate Notes shall be that interest which has accrued through the last day preceding such Quarterly Distribution Date or, in the case of the Maturity of a LIBOR Rate Note, the last day preceding the date of such Maturity. The Applicable Interest Rate for LIBOR Rate Notes shall be effective as of and on the first day of the applicable Interest Period and be in effect thereafter through the end of such Interest Period.

Interest on the Reset Rate Notes during any Reset Period when the Reset Rate Notes bear a fixed rate of interest and are denominated in U.S. Dollars will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Reset Rate Notes during any Reset Period when such notes bear a fixed rate of interest and are denominated in a currency other than U.S. Dollars will be calculated in accordance with the Actual/Actual (ISMA) Accrual Method, or another Day Count Basis as may be established on the related Remarketing Terms Determination Date. This interest will be payable on each applicable Quarterly Distribution Date at the applicable fixed rate of interest, as determined on the Interest Rate Determination Date, during the Reset Period.

Interest on the Auction Rate Notes shall be computed on the basis of a 360-day year for the number of days actually elapsed, and accrue daily from the date thereof and shall be payable on each Interest Payment Date with respect to the Auction Rate Notes prior to the Maturity thereof and at the Maturity thereof. The interest payable on each Interest Payment Date for the Auction Rate Notes shall be calculated on a per unit basis, based on a unit of \$50,000, and shall be that interest which has accrued through the last day preceding such Interest Payment Date or, in the case of the Maturity of an Auction Rate Note, the last day preceding the date of such Maturity. The Applicable Interest Rate shall be effective as of and on the first day of the applicable Interest Period and be in effect thereafter through the end of such Interest Period.

Interest due on the LIBOR Rate Notes on each Quarterly Distribution Date shall, except as otherwise provided in Section 17 hereof, be paid by check or draft drawn upon the Paying Agent and mailed to the person who is the Holder thereof as of 5:00 p.m. on the Regular Record Date for such Quarterly Distribution Date at the address of such Holder as it appears on the Note Register, or, in the case of any LIBOR Rate Note the Holder of which is the Holder of LIBOR Rate Notes in the aggregate Principal Amount of \$1,000,000 or more (or, if less than \$1,000,000 in Principal Amount of LIBOR Rate Notes is Outstanding, the Holder of all Outstanding LIBOR Rate Notes), at the direction of such Holder received by the Paying Agent by 5:00 p.m. on the last Business Day preceding the applicable Regular Record Date, by electronic transfer by the Paying Agent in immediately available funds to an account designated by such Holder. Interest accrued but not paid with respect to any series of LIBOR Rate Notes on any Quarterly

Distribution Date will be due on the next Quarterly Distribution Date for such series together with an amount equal to interest on the unpaid amount at the applicable rates on the LIBOR Rate Notes. All payments of principal of and interest on the LIBOR Rate Notes shall be made in lawful money of the United States of America.

Interest or principal due on the Reset Rate Notes (other than Auction Rate Reset Notes) on any Quarterly Distribution Date shall, except as otherwise provided in Section 17 hereof, be paid by check or draft drawn upon the Paying Agent and mailed to the person who is the Holder thereof as of 5:00 p.m. on the Regular Record Date for such Quarterly Distribution Date at the address of such Holder as it appears on the Note Register, or, in the case of any such Reset Rate Note the Holder of which is the Holder of Reset Rate Notes in the aggregate Principal Amount of \$1,000,000 or more (or, if less than \$1,000,000 in Principal Amount of such Reset Rate Notes is Outstanding, the Holder of all Outstanding Reset Rate Notes), at the direction of such Holder received by the Paying Agent by 5:00 p.m. on the last Business Day preceding the applicable Regular Record Date, by electronic transfer by the Paying Agent in immediately available funds to an account designated by such Holder. Interest accrued but not paid with respect to any series of Reset Rate Notes (other than Auction Rate Reset Notes) on any Quarterly Distribution Date will be due on the next Quarterly Distribution Date for such series together with an amount equal to interest on the unpaid amount at the applicable rates on such Reset Rate Notes. All payments of principal of and interest on the Reset Rate Notes shall be made in lawful money of the United States of America, unless the Reset Rate Notes are then in Foreign Exchange Mode.

The principal of the Auction Rate Notes, together with interest payable on the Auction Rate Notes at the Maturity thereof if the date of such Maturity is not a regularly scheduled Interest Payment Date, shall be payable in lawful money of the United States of America upon, except as otherwise provided in Section 17 hereof, presentation and surrender of such Auction Rate Notes at the Principal Office of the Trustee, as Paying Agent with respect to the Auction Rate Notes, or a duly appointed successor Paying Agent. Interest due on the Auction Rate Notes and the Auction Rate Reset Notes on each regularly scheduled Interest Payment Date shall, except as otherwise provided in Section 17 hereof, be paid by check or draft drawn upon the Paying Agent and mailed to the person who is the Holder thereof as of 5:00 p.m. on the Regular Record Date for such Interest Payment Date at the address of such Holder as it appears on the Note Register, or, in the case of any Auction Rate Note and any Auction Rate Reset Note the Holder of which is the Holder of such Notes in the aggregate Principal Amount of \$1,000,000 or more (or, if less than \$1,000,000 in Principal Amount of such Notes is outstanding, the Holder of all outstanding Auction Rate Notes or Auction Rate Reset Notes, as the case may be), at the direction of such Holder received by the Paying Agent by 5:00 p.m. on the last Business Day preceding the applicable Regular Record Date, by electronic transfer by the Paying Agent in immediately available funds to an account designated by such Holder. Interest accrued but not paid with respect to the Auction Rate Notes and the Auction Rate Reset Notes on any Interest Payment Date will be due on the next Interest Payment Date together with an amount equal to interest on the unpaid amount at the applicable rates on such Notes. All payments of principal of and premium, if any, and interest on the Auction Rate Notes shall be made in lawful money of the United States of America.

The Series 2005-1 Notes are subject to redemption prior to their Stated Maturity upon the terms and conditions and at the Prepayment Prices specified in Section 16 hereof.

Subject to the provisions of the Indenture, the LIBOR Rate Notes shall be in substantially the form set forth in Exhibit A hereto, with such variations, omissions and insertions as may be required by the circumstances, be required or permitted by the Indenture, or be consistent with the Indenture and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto.

Subject to the provisions of the Indenture, the Reset Rate Notes shall be in substantially the form set forth in Exhibit B hereto, with such variations, omissions and insertions as may be required by the circumstances, be required or permitted by the Indenture, or be consistent with the Indenture and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto.

Subject to the provisions of the Indenture, the Auction Rate Notes shall be in substantially the form set forth in Exhibit C hereto, with such variations, omissions and insertions as may be required by the circumstances, be required or permitted by the Indenture, or be consistent with the Indenture and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto.

SECTION 3. INTEREST PAYABLE ON SERIES 2005-1 NOTES.

(a) *Interest Payable on LIBOR Rate Notes.* During the Initial Interest Period, each series of LIBOR Rate Notes shall bear interest at the Initial Interest Rate for such series. Thereafter, each series of the LIBOR Rate Notes shall bear interest at the Applicable Interest Rate for the number of days of the applicable Interest Period, as determined pursuant to this Section.

On each LIBOR Determination Date, the Trustee shall determine LIBOR and the Applicable Interest Rate for each series of LIBOR Rate Notes for the upcoming Interest Period. Promptly following each LIBOR Determination Date, the Trustee shall provide the Issuer with written notice of LIBOR and the Applicable Interest Rates so determined.

(b) *Interest Payable on Reset Rate Notes.* During the Initial Interest Period, the Reset Rate Notes shall bear interest at the Initial Interest Rate for such Notes. Thereafter, the Reset Rate Notes shall bear interest at the rate determined in accordance with the Reset Rate Note Procedures; *provided* that the Auction Rate Reset Notes shall bear interest at a rate determined in accordance with the Auction Procedures set forth herein, and the term Auction Rate Notes shall be deemed to include the Auction Rate Reset Notes for the purposes of Sections 1 through 12 hereof unless otherwise indicated in this First Supplement. The interest rate payable during the first Auction Period with respect to any Auction Rate Reset Notes shall be the rate specified by the Remarketing Agent, with the consent of the Issuer, on the related Interest Rate Determination Date.

(c) *Interest Payable on Auction Rate Notes.* During the Initial Interest Period, the Auction Rate Notes shall bear interest at the Initial Interest Rate for such Notes. Thereafter, except with respect to an Auction Period Adjustment, the Auction Rate Notes shall bear interest at the Applicable Interest Rate based on a 28-day Auction Period, as determined pursuant to this Section 3 and Sections 4 through 12 hereof.

The Applicable Interest Rate to be borne by the Auction Rate Notes for each Auction Period after the Initial Interest Period until an Auction Period Adjustment, if any, shall be determined as hereinbelow described. Each such Auction Period (1) shall commence on and include the first Business Day following the applicable Series Auction Date, and end on (and include) the applicable Series Auction Date (unless such date is not followed by a Business Day, in which case on the next succeeding day that is followed by a Business Day) and (2) if the Auction Periods are changed as provided herein, each period commencing on an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date; *provided, however,* that if an Auction is scheduled to occur for the next Interest Period on a date that was reasonably expected to be a Business Day, but such Auction does not occur because such date is later not considered to be a Business Day, the Auction shall nevertheless be deemed to have occurred, and the applicable Auction Rate in effect for the next Interest Period will be the Auction Rate in effect for the preceding Interest Period and such Interest Period will generally be 28 days in duration, beginning on the calendar day following the date of the deemed Auction and ending on (and including) the applicable Series Auction Date (unless such date is not followed by a Business Day, in which case on the next succeeding day that is followed by a Business Day). If the preceding Interest Period was other than generally 28 days in duration, the Auction Rate for the deemed Auction will instead be the rate of interest determined by the Market Agent on equivalently rated auction securities with a comparable length of auction period.

Notwithstanding the foregoing:

(i) if the ownership of the Auction Rate Notes is no longer maintained in Book-Entry Form, the Auction Rate for any Interest Period commencing after the delivery of definitive notes pursuant to Section 17 hereof shall equal the Maximum Rate on the Business Day immediately preceding the first day of such subsequent Interest Period; or

(ii) if a Payment Default shall have occurred with respect to the Auction Rate Notes, the Applicable Interest Rate for the Interest Period commencing on or immediately after such Payment Default, and for each Interest Period thereafter, to and including the Interest Period, if any, during which, or commencing less than two (2) Business Days after, such Payment Default is cured, shall equal the Non-Payment Rate on the first day of each such Interest Period.

In accordance with Section 4(c)(ii) hereof, the Auction Agent shall promptly give written notice to the Trustee and the Issuer of each Auction Rate (unless the Applicable Interest Rate is the Non-Payment Rate or the ownership of such Notes is no longer maintained in Book-Entry Form) applicable to the Auction Rate Notes. The Trustee shall notify the Holders of Auction

Rate Notes of the Applicable Interest Rate for each Auction Period not later than the second Business Day of such Auction Period.

In the event that the Auction Agent no longer determines, or fails to determine, when required, the Applicable Interest Rate with respect to the Auction Rate Notes, or if, for any reason, such manner of determination shall be held to be invalid or unenforceable, the Applicable Interest Rate for the next succeeding Interest Period shall be the Maximum Rate. The Maximum Rate with respect to each Interest Rate Determination Date shall be determined and communicated by the Auction Agent in accordance with Section 6 hereof and the Auction Agent Agreement. If the Auction Agent shall fail or refuse to determine the Maximum Rate, the Maximum Rate shall be determined by a securities dealer appointed by the Issuer capable of making such a determination in accordance with the provisions hereof and written notice of such determination shall be given by such securities dealer to the Trustee.

If the Auction Rate for the Auction Rate Notes is greater than the Maximum Rate, then the Applicable Interest Rate with respect to such Note for the related Interest Period will be the Maximum Rate. The excess of the amount of interest that would have accrued on the Auction Rate Notes at the Auction Rate over the amount of interest actually accrued at the Maximum Rate will accrue as the Carry-Over Amount. Each Carry-Over Amount shall bear interest for each Interest Period calculated at a rate equal to One-Month LIBOR (as determined by the Auction Agent on the related Interest Rate Determination Date, provided the Trustee has received notice of One-Month LIBOR from the Auction Agent, and, if the Trustee shall not have received such notice from the Auction Agent, then as determined by the Trustee on such date) from the Interest Payment Date for the Interest Period with respect to which such Carry-Over Amount was calculated, until paid. Any payment in respect of Carry-Over Amount shall be applied, first, to any accrued interest payable thereon and thereafter in reduction of such Carry-Over Amount. For purposes of this First Supplement, the Indenture and the Auction Rate Notes, any reference to "principal" or "interest" herein and therein shall not include, within the meaning of such words, any Carry-Over Amount or any interest accrued on any Carry-Over Amount. Such Carry-Over Amount shall be separately calculated for each Auction Rate Note by the Trustee during such Interest Period in sufficient time for the Trustee to give notice to each Holder of such Carry-Over Amount as required in the next succeeding sentence. On the Interest Payment Date for an Interest Period with respect to which such Carry-Over Amount has been calculated by the Trustee, the Trustee shall give written notice to each Holder of the Carry-Over Amount applicable to such Holder's Auction Rate Note, which written notice may accompany the payment of interest (if made by check made to each such Holder on such Interest Payment Date) or otherwise shall be mailed on such Interest Payment Date by first-class mail, postage prepaid, to each such Holder at such Holder's address as it appears on the registration books maintained by the Note Registrar. Such notice shall state, in addition to such Carry-Over Amount, that, unless and until a Auction Rate Note has been redeemed under the Indenture (after which all accrued Carry-Over Amount with respect to such Auction Rate Note, and all accrued interest thereon, that remains unpaid shall be canceled and no Carry-Over Amount, or interest accrued thereon, shall be paid with respect to such Auction Rate Note), (i) the Carry-Over Amount (and interest accrued thereon) shall be paid by the Trustee on the first occurring Interest Payment Date for a subsequent Interest Period if and to the extent that (a) the Eligible Carry-Over Make-Up Amount with respect to such Interest Period is greater than zero, and (b) moneys

are available pursuant to the terms of the Indenture to pay such Carry-Over Amount (and interest accrued thereon), and (ii) interest shall accrue on the Carry-Over Amount at a per annum rate equal to One-Month LIBOR until such Carry-Over Amount is paid in full or is canceled.

The Carry-Over Amount (and interest accrued thereon) on Outstanding Auction Rate Notes shall be paid by the Trustee on the first occurring Interest Payment Date for a subsequent Interest Period if and to the extent that (i) the Eligible Carry-Over Make-Up Amount with respect to such Interest Period is greater than zero, and (ii) moneys in the Collection Fund are available on the Monthly Calculation Date immediately preceding the month in which such Interest Payment Date occurs, for transfer to the Interest Account for such purpose in accordance with Section 4.6 of the Indenture, after taking into account all other amounts payable from the Collection Fund in accordance with such Section on such Monthly Calculation Date. Any Carry-Over Amount (and any interest accrued thereon) with respect to any Auction Rate Note which is unpaid as of the Maturity of such Auction Rate Note shall be paid to the Holder thereof on the date of such Maturity to the extent that moneys are available therefor in accordance with the provisions of the preceding clause (ii); *provided, however*, that any Carry-Over Amount (and any interest accrued thereon) which is not so paid on the date of such Maturity shall be canceled with respect to such Auction Rate Note on the date of such Maturity and shall not be paid on any succeeding Interest Payment Date. To the extent that any portion of the Carry-Over Amount (and any interest accrued thereon) remains unpaid after payment of a portion thereof, such unpaid portion shall be paid in whole or in part as required hereunder until fully paid by the Trustee on the next occurring Interest Payment Date(s), as necessary, for the subsequent Interest Period(s), if and to the extent that the conditions in the first sentence of this paragraph are satisfied. On any Interest Payment Date(s) on which the Trustee pays less than all of the Carry-Over Amount (and any interest accrued thereon) with respect to a Auction Rate Note, the Trustee shall give written notice in the manner set forth in the immediately preceding paragraph to the Holder of such Auction Rate Note of the Carry-Over Amount remaining unpaid on such Auction Rate Note.

The Interest Payment Date on which any Carry-Over Amount (or any interest accrued thereon) for the Auction Rate Notes shall be paid shall be determined by the Trustee in accordance with the provisions of the immediately preceding paragraph, and the Trustee shall make payment of the Carry-Over Amount (and any interest accrued thereon) in the same manner as it pays interest on the Auction Rate Notes on an Interest Payment Date.

SECTION 4. DETERMINING THE APPLICABLE INTEREST RATE—AUCTION RATE NOTES.

By purchasing Auction Rate Notes, whether in an Auction or otherwise, each purchaser of the Auction Rate Notes, or its Broker-Dealer, must agree and shall be deemed by such purchase to have agreed (i) to participate in Auctions on the terms described herein, (ii) to have its beneficial ownership of the Auction Rate Notes maintained at all times in Book Entry Form for the account of its Participant, which in turn will maintain records of such beneficial ownership, (iii) to authorize such Participant to disclose to the Auction Agent such information with respect to such beneficial ownership as the Auction Agent may request; (iv) that a Sell Order placed by an Existing Holder will constitute an irrevocable offer to sell the principal amount of the Auction Rate Notes specified in such Sell Order; (v) that a Bid placed by an

Existing Holder will constitute an irrevocable offer to sell the principal amount, or a lesser principal amount, of the Auction Rate Notes specified in such Bid if the rate specified in such Bid is greater than, or in some cases equal to, the Applicable Interest Rate, determined as described herein; and (vi) that a Bid placed by a Potential Holder will constitute an irrevocable offer to purchase the amount, or a lesser principal amount, of the Auction Rate Notes specified in such Bid if the rate specified in such Bid is, respectively, less than or equal to the Applicable Interest Rate, determined as set forth herein.

So long as the ownership of the Auction Rate Notes is maintained in Book-Entry Form by the Securities Depository, an Existing Holder may sell, transfer or otherwise dispose of Auction Rate Notes only pursuant to a Bid or Sell Order placed in an Auction or otherwise sell, transfer or dispose of Auction Rate Notes through a Broker-Dealer, *provided that*, in the case of all transfers other than pursuant to Auctions, such Existing Holder, its Broker-Dealer or its Participant advises the Auction Agent of such transfer. Auctions shall be conducted on each Auction Date, if there is an Auction Agent on such Auction Date, in the following manner (such procedures to be applicable separately to each series of the Auction Rate Notes):

(a) *Submission by Existing Holders and Potential Holders to a Broker-Dealer.* (i) Prior to the Submission Deadline on each Auction Date:

(A) each Existing Holder of Auction Rate Notes may submit to a Broker-Dealer by telephone or otherwise any information as to:

(1) the Principal Amount of Outstanding Auction Rate Notes, if any, owned by such Existing Holder which such Existing Holder desires to continue to hold without regard to the Auction Rate for the next succeeding Auction Period;

(2) the Principal Amount of Outstanding Auction Rate Notes, if any, which such Existing Holder offers to sell if the Auction Rate for the next succeeding Auction Period shall be less than the rate per annum specified by such Existing Holder; and/or

(3) the Principal Amount of Outstanding Auction Rate Notes, if any, owned by such Existing Holder which such Existing Holder offers to sell without regard to the Auction Rate for the next succeeding Auction Period; and

(B) one or more Broker-Dealers may contact Potential Holders to determine the Principal Amount of Auction Rate Notes which each Potential Holder offers to purchase, if the Auction Rate for the next succeeding Auction Period shall not be less than the rate per annum specified by such Potential Holder.

For the purposes hereof, the communication to a Broker-Dealer of information referred to in clause (A) or (B) of this paragraph (i) is herein referred to as an "Order,"

and each Existing Holder and each Potential Holder placing an Order is herein referred to as a “*Bidder*”; an Order described in clause (A)(1) is herein referred to as a “*Hold Order*”; an Order described in clauses (A)(2) and (B) is herein referred to as a “*Bid*”; and an Order described in clause (A)(3) is herein referred to as a “*Sell Order*.”

(ii)(A) Subject to the provisions of Section 4(b) hereof, a Bid by an Existing Holder shall constitute an irrevocable offer to sell:

(1) the Principal Amount of Outstanding Auction Rate Notes specified in such Bid if the Auction Rate determined as provided in this Section 4 shall be less than the rate specified therein; or

(2) such Principal Amount, or a lesser Principal Amount of Outstanding Auction Rate Notes to be determined as set forth in Section 4(d)(i)(D) hereof, if the Auction Rate determined as provided in this Section 4 shall be equal to the rate specified therein; or

(3) such Principal Amount, or a lesser Principal Amount of Outstanding Auction Rate Notes to be determined as set forth in Section 4(d)(ii)(C) hereof, if the rate specified therein shall be higher than the Maximum Rate and Sufficient Bids have not been made.

(B) Subject to the provisions of Section 4(b) hereof, a Sell Order by an Existing Holder shall constitute an irrevocable offer to sell:

(1) the Principal Amount of Outstanding Auction Rate Notes specified in such Sell Order; or

(2) such Principal Amount, or a lesser Principal Amount of Outstanding Auction Rate Notes determined as set forth in Section 4(d)(ii)(C) hereof, if Sufficient Bids have not been made.

(C) Subject to the provisions of Section 4(b) hereof, a Bid by a Potential Holder shall constitute an irrevocable offer to purchase:

(1) the Principal Amount of Outstanding Auction Rate Notes specified in such Bid if the Auction Rate determined as provided in this Section 4 shall be higher than the rate specified in such Bid; or

(2) such Principal Amount, or a lesser Principal Amount of Outstanding Auction Rate Notes determined as set forth in Section 4(d)(i)(E) hereof, if the Auction Rate determined as provided in this Section 4 shall be equal to the rate specified in such Bid.

(b) *Submission by a Broker-Dealer to the Auction Agent.* (i) Each Broker-Dealer shall submit in writing to the Auction Agent prior to the Submission Deadline on

each Auction Date all Orders obtained by such Broker-Dealer and shall specify with respect to each such Order:

(A) the name of the Bidder placing such Order;

(B) the aggregate Principal Amount of Auction Rate Notes that are the subject of such Order;

(C) to the extent that such Bidder is an Existing Holder:

(1) the Principal Amount of Auction Rate Notes, if any, subject to any Hold Order placed by such Existing Holder;

(2) the Principal Amount of Auction Rate Notes, if any, subject to any Bid placed by such Existing Holder and the rate specified in such Bid; and

(3) the Principal Amount of Auction Rate Notes, if any, subject to any Sell Order placed by such Existing Holder; and

(D) to the extent such Bidder is a Potential Holder, the rate specified in such Potential Holder's Bid.

(ii) If any rate specified in any Bid contains more than three figures to the right of the decimal point, the Auction Agent shall round such rate up to the next highest .001%.

(iii) If an Order or Orders covering all Outstanding Auction Rate Notes owned by an Existing Holder is not submitted to the Auction Agent prior to the Submission Deadline, the Auction Agent shall deem a Hold Order to have been submitted on behalf of such Existing Holder covering the Principal Amount of Outstanding Auction Rate Notes owned by such Existing Holder and not subject to an Order submitted to the Auction Agent.

(iv) Neither the Issuer, the Trustee nor the Auction Agent shall be responsible for any failure of a Broker-Dealer to submit an Order to the Auction Agent on behalf of any Existing Holder or Potential Holder.

(v) If any Existing Holder submits through a Broker-Dealer to the Auction Agent one or more Orders covering in the aggregate more than the Principal Amount of Outstanding Auction Rate Notes owned by such Existing Holder, such Orders shall be considered valid as follows and in the following order of priority:

(A) All Hold Orders shall be considered valid, but only up to the aggregate Principal Amount of Outstanding Auction Rate Notes held by such Existing Holder, and if the aggregate Principal Amount of Auction Rate Notes

subject to such Hold Orders exceeds the aggregate Principal Amount of Auction Rate Notes held by such Existing Holder, the aggregate Principal Amount of Auction Rate Notes subject to each such Hold Order shall be reduced pro rata so that the aggregate Principal Amount of Auction Rate Notes subject to such Hold Order equals the aggregate Principal Amount of Outstanding Auction Rate Notes owned by such Existing Holder.

(B) (1) any Bid shall be considered valid up to an amount equal to the excess of the Principal Amount of Outstanding Auction Rate Notes owned by such Existing Holder over the aggregate Principal Amount of Auction Rate Notes subject to any Hold Order referred to in clause (A) of this paragraph (v);

(2) subject to subclause (1) of this clause (B), if more than one Bid with the same rate is submitted on behalf of such Existing Holder and the aggregate Principal Amount of Outstanding Auction Rate Notes subject to such Bids is greater than such excess, such Bids shall be considered valid up to and including an amount equal to such excess, and the stated amount of Outstanding Auction Rate Notes subject to each Bid with the same rate shall be reduced pro rata to cover the stated amount of Outstanding Auction Rate Notes equal to such excess;

(3) subject to subclauses (1) and (2) of this clause (B), if more than one Bid with different rates are submitted on behalf of such Existing Holder, such Bids shall be considered valid first in the ascending order of their respective rates until the highest rate is reached at which such excess exists and then at such rate up to the amount of such excess; and

(4) in any such event, the amount of Outstanding Auction Rate Notes, if any, subject to Bids not valid under this clause (B) shall be treated as the subject of a Bid by a Potential Holder at the rate therein specified; and

(C) All Sell Orders shall be considered valid up to an amount equal to the excess of the Principal Amount of Outstanding Auction Rate Notes held by such Existing Holder over the aggregate Principal Amount of Auction Rate Notes subject to valid Hold Orders referred to in clause (A) of this paragraph (v) and valid Bids referred to in clause (B) of this paragraph (v).

(vi) If more than one Bid for Auction Rate Notes is submitted on behalf of any Potential Holder, each Bid submitted shall be a separate Bid with the rate and Principal Amount therein specified.

(vii) Any Bid or Sell Order submitted by an Existing Holder covering an aggregate Principal Amount of Auction Rate Notes not equal to an Authorized Denomination shall be rejected and shall be deemed a Hold Order. Any Bid submitted by a Potential Holder covering an aggregate Principal Amount of Auction Rate Notes not equal to an Authorized Denomination shall be rejected.

(viii) Any Bid submitted by an Existing Holder or a Potential Holder specifying a rate lower than the All Hold Rate shall be treated as a Bid specifying the All Hold Rate, and any such Bid shall be considered as valid and shall be selected in the ascending order of the respective rates in the Submitted Bids.

(ix) An Existing Holder that offers to purchase additional Auction Rate Notes is, for purposes of such offer, treated as a Potential Holder.

(x) Any Bid specifying a rate higher than the Maximum Interest Rate will (a) be treated as a Sell Order if submitted by an Existing Holder and (b) not be accepted if submitted by a Potential Holder.

(xi) Broker-Dealers may submit an Order after the Submission Deadline and prior to the Submission Processing Deadline if the Order was (i) received by the Broker-Dealer from Existing Holders or Potential Holders prior to the Submission Deadline or (ii) initiated internally by the Broker-Dealer for its own account prior to the Submission Deadline. Each Order submitted to the Auction Agent after the Submission Deadline and prior to the Submission Processing Deadline shall constitute a representation by the Broker-Dealer that such Order was (A) received from an Existing Holder or Potential Holder prior to the Submission Deadline or (B) initiated internally by the Broker-Dealer for its own account prior to the Submission Deadline (the "*Submission Processing Representation*"). Any Order submitted to the Auction Agent after the Submission Deadline and prior to the Submission Processing Deadline shall constitute a Submission Processing Representation.

(c) *Determination of Sufficient Bids, Auction Rate and Winning Bid Rate.*

(i) Not earlier than the Submission Processing Deadline on each Auction Date, the Auction Agent shall assemble all valid Orders submitted or deemed submitted to it by the Broker-Dealers (each such Order as submitted or deemed submitted by a Broker-Dealer being herein referred to individually as a "*Submitted Hold Order*," a "*Submitted Bid*" or a "*Submitted Sell Order*," as the case may be, or as a "*Submitted Order*," and collectively as "*Submitted Hold Orders*," "*Submitted Bids*" or "*Submitted Sell Orders*," as the case may be, or as "*Submitted Orders*") and shall determine:

(A) the excess of the total Principal Amount of Outstanding Auction Rate Notes over the sum of the aggregate Principal Amount of Outstanding Auction Rate Notes subject to Submitted Hold Orders (such excess being herein referred to as the "*Available Auction Rate Notes*"), and

(B) from the Submitted Orders whether:

(1) the aggregate Principal Amount of Outstanding Auction Rate Notes subject to Submitted Bids by Potential Holders specifying one or more rates equal to or lower than the Maximum Interest Rate exceeds or is equal to the sum of:

(y) the aggregate Principal Amount of Outstanding Auction Rate Notes subject to Submitted Bids by Existing Holders specifying one or more rates higher than the Maximum Interest Rate, and

(z) the aggregate Principal Amount of Outstanding Auction Rate Notes subject to Submitted Sell Orders;

(in the event such excess or such equality exists, other than because the sum of the Principal Amount of Auction Rate Notes in subclauses (2) and (3) above is zero because all of the Outstanding Auction Rate Notes are subject to Submitted Hold Orders, such Submitted Bids described in subclause (1) above shall be referred to collectively as "*Sufficient Bids*"); and

(C) if Sufficient Bids exist, the Winning Bid Rate, which shall be the lowest rate specified in such Submitted Bids such that if:

(1) (y) each such Submitted Bid from Existing Holders specifying such lowest rate and (z) all other Submitted Bids from Existing Holders specifying lower rates were rejected (thus entitling such Existing Holders to continue to own the Principal Amount of Auction Rate Notes subject to such Submitted Bids); and

(2) (y) each such Submitted Bid from Potential Holders specifying such lowest rate and (z) all other Submitted Bids from Potential Holders specifying lower rates were accepted;

the result would be that such Existing Holders described in subclause (1) above would continue to own an aggregate Principal Amount of Outstanding Auction Rate Notes which, when added to the aggregate Principal Amount of Outstanding Auction Rate Notes to be purchased by such Potential Holders described in subclause (2) above, would equal not less than the Available Auction Rate Notes.

(ii) Promptly after the Auction Agent has made the determinations pursuant to Section 4(c)(i) hereof, the Auction Agent shall advise the Trustee, the Broker-Dealers and the Issuer of the Maximum Auction Rate, the Maximum Interest Rate, the All Hold Rate, One-Month LIBOR and the Applicable LIBOR-Based Rate and the components thereof on the Auction Date and, based on such determinations, the Auction Rate for the next succeeding Interest Period as follows:

(A) if Sufficient Bids exist, that the Auction Rate for the next succeeding Interest Period shall be equal to the Winning Bid Rate so determined;

(B) if Sufficient Bids do not exist (other than because all of the Outstanding Auction Rate Notes are subject to Submitted Hold Orders), that the

Auction Rate for the next succeeding Interest Period shall be equal to the Maximum Rate; or

(C) if all Outstanding Auction Rate Notes are subject to Submitted Hold Orders, that the Auction Rate for the next succeeding Interest Period shall be equal to the All Hold Rate.

Promptly after the Auction Agent has determined the Auction Rate, the Auction Agent will determine and advise the Trustee of the Applicable Interest Rate, which shall not exceed the Maximum Rate.

If for any Interest Period the Auction Rate exceeds the Maximum Rate, the Applicable Interest Rate for such Interest Period shall equal the Maximum Rate. If the Maximum Auction Rate is less than the Auction Rate, the Applicable Interest Rate will be the Maximum Auction Rate. If the Auction Agent has not received Sufficient Bids (other than because all of the Outstanding Auction Rate Notes are subject to Submitted Hold Orders), the Applicable Interest Rate will be the Maximum Rate. In any of the cases described above, Submitted Orders will be accepted or rejected and the Auction Agent will take such other action as described below in subparagraph (ii) of Section 4(d) hereof.

(d) *Acceptance and Rejection of Submitted Bids and Submitted Sell Orders.* Existing Holders shall continue to own the Principal Amount of Auction Rate Notes that are subject to Submitted Hold Orders, and, based on the determinations made pursuant to Section 4(c)(i) hereof, Submitted Bids and Submitted Sell Orders shall be accepted or rejected, and the Auction Agent shall take such other action as described below:

(i) if Sufficient Bids have been made, all Submitted Sell Orders shall be accepted and, subject to the provisions of paragraphs (iv) and (v) of this Section 4(d), Submitted Bids shall be accepted or rejected as follows in the following order of priority, and all other Submitted Bids shall be rejected:

(A) Existing Holders' Submitted Bids specifying any rate that is higher than the Winning Bid Rate shall be accepted, thus requiring each such Existing Holder to sell the aggregate Principal Amount of Auction Rate Notes subject to such Submitted Bids;

(B) Existing Holders' Submitted Bids specifying any rate that is lower than the Winning Bid Rate shall be rejected, thus entitling each such Existing Holder to continue to own the aggregate Principal Amount of Auction Rate Notes subject to such Submitted Bids;

(C) Potential Holders' Submitted Bids specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus requiring such Potential Owner to purchase the aggregate Principal Amount of Auction Rate Notes subject to such Submitted Bid;

(D) Each Existing Holders' Submitted Bid specifying a rate that is equal to the Winning Bid Rate shall be rejected, thus entitling such Existing Holder to continue to own the aggregate Principal Amount of Auction Rate Notes subject to such Submitted Bid, unless the aggregate Principal Amount of Outstanding Auction Rate Notes subject to all such Submitted Bids shall be greater than the Principal Amount of Auction Rate Notes (the "*Remaining Principal Amount*") equal to the excess of the Available Auction Rate Notes over the aggregate Principal Amount of Auction Rate Notes subject to Submitted Bids described in clauses (B) and (C) of this Section 4(d)(i), in which event such Submitted Bid of such Existing Holder shall be rejected in part, and such Existing Holder shall be entitled to continue to own the Principal Amount of Auction Rate Notes subject to such Submitted Bid, but only in an amount equal to the aggregate Principal Amount of Auction Rate Notes obtained by multiplying the Remaining Principal Amount by a fraction, the numerator of which shall be the Principal Amount of Outstanding Auction Rate Notes owned by such Existing Holder subject to such Submitted Bid and the denominator of which shall be the sum of the Principal Amount of Outstanding Auction Rate Notes subject to such Submitted Bids made by all such Existing Holders that specified a rate equal to the Winning Bid Rate; and

(E) Each Potential Holder's Submitted Bid specifying a rate that is equal to the Winning Bid Rate shall be accepted, but only in an amount equal to the Principal Amount of Auction Rate Notes obtained by multiplying the excess of the aggregate Principal Amount of Available Auction Rate Notes over the aggregate Principal Amount of Auction Rate Notes subject to Submitted Bids described in clauses (B), (C) and (D) of this Section 4(d)(i) by a fraction, the numerator of which shall be the aggregate Principal Amount of Outstanding Auction Rate Notes subject to such Submitted Bid and the denominator of which shall be the sum of the Principal Amount of Outstanding Auction Rate Notes subject to Submitted Bids made by all such Potential Holders that specified a rate equal to the Winning Bid Rate.

(ii) If Sufficient Bids have not been made (other than because all of the Outstanding Auction Rate Notes are subject to Submitted Hold Orders), subject to the provisions of Section 4(d)(iv) hereof, Submitted Orders shall be accepted or rejected as follows in the following order of priority and all other Submitted Bids shall be rejected:

(A) Existing Holders' Submitted Bids specifying any rate that is equal to or lower than the Maximum Rate shall be rejected, thus entitling such Existing Holders to continue to own the aggregate Principal Amount of Auction Rate Notes subject to such Submitted Bids;

(B) Potential Holders' Submitted Bids specifying any rate that is equal to or lower than the Maximum Rate shall be accepted, thus requiring each Potential Holder to purchase the aggregate Principal Amount of Auction Rate Notes subject to such Submitted Bids; and

(C) each Existing Holder's Submitted Bid specifying any rate that is higher than the Maximum Rate and each Existing Holder's Submitted Sell Order shall be accepted, thus entitling each Existing Holder that submitted any such Submitted Bid or Submitted Sell Order to sell the Auction Rate Notes subject to such Submitted Bid or Submitted Sell Order, but in both cases only in an amount equal to the aggregate Principal Amount of Auction Rate Notes obtained by multiplying the aggregate Principal Amount of Auction Rate Notes subject to Submitted Bids described in clause (B) of this Section 4(d)(ii) by a fraction, the numerator of which shall be the aggregate Principal Amount of Outstanding Auction Rate Notes owned by such Existing Holder subject to such Submitted Bid or Submitted Sell Order and the denominator of which shall be the aggregate Principal Amount of Outstanding Auction Rate Notes subject to all such Submitted Bids and Submitted Sell Orders.

(iii) If all Outstanding Auction Rate Notes are subject to Submitted Hold Orders, all Submitted Bids shall be rejected.

(iv) If, as a result of the procedures described in paragraph (i) or (ii) of this Section 4(d), any Existing Holder would be entitled or required to sell, or any Potential Holder would be entitled or required to purchase, a Principal Amount of Auction Rate Notes that is not equal to an Authorized Denomination, the Auction Agent shall, in such manner as in its sole discretion it shall determine, round up or down the Principal Amount of Auction Rate Notes to be purchased or sold by any Existing Holder or Potential Holder so that the Principal Amount of Auction Rate Notes purchased or sold by each Existing Holder or Potential Holder shall be equal to an Authorized Denomination.

(v) If, as a result of the procedures described in paragraph (i) of this Section 4(d), any Potential Holder would be entitled or required to purchase less than an Authorized Denomination of Auction Rate Notes, the Auction Agent shall, in such manner as in its sole discretion it shall determine, allocate Auction Rate Notes for purchase among Potential Holders so that only Auction Rate Notes in Authorized Denominations are purchased by any Potential Holder, even if such allocation results in one or more of such Potential Holders not purchasing any Auction Rate Notes.

(e) Based on the result of each Auction, the Auction Agent shall determine the aggregate Principal Amount of Auction Rate Notes to be purchased and the aggregate Principal Amount of Auction Rate Notes to be sold by Potential Holders and Existing Holders on whose behalf each Broker-Dealer submitted Bids or Sell Orders and, with

respect to each Broker-Dealer, to the extent that such aggregate Principal Amount of Auction Rate Notes to be sold differs from such aggregate Principal Amount of Auction Rate Notes to be purchased, determine to which other Broker-Dealer or Broker-Dealers acting for one or more purchasers such Broker-Dealer shall deliver, or from which other Broker-Dealer or Broker-Dealers acting for one or more sellers such Broker-Dealer shall receive, as the case may be, Auction Rate Notes.

(f) Any calculation by the Auction Agent, the Issuer or the Trustee, as applicable, of the Applicable Interest Rate, the Applicable LIBOR-Based Rate, the Maximum Auction Rate, the Maximum Interest Rate, the All Hold Rate and the Non-Payment Rate shall, in the absence of manifest error, be binding on all other parties.

(g) Notwithstanding anything in this First Supplement to the contrary notwithstanding, no Auction will be held on any Auction Date hereunder during the continuance of a Payment Default (or on the next Business Day after a Payment Default is cured) or if the Auction Rate Notes are no longer in Book-Entry-Form.

(h) The Issuer shall not, and shall not cause (or, to the extent within its control, permit) any affiliate to, submit any Order (other than a Sell Order) in any Auction.

SECTION 5. DETERMINATION OF PAYMENT DEFAULTS AND PAYMENT OF AUCTION AGENT AND BROKER-DEALER FEES.

(a) The Trustee shall determine, not later than 2:00 p.m., New York City time, on the Business Day next preceding each Interest Payment Date, whether a Payment Default has occurred. If a Payment Default has occurred, the Trustee shall, not later than 2:15 p.m., New York City time, on such Business Day, send a notice thereof in substantially the form of Exhibit D attached hereto to the Auction Agent by telecopy or similar means and, if such Payment Default is cured, the Trustee shall immediately send a notice in substantially the form of Exhibit E attached hereto to the Auction Agent by telecopy or similar means.

(b) Not later than 12:00 noon, New York City time, on each Interest Payment Date, the Issuer shall pay to the Auction Agent, in immediately available funds out of amounts available therefor in the Administration Fund, an amount equal to the Auction Agent Fee and the Broker-Dealer Fee as calculated in accordance with the Auction Agent Agreement. The Issuer shall, from time to time at the request of the Auction Agent, reimburse the Auction Agent for its reasonable expenses as provided in the Auction Agent Agreement, such expenses to be paid out of amounts available therefor in the Administration Fund.

SECTION 6. CALCULATION OF VARIOUS RATES.

The Auction Agent shall calculate the Maximum Auction Rate, the All Hold Rate and the Applicable LIBOR-Based Rate on each Auction Date and shall notify the Issuer, Trustee and the Broker-Dealers of the Maximum Auction Rate, the Maximum Interest Rate, the All Hold Rate and the Applicable LIBOR-Based Rate, all as provided in the Auction Agent Agreement. If the

ownership of the Auction Rate Notes is no longer maintained in Book-Entry Form by the Securities Depository, the Trustee shall calculate the Maximum Rate on the Business Day immediately preceding the first day of each Interest Period after the delivery of definitive Auction Rate Notes pursuant to Section 17 hereof. If a Payment Default shall have occurred, the Trustee shall calculate the Non-Payment Rate on the Interest Rate Determination Date for (i) each Interest Period commencing after the occurrence and during the continuance of such Payment Default and (ii) any Interest Period commencing less than two (2) Business Days after the cure of any Payment Default. The Auction Agent shall determine the Applicable LIBOR-Based Rate for each Interest Period other than the first Interest Period; *provided* that if the ownership of the Auction Rate Notes is no longer maintained in Book-Entry Form, or if a Payment Default has occurred, then the Trustee shall determine the Applicable LIBOR-Based Rate for each such Interest Period.

For any Interest Period for which any Carry-Over Amount exists, the Auction Agent shall calculate One-Month LIBOR.

The Issuer shall determine on each Auction Date whether the Net Loan Restriction Period is applicable for the next Auction Period, and, if it is, the Issuer shall notify the Trustee, the Auction Agent and the Broker-Dealers of such event. If the Net Loan Restriction Period is applicable for an Auction Period, the Issuer shall calculate the Net Loan Rate, the Effective Interest Rate and the Program Expense Percentage and shall notify the Trustee, the Auction Agent and the Broker-Dealers of such calculations.

SECTION 7. NOTIFICATION OF RATES, AMOUNTS AND PAYMENT DATES.

(a) By 10:00 a.m., New York City time, on each Regular Record Date with respect to the Auction Rate Notes, the Trustee shall determine the aggregate amounts of interest distributable on the next succeeding Interest Payment Date to the beneficial owners of each series thereof.

(b) As soon as practicable prior to each Interest Payment Date with respect to the Auction Rate Notes, the Trustee shall:

(i) confirm with the Auction Agent, so long as no Payment Default has occurred and is continuing and the ownership of the Auction Rate Notes is maintained in Book-Entry Form by the Securities Depository, (1) the date of such next Interest Payment Date and (2) the amount payable to the Auction Agent on such Interest Payment Date pursuant to Section 5(b) hereof;

(ii) advise the Securities Depository, so long as the ownership of the Auction Rate Notes is maintained in Book-Entry Form by the Securities Depository, upon request, of the aggregate amount of interest, and the aggregate amount (if any) of Carry-Over Amount and interest thereon, distributable on the next succeeding Interest Payment Date to the beneficial owners thereof; and

(iii) pursuant to Section 3 hereof, advise the Holders of the Auction Rate Notes of any Carry-Over Amount accruing thereon.

SECTION 8. AUCTION AGENT.

(a) Deutsche Bank Trust Company Americas is hereby appointed as Initial Auction Agent to serve as agent for the Issuer in connection with Auctions. The Trustee and the Issuer will, and the Trustee is hereby directed to, enter into the Initial Auction Agent Agreement with Deutsche Bank Trust Company Americas, as the Initial Auction Agent. Any Substitute Auction Agent shall be (i) a bank, national banking association or trust company duly organized under the laws of the United States of America or any state or territory thereof having its principal place of business in the Borough of Manhattan, New York, or such other location as approved by the Trustee in writing and having a combined capital stock or surplus of at least \$50,000,000, or (ii) a member of the National Association of Securities Dealers, Inc., having a capitalization of at least \$50,000,000, and, in either case, authorized by law to perform all the duties imposed upon it hereunder and under the Auction Agent Agreement. The Auction Agent may at any time resign and be discharged of the duties and obligations created by this First Supplement by giving at least ninety (90) days' notice to the Trustee, the Market Agent and the Issuer. The Auction Agent may be removed at any time by the Trustee upon the written direction of an Authorized Officer of the Issuer or the Holders of 66 2/3% of the aggregate Principal Amount of the Series 2005-1B Notes, and if by such Holders, by an instrument signed by such Holders or their attorneys and filed with the Auction Agent, the Issuer and the Trustee upon at least ninety (90) days' notice. Neither resignation nor removal of the Auction Agent pursuant to the preceding two sentences shall be effective unless and until a Substitute Auction Agent has been appointed and has accepted such appointment. However, if a Substitute Auction Agent shall not have been appointed within sixty (60) days from the date of a notice of resignation, the resigning Auction Agent may petition any court of competent jurisdiction for the appointment of a Substitute Auction Agent. If required by the Issuer, a Substitute Auction Agent Agreement shall be entered into with a Substitute Auction Agent. Notwithstanding the foregoing, the Auction Agent may terminate the Auction Agent Agreement if, within twenty-five (25) days after notifying the Trustee, each Market Agent and the Issuer in writing that it has not received payment of any Auction Agent Fee due it in accordance with the terms of the Auction Agent Agreement, the Auction Agent does not receive such payment.

(b) If the Auction Agent shall resign or be removed or be dissolved, or if the property or affairs of the Auction Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, the Trustee at the direction of an Authorized Officer of the Issuer shall use its best efforts to appoint a Substitute Auction Agent.

(c) The Auction Agent is acting as agent for the Issuer in connection with Auctions. In the absence of bad faith, negligent failure to act or negligence on its part, the Auction Agent shall not be liable for any action taken, suffered or omitted or any error of judgment made by it in the performance of its duties under the Auction Agent Agreement and shall not be liable for any error of judgment made in good faith unless the Auction Agent shall have been negligent in ascertaining (or failing to ascertain) the pertinent facts.

SECTION 9. BROKER-DEALERS.

(a) The Auction Agent will enter into a Broker-Dealer Agreement with Banc of America Securities LLC as the initial Broker-Dealer. An Authorized Officer of the Issuer may, from time to time, approve one or more additional persons to serve as Broker-Dealers under Broker-Dealer Agreements and shall be responsible for providing such Broker-Dealer Agreements to the Trustee and the Auction Agent.

(b) Any Broker-Dealer may be removed at any time, at the request of an Authorized Officer of the Issuer, but there shall, at all times, be at least one Broker-Dealer appointed and acting as such with respect to the Auction Rate Notes.

SECTION 10. CHANGES IN AUCTION PERIOD OR PERIODS.

While any of the Auction Rate Notes are Outstanding, the Issuer may, from time to time, convert the length of one or more Auction Periods (an "*Auction Period Adjustment*"), in order to conform with then current market practice with respect to similar securities or to accommodate economic and financial factors that may affect or be relevant to the length of the Auction Period and the Applicable Interest Rate borne by the Auction Rate Notes. The Issuer shall not initiate an Auction Period Adjustment unless it shall have received, not less than ten days nor more than twenty days prior to the Auction Period Adjustment, the written consent of the Market Agent, which consent shall not be unreasonably withheld. The Issuer shall initiate the Auction Period Adjustment by giving written notice by Issuer Order to the Trustee, the Auction Agent, the Market Agent and the Securities Depository in substantially the form of, or containing substantially the information contained in, Exhibit F to this First Supplement at least ten days prior to the Auction Date for such Auction Period.

Any such adjusted Auction Period shall not be less than seven days nor more than one year; *provided, however*, if the change is either (i) from an Auction Period shorter than 90 days to one longer than 90 days, (ii) from an Auction Period longer than 90 days to one shorter than 90 days, or (iii) a change in the Auction Period of greater than 90 days, then no such Auction Period Adjustment shall be made unless the Rating Agency Condition is satisfied with respect to such Auction Period Adjustment.

An Auction Period Adjustment shall take effect only (A) if the Trustee and the Auction Agent receive, by 11:00 a.m., New York City time, on the Business Day before the Auction Date for the first such Auction Period, an Issuer Certificate in substantially the form attached as, or containing substantially the same information contained in, Exhibit G to this First Supplement, authorizing the Auction Period Adjustment specified in such certificate along with written confirmation that the Rating Agency Condition has been satisfied with respect to such Auction Period Adjustment, and (B) Sufficient Bids exist as of the Auction on the Auction Date for such first Auction Period. If the condition referred to in (A) above is not met, the Applicable Interest Rate for the next Auction Period shall be determined pursuant to the provisions of Sections 4 through 9 hereof and the Auction Period shall be the Auction Period determined without reference to the proposed change. If the condition referred to in (A) is met but the condition referred to in (B) above is not met, the Applicable Interest Rate for the next Auction Period shall

be the Maximum Rate, and in either case the Auction Period shall be the Auction Period determined without reference to the proposed change.

In connection with any Auction Period Adjustment, the Auction Agent shall provide such further notice to such parties as is specified in Section 2.05 of the Auction Agent Agreement.

SECTION 11. CHANGES IN THE AUCTION DATE.

The Market Agent, with the written consent of an Authorized Officer of the Issuer and with the consent of any affected Broker-Dealer, may specify an earlier Auction Date (but in no event more than five Business Days earlier) than the Auction Date that would otherwise be determined in accordance with the definition of "Auction Date" in Section 1 hereof with respect to one or more specified Auction Periods for the Auction Rate Notes in order to conform with then current market practice with respect to similar securities or to accommodate economic and financial factors that may affect or be relevant to the day of the week constituting an Auction Date and the Applicable Interest Rate borne by the Auction Rate Notes. The Market Agent shall deliver a written request for consent to such change in the Auction Date to the Issuer not less than three days nor more than twenty days prior to the effective date of such change. The Market Agent shall provide notice of its determination to specify an earlier Auction Date for one or more Auction Periods by means of a written notice delivered at least three days prior to the proposed changed Auction Date to the Trustee, the Auction Agent, the Issuer and the Securities Depository. Such notice shall be substantially in the form of, or contain substantially the information contained in, Exhibit H to this First Supplement.

In connection with any change described in this Section 11, the Auction Agent shall provide such further notice to such parties as is specified in Section 2.05 of the Auction Agent Agreement.

SECTION 12. ADDITIONAL PROVISIONS REGARDING THE APPLICABLE INTEREST RATE.

The determination of each Applicable Interest Rate by the Auction Agent or any other Person pursuant to the provisions of the applicable Section of this First Supplement shall be conclusive and binding on the Holders of the series of Series 2005-1 Notes to which such Applicable Interest Rate applies, and the Issuer and the Trustee may rely thereon for all purposes.

In no event shall the cumulative amount of interest paid or payable on a series of Series 2005-1 Notes (including interest calculated as provided herein, plus any other amounts that constitute interest on the Series 2005-1 Notes of such series under applicable law, which are contracted for, charged, reserved, taken or received pursuant to the Series 2005-1 Notes of such series or related documents) calculated from the date of issuance of such series through any subsequent day during the term of such series or otherwise prior to payment in full of the Series 2005-1 Notes of such series exceed the amount permitted by applicable law. If the applicable law is ever judicially interpreted so as to render usurious any amount called for under the Series 2005-1 Notes of a series or related documents or otherwise contracted for, charged, reserved, taken or received in connection with the Series 2005-1 Notes of such series, or if the

redemption or acceleration of the maturity of the Series 2005-1 Notes of such series results in payment to or receipt by the Holder or any former Holder of the Series 2005-1 Notes of such series of any interest in excess of that permitted by applicable law, then, notwithstanding any provision of the Series 2005-1 Notes of such series or related documents to the contrary, all excess amounts theretofore paid or received with respect to the Series 2005-1 Notes of such series shall be credited on the Principal Amount of the Series 2005-1 Notes of such series (or, if the Series 2005-1 Notes of such series have been paid or would thereby be paid in full, refunded by the recipient thereof), and the provisions of the Series 2005-1 Notes of such series and related documents shall automatically and immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for under the Series 2005-1 Notes of such series and under the related documents.

SECTION 13. QUALIFICATIONS OF MARKET AGENT.

Each Market Agent shall be a member of the National Association of Securities Dealers, Inc., have a capitalization of at least \$50,000,000 and be authorized by law to perform all the duties imposed upon it by this First Supplement. Any Market Agent may resign and be discharged of the duties and obligations created by this First Supplement by giving at least thirty days notice to the Issuer and the Trustee, *provided* that such resignation shall not be effective until the appointment of a successor market agent by the Issuer and the acceptance of such appointment by such successor market agent. Any Market Agent may be replaced at the direction of the Issuer, by an instrument signed by an Authorized Officer of the Issuer filed with such Market Agent and the Trustee at least thirty days before the effective date of such replacement, *provided* that such replacement shall not be effective until the appointment of a successor market agent by the Issuer and the acceptance of such appointment by such successor market agent.

In the event that any Market Agent shall be removed or be dissolved, or if the property or affairs of any Market Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and there is no Market Agent for the Auction Rate Notes, and the Issuer shall not have appointed its successor as Market Agent, the Trustee, notwithstanding the provisions of the first paragraph of this Section 13, shall be deemed to be the Market Agent for all purposes of this First Supplement until the appointment by the Issuer of the successor Market Agent. Nothing in this Section 13 shall be construed as conferring on the Trustee additional duties other than as set forth herein.

SECTION 14. PURPOSES OF ISSUANCE OF SERIES 2005-1 NOTES.

The Series 2005-1 Notes are being issued (a) to provide funds to be used to acquire or originate Student Loans, (b) to pay interest on the Notes, Administrative Allowances, Marketing and School Services Expense Allowances and Note Fees, (c) to fund the Reserve Fund, (d) to pay Listing Costs and costs of issuing the Notes and (e) to redeem certain series of the Issuer's Notes Outstanding.

SECTION 15. DEPOSIT OF SERIES 2005-1 NOTE PROCEEDS.

From the proceeds derived from the sale of the Series 2005-1 Notes, there shall be deposited with the Trustee:

- (i) for credit to the Acquisition Fund, an amount equal to \$493,306,955;
- (ii) for credit to the Reserve Fund, an amount equal to \$7,650,000;
- (iii) for credit to the Administration Fund, an amount equal to \$850,000;
- (iv) for credit to the Capitalized Interest Fund, an amount equal to \$35,000,000; and
- (v) for credit to the Retirement Account, an amount equal to \$480,000,000 for the redemption of certain series of Notes Outstanding under the Indenture on November 4, 2005.

To the extent any amounts deposited in the Acquisition Fund as of the Closing Date remain in the Acquisition Fund as of the end of the Revolving Period, such amounts shall be transferred to the Collection Fund.

SECTION 16. REDEMPTION OF AND PRINCIPAL PAYMENTS ON THE SERIES 2005-1 NOTES.

The Series 2005-1 Notes are subject to redemption as provided in this Section 16.

(a) *Redemption of and Principal Payments on LIBOR Rate Notes.* Subject to Section 16(i), the LIBOR Rate Notes shall be redeemed as set forth in this Section 16(a).

(1) The Series 2005-1A-1 Notes are subject to optional redemption in whole, at the option of the Issuer, on any Quarterly Distribution Date on or after July 28, 2014 at a redemption price of 100% of the principal amount of such LIBOR Rate Notes to be redeemed, plus accrued interest thereon to the redemption date. The Series 2005-1A-2 Notes are subject to optional redemption in whole, at the option of the Issuer, on any Quarterly Distribution Date on or after January 30, 2017, at a redemption price of 100% of the principal amount of such LIBOR Rate Notes to be redeemed, plus accrued interest thereon to the redemption date. The Series 2005-1A-3 Notes are subject to optional redemption in whole, at the option of the Issuer, on any Quarterly Distribution Date on or after July 28, 2021, at a redemption price of 100% of the principal amount of such LIBOR Rate Notes to be redeemed, plus accrued interest thereon to the redemption date. The Series 2005-1A-4 Notes are subject to optional redemption in whole, at the option of the Issuer, on any Quarterly Distribution Date on or after January 28, 2027, at a redemption price of 100% of the principal amount of such LIBOR Rate Notes to be redeemed, plus accrued interest thereon to the redemption date.

(2) So long as any LIBOR Rate Notes are Outstanding, on each Monthly Calculation Date the Trustee, upon receipt of an Issuer Order, shall transfer to the Retirement Account pursuant to clause (xi) of Section 4.6 of the Indenture (to the extent amounts are available in the Collection Fund after taking into account all prior application of moneys therein on that Monthly Calculation Date) an amount equal to the amount determined by the following formula.

$$TA = [(TB) \times (F/3)] - RAB$$

Where

TA = Amount to be transferred to the Retirement Account on the Monthly Calculation Date.

TB = Excess, if any, of the aggregate outstanding Principal Amount of each series of LIBOR Rate Notes immediately prior to the Monthly Calculation Date less the aggregate Targeted Balance of each series of LIBOR Rate Notes listed on Schedule I hereto for the next Quarterly Distribution Date or, if such Monthly Calculation Date is also a Quarterly Distribution Date, the Targeted Balance for that Quarterly Distribution Date.

F = 1 for the first Monthly Calculation Date occurring in an Interest Period, starting in May of 2010, 2 for the second Monthly Calculation Date occurring in an Interest Period and 3 for the third Monthly Calculation Date occurring in an Interest Period.

RAB = Amount on deposit in the Retirement Account immediately prior to such Monthly Calculation Date.

If the outstanding Principal Amount of any series of the LIBOR Rate Notes was not reduced to the Targeted Balance for such series of the LIBOR Rate Notes on any Quarterly Distribution Date, the amount transferred pursuant to clause (xi) of Section 4.6 of the Indenture (to the extent amounts are available in the Collection Fund, after taking into account all prior application of moneys therein on each subsequent Monthly Calculation Date) shall, in addition to amounts set forth above, include an amount equal to the difference between the outstanding Principal Amount of such series of the LIBOR Rate Notes and the Targeted Balance for such series of the LIBOR Rate Notes for the succeeding Quarterly Distribution Date, unless such amount has been previously transferred pursuant to clause (xi) of Section 4.6 of the Indenture.

After the payment of the T.H.E. Bonus Deposit, if any, on each Monthly Calculation Date, the Trustee will transfer to the Retirement Account pursuant to clause (xiii) of Section 4.6 of the Indenture (to the extent amounts are available in the Collection Fund, after taking into account all prior application of moneys therein available for distribution or allocation on such Monthly Calculation Date)

the remaining amount necessary to reduce the Principal Amount of each series of the LIBOR Rate Notes to the Targeted Balance set forth on Schedule I hereto for the Quarterly Distribution Date.

So long as any Series 2005-1A-1 Notes are Outstanding, on each Quarterly Distribution Date the Trustee, upon receipt of an Issuer Order, shall use amounts on deposit in the Retirement Account to pay principal on the Series 2005-1A-1 Notes up to the amount needed to reduce their outstanding Principal Amount to their Targeted Balance listed on Schedule I hereto for that Quarterly Distribution Date. Failure to pay principal on the Series 2005-1A-1 Notes on a Quarterly Distribution Date to the applicable Targeted Balance shall not be an Event of Default.

On each Quarterly Distribution Date on and after the Quarterly Distribution Date on which the outstanding Principal Amount of the Series 2005-1A-1 Notes is reduced to zero, the Trustee, upon receipt of an Issuer Order, shall use amounts on deposit in the Retirement Account to pay principal on the Series 2005-1A-2 Notes up to the amount needed to reduce their outstanding Principal Amount to the Targeted Balance listed on Schedule I hereto for that Quarterly Distribution Date. Failure to pay principal on the Series 2005-1A-2 Notes on a Quarterly Distribution Date to the applicable Targeted Balance shall not be an Event of Default.

On each Quarterly Distribution Date on and after the Quarterly Distribution Date on which the outstanding Principal Amounts of the Series 2005-1A-1 Notes and the Series 2005-1A-2 Notes are reduced to zero, the Trustee, upon receipt of an Issuer Order, shall use amounts on deposit in the Retirement Account to pay principal on Series 2005-1A-3 Notes up to the amount needed to reduce their outstanding Principal Amount to the Targeted Balance listed on Schedule I hereto for that Quarterly Distribution Date. Failure to pay principal on Series 2005-1A-3 Notes on a Quarterly Distribution Date to the applicable Targeted Balance shall not be an Event of Default.

On each Quarterly Distribution Date on and after the Quarterly Distribution Date on which the outstanding Principal Amounts of the Series 2005-1A-1 Notes, the Series 2005-1A-2 Notes and the Series 2005-1A-3 Notes are reduced to zero, the Trustee, upon receipt of an Issuer Order, shall use amounts on deposit in the Retirement Account to pay principal on Series 2005-1A-4 Notes up to the amount needed to reduce their outstanding Principal Amount to the Targeted Balance listed on Schedule I hereto for that Quarterly Distribution Date. Failure to pay principal on Series 2005-1A-4 Notes on a Quarterly Distribution Date to the applicable Targeted Balance shall not be an Event of Default.

(3) Principal payments on the LIBOR Rate Notes will be made as follows:

First, to pay principal on the Series 2005-1A-1 Notes until their outstanding Principal Amount is reduced to zero;

Second, to pay principal on the Series 2005-1A-2 Notes until their outstanding Principal Amount is reduced to zero;

Third, to pay principal on the Series 2005-1A-3 Notes until their outstanding Principal Amount is reduced to zero; and

Fourth, to pay principal on the Series 2005-1A-4 Notes until their outstanding Principal Amount is reduced to zero.

As a result of the priorities described above (and subject to Section 16(g)):

(i) the Series 2005-1A-4 Notes will not receive any payments of principal so long as any Series 2005-1A-3 Notes remain Outstanding;

(ii) the Series 2005-1A-3 Notes will not receive any payments of principal so long as any Series 2005-1A-2 Notes remain Outstanding;

(iii) the Series 2005-1A-2 Notes will not receive any payments of principal so long as any Series 2005-1A-1 Notes remain Outstanding; and

(iv) so long as any LIBOR Rate Notes remain Outstanding, deposits will be made to the Retirement Account for the payment of LIBOR Rate Notes up to the amounts set forth in Schedule I hereto prior to any other series of Notes receiving a principal payment, except for any payments due at the Stated Maturity of a series of Notes.

(b) *Reset Rate Notes Optional Redemption.* The Issuer may redeem Outstanding Reset Rate Notes at a time other than their Stated Maturity in accordance with Section 7 of the Reset Rate Note Procedures. The Issuer may also redeem the Outstanding Reset Rate Notes in whole, but not in part, on any Reset Date.

(c) *Auction Rate Notes Optional Redemption.* Subject to compliance with Section 3.2 of the Indenture, Outstanding Auction Rate Notes may, at the option of the Issuer and from amounts credited to the Retirement Account for such purpose, be redeemed on any regularly scheduled Interest Payment Date for such Notes, in whole or in part, at a Prepayment Price equal to 100% of the Principal Amount of Auction Rate Notes to be so redeemed plus accrued interest thereon to the Prepayment Date.

(d) *Auction Rate Notes Mandatory Redemption.* The Auction Rate Notes are subject to mandatory redemption on any regularly scheduled Interest Payment Date from revenues deposited to the Collection Fund and transferred to the Retirement Account pursuant to Sections 4.6 and 4.7.3 of the Indenture. The Auction Rate Notes selected for

redemption as provided in subsection (e) of this Section 16 shall be redeemed on the first regularly scheduled Interest Payment Date for that series for which the Trustee can give the required notice. The Prepayment Price will be 100% of the Principal Amount of such Notes to be redeemed, plus accrued interest thereon to the Prepayment Date.

The Principal Amount of Auction Rate Notes to be redeemed pursuant to this subsection (d) from amounts deposited into the Retirement Account and available for such purpose in accordance with Section 4.7.3 of the Indenture on any Monthly Calculation Date shall be equal to the largest Authorized Denomination.

(e) *Selection of Auction Rate Notes for Redemption.* If less than all of the Outstanding Auction Rate Notes are to be redeemed pursuant to this Section 16, the particular Auction Rate Notes to be redeemed shall be selected by the Trustee by lot in such manner as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions of the principal of Auction Rate Notes in an Authorized Denomination.

The Trustee shall promptly notify the Note Registrar and any Paying Agent for the Auction Rate Notes (in each case, if other than the Trustee) in writing of the Auction Rate Notes selected for redemption and, in the case of any Auction Rate Note selected for partial redemption, the Principal Amount thereof to be redeemed.

For all purposes of the Indenture, unless the context otherwise requires, all provisions relating to the redemption of Auction Rate Notes shall relate, in the case of any Auction Rate Note redeemed or to be redeemed only in part, to the portion of the principal of such Auction Rate Note which has been or is to be redeemed.

(f) *Selection of Series 2005-1A Reset Rate Notes for Redemption.* If less than all outstanding Reset Rate Notes are to be prepaid, the Reset Rate Notes that are to be prepaid will be paid principal pro rata if bearing interest at a floating rate or a fixed rate, or will be redeemed by lot if bearing interest at an auction rate; *provided, however,* that following a Failed Remarketing, all Reset Rate Notes will receive principal on a pro rata basis.

(g) *Reallocation of Administration Fund Amounts Shortfalls.* If on any Monthly Calculation Date a shortfall would exist in any amounts required to be allocated for the payment of interest or principal on any series of Senior Notes, or if on the Stated Maturity of any principal or on any series of Senior Notes, the amount of such shortfall may be withdrawn from the Administration Fund, to the extent of funds allocated for the payment of Remarketing Fees on deposit therein, and used for payment such shortfall.

(h) *Limitation on Redemption of Subordinate Notes.* The Auction Rate Notes may not be redeemed if the LIBOR rate notes issued under the Sixth Supplemental Indenture, the LIBOR rate notes issued under the Seventh Supplemental Indenture, the LIBOR Rate Notes or the Reset Rate Notes are outstanding. Thereafter, Auction Rate Notes may not be redeemed if there are any Senior Notes outstanding unless the Issuer

receives confirmation from each Rating Agency that such redemption will not cause the withdrawal or reduction of any rating or ratings then applicable to any Outstanding Notes; *however*, the Issuer may pay the Auction Rate Notes at their Stated Maturity.

(i) *Notice of Redemption.* Notice of redemption of Series 2005-1 Notes pursuant to this Section 16 shall be given not less than ten days nor more than 30 days prior to the Prepayment Date in accordance with the provisions of Section 3.4 of the Indenture.

(j) Notwithstanding anything to the contrary herein or in the Indenture, on each Quarterly Distribution Date on which principal payments will be made on the Notes, amounts in the Retirement Account shall be used to pay or redeem the Notes in the following order:

First, to pay principal on the LIBOR Rate Notes (as defined in the Sixth Supplemental Indenture) of the Series 2004-1 Notes until on such quarterly distribution date each series of such LIBOR Rate Notes has been paid down to the targeted balance set forth for such quarterly distribution date for such series on the Targeted Balance Schedule attached to the Sixth Supplemental Indenture;

Second, to pay principal on the LIBOR Rate Notes (as defined in the Seventh Supplemental Indenture) of the Series 2004-2 Notes until on such quarterly distribution date each Series of such LIBOR Rate Notes has been paid down to the targeted balance set forth for such quarterly distribution date for such series on the Targeted Balance Schedule attached to the Seventh Supplemental Indenture;

Third, to pay principal on the LIBOR Rate Notes (sequentially in numerical order) until on such quarterly distribution date each series of such Notes have been paid down to the Targeted Balances set forth for such quarterly distribution date occurring on such date for such series set on the Targeted Balance Schedule;

Fourth, to pay principal on any LIBOR rate notes (sequentially in numerical order) issued subsequent to the LIBOR Rate Notes until on such quarterly distribution date each series of such Notes have been paid down to the targeted balances set for such quarterly distribution date for such series in accordance with the related supplemental indenture;

Fifth, if a Failed Remarketing has occurred with respect to the Reset Rate Notes, to redeem the Reset Rates Notes (while bearing interest at a floating or auction rate), or to deposit amounts in the Retirement Account to be used upon the next Reset Date to redeem the Reset Rate Notes (while bearing interest at a fixed rate), unless the Rating Agency Condition is satisfied;

Sixth, to redeem any senior auction rate Notes Outstanding until the Principal Amount of such Notes is reduced to zero (such redemption need not occur on a quarterly distribution date);

Seventh, (unless a Failed Remarketing has occurred with respect to the Reset Rate Notes as described in *Fifth* above), to redeem the Reset Rate Notes (while bearing interest at a floating or auction rate), or to deposit amounts in the Retirement Account to be used upon the next Reset Date to redeem the Reset Rate Notes (while bearing interest at a fixed rate);

Eighth, to pay principal on each series of the LIBOR Rate Notes of the Series 2004-1 Notes (sequentially in ascending numerical order) until the Principal Amount of such Notes is reduced to zero; and

Ninth, to pay principal on each series of the LIBOR Rate Notes of the Series 2004-2 Notes (sequentially in ascending numerical order) until the Principal Amount of such Notes is reduced to zero;

Tenth, to pay principal on each series of the LIBOR Rate Notes in accordance with Section 16(a) until the Principal Amount of such Notes is reduced to zero.

If a redemption date is not a “Quarterly Distribution Date” under the Sixth Supplemental Indenture, the Seventh Supplemental Indenture and this First Supplement, then payments pursuant to clauses *Sixth* and *Eighth* through *Tenth* above may be made as if such payment date occurred on the immediately preceding Quarterly Distribution Date. The Issuer shall use its best efforts to cause a redemption of auction rate notes pursuant to clause *Fifth* above as soon as practicable after such quarterly distribution date.

SECTION 17. BOOK-ENTRY SERIES 2005-1 NOTES.

(a) Subject to subsections (c) and (g) below, the registered Holder of all Series 2005-1 Notes shall be the Securities Depository, and the Series 2005-1 Notes shall be registered in the name of the nominee for the Securities Depository.

(b) The Series 2005-1 Notes shall be initially issued in the form of one or more separate, authenticated fully-registered Series 2005-1 Notes for each series thereof in the aggregate Principal Amount of such series. Upon initial issuance, the ownership of each such Series 2005-1 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 Series 2005-1 Notes registered in its name for the purposes of (1) payment of the principal or Prepayment Price of and interest on the Series 2005-1 Notes, (2) selecting the Series 2005-1 Notes or portions thereof (if permitted under this First Supplement and the Indenture) to be redeemed, (3) giving any notice permitted or required to be given to Holders under the Indenture, (4) registering the

transfer of Series 2005-1 Notes, and (5) obtaining any consent or other action to be taken by Holders 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 Series 2005-1 Notes or any other Person claiming a beneficial ownership interest in the Series 2005-1 Notes under or through the Securities Depository or any Participant, or any other Person which is not shown on the registration books of the Note Registrar as being a Holder, 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 Series 2005-1 Notes; any notice which is permitted or required to be given to Holders 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 Series 2005-1 Notes; or any consent given or other action taken by the Securities Depository as Holder. The Trustee shall pay all principal and Prepayment Price of and interest on the Series 2005-1 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 Series 2005-1 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 Series 2005-1 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 Series 2005-1 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 Holders 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 Series 2005-1 Notes. In such event, the Trustee shall authenticate, transfer and exchange definitive Series 2005-1 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 Series 2005-1 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 Series 2005-1 Notes as described in this Indenture and in accordance with subsection (f) below. In the event definitive Series 2005-1 Notes are issued, the provisions of the Indenture and this Supplemental Indenture shall apply to such definitive Series 2005-1 Notes in all respects, including, among other things, the transfer and exchange of such Series 2005-1 Notes and the method of payment of principal or Prepayment Price of and interest on such Series 2005-1 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 Series 2005-1 Notes to any Participant having Series 2005-1 Notes credited to its account with the Securities Depository or (B) to arrange for another securities depository to maintain custody of definitive Series 2005-1 Notes.

(d) Notwithstanding any other provision of the Indenture to the contrary, so long as any Series 2005-1 Note is registered in the name of the nominee of the Securities Depository, all payments with respect to the principal or Prepayment Price of and interest on such Series 2005-1 Note and all notices with respect to such Series 2005-1 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 Holders pursuant to the Indenture by the Issuer or the Trustee or with respect to any consent or other action to be taken by Holders, 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 Holder.

(f) In the event that any transfer or exchange of Series 2005-1 Notes is permitted under subsection (b) or (c) of this Section 17, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered Holder thereof of the Series 2005-1 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 Series 2005-1 Notes are issued to Holders other than the nominee of the Securities Depository, or another securities depository as Holder of all the Series 2005-1 Notes, the provisions of the Indenture shall also apply to, among other things, the printing of such definitive Series 2005-1 Notes and the methods of payment of principal or Prepayment Price of and interest on such Series 2005-1 Notes.

(g) With respect to the Reset Rate Notes, the Clearing Agencies for any Reset Period when the Reset Rates Notes are denominated in a currency other than U.S. Dollars shall be Euroclear and Clearstream, Luxembourg and the joint nominee for such Clearing Agencies shall be Deutsche Bank AG, London Brauch.

SECTION 18. LIMITATION ON NOTE FEES.

For so long as any Series 2005-1 Notes shall be Outstanding, the Issuer covenants and agrees that the Note Fees with respect to the Series 2005-1 Notes to be paid, or reimbursed to the Issuer, from the Administration Fund shall not, in any year, exceed the sum of (1) the annual fees of the Trustee, the Eligible Lender Trustee and the Market Agent in effect as of the Closing Date, plus (2) the Broker-Dealer Fees payable at the Broker-Dealer Fee Rate in effect as of the Closing Date, plus (3) the Auction Agent Fees payable at the Auction Agent Fee Rate in effect as of the Closing Date, unless the Issuer delivers to the Trustee written confirmation from each of the Rating Agencies then rating the Series 2005-1 Notes to the effect that payment or reimbursement

of such additional Note Fees will not result in a reduction or withdrawal of the rating of the Series 2005-1 Notes. Notwithstanding the foregoing, the fees described in clauses (1) through (3) immediately above shall not exceed the amounts of such fees stated in the cash flow models submitted to the Rating Agencies prior to the Closing Date.

SECTION 19. CERTAIN DESIGNATIONS PURSUANT TO THE INDENTURE.

(a) For so long as any Series 2000 Notes, Series 2002 Notes, Series 2004-1 Notes, Series 2004-2 Notes or Series 2005-1 Notes shall be Outstanding, for purposes of the Indenture:

(i) the “*Senior Asset Requirement*” shall mean that, as of the date of determination, the Senior Asset Percentage is at least equal to 105% and the Subordinate Asset Percentage is at least equal to 100.75%; and

(ii) the “*Asset Release Requirement*” shall mean that, as of the date of determination, (A) the Senior Asset Percentage is at least equal to 105% and the Subordinate Asset Percentage is at least equal to 100.75% and (B) the Aggregate Value of assets held under the Indenture, less the principal amount of all Notes Outstanding will exceed \$100,000 after release or payment;

or, in either case, such greater amount(s) as may be provided in a Supplemental Indenture providing for the issuance of any series of Notes any of which are then Outstanding; *provided*, that in connection with any proposed amendment to the Indenture to reduce any such requirements to levels not below those set forth above, the Holders of all Outstanding Series 2000 Notes, Series 2002 Notes, Series 2004-1 Notes, Series 2004-2 Notes or Series 2005-1 Notes shall be deemed to have consented to such amendment.

(b) For purposes of making the deposits required by Section 4.7.1 of the Indenture with respect to the Series 2005-1 Notes, for any Interest Period for which the actual Applicable Interest Rate with respect to a series of Series 2005-1 Notes is not known on the Monthly Calculation Date, such series of Series 2005-1 Notes shall be assumed to bear interest at the last known rate for such series.

(c) For so long as any Series 2000 Notes, Series 2002 Notes, Series 2004-1 Notes, Series 2004-2 Notes or Series 2005-1 Notes shall be Outstanding, any premiums paid in connection with the acquisition of the Eligible Loans shall not be in excess of the premiums used in the cash flow model submitted to the Rating Agencies prior to the Closing Date unless the Rating Agency Condition is satisfied with respect to such excess premiums.

(d) The Initial Interest Rate Swap Agreements shall be Other Senior Obligations of the Issuer and the counterparties thereto shall be Other Senior Beneficiaries.

SECTION 20. MANDATORY REDEMPTION OF OR DISTRIBUTIONS OF PRINCIPAL WITH RESPECT TO NOTES.

(a) For purposes of Section 3.3 of the Indenture and subject to the provisions of Section 3.2 of the Indenture, if less than all Outstanding Series 2005-1 Notes are to be redeemed, the particular series from which Notes shall be redeemed will be determined by Issuer.

(b) For purposes of Section 3.3 of the Indenture, any Supplemental Indenture pursuant to which any series of Notes is issued may provide that amounts transferred to the Retirement Account for the mandatory redemption of, or distribution of principal with respect to, Notes shall be applied to such series of Notes, or any portions thereof, either prior to or after the application of such amounts to the Series 2005-1 Notes, or shall be allocated between such series of Notes and the Series 2005-1 Notes in any other manner. This Section shall not alter the limitation set forth in Section 3.2 of the Indenture.

SECTION 21. ISSUER COVENANTS WITH RESPECT TO PRINCIPAL DISTRIBUTIONS ON THE LIBOR RATE NOTES AND WITH RESPECT TO SWAP AGREEMENTS.

The Issuer may issue additional Notes with principal distributions which are payable prior to, or concurrently with, the principal distributions on the LIBOR Rate Notes and Reset Rate Notes pursuant to Section 16(a)(2) hereof and additional Notes with Stated Maturities (or mandatory sinking fund payments) which are payable prior to, or concurrently with, the principal distributions on the LIBOR Rate Notes and Reset Rate Notes, if the Issuer reasonably determines, on the date of issuance of such additional Notes, that the issuance of such additional Notes will not result in the Issuer's inability to make principal distributions on the LIBOR Rate Notes in accordance with the Targeted Balances set forth on Schedule I hereto or the Reset Rate Notes in accordance with any targeted balances, if then applicable. In addition, the Issuer shall not sell any Student Loans unless the Issuer reasonably determines, on the date of such sale, that the sale of such Student Loans will not adversely affect the sufficiency of the amounts directed to make distributions on the LIBOR Rate Notes in accordance with the Targeted Balances set forth on Schedule I hereto or the Reset Rate Notes in accordance with any targeted balances, if then applicable. Furthermore, the Issuer shall not enter into any Swap Agreements unless the Issuer reasonably determines on the date it enters into such Swap Agreement, that such Swap Agreement will not adversely affect the sufficiency of the amounts directed to make principal distributions on the LIBOR Rate Notes in accordance with the Target Balances set forth on Schedule I hereto.

SECTION 22. LIST OF NON-BUSINESS DAYS.

The Trustee shall provide to the Auction Agent on the Closing Date, and on each December 1 thereafter and upon any change in the state in which the Trustee's Principal Office is located, a list of all legal holidays in the state in which the Principal Office of the Trustee is located during the ensuing calendar year.

SECTION 23. CERTAIN FINDINGS, DETERMINATIONS, COVENANTS, DESIGNATIONS AND AMENDMENTS.

(a) The Issuer hereby finds and determines as follows:

(1) This First Supplement supplements the Indenture, constitutes and is a “Supplemental Indenture” within the meaning of such term as defined and used in the Indenture and is executed under and pursuant to the Indenture.

(2) The Series 2005-1A Notes constitute, and are hereby designated as, “Senior Notes” within the meaning of the term as defined and used in the Indenture, and the Series 2005-1B Notes constitute, and are hereby designated as, “Subordinate Notes” within the meaning of the term as defined and used in the Indenture.

(3) Upon receipt of the proceeds of the sale of the Series 2005-1 Notes, (1) the revenues and other moneys and property pledged under the Indenture will not be encumbered by any lien or charge thereon or pledge thereof, other than the lien and charge thereon and pledge thereof created by the Indenture for the payment and security of the Notes and (2) other than the Notes, there will not be outstanding any bonds, notes or other evidences of indebtedness payable from and secured by a lien on or pledge or charge upon the revenues and other moneys and property pledged under the Indenture.

(4) There does not exist an “Event of Default,” within the meaning of such term as defined in the Indenture, which is continuing, nor does there exist any condition which, after the passage of time, would constitute such an “Event of Default.”

(b) Not less than quarterly, the Issuer will post on its website and provide to the Trustee, and the Trustee will forward to each requesting Holder, a statement setting forth information with respect to the Series 2005-1 Notes and the Student Loans pledged under the Indenture as of the end of such period, including the following:

(1) the amount of principal payments made with respect to each series of Series 2005-1 Notes during the applicable period and the Pool Factor relating to each series of the LIBOR Rate Notes;

(2) the amount of interest payments made with respect to each series of Series 2005-1 Notes during the applicable period;

(3) the aggregate Principal Balance of the Student Loans pledged under the Indenture as of the close of business on the last day of the applicable period;

(4) the aggregate Outstanding Principal Amount of the Series 2005-1 Notes of each series;

(5) the Interest Rate for the applicable series of Series 2005-1 Notes with respect to each Quarterly Distribution Date;

(6) the number and aggregate Principal Balance of the Student Loans pledged under the Indenture that the Issuer deems delinquent; and

(7) the Outstanding Principal Amount of the Series 2005-1 Notes as of the close of business on the last day of the applicable period.

A copy of these reports may be obtained by any Holder of the Series 2005-1 Notes by a written request to the Trustee.

(c) The Issuer hereby amends Section 16 of each of the Sixth Supplement and Seventh Supplement by deleting subsection 16(e) in its entirety and replacing it with the following:

(e) *Limitation on Redemption of Subordinate Notes.* The Auction Rate Notes may not be redeemed if any LIBOR Rate Notes or Reset Rate Notes (as defined in any supplement to the Indenture) are outstanding. Thereafter, the Auction Rate Notes may not be redeemed if there are Senior Notes outstanding unless the Issuer receives confirmation from each Rating Agency that such redemption will not cause the withdrawal or reduction of any rating or ratings then applicable to any Outstanding Notes; *however*, the Issuer may pay the Auction Notes at their Stated Maturity.

SECTION 24. GOVERNING LAW.

This First Supplement shall be governed by and be construed in accordance with the laws of the State of Minnesota without giving effect to the conflicts-of-laws principles thereof.

SECTION 25. HEADINGS; TABLE OF CONTENTS.

The table of contents, headings or titles of the several sections hereof shall be solely for convenience of reference and shall not affect the meaning or construction, interpretation or effect of this First Supplement.

SECTION 26. SEVERABILITY.

If any provision of this First Supplement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions of any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or paragraphs in this First Supplement contained shall not affect the remaining portions of this First Supplement or part thereof.

SECTION 27. COUNTERPARTS.

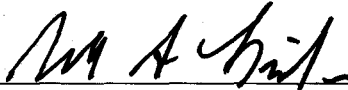
This First Supplement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 28. EFFECT OF FIRST SUPPLEMENT.

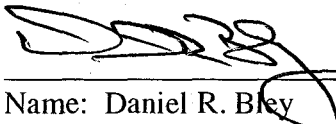
Upon the execution and delivery of this First Supplement, the Indenture and the Supplemental Indentures shall be supplemented in accordance herewith, and this First Supplement shall form a part of the Indenture for all purposes and every Holder of Notes hereafter authenticated and delivered and Other Beneficiary under the Indenture shall be bound hereby.

IN WITNESS WHEREOF, the parties hereto have caused this First Supplement to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

NORTHSTAR EDUCATION FINANCE, INC.

By  _____
Name: Mark A. Lindgren
Title: Secretary

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By  _____
Name: Daniel R. Bley
Title: Vice President & Trust Officer

SCHEDULE I

TARGETED BALANCE SCHEDULE

Quarterly Distribution Date in	Series 2005-1A-1 Notes Targeted Balance	Series 2005-1A-2 Notes Targeted Balance	Series 2005-1A-3 Notes Targeted Balance	Series 2005-1A-4 Notes Targeted Balance
Original Balance	\$193,100,000	\$118,300,000	\$227,900,000	\$210,700,000
January 2006	\$193,100,000	\$118,300,000	\$227,900,000	\$210,700,000
April 2006	\$193,100,000	\$118,300,000	\$227,900,000	\$210,700,000
July 2006	\$193,100,000	\$118,300,000	\$227,900,000	\$210,700,000
October 2006	\$193,100,000	\$118,300,000	\$227,900,000	\$210,700,000
January 2007	\$193,100,000	\$118,300,000	\$227,900,000	\$210,700,000
April 2007	\$193,100,000	\$118,300,000	\$227,900,000	\$210,700,000
July 2007	\$193,100,000	\$118,300,000	\$227,900,000	\$210,700,000
October 2007	\$193,100,000	\$118,300,000	\$227,900,000	\$210,700,000
January 2008	\$193,100,000	\$118,300,000	\$227,900,000	\$210,700,000
April 2008	\$193,100,000	\$118,300,000	\$227,900,000	\$210,700,000
July 2008	\$193,100,000	\$118,300,000	\$227,900,000	\$210,700,000
October 2008	\$193,100,000	\$118,300,000	\$227,900,000	\$210,700,000
January 2009	\$193,100,000	\$118,300,000	\$227,900,000	\$210,700,000
April 2009	\$193,100,000	\$118,300,000	\$227,900,000	\$210,700,000
July 2009	\$193,100,000	\$118,300,000	\$227,900,000	\$210,700,000
October 2009	\$193,100,000	\$118,300,000	\$227,900,000	\$210,700,000
January 2010	\$193,100,000	\$118,300,000	\$227,900,000	\$210,700,000
April 2010	\$193,100,000	\$118,300,000	\$227,900,000	\$210,700,000
July 2010	\$187,100,000	\$118,300,000	\$227,900,000	\$210,700,000
October 2010	\$179,700,000	\$118,300,000	\$227,900,000	\$210,700,000
January 2011	\$171,200,000	\$118,300,000	\$227,900,000	\$210,700,000
April 2011	\$159,700,000	\$118,300,000	\$227,900,000	\$210,700,000
July 2011	\$147,800,000	\$118,300,000	\$227,900,000	\$210,700,000
October 2011	\$135,100,000	\$118,300,000	\$227,900,000	\$210,700,000
January 2012	\$124,500,000	\$118,300,000	\$227,900,000	\$210,700,000
April 2012	\$112,900,000	\$118,300,000	\$227,900,000	\$210,700,000
July 2012	\$102,100,000	\$118,300,000	\$227,900,000	\$210,700,000

October 2012	\$91,000,000	\$118,300,000	\$227,900,000	\$210,700,000
January 2013	\$79,500,000	\$118,300,000	\$227,900,000	\$210,700,000
April 2013	\$67,900,000	\$118,300,000	\$227,900,000	\$210,700,000
July 2013	\$56,500,000	\$118,300,000	\$227,900,000	\$210,700,000
October 2013	\$44,900,000	\$118,300,000	\$227,900,000	\$210,700,000
January 2014	\$31,000,000	\$118,300,000	\$227,900,000	\$210,700,000
April 2014	\$15,500,000	\$118,300,000	\$227,900,000	\$210,700,000
July 2014	\$0	\$118,300,000	\$227,900,000	\$210,700,000
October 2014		\$99,700,000	\$227,900,000	\$210,700,000
January 2015		\$86,400,000	\$227,900,000	\$210,700,000
April 2015		\$73,000,000	\$227,900,000	\$210,700,000
July 2015		\$59,900,000	\$227,900,000	\$210,700,000
October 2015		\$47,700,000	\$227,900,000	\$210,700,000
January 2016		\$37,200,000	\$227,900,000	\$210,700,000
April 2016		\$28,300,000	\$227,900,000	\$210,700,000
July 2016		\$20,800,000	\$227,900,000	\$210,700,000
October 2016		\$12,800,000	\$227,900,000	\$210,700,000
January 2017		\$0	\$227,900,000	\$210,700,000
April 2017			\$216,800,000	\$210,700,000
July 2017			\$198,500,000	\$210,700,000
October 2017			\$189,000,000	\$210,700,000
January 2018			\$179,600,000	\$210,700,000
April 2018			\$170,600,000	\$210,700,000
July 2018			\$163,200,000	\$210,700,000
October 2018			\$155,500,000	\$210,700,000
January 2019			\$148,000,000	\$210,700,000
April 2019			\$141,300,000	\$210,700,000
July 2019			\$134,100,000	\$210,700,000
October 2019			\$120,600,000	\$210,700,000
January 2020			\$107,700,000	\$210,700,000
April 2020			\$96,800,000	\$210,700,000
July 2020			\$79,500,000	\$210,700,000
October 2020			\$58,200,000	\$210,700,000
January 2021			\$37,700,000	\$210,700,000

April 2021	\$18,500,000	\$210,700,000
July 2021	\$0	\$210,700,000
October 2021		\$196,300,000
January 2022		\$182,400,000
April 2022		\$169,200,000
July 2022		\$156,600,000
October 2022		\$144,500,000
January 2023		\$132,900,000
April 2023		\$121,800,000
July 2023		\$111,200,000
October 2023		\$100,900,000
January 2024		\$91,000,000
April 2024		\$81,500,000
July 2024		\$72,300,000
October 2024		\$63,400,000
January 2025		\$54,800,000
April 2025		\$46,500,000
July 2025		\$38,500,000
October 2025		\$30,700,000
January 2026		\$23,300,000
April 2026		\$16,100,000
July 2026		\$9,100,000
October 2026		\$2,500,000
January 2027		\$0

APPENDIX A

RESET RATE NOTE PROCEDURES

Section 1. Definitions. All terms which are defined in the First Supplement shall have the same meanings in this Appendix A.

Section 2. Interest Rates; Principal Payments. (a) The Reset Rate Notes will bear interest for each related Reset Period at the rate set forth on Schedule A attached to each Reset Rate Note as determined in accordance with Section 2(b) below; *provided* that during the initial Reset Period, the Reset Rate Notes will bear interest from the Closing Date through but not including the Initial Reset Date at the Initial Interest Rate. Interest on the Reset Rate Notes shall be payable by the Issuer with respect to each Quarterly Distribution Date as set forth in the First Supplement; *provided* that if interest due to the Reset Rate Notes is payable through an Interest Rate Swap Agreement or Currency Swap Agreement, the related Swap Interest Payments will be payable by the Issuer to the related Reset Rate Note Swap Counterparty, and by the Reset Rate Note Swap Counterparty to the Issuer (for payment to the Reset Rate Noteholders), as described in Section 10 below.

(b) After the initial Reset Period, the Reset Rate Notes may be reset to bear a fixed, floating or auction rate of interest at the option of the Remarketing Agents, in consultation with the Issuer. The interest rate of the Reset Rate Notes will be reset as of each Reset Date as determined by (i) the Remarketing Agents, in consultation with the Issuer, with respect to (A) the length of the related Reset Period, (B) whether the rate is fixed, floating or auction and (x) if floating, the applicable Index, or (y) if fixed, the applicable pricing benchmark, (C) the applicable Day Count Basis, (D) the applicable currency denomination, i.e., U.S. Dollars, Euros, Pounds Sterling or another non-U.S. Dollar currency, (E) if in Foreign Exchange Mode, the applicable Quarterly Distribution Dates on which interest will be paid to the Reset Rate Noteholders, or if other than quarterly, the applicable dates of distribution, (F) the Interest Rate Determination Dates within each Reset Period, (G) the interval between Interest Rate Change Dates during each Interest Period, (H) whether the Reset Rate Notes will be structured to amortize periodically or to receive a payment of principal only at the end of the Reset Period and (I) if applicable, the Reset Rate Note All Hold Rate, and (ii) the Remarketing Agents (in their sole determination) with respect to the setting of the (A) fixed rate of interest or (B) Spread to the chosen Index, as applicable.

(c) In the event that the Reset Rate Notes are reset (i) to bear (or continue to bear) interest at a floating rate, (ii) to bear (or continue to bear) a fixed rate of interest and/or (iii) to be denominated (or continue to be denominated) in a currency other than U.S. Dollars, and the Remarketing Agents, in consultation with the Issuer, determine that it would be in the best interest of the Issuer based on existing market conditions to enter into one or more Currency Swap Agreements or Interest Rate Swap Agreements, as applicable, the Issuer will be responsible for arranging one or more Currency Swap Agreements or Interest Rate Swap Agreements, as applicable, to hedge the basis risk and/or currency exchange risk (as applicable) and, together with the Remarketing Agents, for selecting the Reset Rate Note Swap

Counterparties thereto in accordance with the procedures set forth in Section 10(d) below. The Reset Rate Notes will not be reset (or continue) to bear interest at a floating rate that is not based on LIBOR or a Commercial Paper Rate, bear interest at a fixed rate or be denominated in a currency other than U.S. Dollars unless one or more Interest Rate Swap Agreements or Currency Swap Agreements, as applicable, are entered into as of the Reset Date that result in the Rating Agency Condition being satisfied. In connection with each Interest Rate Swap Agreement or Currency Swap Agreement, the Remarketing Agents shall solicit bids from Eligible Swap Counterparties in accordance with the procedures set forth in Section 10(d) below.

(d) The Reset Rate Notes shall be entitled either (i) to receive payments of principal in reduction of its Outstanding Principal Amount on each Quarterly Distribution Date as set forth in the First Supplement or another supplement to the Indenture or (ii) if the Reset Rate Notes are then structured not to receive a payment of principal until the end of a Reset Period as described in subsection (e) below, to receive allocations of principal set forth in the First Supplement on each Quarterly Distribution Date; *provided, however*, that such amounts referred to in this clause (ii) shall not be paid in reduction of the Outstanding Principal Amount of the Reset Rate Notes, and instead all such amounts shall be deposited into the Retirement Account for payment to the Reset Rate Noteholders or the Currency Swap Counterparty, as applicable, on or about the next Reset Date as set forth in Section 11(a) below.

(e) The Reset Rate Notes may be structured not to receive any payment of principal or not to receive a payment of principal until the end of the Reset Period if the Reset Rates Notes bear interest at a fixed rate during such Reset Period (or such later date if the Rating Agency Condition is satisfied and the Issuer reasonably determines that such later date will not adversely affect its ability to repay the Reset Rate Notes when due). In such instance, on each Monthly Calculation Date thereafter, amounts shall be deposited into the Retirement Account and shall be used on the next Quarterly Distribution Date to reduce the principal amount of the Reset Rate Notes subject to any limitations contained in any supplemental indenture.

(f) If less than all Outstanding Reset Rate Notes are to be redeemed or receive a principal distribution, the Reset Rate Notes then bearing interest at a floating rate or fixed rate will be paid principal on a pro rata basis. If less than all Outstanding Auction Reset Rate Notes are to be redeemed or to receive a principal distribution, the Auction Rate Reset Notes will be paid principal by lot in accordance with Section 16(e) of the First Supplement.

Section 3. End of Reset Period Notice. (a) Unless the Issuer has delivered a Call Option Notice, the Issuer, not less than fifteen nor more than thirty calendar days prior to any Remarketing Terms Determination Date, will (i) give written notice (including facsimile or other electronic transmission, if permitted pursuant to the recipient's standard procedures) to the applicable Clearing Agencies and the Irish Stock Exchange (for so long as the Reset Rate Notes are listed on such exchange), with a copy to the Trustee, notifying them of the upcoming Reset Date and the identities of the Remarketing Agents and stating whether tender is deemed mandatory or optional for the Reset Rate Notes on the related Reset Date (the "*Initial Reset Date Notice*"), (ii) request that each applicable Clearing Agency notify its participants of (1) the contents of the Initial Reset Date Notice, (2) the Remarketing Terms Notice to be given on the Remarketing Terms Determination Date pursuant to Section 4(d) below, (3) the Spread

Determination Notice to be given on the Spread Determination Date pursuant to Section 9(f) below, and (4) if applicable, the procedures concerning the timely delivery of a Hold Notice pursuant to Section 8 below that must be followed if any beneficial owner of the Reset Rate Notes wishes to retain its Reset Rate Notes and (iii) provide representatives of the Irish Stock Exchange with the Remarketing Memorandum as defined in the Remarketing Agreement. For so long as the Reset Rate Notes are listed on the Irish Stock Exchange, copies of such notices will be sent to the Irish Stock Exchange and each of the Remarketing Terms Notice and the Spread Determination Notice will also be published in a leading newspaper having general circulation in Ireland.

(b) The Issuer will also include in each Initial Reset Date Notice the names and contact information of the Irish Listing Agent, if applicable, and any Remarketing Agents confirmed or appointed by the Issuer, or if no Remarketing Agents have then been so chosen, the Issuer will provide adequate contact information for the Reset Rate Noteholders to obtain information regarding the upcoming Reset Date.

(c) If the Clearing Agency or its respective nominee, as applicable, is no longer the holder of record of the Reset Rate Notes, the Issuer, or the Remarketing Agents on its behalf, will send the Reset Rate Noteholders, with a copy to the Trustee and the Irish Listing Agent, if applicable, the notices required by subsection (a) above more than thirty calendar days prior to any Remarketing Terms Determination Date. In addition, in the event that definitive Notes evidencing an interest in the Reset Rate Notes are issued, the Issuer shall cause the Note Registrar to provide to the Reset Rate Noteholders and the Irish Listing Agent, if applicable, any additional procedures applicable to such Reset Rate Notes while in definitive form.

Section 4. Remarketing Terms Determination Date. (a) Subject to the provisions of the Remarketing Agreement, prior to the Remarketing Terms Determination Date, and unless the Issuer has delivered a Call Option Notice, the Issuer shall re-affirm the capability of the initial Remarketing Agents to perform under the Remarketing Agreement, and/or enter into new remarketing agreements with other or additional remarketing agents, who shall function as the Remarketing Agents with respect to the related Reset Date. On each Remarketing Terms Determination Date, the Issuer and the Remarketing Agents will enter into a Remarketing Agency Agreement for the remarketing of the Reset Rate Notes.

(b) If the Remarketing Agents, in consultation with the Issuer, determine prior to the Remarketing Terms Determination Date that any Currency Swap Agreements required pursuant to Section 2(c)(iii) above will not be obtainable on the related Reset Date, the Reset Rate Notes must be denominated in U.S. Dollars during the next Reset Period.

(c) Unless the Issuer has delivered a Call Option Notice on or prior to the Remarketing Terms Determination Date, the Remarketing Agents will notify the Reset Rate Noteholders whether tender is deemed mandatory or optional and, in consultation with the Issuer, will establish the following terms for the Reset Rate Notes to be applicable during the immediately following Reset Period:

- (i) the expected weighted average life of the Reset Rate Notes, based on prepayment and other assumptions customary for comparable securities;
- (ii) the name and contact information of the Remarketing Agents;
- (iii) the next Reset Date and length of such Reset Period;
- (iv) the interest rate mode (i.e., fixed rate, floating rate or auction rate);
- (v) the currency denomination;
- (vi) the applicable minimum denominations and additional increments for the Reset Rate Notes;
- (vii) if in Foreign Exchange Mode, the identities of the Eligible Swap Counterparties from which bids will be solicited;
- (viii) if in Foreign Exchange Mode, the applicable dates of distribution on which interest and principal will be paid to the Reset Rate Noteholders, if other than quarterly;
- (ix) whether the Reset Rate Notes will be structured to amortize periodically or to receive a payment of principal only at the end of the Reset Period;
- (x) if in floating rate mode, the applicable Index;
- (xi) if in floating rate mode, the interval between Interest Rate Change Dates;
- (xii) if in floating rate mode, the applicable Interest Rate Determination Date;
- (xiii) if in fixed rate mode, the applicable fixed rate pricing benchmark;
- (xiv) if in fixed rate mode, the identities of the Eligible Swap Counterparties from which bids will be solicited;
- (xv) if in floating rate mode, whether there will be one or more Interest Rate Swap Agreements and, if so, the identities of the Eligible Swap Counterparties from which bids will be solicited;
- (xvi) if in an auction mode, the interest rate during the initial Auction Period;
- (xvii) if in an auction mode, the date of the initial auction following the most recent Reset Date;
- (xviii) if in an auction mode, the length of the Auction Period;

- (xix) the applicable Day Count Basis;
- (xx) the Reset Rate Note All Hold Rate, if applicable; and
- (xxi) any other relevant terms incidental to the foregoing (other than the Spread or fixed rate of interest, as applicable) for the next Reset Period;

provided that any interest rate mode, other than a floating rate based on LIBOR or a Commercial Paper Rate, will require that the Rating Agency Condition be satisfied prior to the delivery of the Remarketing Terms Notice.

(d) The Remarketing Agents will communicate all of the information established in subsection 4(c) above in the Remarketing Terms Notice required to be given in writing (including facsimile or other electronic transmission if in accordance with each Clearing Agency's standard procedures) to each Clearing Agency (and the Irish Stock Exchange if the Reset Rate Notes are then listed on such exchange) and to the Reset Rate Noteholders, as applicable, the Trustee and the Rating Agencies on the Remarketing Terms Determination Date.

(e) In addition, prior to the Remarketing Terms Determination Date, the Issuer shall cause the Schedule Replacement Order with respect to the Reset Rate Notes to be delivered to the Trustee, the Clearing Agencies and, if the Reset Rate Notes are then listed on the Irish Stock Exchange, the Irish Listing Agent.

Section 5. Reset Rate Note All Hold Rate. (a) On each Remarketing Terms Determination Date for the Reset Rate Notes which are denominated in U.S. Dollars during both the then-current Reset Period and the immediately following Reset Period, the Remarketing Agents, in consultation with the Issuer, will establish the Reset Rate Note All Hold Rate. With respect to the Reset Rate Notes that are either in Foreign Exchange Mode during the then-current Reset Period or will be reset into Foreign Exchange Mode on the immediately following Reset Date, all Reset Rate Noteholders will be deemed to have tendered their Notes on the related Reset Date, regardless of any desire by such Reset Rate Noteholders to retain their ownership thereof, and no Reset Rate Note All Hold Rate will be applicable.

(b) The Reset Rate Note All Hold Rate will only be applicable if 100% of the Reset Rate Noteholders deliver timely Hold Notices wherein they elect to hold their Reset Rate Notes for the next Reset Period. In any event, the interest rate for the Reset Rate Notes during the immediately following Reset Period will not be less than the Reset Rate Note All Hold Rate. If less than all of the Reset Rate Noteholders delivered timely Hold Notices and the rate of interest using the Spread or the fixed rate of interest established on the Spread Determination Date is higher than the Reset Rate Note All Hold Rate, then upon a successful remarketing of the Reset Rate Notes, all Reset Rate Noteholders who delivered a Hold Notice agreeing to be subject to the Reset Rate Note All Hold Rate instead will be entitled to the higher rate of interest during the immediately following Reset Period.

Section 6. Failed Remarketing. (a) With respect to each Reset Date for which the Issuer does not deliver a Call Option Notice, a Failed Remarketing will be declared by the

Remarketing Agents and the provisions of this Section 6 will apply if any of the conditions set forth in the definition of “*Failed Remarketing*” are applicable. In order to prevent the declaration of a Failed Remarketing, the Remarketing Agents will have the option, but not the obligation, to purchase any Reset Rate Notes tendered that they are not otherwise able to remarket or with respect to which a committed purchaser defaults on its purchase obligations.

(b) At any time a Failed Remarketing is declared: (i) all Reset Rate Notes will be retained by the Reset Rate Noteholders on the related Reset Date, regardless of any deemed mandatory or voluntary tenders made to the Remarketing Agents, (ii) the Failed Remarketing Rate for the Reset Rate Notes will apply for the Reset Period and (iii) a Reset Period of three months will be established. In addition, if the Reset Rate Notes are in Foreign Exchange Mode at the time a Failed Remarketing is declared, the provisions of Sections 10(a)(i) and (ii) shall also apply.

(c) If there is a Failed Remarketing of the Reset Rate Notes, the Reset Rate Noteholders shall not be entitled to exercise any remedies as a result of the failure of the Reset Rate Notes to be remarketed on the related Reset Date.

Section 7. Call Option. (a) With respect to each Reset Date, the Issuer is hereby granted a Call Option for the purchase in lieu of redemption of not less than 100% of the Reset Rate Notes, exercisable at a price equal to 100% of the Outstanding Principal Amount of the Reset Rate Notes, less all amounts distributed to the Reset Rate Noteholders as a payment of principal with respect to the related Quarterly Distribution Date, plus any accrued and unpaid interest not paid by the Issuer with respect to the applicable Reset Date.

(b) A Call Option may be exercised with respect to the Reset Rate Notes by delivery of a Call Notice (i) at any time on or prior to the determination of the Spread or fixed rate, (ii) at any time following a Failed Remarketing or (iii) prior to the determination of the auction rate for the Initial Interest Period. In addition, if the Reset Rate Notes are then listed on the Irish Stock Exchange, the Issuer shall cause a notice of the exercise of the Call Option to be published in a leading newspaper having general circulation in Ireland. Once written notice of the exercise of a Call Option is given, such exercise may not be rescinded.

(c) All amounts due and owing to the Reset Rate Noteholders shall be remitted on or before the related Reset Date by the Issuer in accordance with the standard procedures established by the Clearing Agencies for transfer of securities to ensure timely payment of principal to the Reset Rate Noteholders on the related Reset Date.

(e) In the event that a Call Option is exercised with respect to the Reset Rate Notes then in Foreign Exchange Mode, the holder of such Call Option shall deliver the U.S. Dollar Equivalent Principal Amount remaining after all payments of principal are made with respect to the related Quarterly Distribution Date, and interest (if applicable) owing to the Reset Rate Noteholders or to the Remarketing Agents for delivery to the Swap Counterparties to the Currency Swap Agreements, who shall exchange such amount into the applicable currency for delivery to the Reset Rate Noteholders; *provided, however*, that if there are no such Currency Swap Agreements then in effect, the Issuer shall remit all amounts due and owing to the

Remarketing Agents for delivery to the Reset Rate Noteholders in the applicable currency on or before the Reset Date in accordance with the standard procedures established by the Clearing Agencies for transfer of securities to ensure timely payment of principal to the Reset Rate Noteholders on the related Reset Date.

(f) If a Call Option is exercised with respect to the Reset Rate Notes, (i) the interest rate on the Reset Rate Notes will be the Call Rate, (ii) the Reset Rate Notes will be denominated in U.S. Dollars and (iii) a Reset Period of three months will be established. At the end of such three month Reset Period, the Issuer may either remarket the Reset Rate Notes pursuant to the remarketing procedures set forth herein and in the Remarketing Agreement, or retain the Reset Rate Notes for one or more successive three-month Reset Periods at the then-current Call Rate. In the event the Issuer chooses to remarket the Reset Rate Notes, such holder shall be solely responsible for all costs and expenses relating to the preparation of any new offering document and any other related costs and expenses associated with such remarketing, other than the fees of the Remarketing Agents, as more fully set forth in Section 3 of the Remarketing Agreement

(g) If a Call Option is exercised with respect to the Auction Reset Rate Notes, any Carry-Over Amounts accrued on the Auction Reset Rate Notes will be extinguished on the Reset Date on which such Auction Reset Rate Notes are redeemed.

Section 8. Hold Notice. If the Reset Rate Notes are denominated in U.S. Dollars during both the then-current Reset Period and the immediately following Reset Period, the Reset Rate Noteholders will have the option to deliver a Hold Notice to any Remarketing Agent setting forth their desire to hold their Reset Rate Notes for the next Reset Period at a rate of interest not less than the Reset Rate Note All Hold Rate and on the terms set forth in the related Remarketing Terms Notice, at any time on or after the Remarketing Terms Determination Date until the Notice Date. Such Hold Notice may be delivered as an oral statement to a Remarketing Agent, if subsequently confirmed in writing within 24 hours, which confirmation may be in the form of an e-mail if timely received by the Remarketing Agent. If a Reset Rate Noteholder does not timely deliver a Hold Notice to a Remarketing Agent (such Hold Notice not to be considered delivered until actually received by such Remarketing Agent), such Reset Rate Noteholder will be deemed to have tendered for remarketing 100% of the Outstanding Principal Amount of its Reset Rate Notes. Any duly delivered Hold Notice will be irrevocable, but will be subject to a mandatory tender of the Reset Rate Notes pursuant to any exercise of the Call Option. All of the Reset Rate Notes, whether tendered or not, will bear interest during any related Reset Period on the same terms.

Section 9. Spread Determination Date. (a) On each Spread Determination Date, unless a Failed Remarketing has been declared or the Issuer has delivered a Call Option Notice, the Issuer and the Remarketing Agents will enter into a Supplemental Remarketing Agency Agreement.

(b) If pursuant to the Remarketing Terms Notice, the Remarketing Agents, in consultation with the Issuer, have determined that the Reset Rate Notes are to be reset to bear a fixed rate of interest, then the applicable fixed rate of interest for the corresponding Reset Period will be determined on the Spread Determination Date by adding (i) the applicable spread as

determined by the Remarketing Agents on the Spread Determination Date and (ii) the yield to maturity on the Spread Determination Date of the applicable fixed rate pricing benchmark, selected by the Remarketing Agents, as having an expected weighted average life based on a scheduled maturity at the next Reset Date, which would be used in accordance with customary financial practice in pricing new issues of asset-backed securities of comparable average life; *provided* that such fixed rate of interest will in no event be lower than the related Reset Rate Note All Hold Rate, if applicable. The Remarketing Agents shall determine the fixed rate of interest for the Reset Rate Notes (by reference to the applicable fixed rate pricing benchmark plus or minus the spread determined on the Remarketing Terms Determination Date) on each Spread Determination Date irrespective of whether no remarketing will occur as the result of the application of the Reset Rate Note All Hold Rate, if applicable.

(c) If pursuant to the Remarketing Terms Notice, the Remarketing Agents, in consultation with the Issuer, have determined that the Reset Rate Notes are to be reset to bear a floating rate of interest, then, on the related Spread Determination Date, the Remarketing Agents will establish the applicable Spread to be added or subtracted from the applicable Index; *provided* that such floating rate of interest will in no event be lower than the related Reset Rate Note All Hold Rate, if applicable.

(d) If pursuant to the Remarketing Terms Notice, the Remarketing Agents, in consultation with the Issuer, have determined that the Reset Rate Notes are to be reset to bear interest at an auction rate, then, on the related Reset Date, the Remarketing Agents, in consultation with the Issuer, shall determine the interest rate during the initial Auction Period, and thereafter the rate of interest on the Reset Rate Notes shall be determined in accordance with the Auction Procedures.

(e) If required pursuant to Section 2(c) above, on the related Reset Date the Issuer shall enter into either (i) one or more Currency Swap Agreements, if the Reset Rate Notes are to be reset in Foreign Exchange Mode, or (ii) one or more Interest Rate Swap Agreements if the Reset Rate Notes are to be reset in U.S. Dollars and bear interest at a fixed rate or floating rate not based on LIBOR or a Commercial Paper Rate. The Issuer shall enter into each such Currency Swap Agreement or Interest Rate Swap Agreement with an Eligible Swap Counterparty.

(f) On or immediately following the Spread Determination Date, the Remarketing Agents will communicate in writing (including facsimile or other electronic transmission if in accordance with each Clearing Agency's standard procedures) the contents of the Spread Determination Notice to each Clearing Agency (and the Irish Stock Exchange if the Reset Rate Notes are then listed on such exchange) or the Reset Rate Noteholders, as applicable, with instructions to distribute such notices to its related participants, or to the Reset Rate Noteholders, as applicable, the Trustee and the Rating Agencies. The Spread Determination Date Notice will contain: (i) the determined Spread, fixed or auction rate of interest, as the case may be, or, if applicable, a statement that the Reset Rate Note All Hold Rate or the Failed Remarketing Rate will be in effect for the immediately following Reset Period, (ii) any applicable currency exchange rate, (iii) the identity of any selected Reset Rate Note Swap Counterparty or Counterparties, if applicable, (iv) if applicable, the floating rate (or rates) of interest to be due to each selected Reset Rate Note Swap Counterparty with respect to each Quarterly Distribution

Date during the immediately following Reset Period and (v) any other information that the Issuer or the Remarketing Agents deem applicable. Furthermore, if the Reset Rate Notes are reset in Foreign Exchange Mode, the Spread Determination Notice shall include the currency exchange rate, the Extension Rate due to each Currency Swap Counterparty. The Failed Remarketing Rate applicable for the immediately following Reset Period will be determined pursuant to the terms of the Currency Swap Agreement and contained in the Spread Determination Notice. In addition, if required for the immediately following Reset Period, on or before the related Spread Determination Date the Issuer will arrange for new or additional securities identification codes to be obtained as required. Furthermore, the Issuer will prepare the final Remarketing Memorandum setting forth the terms of the Reset Rate Notes for the upcoming Reset Period.

Section 10. Swap Agreements. (a) If the Reset Rate Notes are to be reset in Foreign Exchange Mode on the related Reset Date, the Issuer will enter into one or more Currency Swap Agreements for the related Reset Period.

(i) Each Currency Swap Counterparty which is party to a Currency Swap Agreement will be entitled to receive: (A) on the effective date of such Currency Swap Agreement, all secondary market trade proceeds received from purchasers of the Reset Rate Notes in the applicable currency, (B) with respect to each applicable Quarterly Distribution Date, (x) an interest rate of Three-Month LIBOR, plus or minus a spread, as determined from the bidding process described in Section 10(d) below (other than as may be interpolated for an initial or final calculation period under that Currency Swap Agreement), multiplied by the U.S. Dollar Equivalent Principal Amount of the Reset Rate Notes, and multiplied by a fraction determined by the number of days in the applicable Interest Period and the applicable Day Count Basis and (y) all payments of principal in U.S. Dollars that are allocated to the Reset Rate Notes; *provided* that if the Reset Rate Notes are then structured not to receive a payment of principal until the end of the related Reset Period pursuant to Section 2(e), all principal payments allocated to the Reset Rate Notes on any Quarterly Distribution Date will be deposited into the Retirement Account and paid to the related Swap Counterparties on or about the next Reset Date as set forth in the related Currency Swap Agreements (including all sums required to be deposited therein on the Reset Date), but excluding all earnings or income from Investment Securities thereon, and (C) on a Reset Date corresponding to a successful remarketing or an exercise of the Call Option, all U.S. Dollar currency equivalent of all secondary market trade proceeds or proceeds from the exercise of the Call Option, as applicable, received from the Remarketing Agents directly from purchasers of the Reset Rate Notes (if in U.S. Dollars), from the new Currency Swap Counterparty or Counterparties, as applicable (if in non-U.S. Dollar currency), or from the Issuer, as applicable.

(ii) In addition, each Currency Swap Counterparty will be obligated to pay to the Issuer (for payment to the Reset Rate Noteholders, if applicable): (A) on the effective date of such Currency Swap Agreement, the U.S. Dollar equivalent of all secondary market trade proceeds received from purchasers of the Reset Rate Notes, (B) with respect to each Quarterly Distribution Date, (x) their applicable percentage of the rate of interest on the Reset Rate Notes multiplied by the U.S. Dollar Equivalent Principal Amount of

the Reset Rate Notes and multiplied by a fraction determined by the number of days in the applicable Interest Period and the applicable Day Count Basis, and (y) the applicable non-U.S. Dollar currency equivalent of the U.S. Dollars such Currency Swap Counterparty concurrently receives from the Issuer as a payment of principal allocated to the Reset Rate Noteholders (including, on the Stated Maturity for the Reset Rate Notes, if a Currency Swap Agreement is then in effect, the remaining Outstanding Principal Amount of the Reset Rate Notes) but only to the extent that the required U.S. Dollar Equivalent Principal Amount is received from the Issuer on such date, at an exchange rate to be set on the effective date of and set forth in the Currency Swap Agreement, (C) on the second Business Day following a Quarterly Distribution Date that is also a Reset Date (other than for any Reset Period following a Reset Date upon which a Failed Remarketing has occurred, up to and including the Reset Date resulting in a successful remarketing or an exercise of the Call Option) the applicable percentage of interest at the interest rate from and including the related Reset Date to, but excluding, the second Business Day following such Reset Date, and (D) on a Reset Date corresponding to a successful remarketing or an exercise of the Call Option, the applicable currency equivalent of all U.S. Dollar secondary market trade proceeds received by the Issuer from the purchasers of the Reset Rate Notes or proceeds received by the Issuer from the exercise of the Call Option, as applicable, at an exchange rate to be set on the effective date of and set forth in the related Currency Swap Agreement. For any Reset Period following a Reset Date upon which a Failed Remarketing has occurred, up to any including the Reset Date resulting in a successful remarketing or an exercise of the Call Option for the Reset Rate Notes, payments of interest and principal to the Reset Rate Noteholders will be made on the second Business Day following the related Reset Date without the payment of any additional interest.

(b) [Reserved.]

(c) If the Reset Rate Notes are to be reset in U.S. Dollars, and an Interest Rate Swap Agreement is required pursuant to Sections 2(c) and 9(e) above, then on each Reset Date the Issuer will enter into one or more Interest Rate Swap Agreements for the next Reset Period to facilitate the Issuer's ability to pay applicable interest at the related interest rate.

(i) Each Interest Rate Swap Counterparty will be entitled to receive on each Quarterly Distribution Date an interest rate of Three-Month LIBOR, plus or minus a spread, as determined from the bidding process described in Section 10(d) below, multiplied by the Outstanding Principal Amount of the Reset Rate Notes and multiplied by a fraction determined by the number of days in the applicable Interest Period and the applicable Day Count Basis.

(ii) In addition, each Interest Rate Swap Counterparty will be obligated to pay to the Issuer on each Quarterly Distribution Date, the applicable rate of interest on the Reset Rate Notes multiplied by the Outstanding Principal Amount of the Reset Rate Notes and multiplied by a fraction determined by the number of days in the applicable Interest Period and the applicable Day Count Basis.

(d) Other than with respect to the Initial Interest Rate Swap Agreements, the Remarketing Agents, in consultation with the Issuer, in determining the Reset Rate Notes Swap Counterparty to each required Currency Swap Agreement or Interest Rate Swap Agreement, will solicit bids from at least three Eligible Swap Counterparties and will select the lowest of these bids to provide the interest rate swap and/or currency exchange swap(s). If the lowest bidder specifies a notional amount that is less than the Outstanding Principal Amount of the Reset Rate Notes, the Remarketing Agents, in consultation with the Issuer, may select more than one Eligible Swap Counterparty, but only to the extent that such additional Eligible Swap Counterparties have provided the next lowest received bid or bids, and enter into more than one Currency Swap Agreement or Interest Rate Swap Agreement that result in the Rating Agency Condition being satisfied.

(e) Other than with respect to the Initial Interest Rate Swap Agreements it is a condition precedent to the entering into of any Currency Swap Agreement or Interest Rate Swap Agreement and the setting of the amount to be paid to the related Reset Rate Notes Swap Counterparty that the Rating Agency Condition is satisfied. No Interest Rate Swap Agreement or Currency Swap Agreement will be entered into or caused to be entered into by the Issuer or the Remarketing Agents for any Reset Period where either the Call Option has been exercised or a Failed Remarketing has been declared.

(f) Each Currency Swap Agreement will terminate at the earliest to occur of (i) the next succeeding Reset Date for which there is a successful remarketing, (ii) the Reset Date for which the Call Option is exercised, (iii) the Quarterly Distribution Date on which the Outstanding Principal Amount of the Reset Rate Notes is reduced to zero (including as the result of the optional purchase of the remaining Financed Student Loans by the Master Servicer or an auction of the Financed Student Loans by the Trustee) or (iv) the Stated Maturity of the Reset Rate Notes. No Currency Swap Agreement will terminate solely due to the declaration of a Failed Remarketing. Each Interest Rate Swap Agreement will terminate on the earliest to occur of the next Reset Date, or the occurrence of an event specified in clause (iii) or (iv) above.

(g) With respect to each Currency Swap Agreement, and in the event that a Failed Remarketing is declared, the rate of interest due to each related Currency Swap Counterparty from the Issuer on each Quarterly Distribution Date will be increased to the Extension Rate and the rate due to the Issuer from each related Currency Swap Counterparty will equal the Failed Remarketing Rate.

Section 11. Retirement Account. (a) If, on any Quarterly Distribution Date, principal would be payable to the Reset Rate Notes during any Reset Period when the Reset Rate Notes are then structured not to receive a payment of principal until the end of the Reset Period in accordance with Section 2(e), such principal will be allocated to the Reset Rate Notes and deposited into the Retirement Account, where it will remain until the next Reset Date (except that if the Reset Rate Notes are in Foreign Exchange Mode, principal will be paid according to the provisions of Sections 10(a)(i) and (a)(ii) above), unless an Event of Default under the Indenture has occurred and is continuing (in which case the Trustee will apply or distribute all sums deposited for such purpose as set forth in the Indenture).

(b) On each Reset Date, if the Reset Rate Notes were structured during the preceding Reset Period not to receive a payment of principal until the end of the related Reset Period, all sums, if any, deposited in the Retirement Account in accordance with subsection (a) above, including any allocation of principal made on the same date, but less any earnings or interest from Investment Securities attributable to such amount, will be distributed by the Trustee, at the direction of the Issuer, (x) to the holders of the Reset Rate Notes, as of the Regular Record Date, or (y) if the Reset Rate Notes are then in Foreign Exchange Mode (including during the initial Reset Period), to the related Currency Swap Counterparty or Counterparties for the benefit of the Reset Rate Noteholders as of the Regular Record Date pursuant to the provisions of Section 10(a)(i) and (a)(ii) above, in reduction of principal of the Reset Rate Notes; *provided that* in the event on any Quarterly Distribution Date the amount deposited in the Retirement Account in accordance with subsection (a) above (excluding any earnings or income from Investment Securities attributable to such amount) is equal to the Outstanding Principal Amount of the Reset Rate Notes, no additional amounts will be deposited into the Retirement Account and all amounts in excess of such Outstanding Principal Amount, less any earnings or income from Investment Securities attributable to such amount, will be distributed by the Trustee, at the direction of the Issuer on the next related Reset Date to the Reset Rate Noteholders or the Currency Swap Counterparty or Counterparties (as applicable), and on such Reset Date the Reset Rate Notes will no longer be Outstanding. Amounts deposited in the Retirement Account in accordance with this Section 11 (exclusive of earnings or income from Investment Securities attributable to such amount) may be used only to pay principal on the Reset Rate Notes (or to the Currency Swap Counterparty or Counterparties, if applicable) and for no other purpose.

Section 12. Remarketing Agents; Remarketing Fee Account. (a) The initial Remarketing Agents, appointed pursuant to the terms of the Remarketing Agreement, are Banc of America Securities LLC and RBC Dain Rauscher Inc. The terms and conditions of the Remarketing Agreement will govern the duties and obligations of the Remarketing Agents. The Issuer and the Remarketing Agents will enter into on each (A) Remarketing Terms Determination Date, a Remarketing Agency Agreement, in form and substance substantially the same as Appendix A to the Remarketing Agreement, unless (i) a Failed Remarketing is declared, or (ii) the Issuer has delivered a Call Option Notice on or prior to such date; and (B) Spread Determination Date, a Supplemental Remarketing Agency Agreement, in form and substance substantially the same as Appendix B to the Remarketing Agreement, unless (i) a Failed Remarketing is declared, (ii) the Issuer has delivered the Call Option Notice on or prior to such date, or (iii) if applicable, 100% of the Reset Rate Noteholders have timely delivered a Hold Notice and the Reset Rate Note All Hold Rate will apply for the next Reset Period.

(b) Excluding all Reset Rate Notes for which a Remarketing Agent has received a timely delivered Hold Notice, if applicable (or if the Issuer has delivered a Call Option Notice), on the Reset Date that commences each Reset Period, each Reset Rate Note will be automatically tendered, or deemed tendered, to the relevant Remarketing Agent for remarketing by such Remarketing Agent on the Reset Date at 100% of its Outstanding Principal Amount. If the Reset Rate Notes are held in book-entry form, 100% of the Outstanding Principal Amount of such Reset Rate Notes will be paid by the Remarketing Agents in accordance with the standard procedures of the applicable Clearing Agencies.

(c) The Remarketing Agents will attempt, on a reasonable efforts basis and in accordance with the terms and conditions of the Remarketing Agency Agreements, to remarket the tendered Reset Rate Notes at a price equal to 100% of the Outstanding Principal Amount of the Reset Rate Notes.

(d) Purchasers of the Reset Rate Notes will be credited with their positions on the applicable Reset Date with respect to positions held through the Securities Depository or on the next Business Day with respect to positions held through the Euroclear or Clearstream, Luxembourg. No payment delay to existing Reset Rate Noteholders holding U.S. Dollar-denominated Reset Rate Notes through the Securities Depository will occur on the related Reset Date for the Reset Rate Notes denominated in U.S. Dollars during the immediately following Reset Period.

(e) Each of the Remarketing Agents, in its individual or any other capacity, may buy, sell, hold and deal in the Reset Rate Notes, including, but not limited to, purchasing any tendered Reset Rate Notes as part of the remarketing process. Any Remarketing Agent that owns a Reset Rate Note may exercise any vote or join in any action which any beneficial owner of the Reset Rate Notes may be entitled to exercise or take with like effect as if it did not act in any capacity under the Remarketing Agreement or Remarketing Agency Agreement. Any Remarketing Agent, in its individual capacity, either as principal or agent, may also engage in or have an interest in any financial or other transaction with the Issuer, the Master Servicer, the Trustee (in its individual capacity) or the Eligible Lender Trustee (in its individual capacity) as freely as if it did not act in any capacity under the Remarketing Agreement or any Remarketing Agency Agreement. No Reset Rate Noteholder or beneficial owner of any Reset Rate Note will have any rights or claims against any Remarketing Agent as a result of such Remarketing Agent's not purchasing any tendered Reset Rate Note, which results in the declaration of a Failed Remarketing.

(f) Each of the Remarketing Agents will be entitled to receive a fee in connection with their services rendered for each successful remarketing of the Reset Rate Notes in the amount set forth in the Remarketing Agreement or the Remarketing Agency Agreement. Subject to the terms and conditions set forth in the Remarketing Agreement, the Issuer, in its sole discretion, may change the Remarketing Agents for the Reset Rate Notes for any Reset Period at any time on or before the related Remarketing Terms Determination Date. In addition, the Issuer will appoint one or more additional Remarketing Agents, if necessary, for a Reset Date when the Reset Rate Notes will be remarketed in a non-U.S. Dollar currency. Furthermore, a Remarketing Agent may resign at any time; *provided* that no resignation may become effective on a date that is later than 15 Business Days prior to a Remarketing Terms Determination Date.

(g) The fees associated with each successful remarketing will be payable directly to the Remarketing Agents from amounts on deposit from time to time in the Administration Fund. On each applicable Monthly Calculation Date, the Issuer shall direct the Trustee to transfer from the Collection Fund into the Administration Fund an amount up to the Monthly Funding Amount; *provided* that if the amount on deposit for such purpose in the Administration Fund, after the payment of any remarketing fees therefrom, exceeds the sum of the Reset Period Target Amount for the Reset Rate Notes, such excess will be withdrawn on the related Monthly Calculation

Date, and redeposited into the Collection Fund. In the event that the fees owed to any Remarketing Agent on a Reset Date exceed the amount then on deposit for such purposes in the Administration Fund, such shortfall shall be paid out of funds on deposit in the Administration Fund promptly after each future Monthly Calculation Date until such fees are paid in full. The Issuer shall also be responsible for certain costs and expenses to the extent set forth in Section 3 of the Remarketing Agreement, which shall be paid on each Quarterly Distribution Date from the Administration Fund to the extent funds are available therefor.

EXHIBIT A

FORM OF LIBOR RATE NOTES

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE ISSUER 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.

STUDENT LOAN ASSET-BACKED NOTE
SENIOR SERIES 2005-1A-___

No. R-A-___ \$[_____]

STATED MATURITY DATE	DATE OF ORIGINAL ISSUE	INTEREST RATE	CUSIP	ISIN
_____, 20__	October __, 2005	LIBOR + __%	_____	_____

REGISTERED HOLDER: CEDE & Co.

PRINCIPAL AMOUNT:

For Value Received, Northstar Education Finance, Inc., a Delaware nonstock nonprofit corporation (the “*Issuer*,” which term includes any successor under the Indenture hereinafter referred to), acknowledges itself indebted and hereby promises to pay to the registered holder specified above, or registered assigns (the “*Registered Holder*”), but solely from the revenues and receipts hereinafter specified and not otherwise, the Principal Amount specified above on the Stated Maturity Date specified above (subject to the right of prior redemption hereinafter mentioned), upon presentation and surrender of this Note at the Principal Office of the Trustee (as hereinafter defined), as Paying Agent for the LIBOR Rate Notes (as hereinafter defined), or a duly appointed successor Paying Agent, and to pay interest on said Principal Amount, but solely from the revenues and receipts hereinafter specified and not otherwise, to the Registered Holder hereof from the date hereof until the payment of said Principal Amount has been made or duly provided for, payable on each Quarterly Distribution Date (as hereinafter defined) and at Maturity, at the Applicable Interest Rate (as hereinafter described), and at the same rate per annum (to the extent that the payment of such interest shall be legally enforceable) on overdue installments of interest. Payment of interest on this Note on each Quarterly Distribution Date shall be made by check or draft drawn upon the Paying Agent and mailed to the person who is the Registered Holder hereof as of 5:00 p.m. on the applicable Regular Record Date at the

address of such Registered Holder as it appears on the Note Register maintained by the Note Registrar, or, if the Registered Holder of this Note is the Registered Holder of LIBOR Rate Notes in the aggregate principal amount of \$1,000,000 or more (or, if less than \$1,000,000 in Principal Amount of LIBOR Rate Notes is outstanding, the Holder of all outstanding LIBOR Rate Notes), at the direction of such Registered Holder received by the Paying Agent by 5:00 p.m. on the last Business Day preceding the applicable Regular Record Date, by electronic transfer by the Paying Agent in immediately available funds to an account designated by such Registered Holder. In addition, interest on this Note is payable at the Maturity hereof in the same manner as the principal hereof, unless the date of such Maturity is a Quarterly Distribution Date, in which event interest is payable in the manner set forth in the preceding sentence. Interest accrued but not paid on any Quarterly Distribution Date will be due on the next Quarterly Distribution Date together with an amount equal to interest on the unpaid amount at the applicable rate on this Note. The principal of, premium, if any, and interest on this Note are payable in lawful money of the United States of America.

This Note is one of an authorized series of Senior Notes (collectively referred to herein as the "*LIBOR Rate Notes*") issued by the Issuer pursuant to an Amended and Restated Indenture of Trust, dated as of October 1, 2005 (as supplemented and amended by the First Supplement to First Amended and Restated Indenture of Trust, dated as of October 1, 2005 (the "*First Supplement*"), and as may be further supplemented and amended, the "*Indenture*"), from the Issuer and U.S. Bank National Association, as eligible lender trustee, to U.S. Bank National Association, as trustee (the "*Trustee*," which term includes any successor trustee under the Indenture).

Reference is hereby made to the Indenture, copies of which are on file in the Principal Office of the Trustee, and to all of the provisions of which any Registered Holder of this Note by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Notes and Other Obligations secured thereunder; the student loan acquisition program being financed by the issuance of the Notes; the revenues and other moneys pledged to the payment of the principal of and premium, if any, and interest on the Notes and the Other Obligations; the nature and extent and manner of enforcement of the pledge; the conditions upon which Notes may be issued or Other Obligations may be incurred by the Issuer thereunder, payable from such revenues and other moneys thereunder as Senior Obligations or Subordinate Obligations; the conditions upon which the Indenture may be amended or supplemented with or without the consent of the Holders of the Notes; the rights and remedies of the Registered Holder hereof with respect hereto and thereto, including the limitations upon the right of a Registered Holder hereof to institute any suit, action or proceeding in equity or at law with respect hereto and thereto; the rights, duties and obligations of the Issuer and the Trustee thereunder; the terms and provisions upon which the liens, pledges, charges, trusts and covenants made therein may be discharged at or prior to the maturity or redemption of this Note, and this Note thereafter no longer be secured by the Indenture, or be deemed to be Outstanding thereunder; and for the other terms and provisions thereof. Terms used with initial capital letters but not defined in this Note have the respective meanings given such terms in the Indenture. The LIBOR Rate Notes are being issued as, and will constitute, Senior Notes under the Indenture.

The Notes and Other Obligations are limited obligations of the Issuer, payable solely from the Trust Estate created under the Indenture, consisting of certain revenues and Funds and Accounts pledged under the Indenture including, but not limited to, payments of principal and interest made by obligors of Financed Student Loans and available Note proceeds.

Interest payable on this Note shall be computed on the basis of a 360-day year for the number of days actually elapsed, and is payable on the 28th day of each January, April, July and October, commencing [_____, _____] (each a “*Quarterly Distribution Date*”) prior to the Maturity hereof and at the Maturity hereof. The interest payable on each Interest Payment Date for this Note shall be that interest which has accrued through the last day of the last complete Interest Period immediately preceding the Quarterly Distribution Date or, in the case of the Maturity hereof, the last day preceding the date of such Maturity. The Applicable Interest Rate shall be effective as of and on the first day (whether or not a Business Day) of the applicable Interest Period and be in effect thereafter through the end of such Interest Period.

The unpaid principal amount hereof from time to time outstanding shall bear interest at an Applicable Interest Rate, payable on each Quarterly Distribution Date and at the Maturity hereof such interest to accrue from the later of the date hereof or the date through which interest has been paid or duly provided for.

The Interest Period, the Applicable Interest Rate, the method of determining the Applicable Interest Rate on each of the LIBOR Rate Notes and the redemption provisions of the LIBOR Rate Notes will be determined in accordance with the terms, conditions and provisions of the First Supplement, to which terms, conditions and provisions specific reference is hereby made, and all of which terms, conditions and provisions are hereby specifically incorporated herein by reference.

The determination of the Applicable Interest Rate by the Trustee or any other authorized Person pursuant to the provisions of the First Supplement shall be conclusive and binding on the Holders of the LIBOR Rate Notes to which such Applicable Interest Rate applies.

Notwithstanding any provision of this Note to the contrary, in no event shall the cumulative amount of interest paid or payable on this Note (including interest calculated as provided herein, plus any other amounts that constitute interest on this Note under applicable law, which are contracted for, charged, reserved, taken or received pursuant to this Note or related documents) calculated from the date of issuance of this Note through any subsequent day during the term of this Note or otherwise prior to payment in full of this Note exceed the amount permitted by applicable law. If the applicable law is ever judicially interpreted so as to render usurious any amount called for under this Note or related documents or otherwise contracted for, charged, reserved, taken or received in connection with this Note, or if the redemption or acceleration of the Maturity of this Note results in payment to or receipt by the Registered Holder or any former Registered Holder hereof of any interest in excess of that permitted by applicable law, then notwithstanding any provision of this Note or related documents to the contrary all excess amounts theretofore paid or received with respect to this Note shall be credited on the principal balance of this Note (or, if this Note has been paid or would thereby be paid in full, refunded by the recipient thereof), and the provisions of this Note and related

documents shall immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for under this Note and under the related documents.

The LIBOR Rate Notes are subject to optional redemption and scheduled principal payments as provided in the First Supplement. In certain circumstances (described in the First Supplement), the payment of principal on the LIBOR Rate Notes will be subordinated to the payment of principal on the Issuer's LIBOR Rate Notes issued under each of the Sixth Supplemental Indenture and the Seventh Supplemental Indenture.

If provision is made for the payment of principal of and interest on this Note in accordance with the Indenture, this Note shall no longer be deemed Outstanding under the Indenture, shall cease to be entitled to the benefits of the Indenture and shall thereafter be payable solely from the funds provided for such payment.

If an Event of Default shall occur, the principal of all the Outstanding Notes may and, under certain circumstances, shall be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Notes and Other Beneficiaries under the Indenture at any time by the Issuer with, among other things, the consent of the Holders of two-thirds of the aggregate principal amount of Senior Notes at the time Outstanding, if affected thereby, and with the consent of the Holders of two-thirds of the aggregate principal amount of Subordinate Notes at the time Outstanding, if affected thereby. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Senior Notes at the time Outstanding or Other Senior Beneficiaries or, if no Senior Obligations are Outstanding, the Holders of specified percentages in aggregate principal amount of the Subordinate Notes at the time Outstanding or Other Subordinate Beneficiaries, on behalf of the Holders of all the Notes, to waive certain past defaults under the Indenture and their consequences. Any such consent or waiver shall be conclusive and binding upon the Registered Holder of this Note and upon all future Registered Holders hereof and of any Note issued in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

The Issuer may require payment by the Registered Holder hereof of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of this Note, other than certain exchanges specifically exempted under the Indenture and not involving any transfer.

The Issuer, the Trustee, each Paying Agent, any Authenticating Agent, the Note Registrar and any other agent of the Issuer may treat the Person in whose name this Note is registered on the Note Register as the absolute owner hereof for all purposes, whether or not this Note is overdue, and neither the Issuer, the Trustee, any Paying Agent, any Authenticating Agent, the Note Registrar nor any other such agent shall be affected by notice to the contrary.

It Is Hereby Certified, Recited, Covenanted and Declared that all acts, conditions and things required to have happened, to exist and to have been performed precedent to and in the issuance of this Note have happened, do exist, and have been performed in regular and due time, form and manner as so required.

This Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been signed by the Trustee or by the Authenticating Agent by the manual signature of one of its authorized representatives.

[EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, the Issuer has caused this LIBOR Rate Note to be executed in its name by the manual signature of its [_____].

Dated: _____

NORTHSTAR EDUCATION FINANCE, INC.

By _____
Name _____
Title _____

[CERTIFICATE OF AUTHENTICATION FOLLOWS]

CERTIFICATE OF AUTHENTICATION

This Note is one of the LIBOR Rate Notes of the series designated therein and issued under the provisions of the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By _____
Name _____
Title _____

[FORM OF ASSIGNMENT FOLLOWS]

ASSIGNMENT

For Value Received the undersigned hereby sells, assigns and transfers unto _____ the within Note and irrevocably appoints _____, attorney-in-fact, to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF ASSIGNEE:

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without any alteration whatsoever.

SIGNATURE GUARANTEED:

EXHIBIT B

FORM OF RESET RATE NOTE

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE ISSUER 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.

STUDENT LOAN ASSET-BACKED NOTE
SENIOR SERIES 2005-1A-5

No. R-A-_____ \$[_____]

STATED MATURITY DATE	DATE OF ORIGINAL ISSUE	INTEREST RATE	INITIAL INTEREST RATE	CUSIP	ISIN
_____, 20__	October 25, 2005	Reset Rate	_____	_____	_____

REGISTERED HOLDER: CEDE & CO.

PRINCIPAL AMOUNT:

For Value Received, Northstar Education Finance, Inc., a Delaware nonstock nonprofit corporation (the “*Issuer*,” which term includes any successor under the Indenture hereinafter referred to), acknowledges itself indebted and hereby promises to pay to the registered holder specified above, or registered assigns (the “*Registered Holder*”), but solely from the revenues and receipts hereinafter specified and not otherwise, the Principal Amount specified above on the Stated Maturity Date specified above (subject to the right of prior redemption hereinafter mentioned), upon presentation and surrender of this Note at the Principal Office of the Trustee (as hereinafter defined), as Paying Agent for the Reset Rate Notes (as hereinafter defined), or a duly appointed successor Paying Agent, and to pay interest on said Principal Amount, but solely from the revenues and receipts hereinafter specified and not otherwise, to the Registered Holder hereof from the date hereof until the payment of said Principal Amount has been made or duly provided for, payable on each Quarterly Distribution Date (as hereinafter defined) and at Maturity, at the Applicable Interest Rate (as hereinafter described), and at the same rate per annum (to the extent that the payment of such interest shall be legally enforceable) on overdue installments of interest. Payment of interest on this Note on each Quarterly Distribution Date shall be made by check or draft drawn upon the Paying Agent and mailed to the person who is

the Registered Holder hereof as of 5:00 p.m. on the applicable Regular Record Date at the address of such Registered Holder as it appears on the Note Register maintained by the Note Registrar, or, if the Registered Holder of this Note is the Registered Holder of Reset Rate Notes in the aggregate principal amount of \$1,000,000 or more (or, if less than \$1,000,000 in Principal Amount of Reset Rate Notes is outstanding, the Holder of all outstanding Reset Rate Notes), at the direction of such Registered Holder received by the Paying Agent by 5:00 p.m. on the last Business Day preceding the applicable Regular Record Date, by electronic transfer by the Paying Agent in immediately available funds to an account designated by such Registered Holder. In addition, interest on this Note is payable at the Maturity hereof in the same manner as the principal hereof, unless the date of such Maturity is a Quarterly Distribution Date, in which event interest is payable in the manner set forth in the preceding sentence. Interest accrued but not paid on any Quarterly Distribution Date will be due on the next Quarterly Distribution Date together with an amount equal to interest on the unpaid amount at the applicable rate on this Note. The principal of, premium, if any, and interest on this Note are payable in lawful money of the United States of America.

This Note is one of the Senior Notes (referred to herein as the "*Reset Rate Notes*") issued by the Issuer pursuant to an Amended and Restated Indenture of Trust, dated as of October 1, 2005 (as supplemented and amended by the First Supplement to First Amended and Restated Indenture of Trust, dated as of October 1, 2005 (the "*First Supplement*"), and as may be further supplemented and amended, the "*Indenture*"), from the Issuer and U.S. Bank National Association, as eligible lender trustee, to U.S. Bank National Association, as trustee (the "*Trustee*," which term includes any successor trustee under the Indenture).

Reference is hereby made to the Indenture, copies of which are on file in the Principal Office of the Trustee, and to all of the provisions of which any Registered Holder of this Note by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Notes and Other Obligations secured thereunder; the student loan acquisition program being financed by the issuance of the Notes; the revenues and other moneys pledged to the payment of the principal of and premium, if any, and interest on the Notes and the Other Obligations; the nature and extent and manner of enforcement of the pledge; the conditions upon which Notes may be issued or Other Obligations may be incurred by the Issuer thereunder, payable from such revenues and other moneys thereunder as Senior Obligations or Subordinate Obligations; the conditions upon which the Indenture may be amended or supplemented with or without the consent of the Holders of the Notes; the rights and remedies of the Registered Holder hereof with respect hereto and thereto, including the limitations upon the right of a Registered Holder hereof to institute any suit, action or proceeding in equity or at law with respect hereto and thereto; the rights, duties and obligations of the Issuer and the Trustee thereunder; the terms and provisions upon which the liens, pledges, charges, trusts and covenants made therein may be discharged at or prior to the maturity or redemption of this Note, and this Note thereafter no longer be secured by the Indenture, or be deemed to be Outstanding thereunder; and for the other terms and provisions thereof. Terms used with initial capital letters but not defined in this Note have the respective meanings given such terms in the Indenture. The Reset Rate Notes are being issued as, and will constitute, Senior Notes under the Indenture.

The Notes and Other Obligations are limited obligations of the Issuer, payable solely from the Trust Estate created under the Indenture, consisting of certain revenues and Funds and Accounts pledged under the Indenture including, but not limited to, payments of principal and interest made by obligors of Financed Student Loans and available Note proceeds.

The unpaid principal amount hereof from time to time outstanding shall bear interest at an Applicable Interest Rate, payable on each Interest Payment Date and at the Maturity hereof such interest to accrue from the later of the date hereof or the date through which interest has been paid or duly provided for. Interest on the Reset Rate Notes during the initial Reset Period and during any subsequent Reset Period when the Reset Rate Notes bear a fixed rate of interest and are denominated in U.S. Dollars will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Reset Rate Notes during any Reset Period when such notes bear a fixed rate of interest and are denominated in a currency other than U.S. Dollars will be calculated in accordance with the Actual/Actual (ISMA) Accrual Method, or another Day Count Basis as may be established on the related Remarketing Terms Determination Date. During the initial Reset Period, this interest will be payable on the 28th day of each January, April, July and October, commencing January 30, 2006 (each a "*Quarterly Distribution Date*") at the applicable rate of interest.

After the initial Reset Period, the Reset Rate Notes may be reset to bear either a fixed, floating or auction rate of interest at the option of the Remarketing Agents, in consultation with the Issuer. The interest rate of the Reset Rate Notes will be reset as of each Reset Date as determined by (i) the Remarketing Agents, in consultation with the Issuer, with respect to (A) the length of the related Reset Period, (B) whether the rate is fixed, floating or auction and (x) if floating, the applicable Index, or (y) if fixed, the applicable pricing benchmark, (C) the applicable Day Count Basis, (D) the applicable currency denomination, i.e., U.S. Dollars, Euros, Pounds Sterling or another non-U.S. Dollar currency, (E) if in Foreign Exchange Mode, the applicable Quarterly Distribution Dates on which interest will be paid to the Reset Rate Noteholders, (F) the Interest Rate Determination Dates within each Reset Period, (G) the interval between Interest Rate Change Dates during each Interest Period, (H) whether the Reset Rate Notes will be structured to amortize periodically or to receive a payment of principal only at the end of the Reset Period and (I) if applicable, the Reset Rate Note All Hold Rate, and (ii) the Remarketing Agents (in their sole determination) with respect to the setting of the (A) fixed rate of interest or (B) Spread to the chosen Index, as applicable.

Notwithstanding any provision of this Note to the contrary, in no event shall the cumulative amount of interest paid or payable on this Note (including interest calculated as provided herein, plus any other amounts that constitute interest on this Note under applicable law, which are contracted for, charged, reserved, taken or received pursuant to this Note or related documents) calculated from the date of issuance of this Note through any subsequent day during the term of this Note or otherwise prior to payment in full of this Note exceed the amount permitted by applicable law. If the applicable law is ever judicially interpreted so as to render usurious any amount called for under this Note or related documents or otherwise contracted for, charged, reserved, taken or received in connection with this Note, or if the redemption or acceleration of the Maturity of this Note results in payment to or receipt by the Registered Holder or any former Registered Holder hereof of any interest in excess of that permitted by

applicable law, then notwithstanding any provision of this Note or related documents to the contrary all excess amounts theretofore paid or received with respect to this Note shall be credited on the principal balance of this Note (or, if this Note has been paid or would thereby be paid in full, refunded by the recipient thereof), and the provisions of this Note and related documents shall immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for under this Note and under the related documents.

The Reset Rate Notes are subject to optional redemption and principal payments as provided in the First Supplement. In certain circumstances (described in the First Supplement), the payment of principal on the Reset Rate Notes will be subordinated to the payment of principal on the Issuer's LIBOR Rate Notes issued under each of the Sixth Supplemental Indenture and the Seventh Supplemental Indenture.

If provision is made for the payment of principal of and interest on this Note in accordance with the Indenture, this Note shall no longer be deemed Outstanding under the Indenture, shall cease to be entitled to the benefits of the Indenture and shall thereafter be payable solely from the funds provided for such payment.

If an Event of Default shall occur, the principal of all the Outstanding Notes may and, under certain circumstances, shall be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Notes and Other Beneficiaries under the Indenture at any time by the Issuer with, among other things, the consent of the Holders of two-thirds of the aggregate principal amount of Senior Notes at the time Outstanding, if affected thereby, and with the consent of the Holders of two-thirds of the aggregate principal amount of Subordinate Notes at the time Outstanding, if affected thereby. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Senior Notes at the time Outstanding or Other Senior Beneficiaries or, if no Senior Obligations are Outstanding, the Holders of specified percentages in aggregate principal amount of the Subordinate Notes at the time Outstanding or Other Subordinate Beneficiaries, on behalf of the Holders of all the Notes, to waive certain past defaults under the Indenture and their consequences. Any such consent or waiver shall be conclusive and binding upon the Registered Holder of this Note and upon all future Registered Holders hereof and of any Note issued in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

The Issuer may require payment by the Registered Holder hereof of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of this Note, other than certain exchanges specifically exempted under the Indenture and not involving any transfer.

The Issuer, the Trustee, each Paying Agent, any Authenticating Agent, the Note Registrar and any other agent of the Issuer may treat the Person in whose name this Note is registered on the Note Register as the absolute owner hereof for all purposes, whether or not this Note is overdue, and neither the Issuer, the Trustee, any Paying Agent, any Authenticating Agent, the Note Registrar nor any other such agent shall be affected by notice to the contrary.

It Is Hereby Certified, Recited, Covenanted and Declared that all acts, conditions and things required to have happened, to exist and to have been performed precedent to and in the issuance of this Note have happened, do exist, and have been performed in regular and due time, form and manner as so required.

This Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been signed by the Trustee or by the Authenticating Agent by the manual signature of one of its authorized representatives.

[EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, the Issuer has caused this Reset Rate Note to be executed in its name by the manual signature of its [_____].

Dated: _____

NORTHSTAR EDUCATION FINANCE, INC.

By _____

Name _____

Title _____

[CERTIFICATE OF AUTHENTICATION FOLLOWS]

CERTIFICATE OF AUTHENTICATION

This Note is one of the Reset Rate Notes of the series designated therein and issued under the provisions of the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By _____
Name _____
Title _____

[Form of Assignment Follows]

EXHIBIT C

FORM OF SERIES 2005-1B NOTES

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE ISSUER 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.

STUDENT LOAN ASSET-BACKED NOTE
SUBORDINATE SERIES 2005-1B

No. R-_____ \$_____

STATED MATURITY DATE	DATE OF ORIGINAL ISSUE	INTEREST RATE	CUSIP	ISIN
[_____]	October 25, 2005	Auction Rate		

REGISTERED HOLDER: CEDE & CO.

PRINCIPAL AMOUNT:

For Value Received, Northstar Education Finance, Inc., a Delaware nonstock nonprofit corporation (the “*Issuer*,” which term includes any successor under the Indenture hereinafter referred to), acknowledges itself indebted and hereby promises to pay to the registered holder specified above, or registered assigns (the “*Registered Holder*”), but solely from the revenues and receipts hereinafter specified and not otherwise, the Principal Amount specified above on the Stated Maturity Date specified above (subject to the right of prior redemption hereinafter mentioned), upon presentation and surrender of this Note at the Principal Office of the Trustee (as hereinafter defined), as Paying Agent for the Series 2005-1B Notes (as hereinafter defined), or a duly appointed successor Paying Agent, and to pay interest on said Principal Amount, but solely from the revenues and receipts hereinafter specified and not otherwise, to the Registered Holder hereof from the date hereof until the payment of said Principal Amount has been made or duly provided for, payable on each Interest Payment Date and at Maturity, at the Applicable Interest Rate (as hereinafter described), and at the same rate per annum (to the extent that the payment of such interest shall be legally enforceable) on overdue installments of interest. Payment of interest on this Note on each regularly scheduled Interest Payment Date shall be made by check or draft drawn upon the Paying Agent and mailed to the person who is the

Registered Holder hereof as of 5:00 p.m. on the applicable Regular Record Date at the address of such Registered Holder as it appears on the Note Register maintained by the Note Registrar, or, if the Registered Holder of this Note is the Registered Holder of Auction Rate Notes in the aggregate principal amount of \$1,000,000 or more (or, if less than \$1,000,000 in Principal Amount of Auction Rate Notes is outstanding, the Holder of all outstanding Auction Rate Notes), at the direction of such Registered Holder received by the Paying Agent by 5:00 p.m. on the last Business Day preceding the applicable Regular Record Date, by electronic transfer by the Paying Agent in immediately available funds to an account designated by such Registered Holder. In addition, interest on this Note is payable at the Maturity hereof in the same manner as the principal hereof, unless the date of such Maturity is a regularly scheduled Interest Payment Date, in which event interest is payable in the manner set forth in the preceding sentence. Interest accrued but not paid on any Interest Payment Date will be due on the next Interest Payment Date together with an amount equal to interest on the unpaid amount at the applicable rate on this Note. The principal of, premium, if any, and interest on this Note are payable in lawful money of the United States of America.

This Note is one of an authorized issue of Subordinate Notes (referred to herein as the "*Series 2005-1B Notes*" or the "*Auction Rate Notes*"), issued and to be issued by issued by the Issuer pursuant to an Amended and Restated Indenture of Trust, dated as of October 1, 2005 (as supplemented and amended by the First Supplement to First Amended and Restated Indenture of Trust, dated as of December 1, 2004 (the "*First Supplement*"), and as may be further supplemented and amended, the "*Indenture*"), from the Issuer and U.S. Bank National Association, as eligible lender trustee, to U.S. Bank National Association, as trustee (the "*Trustee*," which term includes any successor trustee under the Indenture).

Reference is hereby made to the Indenture, copies of which are on file in the Principal Office of the Trustee, and to all of the provisions of which any Registered Holder of this Note by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Notes and Other Obligations secured thereunder; the student loan acquisition program being financed by the issuance of the Notes; the revenues and other moneys pledged to the payment of the principal of and premium, if any, and interest on the Notes and the Other Obligations; the nature and extent and manner of enforcement of the pledge; the conditions upon which Notes may be issued or Other Obligations may be incurred by the Issuer thereunder, payable from such revenues and other moneys thereunder as Senior Obligations or Subordinate Obligations; the conditions upon which the Indenture may be amended or supplemented with or without the consent of the Holders of the Notes; the rights and remedies of the Registered Holder hereof with respect hereto and thereto, including the limitations upon the right of a Registered Holder hereof to institute any suit, action or proceeding in equity or at law with respect hereto and thereto; the rights, duties and obligations of the Issuer and the Trustee thereunder; the terms and provisions upon which the liens, pledges, charges, trusts and covenants made therein may be discharged at or prior to the maturity or redemption of this Note, and this Note thereafter no longer be secured by the Indenture, or be deemed to be Outstanding thereunder; and for the other terms and provisions thereof. Terms used with initial capital letters but not defined in this Note have the respective meanings given such terms in the Indenture.

The Notes and Other Obligations are limited obligations of the Issuer, payable solely from the Trust Estate created under the Indenture, consisting of certain revenues and Funds and Accounts pledged under the Indenture including, but not limited to, payments of principal and interest made by obligors of Financed Student Loans and available Note proceeds.

The Series 2005-1B Notes constitute Subordinate Notes under the Indenture which are subordinated in right of payment, the direction of remedies and certain other matters in accordance with the terms of the Indenture to the rights of the Holders of Senior Notes issued from time to time under the Indenture and Other Senior Beneficiaries thereunder (except termination payments due under swap agreements as a result of swap counterparty default). A failure to pay principal of and premium, if any, or interest on this Subordinate Note will not constitute an Event of Default under the Indenture if any Senior Obligation is Outstanding.

Interest payable on this Note shall be computed on the basis of a 360-day year for the number of days actually elapsed and accrue daily from the date hereof, and is payable on each regularly scheduled Interest Payment Date prior to the Maturity hereof and at the Maturity hereof. The interest payable on each Interest Payment Date for this Note shall be that interest which has accrued through the last day of the last complete Interest Period immediately preceding the Interest Payment Date or, in the case of the Maturity hereof, to and including the date of such Maturity. The Applicable Interest Rate shall be effective as of and on the first day (whether or not a Business Day) of the applicable Interest Period and be in effect thereafter through the end of such Interest Period.

The unpaid principal amount hereof from time to time outstanding shall bear interest at an Applicable Interest Rate, as described below, payable on each Interest Payment Date and at the Maturity hereof such interest to accrue from the later of the date hereof or the date through which interest has been paid or duly provided for.

During the Initial Interest Period, this Note shall bear interest at the Initial Interest Rate for the Series 2005-1B Notes. Thereafter until an Auction Period Adjustment, if any, this Note shall bear interest at an Applicable Interest Rate based on an Auction Period that shall initially consist of 28 days, as determined pursuant to the First Supplement.

The Applicable Interest Rate to be borne by this Note after the Initial Interest Period for each Auction Period until an Auction Period Adjustment, if any, shall be the least of (i) the Maximum Auction Rate in effect for such Auction Period, (ii) the Auction Rate determined in accordance with the applicable provisions of the First Supplement, (iii) the lesser of 18% per annum or the maximum rate permitted by law, (iv) the sum of One-Month LIBOR and 1.0% and (v) during the occurrence of a Net Loan Rate Restriction Period, the Net Loan Rate.

The Interest Period, the Applicable Interest Rate, the method of determining the Applicable Interest Rate on each of the Series 2005-1B Notes and the Auction Procedures related thereto, including, without limitation, required notices thereof to the Holders or Existing Holders of the Series 2005-1B Notes, an Auction Period Adjustment, a change in the Auction Date and the Interest Payment Dates will be determined in accordance with the terms, conditions and provisions of the First Supplement and the Auction Agent Agreement, to which terms, conditions

and provisions specific reference is hereby made, and all of which terms, conditions and provisions are hereby specifically incorporated herein by reference.

If the Maximum Rate for a series of Series 2005-1B Notes is less than the Auction Rate, then the Applicable Interest Rate applicable to such series for the related Interest Period will be the Maximum Rate. If the Applicable Interest Rate applicable to the Series 2005-1B Notes for any Interest Period is the Maximum Rate, the Trustee shall determine the Carry-Over Amount, if any, with respect to the Series 2005-1B Notes for such Interest Period. Such Carry-Over Amount shall bear interest calculated at a rate equal to One-Month LIBOR from the Interest Payment Date for the Interest Period with respect to which such Carry-Over Amount was calculated until paid. For purposes of this Note, any reference to “principal” or “interest” herein shall not include within the meaning of such words Carry-Over Amount or any interest accrued on any such Carry-Over Amount. Such Carry-Over Amount shall be separately calculated for each Series 2005-1B Note by the Trustee during such Interest Period in sufficient time for the Trustee to give notice to each Holder of such Carry-Over Amount as required in the next succeeding paragraph.

The Carry-Over Amount for the Series 2005-1B Notes shall be paid by the Trustee on Outstanding Series 2005-1B Notes on the first occurring Interest Payment Date for a subsequent Interest Period if and to the extent that (i) the Senior Asset Percentage would be at least 100% upon the application of such amounts, (ii) the Eligible Carry-Over Make-Up Amount with respect to such Interest Period is greater than zero, and (iii) moneys in the Collection Fund are available on the Monthly Calculation Date immediately preceding the month in which such Interest Payment Date occurs for transfer to the Interest Account for such purpose in accordance with the applicable provisions of the Indenture, after taking into account all other amounts payable from the Collection Fund on such Monthly Calculation Date. Any Carry-Over Amount (and any interest accrued thereon) with respect to a Series 2005-1B Note which is unpaid as of the Maturity of such Series 2005-1B Note shall be paid to the Holder thereof on the date of such Maturity to the extent that moneys are available therefor in accordance with the provisions of the preceding clause (ii); *provided, however*, that any Carry-Over Amount (and any interest accrued thereon) which is not so paid on the date of such Maturity shall be canceled with respect to such Series 2005-1B Note on the date of such Maturity and shall not be paid on any succeeding Interest Payment Date. To the extent that any portion of the Carry-Over Amount (and any interest accrued thereon) remains unpaid after payment of a portion thereof, such unpaid portion shall be paid in whole or in part as required hereunder until fully paid by the Trustee on the next occurring Interest Payment Date or Dates, as necessary, for a subsequent Interest Period or Periods, if and to the extent that the conditions in the first sentence of this paragraph are satisfied. On any Interest Payment Date on which the Trustee pays less than all of the Carry-Over Amount (and any interest accrued thereon) with respect to a Series 2005-1B Note, the Trustee shall give written notice in the manner set forth in the First Supplement to the Holder of such Series 2005-1B Note of the Carry-Over Amount remaining unpaid on such Series 2005-1B Note.

The Interest Payment Date on which such Carry-Over Amount for the Series 2005-1B Notes shall be paid shall be determined by the Trustee in accordance with the provisions of the immediately preceding paragraph, and the Trustee shall make payment of the Carry-Over

Amount (and any interest accrued thereon) in the same manner as it pays interest on the Series 2005-1B Notes on an Interest Payment Date.

By purchasing Series 2005-1B Notes, whether in an Auction or otherwise, each purchaser of the Series 2005-1B Notes, or its Broker-Dealer, must agree and shall be deemed by such purchase to have agreed (i) to participate in Auctions on the terms described in the First Supplement, (ii) to have its beneficial ownership of the Series 2005-1B Notes maintained at all times in Book-Entry Form for the account of its Participant, which in turn will maintain records of such beneficial ownership, and (iii) to authorize such Participant to disclose to the Auction Agent such information with respect to such beneficial ownership as the Auction Agent may request. So long as the ownership of Series 2005-1B Notes is maintained in Book-Entry Form by the Securities Depository, an Existing Holder may sell, transfer or otherwise dispose of Series 2005-1B Notes only pursuant to a Bid or Sell Order placed in an Auction or otherwise sell, transfer or dispose of Series 2005-1B Notes through a Broker-Dealer, *provided* that, in the case of all transfers other than pursuant to Auctions, such Existing Holder, its Broker-Dealer or its Participant advises the Auction Agent of such transfer.

The determination of the Applicable Interest Rate by the Auction Agent or any other authorized Person pursuant to the provisions of the First Supplement shall be conclusive and binding on the Holders of the Series 2005-1B Notes to which such Applicable Interest Rate applies, and the Issuer and the Trustee may rely thereon for all purposes.

Notwithstanding any provision of this Note to the contrary, in no event shall the cumulative amount of interest paid or payable on this Note (including interest calculated as provided herein, plus any other amounts that constitute interest on this Note under applicable law, which are contracted for, charged, reserved, taken or received pursuant to this Note or related documents) calculated from the date of issuance of this Note through any subsequent day during the term of this Note or otherwise prior to payment in full of this Note exceed the amount permitted by applicable law. If the applicable law is ever judicially interpreted so as to render usurious any amount called for under this Note or related documents or otherwise contracted for, charged, reserved, taken or received in connection with this Note, or if the redemption or acceleration of the Maturity of this Note results in payment to or receipt by the Registered Holder or any former Registered Holder hereof of any interest in excess of that permitted by applicable law, then notwithstanding any provision of this Note or related documents to the contrary all excess amounts theretofore paid or received with respect to this Note shall be credited on the principal balance of this Note (or, if this Note has been paid or would thereby be paid in full, refunded by the recipient thereof), and the provisions of this Note and related documents shall immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for under this Note and under the related documents.

Subject to compliance with the provisions of the Indenture relating to certain asset requirements, Outstanding Series 2005-1B Notes shall be redeemed, in part, on the first regularly scheduled Interest Payment Date for such series for which notice can be given in accordance with the requirements of the First Supplement, at a redemption price equal to 100% of the

principal amount of Series 2005-1B Notes so redeemed, from revenues deposited in the Collection Fund in excess of amounts necessary to pay or provide for the payment of certain program operating expenses, interest on the Notes and certain other obligations payable from the Debt Service Fund.

Subject to compliance with the provisions of the Indenture relating to certain asset requirements and certain other requirements, Outstanding Series 2005-1B Notes may, at the option of the Issuer, be redeemed on any regularly scheduled Interest Payment Date, in whole or in part, at a redemption price equal to 100% of the principal amount thereof to be redeemed.

If not all Series 2005-1B Notes are to be redeemed, the particular Series 2005-1B Notes to be redeemed are to be selected as provided in the Indenture and the First Supplement.

Notice of redemption shall be given by first-class mail mailed not less than 10 days before the redemption date to each Holder of Series 2005-1B Notes to be redeemed at his last address appearing on the Note Register; but no defect in or failure to give such notice of redemption shall affect the validity of proceedings for redemption of any Note not affected by such defect or failure. All Series 2005-1B Notes so called for redemption will cease to bear interest on such Redemption Date, provided funds for their redemption have been duly deposited, and, except for the purpose of payment, shall no longer be protected by the Indenture and shall not be deemed Outstanding thereunder.

It is provided in the First Supplement that Series 2005-1B Notes of a denomination larger than \$50,000 may be redeemed in part (\$50,000 or a multiple thereof) and that upon any partial redemption of any such Series 2005-1B Note the same shall be surrendered in exchange for one or more new Series 2005-1B Notes in authorized form for the unredeemed portion of principal.

If provision is made for the payment of principal of and premium, if any, and interest on this Note in accordance with the Indenture, this Note shall no longer be deemed Outstanding under the Indenture, shall cease to be entitled to the benefits of the Indenture and shall thereafter be payable solely from the funds provided for such payment.

If an Event of Default shall occur, the principal of all the Outstanding Notes may and, under certain circumstances, shall be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Notes and Other Beneficiaries under the Indenture at any time by the Issuer with, among other things, the consent of the Holders of two-thirds of the aggregate principal amount of Senior Notes at the time Outstanding, if affected thereby, and with the consent of the Holders of two-thirds of the aggregate principal amount of Subordinate Notes at the time Outstanding, if affected thereby. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Senior Notes at the time Outstanding or Other Senior Beneficiaries or, if no Senior Obligations are Outstanding, the Holders of specified percentages in aggregate principal amount of the Subordinate Notes at the time Outstanding or

Other Subordinate Beneficiaries, on behalf of the Holders of all the Notes, to waive certain past defaults under the Indenture and their consequences. Any such consent or waiver shall be conclusive and binding upon the Registered Holder of this Note and upon all future Registered Holders hereof and of any Note issued in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

This Note is transferable by the Registered Holder hereof upon surrender of this Note for transfer at the Principal Office of the Note Registrar (which shall be the Trustee unless and until an Authenticating Agent becomes the Note Registrar under the Indenture) or at the Principal Office of a duly appointed Authenticating Agent (the "*Authenticating Agent*," which term includes any successor Authenticating Agent under the Indenture), duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Note Registrar or the Authenticating Agent, as the case may be, and executed by the Registered Holder hereof or his attorney duly authorized in writing, with signature guarantees satisfactory to the Note Registrar or the Authenticating Agent, as the case may be. Thereupon the Issuer shall execute and the Trustee or the Authenticating Agent, as the case may be, shall authenticate and deliver, in exchange for this Note, one or more new fully registered Notes in the name of the transferee, of an authorized denomination, in aggregate principal amount equal to the principal amount of this Note, of the same series and bearing interest at the same rate. This Note may also be exchanged for one or more other Notes of the same series upon surrender hereof at the Principal Office of the Note Registrar or the Principal Office of an Authenticating Agent. No Authenticating Agent will be initially appointed with respect to the Series 2005-1B Notes. Notwithstanding the foregoing provisions of this paragraph, no Series 2005-1B Note shall be required to be transferred, (i) during a period beginning at the opening of business fifteen days before any selection of Series 2005-1B Notes for redemption and ending at the close of business on the day of such selection, or (ii) if such Series 2005-1B Note has been selected for redemption in whole or in part.

The Issuer may require payment by the Registered Holder hereof of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of this Note, other than certain exchanges specifically exempted under the Indenture and not involving any transfer.

The Issuer, the Trustee, each Paying Agent, any Authenticating Agent, the Note Registrar and any other agent of the Issuer may treat the Person in whose name this Note is registered on the Note Register as the absolute owner hereof for all purposes, whether or not this Note is overdue, and neither the Issuer, the Trustee, any Paying Agent, any Authenticating Agent, the Note Registrar nor any other such agent shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND DECLARED that all acts, conditions and things required to have happened, to exist and to have been performed precedent to and in the issuance of this Note have happened, do exist, and have been performed in regular and due time, form and manner as so required.

This Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have

been signed by the Trustee or by the Authenticating Agent by the manual signature of one of its authorized representatives.

[EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, the Issuer has caused this Note to be executed in its name by the manual signature of its [_____].

Dated: _____

NORTHSTAR EDUCATION FINANCE, INC.

By _____
Title: _____

[CERTIFICATE OF AUTHENTICATION FOLLOWS]

CERTIFICATE OF AUTHENTICATION

This Note is one of the Series 2005-1B Notes of the series designated therein and issued under the provisions of the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By _____
Authorized Representative

[FORM OF ASSIGNMENT FOLLOWS]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the within Note and irrevocably appoints _____, attorney-in-fact, to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF ASSIGNEE:

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without any alteration whatsoever.

SIGNATURE GUARANTEED:

EXHIBIT D

NOTICE OF A PAYMENT DEFAULT

**NORTHSTAR EDUCATION FINANCE, INC.
STUDENT LOAN ASSET-BACKED NOTES
SUBORDINATE SERIES 2005-1B**

NOTICE IS HEREBY GIVEN that a Payment Default has occurred and not been cured with respect to the Notes identified above. Determination of the Applicable Interest Rate pursuant to the Auction Procedures will be suspended. The Applicable Interest Rate on each series of the Auction Rate Notes for each Auction Period commencing after the date of Payment Default with respect thereto will equal the Non-Payment Rate, as it is determined by the Trustee on the first day of such Auction Period until _____.

Terms used herein have the meanings set forth in the First Supplement of Trust relating to the above-referenced Notes.

Dated: _____

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____

EXHIBIT E

NOTICE OF CURE OF PAYMENT DEFAULT

**NORTHSTAR EDUCATION FINANCE, INC.
STUDENT LOAN ASSET-BACKED NOTES
SUBORDINATE SERIES 2005-1B**

NOTICE IS HEREBY GIVEN that a Payment Default with respect to the Notes identified above has been waived or cured. The next Interest Payment Date is _____ and the next Auction Date is _____.

Terms used herein have the meanings set forth in the First Supplement of Trust relating to the above-referenced Notes.

Dated: _____

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____

EXHIBIT F

NOTICE OF PROPOSED AUCTION PERIOD ADJUSTMENT

**NORTHSTAR EDUCATION FINANCE, INC.
STUDENT LOAN ASSET-BACKED NOTES
SUBORDINATE SERIES 2005-1B**

Notice is hereby given that Northstar Education Finance, Inc. proposes to change the length of one or more Auction Periods with respect to the Notes identified above, pursuant to the First Supplement to First Amended and Restated Indenture of Trust relating to such Notes (the "*First Supplement*"), as follows:

1. The change shall take effect on the Interest Payment Date for the current Auction Period and the date of commencement of the next Auction Period (the "*Effective Date*").

2. The Auction Period Adjustment in Paragraph 1 shall take place only if (A) the Trustee and the Auction Agent receive, by 11:00 a.m., New York City time, on the Business Day before the Auction Date for the Auction Period commencing on the Effective Date, a certificate from the Market Agent, as required by the First Supplement, authorizing the change in length of one or more Auction Periods and confirmation from each Rating Agency, if required by the First Supplement, that it will not reduce or withdraw its ratings on the Series 2005-1 Notes on account of such Auction Period Adjustment, and (B) Sufficient Bids exist on the Auction Date for the Auction Period commencing on the Effective Date.

3. If the condition referred to in (A) above is not met, the Auction Rate for the Auction Period commencing on the Effective Date will be determined pursuant to the Auction Procedures and the Auction Period shall be the Auction Period determined without reference to the proposed change. If the condition referred to in (A) is met but the condition referred to in (B) above is not met, the Auction Rate for the Auction Period commencing on the Effective Date shall be the Maximum Auction Rate and the Auction Period shall be the Auction Period determined without reference to the proposed change.

Terms used herein have the meanings set forth in the First Supplement.

Dated: _____

NORTHSTAR EDUCATION FINANCE, INC.

By _____

EXHIBIT G

NOTICE ESTABLISHING AUCTION PERIOD ADJUSTMENT

**NORTHSTAR EDUCATION FINANCE, INC.
STUDENT LOAN ASSET-BACKED NOTES
SUBORDINATE SERIES 2005-1B**

Notice is hereby given that Northstar Education Finance, Inc. hereby establishes new lengths for one or more Auction Periods with respect to the Notes identified above pursuant to the First Supplement to First Amended and Restated Indenture of Trust relating to such Notes (the "First Supplement"):

1. The change shall take effect on _____, the Interest Payment Date for the current Auction Period and the date of commencement of the next Auction Period (the "Effective Date").

2. For the Auction Period commencing on the Effective Date, the Interest Payment Date shall be _____, or the next succeeding Business Day if such date is not a Business Day.

3. For Auction Periods occurring after the Auction Period the Interest Payment Dates shall be [_____ (date) and every _____ (number) _____ (day of week) thereafter] [every _____ (number) (day of week) after the date set forth in paragraph 2 above], or the next Business Day if any such day is not a Business Day; *provided, however*, that the length of subsequent Auction Periods shall be subject to further change hereafter as provided in Section 11 of the First Supplement.

4. The changes described in paragraphs 2 and 3 above shall take place only upon delivery of this Notice and the satisfaction of other conditions set forth in Section 10 of the First Supplement and our prior notice dated _____ regarding the proposed change.

Terms used herein have the meanings set forth in the First Supplement.

Dated: _____

NORTHSTAR EDUCATION FINANCE, INC.

By _____

EXHIBIT H

NOTICE OF CHANGE IN AUCTION DATE

**NORTHSTAR EDUCATION FINANCE, INC.
STUDENT LOAN ASSET-BACKED NOTES
SUBORDINATE SERIES 2005-1B**

Notice is hereby given by _____, as Market Agent for the Notes identified above, that, with respect to such Notes, the Auction Date is hereby changed as follows:

1. With respect to such Notes, the definition of "*Auction Date*" shall be deemed amended by substituting "_____ (number) Business Day" in the third and fourth lines thereof and by substituting "_____ (number) Business Days" for "two (2) Business Days" in subsection (d) thereof.

2. This change shall take effect on _____, which shall be the Auction Date for the Auction Period commencing on _____.

3. The Auction Date for such Notes shall be subject to further change hereafter as provided in the First Supplement of Trust relating to such Notes (the "*First Supplement*").

Terms used herein have the meanings set forth in the First Supplement.

Dated: _____

as Market Agent

By _____