

ARTICLE II

Authorization, Terms and Provisions of Bonds

SECTION 2.1 Authorization of Bonds; Bonds to Constitute Special Bonds. Each series of Bonds issued under this Indenture shall be authorized in a Series Bond Order in a manner consistent with the provisions of the General Bond Order and this Indenture. Each series of Bonds issued after the initial series of Bonds, to wit, the Series 2001 Bonds, shall be issued under a Supplemental Indenture as provided for in Section 9.1(13) hereof. So long as the Municipal Bond Insurance Policy is in full force and effect and the Bond Insurer is not in default thereunder, no series of Additional Bonds shall be issued under this Indenture unless at the time such series of Additional Bonds are to be sold, the Issuing Authority shall have received the written consent of the Bond Insurer for such issuance and sale. Subject to the other terms and conditions set forth in this Indenture, there shall be no limit to the aggregate principal amount of Bonds that may be issued hereunder.

Not later than the fifteenth (15th) day of the second calendar month after the Closing Date, the Issuing Authority shall file or cause to be filed with the Internal Revenue Service Center, Philadelphia Pennsylvania, 19255, on Form 8038 (or any successor location or form) all information required by Section 149(E) of the Internal Revenue Code with respect to the Series 2001 Bonds and the Series 2002 Bonds and not later than the fifteenth (15th) day of the second calendar month after the date of delivery of a series of Additional Bonds, the Issuing Authority shall file or cause to be filed with the Internal Revenue Service Center, Philadelphia, Pennsylvania, 19255, on Form 8038 (or any successor location or form) all information required by Section 149(E) of the Internal Revenue Code with respect to the Additional Bonds.

SECTION 2.2 Terms of Bonds Generally. Except if otherwise provided for in a Supplemental Indenture pursuant to Section 9.1(7) hereof, each series of Bonds shall be issued in fully registered form in substantially the form set forth in Section 2.9 hereof. The Bonds shall be issued only in Authorized Denominations. The Bonds upon their initial issuance hereunder shall be dated as of the Closing Date or other date fixed in the Series Bond Order. Upon the occurrence of a Fixed Rate Conversion or the designation of a new Interest Period that requires the issuance of replacement Bonds, such replacement Bonds shall be dated the date of their issuance.

Each Bond shall be payable as to principal on its Maturity Date, unless redeemed prior to its Maturity Date pursuant to the provisions of Article IV hereof and the related Series Bond Order or Supplemental Indenture applicable to such Bond. Each Bond shall bear interest at a rate determined in accordance with the procedures and subject to the limitations set forth in Section 2.3 hereof, Annex A-2001, Annex A-2002 and any other provisions set forth in the related Series Bond Order or Supplemental Indenture applicable to such series of Bonds. Interest shall accrue on the principal amount thereof from time to time Outstanding until such Bond has been paid in full or payment has been duly provided for, as the case may be, and shall accrue from the later of the date thereof or the most recent Interest Payment Date to which interest has been paid or duly provided for. Interest on each Bond shall be paid on each Interest Payment Date and on each date of payment or redemption of principal thereof to the extent of interest accrued on the principal then being paid or redeemed (except that while any Senior Bonds are Outstanding, interest on a Subordinated Bond may be deferred to the extent that Revenues are not available for deposit into the related Series Subordinated Interest Account pursuant to the provisions of this Indenture). In the event that the payment of interest on a Subordinated Bond is so deferred, such deferral shall not constitute an Event of Default, and such deferred interest shall bear interest from the date of deferral to, but not including, its date of payment at the Interest Rate or Rates that such Subordinated Bond bears interest during such time.

Payments of principal of and interest on each Bond shall be made by the Trustee from its principal corporate trust office in Cincinnati, Ohio, in lawful money of the United States, and until the Conversion Date, if applicable, payment of interest on each Bond, if the Holder thereof is the registered owner of \$1,000,000 or more in aggregate principal amount of Bonds (*provided that* if the aggregate principal of Bonds Outstanding is less than \$1,000,000, then only if the registered owner holds all Outstanding Bonds), shall be made by the deposit or wiring of immediately available funds to the credit of an account specified by such Holder in duly executed instructions, with signature guaranteed in a manner satisfactory to the Trustee, in the form set forth in Exhibit C hereto delivered to the Trustee no less than ten (10) Business Days prior to the date such payment is to be made. If such instructions are not delivered to the Trustee in accordance with the immediately preceding sentence and except as otherwise provided for when Bonds are registered in the name of the Depository or its nominee, and after the Conversion Date, payment of interest shall be made by check mailed to such Holder's address as it appears on the books of registry maintained by the Trustee pursuant to Section 2.6 hereof. Each payment of principal and interest on each Bond of a series shall be accompanied by the CUSIP number, if any, of the Bond of such series to which such payment relates.

Notwithstanding the foregoing and except as otherwise provided for when Bonds are registered in the name of the Depository or its nominee, no payment of principal shall be made on any Bond unless and until such Bond is tendered to the Trustee for cancellation; and no payment of interest shall be made on any Bond except to the Person whose name appears on the books of registry maintained by the Trustee as the registered Holder thereof as of the close of business on the Record Date.

In connection with a Conversion or a change in the Interest Period on all or a series of the Bonds, pursuant to the terms set forth in this Indenture, the Bonds, or a series thereof, as applicable, may be issued to a Depository for use in a Book-Entry System. The Issuing Authority or an Authorized Officer of the Administrator, on behalf of the Issuing Authority, and to the extent necessary or required, shall enter into any agreements determined necessary in connection with the registration, authentication, immobilization and transfer of the Bonds, including arrangements for the payment of principal and interest by wire transfer, after determining that the execution thereof will not endanger the funds or securities of the Issuing Authority.

If and as long as a Book-Entry System is utilized, (i) the Bonds shall be issued in the form of one fully registered Bond for each maturity or otherwise as may be required or requested by the Depository and agreed to by the Administrator, registered in the name of the Depository or its nominee, as registered owner, and immobilized in the custody of the Depository; (ii) (a) the principal of the Bonds shall be payable in next day or federal funds delivered or transmitted to the Depository or its nominee on the Maturity Date or such other date as principal is payable hereunder and (b) interest on the Bonds shall be payable in same day or federal funds delivered to the Depository or its nominee on the applicable Interest Payment Date; (iii) the beneficial owners in Book-Entry Form shall have no right to receive Bonds in the form of physical securities or certificates; (iv) ownership of beneficial interests in Book-Entry Form shall be shown by a book-entry on the system maintained and operated by the Depository and its Participants, and transfers of the ownership of beneficial interests shall be made only by book-entry by the Depository and its Participants; and (v) the Bonds as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the Issuing Authority or the Administrator.

As long as the Bonds are held by a Depository in a Book-Entry System, the Trustee shall send any notice of redemption only to the Depository. In the event that the Trustee gives notice of redemption to the Depository, such notice shall initiate the Depository's standard

redemption process, and, if a partial redemption, the Depository's process under which redemption is allocated to the Participants.

If any Depository determines not to continue to act as a Depository for the Bonds for use in a Book-Entry System, the Issuing Authority or the Administrator may attempt to have established a securities depository/book-entry relationship with another qualified Depository. If the Issuing Authority or the Administrator does not or is unable to do so, the Issuing Authority or the Administrator, after making provision for notification to the beneficial owners by the then Depository and any other arrangements the Issuing Authority or the Administrator deem necessary, shall permit withdrawal of the Bonds from the Depository or its nominee, all at the cost and expense (including any costs of printing), if the event is not the result of Administrator or Issuing Authority action or inaction, of those Persons requesting such issuance. Bond certificates, as appropriate, authenticated and delivered pursuant to this paragraph shall be in Authorized Denominations.

With respect to the Bonds registered in the name of Cede & Co., as nominee of DTC, or in the name of any successor Depository, the Issuing Authority, the Administrator and the Trustee shall have no responsibility or obligation to any Depository Participant or to any Indirect Participant. Without limiting the generality of the immediately preceding sentence, the Administrator and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., any other Depository, its nominee, or any Depository Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a Holder of an Bond, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Depository Participant or any Indirect Participant or any other Person, other than a Holder of an Bond, of any amount with respect to principal of or interest on the Bonds.

SECTION 2.2.1 Terms of Series 2001 Bonds Generally. The Series 2001 Bonds shall be issued initially as ARS Bonds in fully registered form in substantially the forms set forth in Exhibits C-1 [2001] and C-2 [2001] of this Third Supplemental Indenture, as appropriate. The Series 2001 Bonds shall be issued only in Authorized Denominations. The Series 2001 Bonds initially issued hereunder shall be dated as set forth in the Series 2001 Bond Order and shall mature on the Maturity Date or Maturity Dates set forth in the Series 2001 Bond Order. Each series of the Series 2001 Bonds shall be payable on its respective Maturity Date. The Series 2001A Senior Bonds and the Series 2001B Subordinated Bonds shall be subject to redemption prior to maturity as provided in Section 4.2 hereof. The Series 2001A Senior Bonds and the Series 2001B Subordinated Bonds shall be numbered in consecutive numerical order within a series as set forth in Schedule I - 2001 attached hereto.

The Series 2001 Bonds shall be issued to a Depository for use in a Book-Entry System in accordance with the provisions of this Indenture. The Issuing Authority or an Authorized Officer of the Administrator, on behalf of the Issuing Authority and to the extent necessary or required, shall enter into any agreements determined necessary in connection with the registration, authentication, immobilization, and transfer of the Series 2001 Bonds, including arrangements for the payment of principal and interest by wire transfer, after determining that the execution thereof will not endanger the funds or securities of the Issuing Authority.

SECTION 2.2.2 Terms of Series 2002 Bonds Generally. The Series 2002 Bonds shall be issued initially as ARCs Bonds in fully registered form in substantially the forms set forth in Exhibit A-1 [2002] and Exhibit A-2 [2002] to this Third Supplemental Indenture, as appropriate, and except as otherwise provided in the Series 2002 Bond Order, shall be governed by and subject to the provisions of this Third Supplemental Indenture.

The Series 2002 Bonds initially issued hereunder shall be dated as set forth in the Series 2002 Bond Order and shall mature on the Maturity Date or Maturity Dates set forth in the Series 2002 Bond Order. The Series 2002A Senior Bonds and the Series 2002B Subordinated Bonds shall be subject to redemption prior to maturity as provided in Section 4.3 hereof. The Series 2002A Senior Bonds and the Series 2002B Subordinated Bonds shall be numbered in consecutive numerical order within each series thereof as set forth in Schedule I - 2002 attached to this Third Supplemental Indenture.

SECTION 2.3 Determination of Interest Rates on Bonds Generally. Each series of Bonds issued under this Indenture may be issued at its original issuance as either a series of Fixed Rate Bonds or a series of Variable Rate Bonds.

A series of Fixed Rate Bonds shall, from its original issuance, bear interest, computed as provided in Section 2.04 of Annex A-2001 or Section 1.16 of Annex A-2002, as applicable. Such interest shall be payable on each Interest Payment Date, as set forth in Annex A-2001 or Annex A-2002, as applicable, and the Series Bond Order adopted in connection with the issuance of such series of Fixed Rate Bonds.

During the Initial Period, unless otherwise provided in the related Series Bond Order, a series of Variable Rate Bonds shall, from its original issuance until a Fixed Rate Conversion or a Variable Rate Conversion, be issued as any one of the several types of Variable Rate Bonds provided for in Annex A-2001 or Annex A-2002, as applicable. Any series of Variable Rate Bonds shall not be subject to a Fixed Rate Conversion or a Variable Rate Conversion without the written consent of the Bond Insurer.

If issued as ARS Bonds, such series of ARS Bonds shall bear interest at an Auction Rate determined for each Auction Period in accordance with the Series Bond Order and the Auction Procedures set forth in Annex A-2001 until a Fixed Rate Conversion or a Variable Rate Conversion. Such interest shall be payable on the first Interest Payment Date with respect to such series of ARS Bonds and each Interest Payment Date thereafter. Such series of ARS Bonds shall possess the Initial Auction Rate Determination Date and Initial Auction Rate Adjustment Date, as set forth in Annex A-2001 and the Series Bond Order adopted in connection with the issuance of such series of ARS Bonds.

If issued as ARCs Bonds, such series of ARCs Bonds shall bear interest at an Auction Rate determined for each Auction Period in accordance with the Series Bond Order and the Auction Procedures set forth in Annex A-2002 until a Fixed Rate Conversion or a Variable Rate Conversion. Such interest shall be payable on the first Interest Payment Date with respect to such series of ARCs Bonds and each Interest Payment Date thereafter. Such series of ARCs Bonds shall possess the Initial Auction Rate Determination Date and Initial Auction Rate Adjustment Date, as set forth in Annex A-2002 and the Series Bond Order adopted in connection with the issuance of such series of ARCs Bonds.

If issued as Variable Rate Bonds bearing interest at a Variable Rate other than an Auction Rate, such series of Bonds shall bear interest at a Variable Rate other than an Auction Rate determined for each Interest Period in accordance with the Series Bond Order and the procedures set forth in Annex A-2001 or Annex B-2002, as applicable, until a Fixed Rate Conversion or a Variable Rate Conversion. Such interest shall be payable on the first Interest Payment Date with respect to such series of Variable Rate Bonds and each Interest Payment Date thereafter. Such series of Variable Rate Bonds shall possess the Initial Rate Determination Date and Initial Rate Adjustment Date, as set forth in Annex A-2001 or Annex B-2002, as applicable, and the Series Bond Order adopted in connection with the issuance of such series of Variable Rate Bonds.

SECTION 2.3.1 Determination of Interest Rates on the Series 2001 Bonds.

Until the Conversion Date, each series of the Series 2001 Bonds shall bear interest at a rate determined in accordance with the procedures and subject to the limitations set forth in Section 2.3 hereof, which interest shall accrue on the principal amount thereof from time to time Outstanding until such series of Series 2001 Bonds has been paid in full or payment has been duly provided for, as the case may be, and shall accrue from the later of the date thereof or the most recent Interest Payment Date to which interest has been paid or duly provided for. Each series of Series 2001 Bonds shall initially bear interest at the rate of interest per annum set forth in the Bond Purchase Agreement. Interest on each series of Series 2001 Bonds shall be paid on each Interest Payment Date and on each date of payment or redemption of principal thereof to the extent of interest accrued on the principal then being paid or redeemed.

SECTION 2.3.2 Determination of Interest Rates on the Series 2002 Bonds.

Each series of the Series 2002A Senior Bonds and the Series 2002B Subordinated Bonds shall bear interest from their date of delivery through and including the day immediately preceding the Initial Rate Adjustment Date for each such series at the initial interest rate per annum set forth in Schedule I - 2002 to this Indenture. The Auction Rates applicable to each series of the Series 2002 Bonds for each Auction Period commencing on and after the Initial Rate Adjustment Date shall be determined through application of the Auction Procedures set forth in the Annex A-2002; *provided, however, that* a series of the Series 2002 Bonds may be converted to Fixed Rate Bonds or to Variable Rate Bonds bearing interest at a Variable Rate in accordance with the provisions set forth in Annex A-2002.

SECTION 2.4 Execution of Bonds; Validity of Signatures. Each Bond shall be executed on behalf of the State by manual or facsimile signatures of the Issuing Authority. Each Bond shall be authenticated by the manual signature of an authorized signature of the Trustee or the Authenticating Agent.

In case any person who shall have executed, authenticated or registered any of the Bonds, whether manually or by facsimile, shall die or cease to be the person authorized to execute, authenticate or register the Bonds before the Bonds so executed, authenticated or registered by such person shall have been actually issued and delivered, such Bonds shall be valid nevertheless, and may be issued with the same effect as though the person who had so executed, authenticated or registered such Bonds had not died or ceased to be such authorized person.

Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form set forth in Exhibits C-1 [2001] through E [2001] of Annex A-2001 or in Exhibits A-1 [2002] through C-2 [2002] attached hereto, manually executed by an authorized signature of the Trustee or the Authenticating Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated, delivered and issued hereunder and are entitled to the benefits of this Indenture.

SECTION 2.5 Transfer of Bonds; Exchange of Bonds. Except when Bonds are held in a Book-Entry System, any Bond may be transferred upon the books of registry maintained pursuant to Section 2.6 hereof, by the person in whose name it is registered, in person or by its duly authorized attorney, upon surrender of such Bond to the Trustee or the Authenticating Agent for cancellation, accompanied by a written instrument of transfer in the form set forth in Exhibits C-1 [2001] through E [2001] or in Exhibits A-1 [2002] through C-2 [2002] attached hereto duly executed by the registered owner in person or by its duly authorized attorney, with signatures guaranteed, in a manner satisfactory to the Trustee or the Authenticating Agent.

Whenever any Bond shall be surrendered for transfer, the Issuing Authority shall execute and the Trustee or the Authenticating Agent shall authenticate and deliver, at the principal corporate trust office of the Trustee or at the office of the Authenticating Agent (or send by first class mail to the new Holder or Holders), registered in the name or names of the transferee or transferees, a new duly executed Bond or (to the extent of authorized denominations) two or more new duly executed Bonds of the same date, series (if applicable) and aggregate principal amount as the Bond being surrendered.

Except when Bonds are held in a Book-Entry System, to the extent of Authorized Denominations, any Bond or Bonds may be surrendered and exchanged at the principal corporate trust office of the Trustee or at the office of the Authenticating Agent for a Bond or Bonds of the same date and series (if applicable) and of like aggregate principal amount. The Issuing Authority shall execute and the Trustee or the Authenticating Agent shall authenticate and deliver the Bonds issued upon such exchange and shall deliver the same at the principal corporate trust office of the Trustee or at the office of the Authenticating Agent (or send the same by first class mail to the Holder thereof).

All exchanges and transfers of Bonds pursuant to this Section 2.5 shall be made without expense to the Holder of such Bonds, except that the Trustee or the Authenticating Agent shall require the payment by the Holder of any Bond requesting such transfer or exchange of any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

All Bonds surrendered pursuant to this Section shall be canceled.

No exchanges or transfers of any Bond shall be required to be made if such Bond has been selected for redemption, nor during the seven (7) days next preceding the date of selection of Bonds for redemption.

SECTION 2.6 Books of Registry. At all times while any Bond remains Outstanding, the Trustee shall keep or cause to be kept books of registry for the registration and transfer of Bonds at its principal corporate trust office. Upon presentation of any Bonds to the Trustee at the corporate trust office of the Trustee or at the office of the Authenticating Agent, the Trustee shall transfer, or the Authenticating Agent shall cause the Trustee to transfer, as the case may be, under such reasonable regulations as the Trustee may prescribe, such Bonds on such books of registry as hereinabove set forth. Such books of registry shall at all reasonable times be open for inspection by the Issuing Authority or its duly authorized agents or representatives.

The Issuing Authority, the Administrator, the Trustee and the Authenticating Agent may treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes whatsoever and the Issuing Authority, the Administrator, the Trustee and the Authenticating Agent shall not be affected by any notice to the contrary.

SECTION 2.7 Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall at any time become mutilated in whole or in part, or is destroyed, lost or stolen, a new Bond of the same date, series (if applicable) and principal amount and of like tenor and effect as the Bond so mutilated, destroyed, lost or stolen, shall be executed and delivered at the principal corporate trust office of the Trustee or at the office of the Authenticating Agent (or sent by first class mail to the Holder thereof at the Holder's request, risk and expense) in exchange and substitution for and upon the surrender for cancellation of such mutilated Bond, or in lieu of or in substitution for such destroyed, lost or stolen Bond. In any such event the applicant for the issuance of a substitute Bond shall file with the Trustee or the Authenticating Agent evidence or

proof satisfactory to the Trustee or the Authenticating Agent, as the case may be, of the mutilation, destruction, loss or theft of the original Bond, and proof of ownership thereof, shall furnish the Issuing Authority, the Trustee and the Authenticating Agent with security and indemnity satisfactory to the Issuing Authority and the Trustee, and shall comply with such other reasonable rules as the Issuing Authority or the Trustee may prescribe. Any duplicate Bond issued under the provisions of this Section 2.7 in exchange and substitution for any mutilated Bond or in substitution for any allegedly destroyed, lost or stolen Bond, shall be entitled to the identical benefits under this Indenture as was the original Bond in lieu of which such duplicate Bond is issued, and shall be entitled to equal and proportionate benefits with all the other Bonds of the same series issued hereunder. Neither the Issuing Authority nor the Trustee shall be required to treat both the original Bond and any duplicate Bond as being Outstanding for the purpose of determining the principal amount of Bonds Outstanding hereunder, but both the original and duplicate Bond shall be treated as one and the same.

Notwithstanding the foregoing provisions of this Section 2.7 as to the issuance of duplicate or replacement Bonds, if any such mutilated, destroyed, lost or stolen Bond has matured, at the option of the Issuing Authority or the Trustee, payment of the amount due thereon may be made without the issuance of any duplicate or replacement Bond upon receipt of like evidence, indemnity, security and expenses and the surrender for cancellation of any such mutilated Bond and upon such other conditions as the Issuing Authority or the Trustee may prescribe.

All mutilated Bonds surrendered to the Trustee or the Authenticating Agent in substitution for new Bonds pursuant to this Section 2.7 shall be canceled by the Trustee or the Authenticating Agent. The Authenticating Agent shall deliver any such canceled Bonds to the Trustee.

All expenses incurred by the Issuing Authority or the Trustee or the Authenticating Agent for providing of any duplicate or replacement Bond shall be paid by the registered owner thereof.

SECTION 2.8 Disposition and Destruction of Bonds. All Bonds surrendered to the Trustee or the Authenticating Agent for payment, or surrendered to the Trustee for transfer or exchange in accordance with Section 2.5 hereof or for substitution in accordance with Section 2.7 hereof, shall be canceled by the Trustee or the Authenticating Agent upon such payment, transfer, exchange or substitution, as the case may be.

Whenever in this Indenture provision is made for the cancellation of any Bonds, the canceled Bonds shall be delivered by the Trustee to the Issuing Authority or as it may direct. Upon the written request of the Issuing Authority, the Trustee may, however, in lieu of such cancellation and delivery, destroy such Bonds to the extent permitted by law. If any Bonds are destroyed by the Trustee, the Issuing Authority may require that such destruction be done in the presence of its representative. If the Trustee shall destroy any Bonds, it shall deliver a certificate of such destruction to the Issuing Authority.

SECTION 2.9 Forms of Bonds. A series of Bonds bearing interest at an Auction Rate, a Variable Rate other than an Auction Rate or a Fixed Rate shall be substantially in the forms of Exhibits C-1 [2001] or C-2 [2001], D [2001] and E [2001], respectively, of Annex A-2001 with respect to a series of the Series 2001 Bonds or Exhibits A-1 [2002], A-2 [2002], B-1 [2002], B-2 [2002], or C-1 [2002] or C-2 [2002], respectively, with respect to a series of the Series 2002 Bonds, as applicable, attached to this Indenture.

SECTION 2.10 Temporary Bonds. Until definitive Bonds are prepared, the Issuing Authority may execute and deliver, in lieu of definitive Bonds, but subject to the same

provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof and as to exchangeability, one or more temporary Bonds, substantially of the tenor of the definitive Bonds in lieu of which such temporary Bonds are issued, in Authorized Denominations, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Indenture. All temporary Bonds surrendered in exchange for definitive Bonds shall be forthwith canceled by the Trustee.

SECTION 2.11 Concerning the Municipal Bond Insurance Policy and the Bond

Insurer.

In order to cause this Indenture to reflect and be consistent with the Municipal Bond Insurance Policy issued by the Bond Insurer, insuring the payment, when scheduled, of principal of and interest on the Series 2001 Bonds and the Series 2002 Bonds, the following provisions of this Section 2.11 shall apply to the Series 2001 Bonds and the Series 2002 Bonds notwithstanding anything to the contrary in this Indenture, so long as the Municipal Bond Insurance Policy is in full force and effect.

(I) General Provisions.

As long as the Municipal Bond Insurance Policy shall be in full force and effect, the Issuing Authority and the Trustee agree to comply with the following provisions:

- (a) At least one (1) Business Day prior to all Interest Payment Dates the Trustee will determine whether there will be sufficient funds in the Funds and Accounts to pay the principal of or interest on the Series 2001 Bonds and the Series 2002 Bonds on such Interest Payment Date. If the Trustee or Paying Agent, if any, determines that there will be insufficient funds in such Funds or Accounts, the Trustee or Paying Agent, if any, shall so notify the Bond Insurer. Such notice shall specify the amount of the anticipated deficiency, the series of Bonds to which such deficiency is applicable and whether such series of Bonds will be deficient as to principal or interest, or both. If the Trustee has not so notified the Bond Insurer at least one (1) Business Day prior to an Interest Payment Date, the Bond Insurer will make payments of principal or interest due on the applicable series of Bonds on or before the first (1st) Business Day next following the date on which the Bond Insurer shall have received notice of nonpayment from the Trustee.
- (b) The Trustee shall, after giving notice to the Bond Insurer as provided in (a) above, make available to the Bond Insurer and, at the Bond Insurer's direction, to The Bank of New York, in New York, New York, as insurance trustee for the Bond Insurer or any successor insurance trustee (the "Insurance Trustee"), the registration books of the Issuing Authority maintained by the Trustee and all records relating to the Funds and Accounts maintained under this Indenture.
- (c) The Trustee shall, after giving notice to the Bond Insurer as provided in paragraph (a) above, provide the Bond Insurer and the Insurance Trustee with a list of registered owners of Series 2001 Bonds and/or the Series 2002 Bonds entitled to receive principal or interest payments from the Bond Insurer under the terms of the Municipal Bond Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or

drafts to the registered owners of Series 2001 Bonds and/or the Series 2002 Bonds entitled to receive full or partial interest payments from the Bond Insurer and (ii) to pay principal upon Series 2001 Bonds and/or the Series 2002 Bonds surrendered to the Insurance Trustee by the registered owners of the Series 2001 Bonds and/or the Series 2002 Bonds entitled to receive full or partial principal payments from the Bond Insurer.

- (d) The Trustee shall, at the time it provides notice to the Bond Insurer pursuant to (a) above, notify registered owners of the series of Bonds entitled to receive the payment of principal or interest thereon from the Bond Insurer (i) as to the fact of such entitlement, (ii) that the Bond Insurer will remit to them all or a part of the interest payments next coming due upon proof of Bondholder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (iii) that should they be entitled to receive full payment of principal from the Bond Insurer, they must surrender their Series 2001 Bonds and/or Series 2002 Bonds, as applicable, (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Series 2001 Bonds and/or Series 2002 Bonds to be registered in the name of the Bond Insurer) for payment to the Insurance Trustee, and not the Trustee and (iv) that should they be entitled to receive partial payment of principal from the Bond Insurer, they must surrender their Series 2001 Bonds and/or Series 2002 Bonds, as applicable, for payment thereon first to the Trustee who shall note on such Series 2001 Bonds and/or Series 2002 Bonds the portion of the principal paid by the Trustee and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.
- (e) In the event that the Trustee has notice that any payment of principal or interest on a Series 2001 Bond and/or Series 2002 Bond which has become Due for Payment and which is made to a Bondholder by or on behalf of the Issuing Authority has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee shall, at the time the Bond Insurer is notified pursuant to (a) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from the Bond Insurer to the extent of such recovery if sufficient funds are not otherwise available, and the Trustee shall furnish to the Bond Insurer its records evidencing the payments of principal and interest on the Series 2001 Bonds and/or Series 2002 Bonds which have been made by the Trustee and subsequently recovered from registered owners and the dates on which such payments were made.
- (f) In addition to those rights granted the Bond Insurer under this Indenture, the Bond Insurer shall, to the extent it makes payment of principal or interest on the Series 2001 Bonds and/or Series 2002 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Municipal Bond Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Trustee shall note the Bond Insurer's rights as subrogee on the

registration books of the Issuing Authority maintained by the Trustee upon receipt from the Bond Insurer of proof of the payment of interest thereon to the registered owners of the Series 2001 Bonds and/or Series 2002 Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Trustee shall note the Bond Insurer's rights as subrogee on the registration books of the Issuing Authority maintained by the Trustee upon surrender of the Series 2001 Bonds and/or Series 2002 Bonds by the registered owners thereof together with proof of the payment of principal thereof.

(II) Consent of the Bond Insurer.

Any provision of this Indenture expressly recognizing or granting rights in or to the Bond Insurer may not be amended in any manner which affects the rights of the Bond Insurer hereunder without the prior written consent of the Bond Insurer. The Bond Insurer reserves the right to charge the Issuing Authority a fee for any consent or amendment to this Indenture with the Municipal Bond Insurance Policy is outstanding.

- (a) Unless otherwise provided in this Section 2.11, the Bond Insurer's consent shall be required in lieu of Bondholder consent, when required, for the following purposes: (i) execution and delivery of any Supplemental Indenture or any amendment, supplement or change to or modification of this Indenture, (ii) removal of the Trustee and selection and appointment of any successor trustee and (iii) initiation or approval of any action not described in (i) or (ii) above which requires Bondholder consent.
- (b) Anything in this Indenture to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default as defined herein, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Holders or the Trustee for the benefit of the Holders under this Indenture, including, without limitation: (i) the right to accelerate the principal of the Bonds as described in this Indenture, and (ii) the right to annul any declaration of acceleration, and the Bond Insurer shall also be entitled to approve all waivers of Events of Default.

(III) Notices/Information To Be Given To the Bond Insurer.

The Administrator shall furnish at the expense of Issuing Authority to the attention of the Surveillance Department at the office of the Bond Insurer:

- (a) While the Municipal Bond Insurance Policy is in effect, the Issuing Authority, or the Administrator on behalf of the Issuing Authority, or the Trustee, as appropriate, shall furnish to the Bond Insurer the following:
 - (i) upon request, a copy of any financial statement, audit and/or annual report regarding the trust estate established under this Indenture;
 - (ii) no later than the 25th of each April, July, October and January, commencing July 25, 2005, for the quarterly periods ending, respectively, on each March 31, June 30, September 30 and December 31, a copy of the Administrator's Quarterly Report; and

- (iii) such additional information which it may, from time to time, reasonably request.
- (b) A copy of any notice to be given to the registered owners of the Bonds, including, without limitation, notice of any redemption of or defeasance of a portion or all of a series of Bonds, and any certificate rendered pursuant to this Indenture relating to the security for the Bonds.
- (c) To the extent that the Issuing Authority has entered into a continuing disclosure agreement with respect to the Bonds, the Bond Insurer shall be included as party to be notified under such agreement.

The Issuing Authority (or the Administrator on behalf of the Issuing Authority) shall furnish to the attention of the General Counsel Office at the office of the Bond Insurer:

- (a) a notice with respect to any failure of the Issuing Authority or the Administrator on behalf of the Issuing Authority to provide any notice or certification hereunder; and
- (b) notwithstanding any other provision of this Indenture, a notice if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any Event of Default hereunder.

The Issuing Authority will permit the Bond Insurer to discuss the affairs, finances and accounts of the Program or any information the Bond Insurer may reasonably request regarding the security for the Series 2001 Bonds and the Series 2002 Bonds with appropriate officers of the Issuing Authority or the Administrator. The Trustee will permit the Bond Insurer to have access to and to make copies of all books and records relating to the Series 2001 Bonds and the Series 2002 Bonds at any reasonable time.

(IV) Other Rights of the Bond Insurer.

The Bond Insurer shall have the right to direct an accounting at the Issuing Authority's expense, which expense shall constitute an Administrative Expense of this Indenture, and the Issuing Authority's or the Administrator's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from the Bond Insurer shall be deemed a default hereunder; *provided, however, that* if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the Series 2001 Bonds and the Series 2002 Bonds. For purposes of this paragraph, an "accounting" shall mean the delivery to the Bond Insurer of a statement of all of the Trustee's transactions with respect to all deposits into and withdrawals from the Funds and Accounts comprising the Pledged Receipts.

SECTION 2.12 Premium Payable to the Bond Insurer for the Municipal Bond Insurance Policy. The Issuing Authority, or the Administrator on behalf of the Issuing Authority, shall cause to be paid to the Bond Insurer, but solely from the Pledged Receipts, the premium due with respect to the Municipal Bond Insurance Policy. The initial premium for the Municipal Bond Insurance Policy payable to the Bond Insurer on April 18, 2005, the effective date of the Municipal Bond Insurance Policy, for the period from and including April 18, 2005 through and including August 31, 2005, shall be \$52,514.63. Thereafter a premium shall be payable annually in advance on each September 1, commencing September 1, 2005 (each a "Premium Payment Date"), until all the Bonds to which the Municipal Bond Insurance Policy applies shall be have

paid and discharged. Such annual premium shall be calculated by multiplying the Premium Rate (as defined in the next succeeding paragraph) by the aggregate principal amount of Bonds Outstanding on the applicable Premium Payment Date.

The "Premium Rate" shall mean, with respect to the Municipal Bond Insurance Policy, the weighted average, rounded up to the next highest 0.1 basis point, of:

- (a) Eighteen basis points (00.18%) applied on each Premium Determination Date (as defined in the next succeeding paragraph) to the percentage of the student loan collateral pool consisting of Nonfederal Student Loans, and
- (b) Nine basis points (00.09%) applied on each Premium Determination Date (as defined in the next succeeding paragraph) to the percentage of the student loan collateral pool consisting of Federal Student Loans.

For purposes of this calculation, "Premium Determination Date" shall mean each June 30, commencing June 30, 2005, for as many years as a Premium Rate will be needed for purposes of determining the annual premium on the Municipal Bond Insurance Policy.

SECTION 2.13 Premium Payable to the Senior Exchange Agreement Insurer [2004] for the Senior Exchange Agreement [2004] Insurance Policy. The premium due to the Senior Exchange Agreement Insurer [2004] for the Senior Exchange Agreement [2004] Insurance Policy payable on the effective date of the Senior Exchange Agreement [2004] Insurance Policy shall be \$30,000.00. Simultaneously with the execution and delivery of this Third Supplemental Indenture, the Issuing Authority, or the Administrator on behalf of the Issuing Authority, shall cause such premium to be paid to the Senior Exchange Agreement Insurer [2004] from the Administration Account of the Services Fund.

ARTICLE III

Purchase of Demand Bonds; Custody Bonds; Liquidity Facility

SECTION 3.1 Purchase of Demand Bonds Pursuant to Notice and Demand. Unless the obligation of an applicable Liquidity Facility Provider to purchase unremarketed tendered Demand Bonds (other than Demand Bonds bearing interest at a Long Rate) shall have terminated or been suspended in accordance with the terms of the Liquidity Facility, any Demand Bond shall be purchased by the Trustee, on the demand of the owner thereof, on the Final Payment Date with respect thereto at a purchase price equal to the principal amount thereof, plus accrued interest, if any, to the date of purchase upon delivery in accordance with Schedule II - 2001 hereto to the Trustee or the Remarketing Agent, as applicable, at its respective Principal Office of a Notice and Demand which states (i) the principal amount of Authorized Denominations of such Demand Bond and, if the Demand Bond is held in other than a Book-Entry System, the number thereof and (ii) that such Demand Bond (or Authorized Denominations thereof) is to be purchased on the Final Payment Date designated therein. Prior to the time set forth in Schedule II with respect to the Final Payment Date, on the date specified in such Notice and Demand, such owner shall deliver to the Trustee at its Principal Office, or such other agent of the Trustee at the specified location as may be set forth in the form of Notice and Demand, such Demand Bond (with appropriate instruments of transfer of registration executed in blank). Any Demand Bonds described in a Notice and Demand that are not delivered and for which there has been irrevocably deposited with the Trustee in the Bond Purchase Fund (established pursuant to Section 2.02.2 of Annex A-2001) an amount of money sufficient to pay the purchase price thereon shall be deemed to have been purchased by the Trustee pursuant to this Section 3.1 and shall constitute Undelivered Bonds. In the event of a failure by an owner of Demand Bonds to deliver its Demand Bonds on or prior to the Final Payment Date, said owner shall not be entitled to any payment (including any interest to accrue subsequent to the Final Payment Date) other than the purchase price for such Undelivered Bonds, and any Undelivered Bonds shall no longer be entitled to the benefits of this Section 3.1, except for the payment of the purchase price therefor from amounts on deposit in the Bond Purchase Fund. Any moneys held by the Trustee in the Bond Purchase Fund for the purchase of an Undelivered Bond shall be separated and held in a segregated account of the Bond Purchase Fund designated "Undelivered Bond Payment Account" and shall not be invested and shall be held for the exclusive benefit of the owner of such Undelivered Bonds. Neither the Issuing Authority nor the Administrator shall have any right, title or interest in any moneys in the Bond Purchase Fund.

No Demand Bond shall be purchased by the Trustee pursuant to this Section 3.1 after the occurrence and during the continuation of an Event of Default described in Section 8.1(1) of the Indenture or as provided in the applicable Liquidity Facility with regard to termination or suspension of the obligation of the related Liquidity Facility Provider to purchase unremarketed tendered Demand Bonds.

The delivery of Demand Bonds to the Trustee pursuant to this Section 3.1 shall not constitute a redemption of such Demand Bonds or an extinguishment of the debt represented by such Bonds; *provided, however, that* if the Issuing Authority purchases or otherwise pays such Bonds (other than by the Liquidity Facility), the Issuing Authority, or the Administrator on behalf of the Issuing Authority, may direct the cancellation of any such Demand Bonds so purchased.

SECTION 3.2 Custody Bonds. To the extent Demand Bonds are tendered for purchase pursuant to Section 2.02.2 of Annex A-2001 or Section 3.1 hereof and are not remarketed by the Remarketing Agent or purchased by the Remarketing Agent pursuant to Section 2.02.4 of Annex A-2001, such Demand Bonds shall be purchased by the applicable

Liquidity Facility Provider pursuant to a drawing on its Liquidity Facility by the Trustee, and shall become Custody Bonds registered to such Liquidity Facility Provider and held by the Trustee, or registered to and held by the Depository if such Bonds are held in a Book-Entry System, for the benefit of such Liquidity Facility Provider unless otherwise directed by such Liquidity Facility Provider.

The Trustee shall hold in its custody and control in the name of any Liquidity Facility Provider whose Liquidity Facility is drawn upon or at the direction of such Liquidity Facility Provider, or in the case of Demand Bonds held in a Book-Entry System shall cause such Bonds to be so held at the Depository, and shall deliver to such Liquidity Facility Provider if such Bonds are not held in a Book-Entry System, any Demand Bonds purchased with proceeds of a drawing on its Liquidity Facility pursuant hereto, unless and until the Trustee holds in trust for prompt delivery to such Liquidity Facility Provider remarketing proceeds equal to the amount(s) drawn under its Liquidity Facility to pay the purchase price of such Demand Bonds.

The Remarketing Agent shall continue to use its best efforts to arrange for the sale of any Custody Bonds at a price equal to the principal amount thereof, plus accrued interest; *provided, however, that* no such Custody Bonds shall be remarketed unless upon the delivery thereof to the purchaser such Bonds shall be subject (together with all other Demand Bonds which are not Custody Bonds) to purchase upon demand under the terms of the applicable Liquidity Facility, and the amount of such Liquidity Facility shall be sufficient for such purpose, and such remarketed Demand Bonds shall no longer bear interest at the Custody Rate unless again so purchased by the related Liquidity Facility Provider.

Anything in this Indenture to the contrary notwithstanding, for such time as any Custody Bonds are owned by a Liquidity Facility Provider, such Custody Bonds shall bear interest at the Custody Rate, which interest shall be payable on each Interest Payment Date, except as otherwise provided by the related Liquidity Facility. If Custody Bonds are purchased from such Liquidity Facility Provider, other than pursuant to a remarketing, the purchaser thereof purchases such Custody Bonds subject to the conditions of such Liquidity Facility. Such Liquidity Facility Provider may sell or assign Custody Bonds to a purchaser other than one provided for by the Remarketing Agent provided such purchaser acknowledges that any Custody Bond so purchased (i) shall be delivered to the Remarketing Agent upon a remarketing thereof upon payment to such purchaser of the principal amount thereof and accrued interest thereon or (ii) if not so delivered will bear interest and be payable as if it were a Demand Bond other than a Custody Bond and the purchase price of such Demand Bond is provided for under the applicable Liquidity Facility.

In the event of the payment by a Liquidity Facility Provider pursuant to its Liquidity Facility of the principal of and accrued interest on the Demand Bonds subject to purchase, such Liquidity Facility Provider shall be deemed to have purchased a principal amount of the Demand Bonds equal to the portion of the principal of such Demand Bonds so paid, and such Liquidity Facility Provider shall be issued the Custody Bonds, in the principal amount purchased, unless such Demand Bonds so paid for are held by a Depository in a Book-Entry System, whereupon such Liquidity Facility Provider shall receive evidence of its beneficial ownership of such Custody Bonds and the portion of such Demand Bonds held by the Depository in its Book-Entry System shall be treated for all purposes hereof as Custody Bonds. Such Liquidity Facility Provider shall be entitled to interest on the principal amount of such Custody Bonds, until such principal amounts have been paid in full, at the Custody Rate, unless such Liquidity Facility Provider shall have elected to retain such Bonds pursuant to the terms of the Liquidity Facility, to the extent, if any, that it so provides, in which case such Bonds shall bear interest at the Stated Rate determined pursuant to this Indenture. Until the Administrator pays such Liquidity Facility Provider the full amount of the principal of and accrued interest on any Custody Bonds, such Custody Bonds shall not be deemed paid, and such Liquidity Facility

Provider shall succeed to the interests and rights of the Holder of that Bond with respect to such purchase price.

At the time that an initial Liquidity Facility, if any, is provided, and to the extent that an Alternative Liquidity Facility or an additional Liquidity Facility is thereafter provided in accordance with this Indenture, the provisions of this Section 3.2 may be amended by a Supplemental Indenture to the extent necessary to conform to the provisions of such initial Liquidity Facility or Alternative Liquidity Facility, as the case may be, subject to the written consent of the Bond Insurer.

SECTION 3.3 Liquidity Facility; Requirements Thereof. A Liquidity Facility shall be an obligation of the related Liquidity Facility Provider to pay to the Trustee, upon request made with respect to the Demand Bonds and in accordance with the terms thereof, up to (a) an amount equal to the aggregate principal amount of the Outstanding Demand Bonds sufficient to pay the principal portion of the purchase price of such Demand Bonds tendered for purchase pursuant to this Indenture to the extent moneys are not otherwise available and required to be used for such purpose, plus (b) an amount equal to the Interest Coverage Requirement to pay the accrued interest portion of the purchase price of the Demand Bonds tendered for purchase pursuant to this Indenture to the extent moneys are not otherwise available for such purpose. Such Liquidity Facility shall provide that such Liquidity Facility Provider's obligation under its Liquidity Facility will be reduced to the extent of any drawing thereunder, subject to reinstatement as described therein. Any Liquidity Facility Provider shall be rated in the highest short-term rating category by each Rating Agency, except as otherwise consented to by the Bond Insurer, or, if the Municipal Bond Insurance Policy is no longer in full force and effect, then by each Rating Agency then rating the Demand Bonds. Any amendments to be made to any Liquidity Facility must have the prior written approval of the Bond Insurer, so long as the Municipal Bond Insurance Policy is in full force and effect.

SECTION 3.4 Drawings on Liquidity Facility. The Trustee shall draw moneys under a Liquidity Facility in accordance with the terms thereof to the extent necessary to make timely payments of the purchase price of Demand Bonds required to be made pursuant to, and in accordance with, this Indenture. The proceeds of such drawings shall be deposited in the "Liquidity Facility Purchase Account" which is hereby created and shall be maintained in the custody of the Trustee.

SECTION 3.5 Reduction. In each case that Demand Bonds are redeemed or deemed to have been paid pursuant to the Indenture, the Trustee shall take such action as may be permitted under any Liquidity Facility to reduce the amount available thereunder to an amount equal to the principal amount of the Demand Bonds Outstanding, plus an amount equal to the Interest Coverage Requirement for the Demand Bonds that remain Outstanding.

SECTION 3.6 Expiration. Prior to the expiration of a Liquidity Facility, the Trustee shall take all action necessary to implement a mandatory tender of Demand Bonds by reason of the expiration of such Liquidity Facility, on the fifth (5th) Business Day that precedes such expiration date. Notice of the expiration of such Liquidity Facility shall be given by the Trustee to the Bond Insurer and the Rating Agencies (if and to the extent the Demand Bonds are then rated by the Rating Agencies).

SECTION 3.7 Extension. The Administrator, on behalf of the Issuing Authority, may arrange to extend the term of any Liquidity Facility, but only with the consent of the related Liquidity Facility Provider, the Bond Insurer and the Issuing Authority, *provided that* such extended Liquidity Facility shall have a term of not less than one year and shall expire on a date not less than 15 days after the last Interest Payment Date preceding such expiration date. The Administrator shall give the Issuing Authority, the Bond Insurer and the Trustee notice of its

intention to effect such extension, no more than 60 days nor less than 5 days preceding the Interest Payment Date immediately preceding the expiration date of such Liquidity Facility, and shall cause the documents evidencing such extension to be delivered to the Trustee, the Bond Insurer and the Issuing Authority no later than 35 days immediately preceding the Interest Payment Date next preceding the expiration date of such existing Liquidity Facility.

SECTION 3.8 Replacement.

(a) Upon satisfaction of the conditions set forth in paragraphs (b) and (c) of this Section 3.8 and *provided that* no Event of Default has occurred and is continuing hereunder, with the consent of the Bond Insurer and the approval by the Issuing Authority and the Administrator of the terms of the Alternative Liquidity Facility, the Administrator may, at the close of business on any Interest Payment Date prior to the expiration of a Liquidity Facility, replace such Liquidity Facility with an Alternative Liquidity Facility meeting the requirements of such paragraphs (b) (c) below.

(b) Each Alternative Liquidity Facility must:

(i) Subject to the conditions thereof, entitle the Trustee to draw upon or demand payment and receive in immediately available funds, on and prior to the Final Payment Date or Mandatory Tender Date, as applicable, up to an amount equal to the principal amount of the Demand Bonds Outstanding, plus an amount equal to the Interest Coverage Requirement, to pay the purchase price of Demand Bonds tendered for purchase;

(ii) Have a term of not less than one year which term expires not less than 15 days after the last Interest Payment Date immediately preceding the expiration date of the Alternative Liquidity Facility; and

(iii) Be rated in the same rating category as the Liquidity Facility being replaced.

(c) Prior to the replacement of any Liquidity Facility, the following conditions shall have been met:

(i) The Trustee, the Bond Insurer, the Issuing Authority and the Rating Agencies then rating the series of Bonds with respect to which a replacement of the Liquidity Facility is to be made, shall have received from the Administrator written notice of such replacement and the date thereof no later than 60 days preceding such replacement date;

(ii) The Trustee, the Bond Insurer, if applicable, and the Administrator shall have received the following no later than 35 days preceding such replacement:

(A) Written consent to such replacement from the Bond Insurer;

(B) The form of an opinion of counsel for the issuer of the Alternative Liquidity Facility that such Liquidity Facility constitutes a legal, valid and binding obligation of the issuer in accordance with its terms; and

(C) An opinion of Bond Counsel with respect to such Alternative Liquidity Facility stating that such replacement complies with the terms of the Indenture.

(iii) The Trustee shall have received the original Alternative Liquidity Facility no later than 35 days preceding such replacement.

(d) Upon receipt by the Trustee of the Alternative Liquidity Facility and satisfaction of all other conditions set forth above (and payment of all amounts due or to become due to the Liquidity Facility Provider with respect to then existing Liquidity Facility being replaced, including payment of all Custody Bonds, if any, or provision for such payment satisfactory to such Liquidity Facility Provider), the Trustee shall immediately notify the Liquidity Facility Provider of the Liquidity Facility being replaced that such Liquidity Facility is being replaced by an Alternative Liquidity Facility, and on the effective date of the Alternative Liquidity Facility and subsequent to the mandatory tender of Bonds required under this Indenture in connection with such a replacement, such Liquidity Facility being replaced will promptly be surrendered to the Liquidity Facility Provider thereof for cancellation.

SECTION 3.9 Alternative Liquidity Facility. Subject to the provisions of Section 3.8 hereof, the Administrator may substitute for any then existing Liquidity Facility an Alternative Liquidity Facility pursuant to the terms of the agreement pursuant to which such existing Liquidity Facility has been issued, *provided that* the Issuing Authority makes provisions satisfactory to the related Liquidity Facility Provider for payment of amounts due or to be due and that prior to such substitution:

(a) the then existing Holders of Demand Bonds shall be given written notice by the Trustee of such substitution and that the date of such substitution shall be a Mandatory Tender Date not less than five (5) days prior to such substitution;

(b) such Holders shall tender their Demand Bonds for mandatory purchase up to and including the Mandatory Tender Date;

(c) any failure to tender referred to in the preceding item (b) shall be deemed a tender for mandatory purchase;

(d) the Administrator shall receive an opinion of Bond Counsel to the effect that such substitution shall not affect the exclusion from gross income for federal income tax purposes of interest on such Demand Bonds up to the date of such substitution; and

(e) the notice referred to in the preceding item (a) shall describe in reasonable detail (1) the tax consequences, if any, to be occasioned by an owner of such Demand Bonds because of such substitution and (2) that the Bond Insurer has consented to such substitution.

SECTION 3.10 Notices of Substitution, Extension or Replacement Regarding a Liquidity Facility. The Trustee shall, within 30 days after the extension of the term of any Liquidity Facility, give notice thereof by mailing written notice to the Holders of the Demand Bonds.

The Trustee shall promptly give notice of any proposed substitution, extension or replacement of a Liquidity Facility to the Issuing Authority, the Administrator, the Bond Insurer and the Remarketing Agent and to the Rating Agencies (if and to the extent the Demand Bonds are then rated by the Rating Agencies).

SECTION 3.11 Other Liquidity Facility; No Liquidity Facility. After a mandatory purchase of Demand Bonds in anticipation of expiration of a Liquidity Facility, nothing in this Indenture shall limit the Administrator's right to provide another Liquidity Facility (including a Liquidity Facility not meeting the requirements of Section 3.8 hereof);

provided, however, that any such Liquidity Facility shall have administrative provisions reasonably satisfactory to the Trustee, the Bond Insurer and the Administrator.

SECTION 3.12 Effect of Termination of Liquidity Facility. If at any time prior to the release and discharge of this Indenture, there is no Liquidity Facility outstanding or all prior Liquidity Facilities are terminated and all obligations thereunder and hereunder have been performed (including, without limitation, payment by the Administrator on behalf of the Issuing Authority of all amounts due and owing to any Liquidity Facility Provider thereunder), all rights and obligations of any related Liquidity Facility Provider shall terminate and the references to and provisions regarding the following terms, to the extent applicable to such Liquidity Facility Provider and its Liquidity Facility, shall be disregarded and of no further effect: "Alternative Liquidity Facility," "Available Amount," "Custody Bonds," "Custody Rate," "Liquidity Facility," "Liquidity Facility Fees," "Liquidity Facility Bonds," and "Liquidity Facility Provider".

SECTION 3.13 Consents and Approvals by Liquidity Facility Provider. With the consent of the Bond Insurer, which consent shall not be unreasonably withheld, a Supplemental Indenture executed in connection with the obtaining of a Liquidity Facility may grant to the related Liquidity Facility Provider such rights to consent and approval hereunder as are provided therein.

ARTICLE IV

Redemption of Bonds

SECTION 4.1 Redemption of Bonds Generally. Each series of Bonds shall be subject to redemption prior to the Maturity Date upon the terms and conditions, on such redemption dates and at such redemption prices as are set forth in this Article IV, the applicable Series Bond Order or the applicable Supplemental Indenture. The redemption price of the Bonds shall in each case be par plus interest accrued on the principal amount being redeemed or purchased to the date of redemption plus, in the case of optional redemption of any Fixed Rate Bonds, any applicable redemption premium. Accrued interest and any redemption premium on Bonds shall be paid from the related Series Interest Account in the Bond Fund. Principal to be paid on the redemption of Bonds shall be paid from the related Series Redemption Account in the Bond Fund.

Unless otherwise provided in this Indenture, including any Supplemental Indenture, if fewer than all of the Bonds of a series that are stated to mature on different Maturity Dates are to be redeemed at one time, redemption of the Bonds of such series maturing on different Maturity Dates shall be made on a pro rata basis based upon the percentages that the principal amount of such Outstanding Bonds of each different Maturity Date constitutes of the aggregate principal amount of all Outstanding Bonds of such series prior to such redemption.

Except as otherwise provided for when a series of Bonds are held in Book-Entry System, in the event of the redemption at any time of only part of the Bonds of a series maturing on a Single Maturity Date, the Trustee shall assign a separate number or numbers for each \$5,000, \$50,000 or \$100,000, as the case may be, minimum Authorized Denomination of the principal sum of each Bond of such series and shall, in any manner which it deems fair in its sole discretion, select by lot the particular Bonds of such series portions of which are to be redeemed. No Bond of such series shall be subject to redemption in part in an amount less than the Minimum Authorized Denomination thereof, and following a redemption, no Bondholder shall be permitted to retain Bonds of such series in less than the Minimum Authorized Denominations. The Trustee shall promptly notify the Issuing Authority, the Administrator, the Remarketing Agent and the Auction Agent, if appropriate, in writing of the numbers of the Bonds so selected for partial redemption.

Notice of redemption of Bonds shall be given by the Trustee in the name and for and on behalf of the Issuing Authority. Notice of redemption of any Bond shall be given within the time periods specified in this Article IV or in an applicable Supplemental Indenture or Series Bond Order by first class mail, postage prepaid, to the Holder of such Bond at the address of such Holder as it appears on the books of registry or, in the case of mandatory redemption, by transmitting such notice by telex or telecopier to any Holder of an affected Bond who shall have submitted a written request to the Trustee for notice of mandatory redemption by such means, to the telex or telecopier number set forth in such request. A copy of any notice so transmitted shall also be mailed to such Holder at the address of such Holder set forth on the books of registry; *provided, however, that* neither failure by the Trustee to so mail a copy of such notice nor any defect in such copy shall affect the validity of such notice so transmitted in accordance herewith; and *provided further that* neither failure by the Trustee to so transmit a copy of such notice by telex or telecopier nor any defect therein shall affect the validity of such notice so mailed in accordance herewith.

Each notice of redemption shall state (i) the date and CUSIP numbers of the Bonds to be redeemed, the redemption date and the redemption price payable upon such redemption; (ii) in the case of a redemption in part, the principal amount of the affected Bond to be redeemed; (iii) that the interest on the Bonds, or on the principal amount thereof to be redeemed, designated in such notice for redemption shall cease to accrue from and after such redemption date; and (iv) that on said date there will become due and payable on each said Bond the principal amount thereof to be

redeemed at the then applicable redemption price (including any applicable premium) and the interest accrued on such principal amount to the redemption date.

Except as may otherwise be provided when the affected Bond is held in a Book-Entry System, each notice of redemption shall also state that each affected Bond must be surrendered to the Trustee at its Principal Office in exchange for payment of such redemption price and the issuance of a new Bond or Bonds of the same date equal in aggregate principal amount to that portion, if any, of the principal sum of such Bond not to be redeemed. Upon such surrender the Issuing Authority shall execute and the Trustee shall authenticate and deliver to the Holder of the Bond a new Bond or Bonds of the same date of Authorized Denominations equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

If notice of redemption of a Bond has been duly given as hereinbefore provided and if moneys for the payment of such Bond (or of the principal amount thereof to be redeemed) at the then applicable redemption price and the interest to accrue to the redemption date on such Bond (or the principal amount thereof to be redeemed) are held for the purpose of such payment by the Trustee, then such Bond (or the principal amount thereof to be redeemed) so called for redemption shall, on the redemption date designated in such notice, become due and payable, and interest on said Bond (or the principal amount thereof to be redeemed) so called for redemption shall cease to accrue on and after such redemption date.

All Bonds surrendered pursuant to the provisions of this Section 4.1 or similar section in a Supplemental Indenture shall be canceled.

SECTION 4.1.1 Mandatory Redemption of Custody Bonds. If, with respect to a series of Demand Bonds, Custody Bonds become and remain outstanding for more than thirty (30) days, the Administrator, unless it shall receive a written direction to the contrary from the Bond Insurer, shall direct the Trustee to transfer amounts on deposit in the related Series Student Loan Principal Account and the related Series Student Loan Interest Account to the related Series Redemption Account and the related Series Interest Account, respectively, to the extent permitted by this Indenture, and all moneys in such Series Redemption Account and Series Interest Account shall be used, to redeem, subject to Section 4.1.2 hereof, outstanding Custody Bonds as expeditiously as possible, in each case, in accordance with the provisions of this Section 4.1.1. The Administrator shall immediately cease the Financing, either directly or indirectly, of Student Loans (except if the Administrator's or Issuing Authority's obligation to purchase a specific Student Loan has arisen under or pursuant to a Purchase Agreement prior to such Custody Bonds becoming and remaining outstanding for more than thirty (30) days). Redemption pursuant to this Section 4.1.1 of Custody Bonds shall occur on the earliest date following the deposit of moneys to the related Series Redemption Account in accordance with the provisions of this Section 4.1.1 upon not less than 15 days prior notice by the Trustee given in accordance with Section 4.1 hereof at the redemption price specified in subsection (a) of Section 4.1 hereof.

Anything in this Indenture to the contrary notwithstanding, Custody Bonds shall always be redeemed in full prior to the redemption of any other Bonds.

SECTION 4.1.2 Selection of Demand Bonds to be Redeemed; Notice of Redemption.

(a) In the event that any Demand Bonds shall be subject to redemption in part pursuant to Article IV hereof or any other applicable provision of this Indenture, the Administrator (unless the related Liquidity Facility Provider shall agree otherwise) shall direct the Trustee to select the Demand Bonds to be redeemed in the following priority:

(i) Demand Bonds which have been or are deemed tendered for purchase on the redemption date, *provided that*, if the aggregate principal amount of such Bonds exceeds the principal amount of Demand Bonds to be redeemed, the Demand Bonds to be redeemed shall be redeemed in any reasonable manner determined by the Trustee; and

(ii) All other Demand Bonds.

(b) The Trustee shall give each owner of a Demand Bond subject to redemption, except for Custody Bonds, notice of such redemption in accordance with this Article IV.

SECTION 4.2 Redemption of Series 2001 Bonds.

(a) Redemption of the Series 2001A Senior Bonds -- General. The Series 2001A Senior Bonds shall be subject to redemption prior to the Maturity Date upon the terms and conditions, on the redemption dates and at such redemption price as are set forth in Section 4.1 hereof and this Section 4.2. The redemption price of the Series 2001A Senior Bonds shall in each case be par plus interest accrued on the principal amount being redeemed to the date of redemption. Interest on the Series 2001A Senior Bonds shall be paid from the Senior Interest Account/2001A in the Bond Fund. Principal of the Series 2001A Senior Bonds shall be paid from the Senior Redemption Account/2001A in the Bond Fund.

(i) Optional Redemption of Series 2001A Senior Bonds. The Series 2001A Senior Bonds shall be subject to redemption as a whole or in part at the option of the Administrator on behalf of the Issuing Authority from moneys from any source deposited to the credit of the Senior Redemption Account/2001A in the Bond Fund with respect to the payment of principal, and the Senior Interest Account/2001A in the Bond Fund with respect to the payment of interest, upon notice given by the Trustee to the Holders thereof not less than fifteen (15) days prior to the redemption date, on any Rate Adjustment Date prior to their Maturity Date during any Auction Period or other Variable Rate Period prior to a Fixed Rate Conversion Date, and after a Fixed Rate Conversion Date with respect to such Series 2001A Senior Bonds, and upon notice given by the Trustee to the Holders thereof not less than thirty (30) days prior to the redemption date, without premium, on the Interest Payment Date which occurs ten (10) years after the Fixed Rate Conversion Date or on any Interest Payment Date thereafter with respect to such Series 2001A Senior Bonds, in each case at the redemption price par plus accrued interest on the principal amount being redeemed to the redemption date.

Optional redemption of principal of Series 2001A Senior Bonds while bearing interest at a Variable Rate shall occur only up to the largest integral multiple of the Minimum Authorized Denomination but not exceeding the Balance as of the 25th day before an optional redemption date in, or pursuant to a written statement of the Administrator, on behalf of the Issuing Authority, the Balance to be available on the redemption date in, the Senior Redemption Account/2001A. Optional redemption of principal of Series 2001A Senior Bonds while bearing interest at a Fixed Rate shall occur only up to the largest integral multiple of the Minimum Authorized Denomination but not exceeding the Balance as of the 40th day before an optional redemption date in, or pursuant to a written statement of the Administrator, on behalf of the Issuing Authority, the Balance to be available on the redemption date in, the Senior Redemption Account/2001A.

Any amounts in the Senior Redemption Account/2001A in excess of the amounts thereof applied to an optional redemption pursuant to this Section 4.2(a)(i) shall remain in

such Account until such amounts (a) are applied by the Trustee (i) to another optional redemption of the Series 2001A Senior Bonds pursuant to this Section 4.2(a)(i), (ii) to any other payments to be made from the Senior Redemption Account/2001A pursuant to the provisions of this Section 4.2 or a Supplemental Indenture executed in connection with the issuance of Additional Bonds, or (iii) to the payment of principal of or interest on other series of Bonds at their maturity or to the payment of such Bonds upon acceleration, or (b) if such amounts represent (i) moneys of the Issuing Authority that prior to their deposit hereunder did not constitute a Pledged Receipt hereunder or (ii) moneys that were transferred from the Excess Surplus Account, are transferred to the Issuing Authority upon the written request of the Administrator.

The Series 2001A Senior Bonds to be redeemed pursuant to this Section 4.2(a)(i) shall be redeemed by the Trustee only upon written notice from the Administrator on behalf of the Issuing Authority to the Trustee. While the Series 2001A Senior Bonds bear interest at a Variable Rate, that notice shall specify the redemption date and the principal amount of the Series 2001A Senior Bonds to be redeemed and shall be given at least twenty (20) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee in its sole discretion. While the Series 2001A Senior Bonds bear interest at a Variable Rate, that notice shall specify the redemption date and the principal amount of the Series 2001A Senior Bonds to be redeemed and shall be given at least thirty-five (35) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee in its sole discretion.

Before the Trustee shall give notice of redemption to the Holders as provided in this Section 4.2(a)(i), there shall have been deposited in the Senior Redemption Account/2001A funds which will be sufficient to pay on the date fixed for redemption all the principal of the Series 2001A Senior Bonds to be redeemed pursuant to such notice, or in lieu of such funds having been so deposited, the Trustee shall have received a written statement of the Administrator, on behalf of the Issuing Authority, that funds which will be sufficient to pay on the date fixed for redemption all the principal of the Series 2001A Senior Bonds to be redeemed pursuant to such notice will be so deposited and available in the Senior Redemption Account/2001A no later than the redemption date. If the Trustee has received such written statement from the Administrator, the Trustee shall, in its notice of redemption to the Holders, make such redemption conditioned upon the deposit and availability of such funds no later than the date of redemption set forth in such notice.

The Issuing Authority may, in the future, issue one or more series of Additional Bonds and may make such series of Additional Bonds payable from the same Series Accounts as the Series 2001A Senior Bonds. In such event, the Series Bond Order or Supplemental Indenture related to such Additional Bonds may provide that such Additional Bonds shall be optionally redeemed prior to any optional redemption of the Series 2001A Senior Bonds.

(ii) Mandatory Redemption of Series 2001A Senior Bonds from Cash Flow. The Series 2001A Senior Bonds shall be subject to mandatory redemption as a whole or in part prior to their Maturity Date from moneys deposited pursuant to Section 5.6.2 hereof to the credit of the Senior Redemption Account/2001A, with respect to the payment of principal, and to the Senior Interest Account/2001A, with respect to the payment of interest, on the earliest Rate Adjustment Date (or after a Fixed Rate Conversion, the earliest Interest Payment Date) following any such deposit for which notice of redemption is given by the Trustee at the redemption price specified in the next succeeding paragraph upon the further terms and conditions set forth in this Section 4.2(a)(ii).

The Series 2001A Senior Bonds or any series thereof, or any portion of any such series, are subject to mandatory redemption pursuant to this Section 4.2(a)(ii) upon notice in the form and manner described in Section 4.1 hereof given by the Trustee to Holders thereof not less than thirty (30) days prior to such redemption date at a redemption price of 100% of the principal amount redeemed plus accrued interest to the date of redemption.

Redemption of principal of Series 2001A Senior Bonds shall occur only up to the largest integral multiple of the Minimum Authorized Denomination, but not exceeding the Balance in the Senior Redemption Account/2001A as of the 45th day before a redemption date. Any amounts in the Senior Redemption Account/2001A in excess of the amounts thereof applied to mandatory redemption pursuant to this Section 4.2(a)(ii) shall remain in such Account until such amounts are applied by the Trustee (i) to another mandatory redemption of the Series 2001A Senior Bonds pursuant to this Section 4.2(a)(ii) on subsequent Rate Adjustment Date or Interest Payment date, as the case may be, (ii) to any other payments to be made from the Senior Redemption Account/2001A pursuant to (a) the provisions of this Section 4.2, (b) any other provision of this Indenture or (c) a Supplemental Indenture executed in connection with the issuance of Additional Bonds, or (iii) to the payment of principal of or interest on other series of Bonds at their maturity or to the payment of such Bonds upon acceleration.

The Series 2001A Senior Bonds to be redeemed pursuant to this Section 4.2(a)(ii) shall be redeemed by the Trustee only upon written notice from the Administrator, on behalf of the Issuing Authority, to the Trustee. That notice shall specify the redemption date and the principal amount of Series 2001A Senior Bonds to be redeemed and shall be given at least forty (40) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee in its sole discretion. Before the Trustee shall give notice of redemption to the Holders as provided in this Section 4.2(a)(ii), there shall have been deposited in the Senior Redemption Account/2001A funds which will be sufficient to pay on the date fixed for redemption all the principal of the series of Series 2001A Senior Bonds to be redeemed pursuant to such notice.

In the event that the Series 2001A Senior Bonds are subject to a Fixed Rate Conversion, the Administrator, on behalf of the Issuing Authority, may designate mandatory sinking fund redemption requirements for the Series 2001A Senior Bonds to be effective on the Fixed Rate Conversion Date, *provided that* such designation does not materially adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2001A Senior Bonds.

The Issuing Authority may, in the future, issue one or more series of Additional Bonds and may make such series of Additional Bonds payable from the same Series Accounts as the Series 2001A Senior Bonds. In such event, the Series Bond Order or the Supplemental Indenture authorizing the issuance of such Additional Bonds may provide that such Additional Bonds shall be subject to mandatory redemption prior to any mandatory redemption of the Series 2001A Senior Bonds.

(b) Redemption of Series 2001B Subordinated Bonds -- Generally. The Series 2001B Subordinated Bonds shall be subject to redemption prior to the Maturity Date upon the terms and conditions, on such redemption dates and at such redemption prices as are set forth in this Section 4.2(b) and in accordance with the provisions of Section 4.1 of this Indenture. The redemption price of the Series 2001B Subordinated Bonds shall in each case be par plus interest accrued on the principal amount being redeemed to the date of redemption. Interest on the Series 2001B Subordinated Bonds shall be paid from the Subordinated Interest Account/2001B in the

Bond Fund. Principal of the Series 2001B Subordinated Bonds shall be paid from the Subordinated Redemption Account/2001B in the Bond Fund.

(i) Optional Redemption. So long as any Series 2001A Senior Bonds are Outstanding, the Series 2001B Subordinated Bonds will not be subject to optional redemption prior to their Maturity Date except in connection with the optional redemption in whole of all Outstanding Series 2001A Senior Bonds. In the event of an optional redemption of all Outstanding Series 2001A Senior Bonds, the Series 2001B Subordinated Bonds shall be subject to redemption prior to their Maturity Date as a whole or in part, at the option of the Administrator on behalf of the Issuing Authority, from moneys deposited from any source to the credit of the Subordinated Redemption Account/2001B in the Bond Fund with respect to the payment of principal, and the Subordinated Interest Account/2001B in the Bond Fund with respect to the payment of interest, upon notice given by the Trustee to the Holders thereof not less than fifteen (15) days prior to the redemption date, on any Rate Adjustment Date prior to their Maturity Date during any Auction Period or other Variable Rate Period prior to a Fixed Rate Conversion Date, and after a Fixed Rate Conversion Date with respect to such Series 2001B Subordinated Bonds, upon notice given by the Trustee to the Holders thereof not less than thirty (30) days prior to the redemption date, without premium, on the Interest Payment Date which occurs ten (10) years after the Fixed Rate Conversion Date or on any Interest Payment Date thereafter with respect to such Series 2001B Subordinated Bonds, in each case at the redemption price of par plus accrued interest on the principal amount being redeemed to the redemption date.

Optional redemption of principal of Series 2001B Subordinated Bonds while bearing interest at a Variable Rate shall occur only up to the largest integral multiple of the Minimum Authorized Denomination but not exceeding the Balance as of the 25th day before an optional redemption date in, or pursuant to a written statement of the Administrator, on behalf of the Issuing Authority, the Balance to be available on the redemption date in, the Subordinated Redemption Account/2001B. Optional redemption of principal of Series 2001B Subordinated Bonds while bearing interest at a Fixed Rate shall occur only up to the largest integral multiple of the Minimum Authorized Denomination but not exceeding as of the 40th day before an optional redemption date the Balance in, or pursuant to a written statement of the Administrator, on behalf of the Issuing Authority, the Balance to be available on the redemption date in, the Subordinated Redemption Account/2001B.

Any amounts in the Subordinated Redemption Account/2001B in excess of the amounts thereof applied to an optional redemption pursuant to this Section 4.2(b)(i) shall remain in such Account until such amounts (a) are applied by the Trustee (i) to another optional redemption of the Series 2001B Subordinated Bonds pursuant to this Section 4.2(b)(i), (ii) to any other payments to be made from the Subordinated Redemption Account/2001B pursuant to the provisions of this Section 4.2 or a Supplemental Indenture executed in connection with the issuance of Additional Bonds, or (iii) to the payment of principal of or interest on other series of Bonds at their maturity or to the payment of such Bonds upon acceleration, or (b) if such amounts represent (i) moneys of the Issuing Authority that prior to their deposit hereunder did not constitute a Pledged Receipt hereunder or (ii) moneys that were transferred from the Excess Surplus Account, are transferred to the Issuing Authority upon the written request of the Administrator.

The Series 2001B Subordinated Bonds to be redeemed pursuant to this Section 4.2(b)(i) shall be redeemed by the Trustee only upon written notice from the Administrator on behalf of the Issuing Authority to the Trustee. While the Series 2001B

Subordinated Bonds bear interest at a Variable Rate, that notice shall specify the redemption date and the principal amount of the Series 2001B Subordinated Bonds to be redeemed and shall be given at least twenty (20) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee in its sole discretion. While the Series 2001B Subordinated Bonds bear interest at a Variable Rate, that notice shall specify the redemption date and the principal amount of the Series 2001B Subordinated Bonds to be redeemed and shall be given at least thirty-five (35) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee in its sole discretion.

Before the Trustee shall give notice of redemption to the Holders as provided in this Section 4.2(b)(i), there shall have been deposited in the Subordinated Redemption Account/2001B funds which will be sufficient to pay on the date fixed for redemption all the principal of the Series 2001B Subordinated Bonds to be redeemed pursuant to such notice, or in lieu of such funds having been so deposited, the Trustee shall have received a written statement of the Administrator, on behalf of the Issuing Authority, that funds which will be sufficient to pay on the date fixed for redemption all the principal of the Series 2001B Subordinated Bonds to be redeemed pursuant to such notice will be so deposited and available in the Subordinated Redemption Account/2001B no later than the redemption date. If the Trustee has received such written statement from the Administrator, the Trustee shall, in its notice of redemption to the Holders, make such redemption conditioned upon the deposit and availability of such funds no later than the date of redemption set forth in such notice.

The Issuing Authority may, in the future, issue one or more series of Additional Bonds and may make such series of Additional Bonds payable from the same Series Accounts as the Series 2001B Subordinated Bonds. In such event, the Series Bond Order or Supplemental Indenture related to such Additional Bonds may provide that such Additional Bonds shall be optionally redeemed prior to any optional redemption of the Series 2001B Subordinated Bonds.

(ii) Mandatory Redemption of Series 2001B Subordinated Bonds from Cash Flow. The Series 2001B Subordinated Bonds shall be subject to mandatory redemption as a whole or in part prior to their Maturity Date from moneys deposited pursuant to Section 5.6.2 hereof to the credit of the Subordinated Redemption Account/2001B, with respect to the payment of principal, and from moneys deposited pursuant to Section 5.6.1 hereof to the credit of the Subordinated Interest Account/2001B, with respect to the payment of interest, on the earliest Rate Adjustment Date (or after a Fixed Rate Conversion thereof, the earliest Interest Payment Date) following any such deposit for which notice of redemption is given by the Trustee at the redemption price specified in the next succeeding paragraph upon the further terms and conditions set forth in this Section 4.2(b)(ii).

The Series 2001B Subordinated Bonds, or any portion of them, are subject to such mandatory redemption pursuant to this Section 4.2(b)(ii) upon notice in the form and manner described in Section 4.1 hereof given by the Trustee to Holders thereof not less than thirty (30) days prior to such redemption date at a redemption price of 100% of the principal amount redeemed plus accrued interest to the date of redemption.

Mandatory redemption of any portion of the principal of the Series 2001B Subordinated Bonds from cash flow pursuant to this Section 4.2(b)(ii) may occur only if the following conditions are satisfied:

- (i) so long as there are any Series 2001A Senior Bonds Outstanding,

(a) the Balance in the Student Loan Interest Account/2001 on the date on which notice of mandatory redemption of the Series 2001B Subordinated Bonds is to be given to the Holders of the Series 2001B Subordinated Bonds would be sufficient to pay

(1) all interest that will have accrued on the Series 2001A Senior Bonds and the Series 2001B Subordinated Bonds on such mandatory redemption date (regardless of whether such interest on the Series 2001A Senior Bonds or Series 2001B Subordinated Bonds will be paid on such redemption date) and

(2) any Issuing Authority Exchange Payment that would be due on or before such mandatory redemption date and

(b) after giving effect to such mandatory redemption of the Series 2001B Subordinated Bonds,

(1) the Senior Series Asset Coverage Ratio would not be less than 108.0% and

(2) the Series Asset Coverage Ratio would not be less than 101.5%; and

(ii) the principal amount of Series 2001B Subordinated Bonds that will be mandatorily redeemed on such mandatory redemption date will not exceed the largest integral multiple of the Minimum Authorized Denomination for such Series 2001B Subordinated Bonds that does not exceed the Balance in the Subordinated Redemption Account/2001B as of the 45th day before a mandatory redemption date.

Any amounts in the Subordinated Redemption Account/2001B in excess of the amounts thereof applied to mandatory redemption pursuant to this Section 4.2(b)(ii) shall remain in such Account until such amounts are applied by the Trustee (i) to another mandatory redemption of the Series 2001B Subordinated Bonds pursuant to this Section 4.2(b)(ii) on subsequent Rate Adjustment Date or Interest Payment date, as the case may be, (ii) to any other payments to be made from the Subordinated Redemption Account/2001B pursuant to (a) the provisions of this Section 4.2, (b) any other provision of this Indenture or (c) a Supplemental Indenture executed in connection with the issuance of Additional Bonds, or (iii) to the payment of principal of or interest on other series of Bonds at their maturity or to the payment of such Bonds upon acceleration.

The Series 2001B Subordinated Bonds to be redeemed pursuant to this Section 4.2(b)(ii) shall be redeemed by the Trustee only upon written notice from the Administrator, on behalf of the Issuing Authority, to the Trustee. That notice shall specify the redemption date and the principal amount of Series 2001B Subordinated Bonds to be redeemed and shall be given at least forty (40) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee in its sole discretion. Before the Trustee shall give notice of redemption to the Holders as provided in this Section 4.2(b)(ii), there shall have been deposited in the Subordinated Redemption Account/2001B funds which will be sufficient to pay on the date fixed for redemption all the principal of the series of Series 2001B Subordinated Bonds to be redeemed pursuant to such notice.

In the event that the Series 2001B Subordinated Bonds are subject to a Fixed Rate Conversion, the Administrator, on behalf of the Issuing Authority, may designate

mandatory sinking fund redemption requirements for the Series 2001B Subordinated Bonds to be effective on the Fixed Rate Conversion Date, *provided that* such designation does not materially adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2001B Subordinated Bonds.

The Issuing Authority may, in the future, issue one or more series of Additional Bonds and may make such series of Additional Bonds payable from the same Series Accounts as the Series 2001B Subordinated Bonds. In such event, the Series Bond Order or the Supplemental Indenture authorizing the issuance of such Additional Bonds may provide that such Additional Bonds shall be subject to mandatory redemption prior to any mandatory redemption of the Series 2001B Subordinated Bonds.

Section 4.3. Redemption of the Series 2002 Bonds.

(a) Redemption of the Series 2002A Senior Bonds -- General. Each series of the Series 2002A Senior Bonds shall be subject to redemption prior to the Maturity Date upon the terms and conditions, on the redemption dates and at such redemption price as are set forth in Section 4.1 hereof and this Section 4.3. The redemption price of the Series 2002A Senior Bonds shall in each case be par plus interest accrued on the principal amount being redeemed to the date of redemption. Interest on the Series 2002A Senior Bonds shall be paid from the Senior Interest Account/2002A in the Bond Fund. Principal of the Series 2002A Senior Bonds shall be paid from the Senior Redemption Account/2002A in the Bond Fund.

(i) Optional Redemption of Series 2002A Senior Bonds. Each series of the Series 2002A Senior Bonds shall be subject to redemption as a whole or in part at the option of the Administrator on behalf of the Issuing Authority from moneys from any source deposited to the credit of the Senior Redemption Account/2002A in the Bond Fund with respect to the payment of principal, and the Senior Interest Account/2002A in the Bond Fund with respect to the payment of interest, upon notice given by the Trustee to the Holders thereof not less than fifteen (15) days prior to the redemption date, on any Rate Adjustment Date prior to their Maturity Date during any Auction Period or Variable Rate Period prior to a Fixed Rate Conversion Date, and after a Fixed Rate Conversion Date with respect to such series of Series 2002A Senior Bonds, and upon notice given by the Trustee to the Holders thereof not less than thirty (30) days prior to the redemption date, without premium, on the Interest Payment Date which occurs ten (10) years after the Fixed Rate Conversion Date or on any Interest Payment Date thereafter with respect to such series of Series 2002A Senior Bonds, in each case at the redemption price par plus accrued interest on the principal amount being redeemed to the redemption date.

Optional redemption of principal of a series of Series 2002A Senior Bonds while bearing interest at an Auction Rate or a Variable Rate shall occur only up to the largest integral multiple of the Minimum Authorized Denomination but not exceeding as of the 25th day before an optional redemption date the Balance in, or pursuant to a written statement of the Administrator, on behalf of the Issuing Authority, the Balance to be available on the redemption date in, the Senior Redemption Account/2002A. Optional redemption of principal of a series of Series 2002A Senior Bonds while bearing interest at a Fixed Rate shall occur only up to the largest integral multiple of the Minimum Authorized Denomination but not exceeding as of the 40th day before an optional redemption date the Balance in, or pursuant to a written statement of the Administrator, on behalf of the Issuing Authority, the Balance to be available on the redemption date in, the Senior Redemption Account/2002A.

Any amounts in the Senior Redemption Account/2002A in excess of the amounts thereof applied to an optional redemption pursuant to this Section 4.3(a)(i) shall

remain in such Account until such amounts (a) are applied by the Trustee (i) to another optional redemption of the Series 2002A Senior Bonds pursuant to this Section 4.3(a)(i), (ii) to any other payments to be made from the Senior Redemption Account/2002A pursuant to the provisions of this Section 4.3 or any provisions of this Third Supplemental Indenture or a Supplemental Indenture executed in connection with the issuance of Additional Bonds, or (iii) to the payment of principal of or interest on other series of Bonds at their maturity or to the payment of such Bonds upon acceleration, or (b) if such amounts represent (i) moneys of the Issuing Authority that prior to their deposit hereunder did not constitute a Pledged Receipt hereunder or (ii) moneys that were transferred from the Excess Surplus Account, are transferred to the Issuing Authority upon the written request of the Administrator.

The Series 2002A Senior Bonds to be redeemed pursuant to this Section 4.3(a)(i) shall be redeemed by the Trustee only upon written notice from the Administrator on behalf of the Issuing Authority to the Trustee. While a series of the Series 2002A Senior Bonds bears interest at an Auction Rate or a Variable Rate, that notice shall specify the redemption date and the principal amount of such series of the Series 2002A Senior Bonds to be redeemed and shall be given at least twenty (20) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee in its sole discretion. While a series of the Series 2002A Senior Bonds bears interest at a Fixed Rate, that notice shall specify the redemption date and the principal amount of such series of the Series 2002A Senior Bonds to be redeemed and shall be given at least thirty-five (35) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee in its sole discretion.

Before the Trustee shall give notice of redemption to the Holders as provided in this Section 4.3(a)(i), there shall have been deposited in the Senior Redemption Account/2002A funds which will be sufficient to pay on the date fixed for redemption all the principal of the Series 2002A Senior Bonds to be redeemed pursuant to such notice, or in lieu of such funds having been so deposited, the Trustee shall have received a written statement of the Administrator, on behalf of the Issuing Authority, that funds which will be sufficient to pay on the date fixed for redemption all the principal of the Series 2002A Senior Bonds to be redeemed pursuant to such notice will be so deposited and available in the Senior Redemption Account/2002A no later than the redemption date. If the Trustee has received such written statement from the Administrator, the Trustee shall, in its notice of redemption to the Holders, make such redemption conditioned upon the deposit and availability of such funds no later than the date of redemption set forth in such notice.

The Issuing Authority may, in the future, issue one or more series of Additional Bonds and may make such series of Additional Bonds payable from the same Series Accounts as the Series 2002A Senior Bonds. In such event, the Series Bond Order or Supplemental Indenture related to such Additional Bonds may provide that such Additional Bonds shall be optionally redeemed prior to any optional redemption of the Series 2002A Senior Bonds.

(ii) Mandatory Redemption of Series 2002A Senior Bonds from Cash Flow. Each series of the Series 2002A Senior Bonds shall be subject to mandatory redemption as a whole or in part prior to their Maturity Date from moneys deposited pursuant to Section 5.6.2 of this Indenture to the credit of the Senior Redemption Account/2002A, with respect to the payment of principal, and from moneys deposited pursuant to Section 5.6.1 of this Indenture to the Senior Interest Account/2002A, with respect to the payment of interest, on the earliest Rate Adjustment Date (or after a Fixed Rate Conversion, the earliest Interest Payment Date) following any such deposit for

which notice of redemption can be timely given to the Holders thereof by the Trustee at the redemption price specified in the next succeeding paragraph upon the further terms and conditions set forth in this Section 4.3(a)(ii).

Each series of the Series 2002A Senior Bonds, or any portion of such series, is subject to mandatory redemption pursuant to this Section 4.3(a)(ii) upon notice in the form and manner described in Section 4.1 of this Indenture given by the Trustee to Holders thereof not less than thirty (30) days prior to such redemption date at a redemption price of 100% of the principal amount redeemed plus accrued interest to the date of redemption.

Redemption of principal of Series 2002A Senior Bonds shall occur only up to the largest integral multiple of the Minimum Authorized Denomination, but not exceeding the Balance in the Senior Redemption Account/2002A as of the 45th day before a redemption date. Any amounts in the Senior Redemption Account/2002A in excess of the amounts thereof applied to mandatory redemption pursuant to this Section 4.3(a)(ii) shall remain in such Account until such amounts are applied by the Trustee (i) to another mandatory redemption of the Series 2002A Senior Bonds pursuant to this Section 4.3(a)(ii) on subsequent Rate Adjustment Date or Interest Payment Date, as the case may be, (ii) to any other payments to be made from the Senior Redemption Account/2002A pursuant to (a) the provisions of this Section 4.3, (b) any other provision of this Indenture or (c) a Supplemental Indenture executed in connection with the issuance of Additional Bonds, or (iii) to the payment of principal of or interest on other series of Bonds at their maturity or to the payment of such Bonds upon acceleration.

The Series 2002A Senior Bonds to be redeemed pursuant to this Section 4.3(a)(ii) shall be redeemed by the Trustee only upon written notice from the Administrator, on behalf of the Issuing Authority, to the Trustee. That notice shall specify for each series of Series 2002A Senior Bonds, or portion thereof, being redeemed the redemption date and the principal amount of Series 2002A Senior Bonds to be redeemed and shall be given at least forty (40) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee in its sole discretion. Before the Trustee shall give notice of redemption to the Holders as provided in this Section 4.3(a)(ii), there shall have been deposited in the Senior Redemption Account/2002A funds which will be sufficient to pay on the date fixed for redemption all the principal of the Series 2002A Senior Bonds to be redeemed pursuant to such notice.

In the event that a series of the Series 2002A Senior Bonds is subject to a Fixed Rate Conversion, the Administrator, on behalf of the Issuing Authority, may designate mandatory sinking fund redemption requirements for such series of the Series 2002A Senior Bonds to be effective on the Fixed Rate Conversion Date, *provided that* such designation does not materially adversely affect the exclusion from gross income for federal income tax purposes of interest on such series of the Series 2002A Senior Bonds.

The Issuing Authority may, in the future, issue one or more series of Additional Bonds and may make such series of Additional Bonds payable from the same Series Accounts as the Series 2002A Senior Bonds. In such event, the Series Bond Order or the Supplemental Indenture authorizing the issuance of such Additional Bonds may provide that such Additional Bonds shall be subject to mandatory redemption prior to any mandatory redemption of the Series 2002A Senior Bonds.

(b) Redemption of Series 2002B Subordinated Bonds -- Generally. The Series 2002B Subordinated Bonds shall be subject to redemption prior to the Maturity Date upon the terms and conditions, on such redemption dates and at such redemption prices as are set forth

in this Section 4.3(b) and in accordance with the provisions of Section 4.1 of this Indenture. The redemption price of the Series 2002B Subordinated Bonds shall in each case be par plus interest accrued on the principal amount being redeemed to the date of redemption. Interest on the Series 2002B Subordinated Bonds shall be paid from the Subordinated Interest Account/2002B in the Bond Fund. Principal of the Series 2002B Subordinated Bonds shall be paid from the Subordinated Redemption Account/2002B in the Bond Fund.

(i) Optional Redemption. So long as any Series 2002A Senior Bonds are Outstanding, the Series 2002B Subordinated Bonds will be subject to optional redemption prior to their Maturity Date only as provided in this subdivision (b)(i) of this Section 4.3.

In the event of an optional redemption of all Outstanding Series 2002A Senior Bonds, the Series 2002B Subordinated Bonds shall be subject to redemption prior to their Maturity Date as a whole or in part, at the option of the Administrator on behalf of the Issuing Authority, from moneys deposited from any source to the credit of the Subordinated Redemption Account/2002B in the Bond Fund with respect to the payment of principal, and the Subordinated Interest Account/2002B in the Bond Fund with respect to the payment of interest, upon notice given by the Trustee to the Holders thereof not less than fifteen (15) days prior to the redemption date, on any Rate Adjustment Date prior to their Maturity Date during any Auction Period or Variable Rate Period prior to a Fixed Rate Conversion Date, and after a Fixed Rate Conversion Date with respect to such Series 2002B Subordinated Bonds, upon notice given by the Trustee to the Holders thereof not less than thirty (30) days prior to the redemption date, without premium, on the Interest Payment Date which occurs ten (10) years after the Fixed Rate Conversion Date or on any Interest Payment Date thereafter with respect to such Series 2002B Subordinated Bonds, in each case at the redemption price of par plus accrued interest on the principal amount being redeemed to the redemption date.

Optional redemption of any portion of the principal of the Series 2002B Subordinated Bonds pursuant to this Section 4.3(b)(ii) from moneys deposited from any source to the credit of the Subordinated Redemption Account/2002B in the Bond Fund with respect to the payment of principal and the Subordinated Interest Account/2002B in the Bond Fund with respect to the payment of interest may occur only if the following conditions are satisfied:

(i) so long as there are any Series 2002A Senior Bonds Outstanding,

(a) the Balance in the Student Loan Interest Account/2002 on the date on which notice of optional redemption of the Series 2002B Subordinated Bonds is to be given to the Holders of the Series 2002B Subordinated Bonds would be sufficient to pay

(1) all interest that will have accrued on the Series 2002A Senior Bonds and the Series 2002B Subordinated Bonds on such optional redemption date (regardless of whether such interest on the Series 2002A Senior Bonds or Series 2002B Subordinated Bonds will be paid on such redemption date) and

(2) any Issuing Authority Exchange Payment that would be due on or before such optional redemption date and

(b) after giving effect to such optional redemption of the Series 2002B Subordinated Bonds,

(1) the Senior Asset Coverage Ratio would not be less than 108.0%
and

(2) the Asset Coverage Ratio would not be less than 101.5%; and

(ii) the principal amount of Series 2002B Subordinated Bonds that will be redeemed by optional redemption on such optional redemption date will not exceed the largest integral multiple of the Minimum Authorized Denomination for such Series 2002B Subordinated Bonds that does not exceed the Balance in the Subordinated Redemption Account/2002B as of the 45th day before a mandatory redemption date.

Any amounts in the Subordinated Redemption Account/2002B in excess of the amounts thereof applied to optional redemption pursuant to this Section 4.3(b)(i) shall remain in such Account until such amounts are applied by the Trustee (i) to another optional redemption of the Series 2002B Subordinated Bonds pursuant to this Section 4.3(b)(ii) on subsequent Rate Adjustment Date or Interest Payment date, as the case may be, (ii) to any other payments to be made from the Subordinated Redemption Account/2002B pursuant to (a) the provisions of this Section 4.3, (b) any other provision of this Indenture or (c) a Supplemental Indenture executed in connection with the issuance of Additional Bonds, or (iii) to the payment of principal of or interest on other series of Bonds at their maturity or to the payment of such Bonds upon acceleration.

Optional redemption of principal of Series 2002B Subordinated Bonds while bearing interest at an Auction Rate or a Variable Rate shall occur only up to the largest integral multiple of the Minimum Authorized Denomination but not exceeding as of the 25th day before an optional redemption date the Balance in, or pursuant to a written statement of the Administrator, on behalf of the Issuing Authority, the Balance to be available on the redemption date in, the Subordinated Redemption Account/2002B. Optional redemption of principal of Series 2002B Subordinated Bonds while bearing interest at a Fixed Rate shall occur only up to the largest integral multiple of the Minimum Authorized Denomination but not exceeding as of the 40th day before an optional redemption date the Balance in, or pursuant to a written statement of the Administrator, on behalf of the Issuing Authority, the Balance to be available on the redemption date in, the Subordinated Redemption Account/2002B.

Any amounts in the Subordinated Redemption Account/2002B in excess of the amounts thereof applied to an optional redemption pursuant to this Section 4.3(b)(i) shall remain in such Account until such amounts (a) are applied by the Trustee (i) to another optional redemption of the Series 2002B Subordinated Bonds pursuant to this Section 4.3(b)(i), (ii) to any other payments to be made from the Subordinated Redemption Account/2002B pursuant to the provisions of this Section 4.3 or any provisions of this Indenture or a Supplemental Indenture executed in connection with the issuance of Additional Bonds, or (iii) to the payment of principal of or interest on other series of Bonds at their maturity or to the payment of such Bonds upon acceleration, or (b) if such amounts represent (i) moneys of the Issuing Authority that prior to their deposit hereunder did not constitute a Pledged Receipt hereunder or (ii) moneys that were transferred from the Excess Surplus Account, are transferred to the Issuing Authority upon the written request of the Administrator.

The Series 2002B Subordinated Bonds to be redeemed pursuant to this Section 4.3(b)(i) shall be redeemed by the Trustee only upon written notice from the Administrator on behalf of the Issuing Authority to the Trustee. While the Series 2002B Subordinated Bonds bear interest at an Auction Rate or a Variable Rate, that notice shall specify the redemption date and the principal amount of the Series 2002B Subordinated

Bonds to be redeemed and shall be given at least twenty (20) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee in its sole discretion. While the Series 2002B Subordinated Bonds bear interest at an Auction Rate or a Variable Rate, that notice shall specify the redemption date and the principal amount of the Series 2002B Subordinated Bonds to be redeemed and shall be given at least thirty-five (35) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee in its sole discretion.

Before the Trustee shall give notice of redemption to the Holders as provided in this Section 4.3(b)(i), there shall have been deposited in the Subordinated Redemption Account/2002B funds which will be sufficient to pay on the date fixed for redemption all the principal of the Series 2002B Subordinated Bonds to be redeemed pursuant to such notice, or in lieu of such funds having been so deposited, the Trustee shall have received a written statement of the Administrator, on behalf of the Issuing Authority, that funds which will be sufficient to pay on the date fixed for redemption all the principal of the Series 2002B Subordinated Bonds to be redeemed pursuant to such notice will be so deposited and available in the Subordinated Redemption Account/2002B no later than the redemption date. If the Trustee has received such written statement from the Administrator, the Trustee shall, in its notice of redemption to the Holders, make such redemption conditioned upon the deposit and availability of such funds no later than the date of redemption set forth in such notice.

The Issuing Authority may, in the future, issue one or more series of Additional Bonds and may make such series of Additional Bonds payable from the same Series Accounts as the Series 2002B Subordinated Bonds. In such event, the Series Bond Order or Supplemental Indenture related to such Additional Bonds may provide that such Additional Bonds shall be optionally redeemed prior to any optional redemption of the Series 2002B Subordinated Bonds.

(ii) Mandatory Redemption of Series 2002B Subordinated Bonds from Cash Flow. The Series 2002B Subordinated Bonds shall be subject to mandatory redemption as a whole or in part prior to their Maturity Date from moneys deposited pursuant to Section 5.6.2 of this Indenture to the credit of the Subordinated Redemption Account/2002B, with respect to the payment of principal, and from moneys deposited pursuant to Section 5.6.1 of this Indenture to the credit of the Subordinated Interest Account/2002B, with respect to the payment of interest, on the earliest Rate Adjustment Date (or after a Fixed Rate Conversion thereof, the earliest Interest Payment Date) following any such deposit for which notice of redemption can be timely given to the Holders thereof by the Trustee at the redemption price specified in the next succeeding paragraph upon the further terms and conditions set forth in this Section 4.3(b)(ii).

The Series 2002B Subordinated Bonds, or any portion of them, are subject to such mandatory redemption pursuant to this Section 4.3(b)(ii) upon notice in the form and manner described in Section 4.1 of this Indenture given by the Trustee to Holders thereof not less than thirty (30) days prior to such redemption date at a redemption price of 100% of the principal amount redeemed plus accrued interest to the date of redemption.

Mandatory redemption of any portion of the principal of the Series 2002B Subordinated Bonds from cash flow pursuant to this Section 4.3(b)(ii) may occur only if the following conditions are satisfied:

- (i) so long as there are any Series 2002A Senior Bonds Outstanding,

(a) the Balance in the Student Loan Interest Account/2002 on the date on which notice of mandatory redemption of the Series 2002B Subordinated Bonds is to be given to the Holders of the Series 2002B Subordinated Bonds would be sufficient to pay

(1) all interest that will have accrued on the Series 2002A Senior Bonds and the Series 2002B Subordinated Bonds on such mandatory redemption date (regardless of whether such interest on the Series 2002A Senior Bonds or Series 2002B Subordinated Bonds will be paid on such redemption date) and

(2) any Issuing Authority Exchange Payment that would be due on or before such mandatory redemption date and

(b) after giving effect to such mandatory redemption of the Series 2002B Subordinated Bonds,

(1) the Senior Asset Coverage Ratio would not be less than 108.0% and

(2) the Asset Coverage Ratio would not be less than 101.5%; and

(ii) the principal amount of Series 2002B Subordinated Bonds that will be redeemed by mandatory redemption on such mandatory redemption date will not exceed the largest integral multiple of the Minimum Authorized Denomination for such Series 2002B Subordinated Bonds that does not exceed the Balance in the Subordinated Redemption Account/2002B as of the 45th day before a mandatory redemption date.

Any amounts in the Subordinated Redemption Account/2002B in excess of the amounts thereof applied to mandatory redemption pursuant to this Section 4.3(b)(ii) shall remain in such Account until such amounts are applied by the Trustee (i) to another mandatory redemption of the Series 2002B Subordinated Bonds pursuant to this Section 4.3(b)(ii) on subsequent Rate Adjustment Date or Interest Payment date, as the case may be, (ii) to any other payments to be made from the Subordinated Redemption Account/2002B pursuant to (a) the provisions of this Section 4.3, (b) any other provision of this Indenture or (c) a Supplemental Indenture executed in connection with the issuance of Additional Bonds, or (iii) to the payment of principal of or interest on other series of Bonds at their maturity or to the payment of such Bonds upon acceleration.

The Series 2002B Subordinated Bonds to be redeemed pursuant to this Section 4.3(b)(ii) shall be redeemed by the Trustee only upon written notice from the Administrator, on behalf of the Issuing Authority, to the Trustee. That notice shall specify the redemption date and the principal amount of Series 2002B Subordinated Bonds to be redeemed and shall be given at least forty (40) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee in its sole discretion. Before the Trustee shall give notice of redemption to the Holders as provided in this Section 4.3(b)(ii), there shall have been deposited in the Subordinated Redemption Account/2002B funds which will be sufficient to pay on the date fixed for redemption all the principal of the Series 2002B Subordinated Bonds to be redeemed pursuant to such notice.

In the event that the Series 2002B Subordinated Bonds are subject to a Fixed Rate Conversion, the Administrator, on behalf of the Issuing Authority, may

designate mandatory sinking fund redemption requirements for the Series 2002B Subordinated Bonds to be effective on the Fixed Rate Conversion Date, *provided that* such designation does not materially adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2002B Subordinated Bonds.

The Issuing Authority may, in the future, issue one or more series of Additional Bonds and may make such series of Additional Bonds payable from the same Series Accounts as the Series 2002B Subordinated Bonds. In such event, the Series Bond Order or the Supplemental Indenture authorizing the issuance of such Additional Bonds may provide that such Additional Bonds shall be subject to mandatory redemption prior to any mandatory redemption of the Series 2002B Subordinated Bonds.

SECTION 4.4 Variation of and Supplement to Redemption Provisions. The provisions of this Article IV may be varied or supplemented by the Supplemental Indenture executed in connection with the issuance of a series of Bonds (other than the Series 2001 Bonds or the Series 2002 Bonds unless the Series 2001 Bonds or Series 2002 Bonds, as the case may be, are being remarketed in connection with a mandatory tender, in which case the provisions of this Article IV as they relate to the Series 2001 Bonds may be changed). Such Supplemental Indenture may make provision for the pro rata and/or non-ratable, and optional and/or mandatory redemption of a series of Bonds with respect to any or all other series of Bonds Outstanding at such time and payable from the same Series Accounts.

ARTICLE V

Disposition of Proceeds; Establishment of Funds and Accounts; Application of Revenues

SECTION 5.1 Disposition of Proceeds of Bonds. All proceeds of the issuance and sale of a series of Bonds hereunder shall be delivered to the Trustee on date of delivery of and payment for such series of Bonds, and the Trustee shall deposit such proceeds in the Funds, and Series Accounts or Series Subaccounts within such Funds, as set forth in the Series Bond Order authorizing the issuance of such series of Bonds.

SECTION 5.2 Reserve Fund. There has been established under this Indenture by the General Bond Order a Fund designated the "Reserve Fund", and by a Series Bond Order within the Reserve Fund, there shall be established a Series Reserve Account with respect to each series of Bonds. The moneys in such Series Reserve Accounts of the Reserve Fund shall be invested in Investment Securities as provided in Section 5.10 hereof. Any income or earnings on such moneys shall be credited to the Series Reserve Account to which such moneys are credited.

The Trustee shall deposit to the credit of each Series Reserve Account, the amount set forth in the Series Bond Order given in connection with the issuance of the related series of Bonds.

A deficiency shall be deemed to exist in a Series Reserve Account to the extent that at any time the Balances thereof shall be less than the Reserve Requirement for such series of Bonds. If at any time a deficiency in a Series Reserve Account shall occur, the Trustee shall make deposits to the credit thereof to the extent of such deficiency first from the related Series Student Loan Interest Account in the Revenue Fund as provided in Section 5.5.2(b) hereof, and second, in accordance with Series Priority, from any other Series Student Loan Interest Accounts related to any other series of Bonds (other than from a Series Student Loan Interest Account which contains original proceeds from the sale of the related series of Bonds unless such deposits in such Series Student Loan Interest Account are from moneys other than such original proceeds of such related series of Bonds). Notwithstanding anything to contrary in this paragraph, the Trustee, prior to making such a deposit to a Series Reserve Account from a Series Student Loan Interest Account, may, in its sole discretion, make such a deposit or deposits from moneys in the Excess Surplus Account.

If on any Interest Payment Date the Balances of any Series Reserve Account are in excess of the Reserve Requirement, the amount of such excess shall be transferred to the related Series Student Loan Principal Account in the Revenue Fund.

After the transfer of excess Balances pursuant to the preceding paragraph, each Series Reserve Account shall be used solely for the following purposes in the following order of priority: first, (a) to make up any deficiency in the related Series Administration Account in the Services Fund immediately following the transfer of moneys into such Account pursuant to Section 5.5.2(a) hereof, and thereafter (b) to make up any deficiency in any other Series Administration Account in the Services Fund, as directed by the Administrator; second, (a) to increase the amount in the related Series Interest Account in the Bond Fund to the amount required by Section 5.6.1 hereof (after giving effect to any transfer to be made thereto pursuant to Section 5.5.2 hereof) on the Business Day prior to any Interest Payment Date or on any other date on which interest is due upon redemption or payment of any related series of Bonds or on any other date on which any related Issuing Authority Exchange Payment is due and payable, by transfer and deposit by the Trustee to the credit of the related Series Interest Account on any such date, and thereafter (b) to increase the amount in any other Series Interest Account in the Bond Fund to the amount required by Section 5.6.1 hereof (after giving effect to any transfer to be made thereto pursuant to Section 5.5.2 hereof) on the Business Day prior to any Interest

Payment Date or on any other date on which interest is due upon redemption or payment of any other series of Bonds or on any other date on which any related Issuing Authority Exchange Payment is due and payable, by transfer and deposit by the Trustee to the credit of the such other Series Interest Account on any such date; third, (a) to provide for payment of the principal of the related Bonds at the Maturity Date thereof or for the payment of the principal of related Bonds being redeemed in whole or in part if such redemption in part is pursuant to a mandatory sinking fund requirement, by transfer and deposit by the Trustee to the credit of the related Series Redemption Account in the Bond Fund on the Maturity Date of such series of Bonds or the date of any such redemption, as the case may be, and thereafter (b) to provide for payment of the principal of any other series of Bonds at the Maturity Date thereof or for the payment of the principal of any other series of Bonds being redeemed in whole or in part if such redemption in part is pursuant to a mandatory sinking fund requirement, by transfer and deposit by the Trustee to the credit of the related Series Redemption Account in the Bond Fund on the Maturity Date of such series of Bonds or the date of any such redemption, as the case may be.

SECTION 5.3 Acquisition Fund. There has been established under this Indenture by the General Bond Order a Fund designated the Acquisition Fund, and within the Acquisition Fund, with respect to each series of Bonds, there shall be established by a Series Bond Order a Series Acquisition Account and, if provided in the Series Bond Order, a Series Capitalized Interest Account.

The Trustee shall deposit to the credit of each Series Acquisition Account, the amount set forth in the Series Bond Order given in connection with the issuance of the related series of Bonds.

At such time as no Bonds of a series are Outstanding, the Balances, if any, of the related Series Acquisition Account and the related Series Capitalized Interest Account shall be transferred as directed in writing by the Administrator to a Series Interest Account related to any other series of Outstanding Bonds hereunder.

The Acquisition Fund and the Series Acquisition Accounts therein shall be applied by the Trustee for the acquisition directly, or indirectly through the Eligible Lender Trustee, of Student Loans from Sellers, the Financing of each of which is at the time authorized under this Indenture. At the time of their initial acquisition (whether from the proceeds of a series of Bonds on deposit in a Series Acquisition Account or from moneys on deposit in the Revenue Fund in connection with the recycling of such moneys into such acquisitions prior to the Recycling Termination Date or in connection with an exchange of a Financed Student Loan pursuant to Section 5.4 hereof), such Student Loans shall satisfy the provisions of the Ohio Centric Program Manual regarding Student Loans that are eligible for acquisition under the Program. The Financing directly, or indirectly through the Eligible Lender Trustee, of Student Loans from Sellers and/or from the trustee under other financing documents to which the Administrator or the Issuing Authority is a party with moneys representing amounts deposited in the Series Acquisition Accounts and with moneys from the Series Student Loan Principal Accounts or Series Student Loan Interest Accounts in the Revenue Fund shall be governed by the provisions of Section 5.3.1 below.

In the event that a Series Bond Order given in connection with the issuance of a series of Bonds did not create and fund for such series of Bonds a Series Capitalized Interest Account or created and funded a Series Capitalized Interest Account but no moneys remain therein, the following provisions shall apply in lieu of the provisions of Section 5.3.4 of this Indenture. If, on the Business Day immediately preceding an Interest Payment Date and any other date on which interest is due on such related series of Bonds, after the transfers to the Series Interest Account or Accounts related to such series of Bond in accordance with the provisions of clause First of Section 5.5.2(b) of this Indenture, there are not sufficient moneys in

either or both of such Series Interest Accounts to pay the interest coming due on such series of Bonds on such Interest Payment Date, the Administrator shall direct the Trustee to transfer to the applicable Series Interest Account or Accounts, and the Trustee shall so transfer, after making any transfers pursuant to Section 5.5.2(b) of this Indenture but prior to making any transfer pursuant to Section 5.2 of this Indenture, first from the related Series Acquisition Account, and then from any other Series Acquisition Account according to Series Priority, to the extent that moneys are available therein, the amount necessary to eliminate any such insufficiency or, in the event that there are not sufficient moneys in such Series Acquisition Accounts to eliminate such insufficiency, then the amount therein available to reduce such insufficiency.

SECTION 5.3.1 Financing of Student Loans. The moneys (a) representing amounts deposited to the Series Acquisition Accounts and (b) prior to the applicable Recycling Termination Date, representing amounts from the Series Student Loan Principal Accounts or the Series Student Loan Interest Accounts to be applied for the Financing of Student Loans that have been, or at the time of Financing will be, fully disbursed shall be an amount equal to the full remaining unpaid principal amount of such Student Loans, plus the amount of accrued and unpaid interest on such Student Loans payable by the obligors in respect thereof, less a discount and/or plus any Loan Acquisition Expenses, and, when directed by the Administrator, less any accrued but unpaid interest on Student Loans and plus any interest paid by the Trustee to a Seller at the direction of the Administrator on the amount of principal and accrued interest on such Student Loans being Financed from the date of transfer of such Student Loans until the date funds are actually paid to such Seller or otherwise disbursed at a rate of interest not to exceed the current yield on funds in the related Series Administration Account, in any case not exceeding the amount permitted by law. Such moneys shall be paid to such Sellers or otherwise disbursed upon receipt by the Trustee of a Student Loan Acquisition Certificate signed by the Administrator, in the form of Exhibit B-1 to this Indenture, together with all documents and certificates required thereby, if any, with respect to such Student Loans. Within ten (10) Business Days after the disbursement of moneys from a Series Acquisition Account, a Series Student Loan Principal Account or a Series Student Loan Interest Account, as applicable, for the Financing of one or more Student Loans, the Administrator shall deliver to the Trustee an Updating Student Loan Acquisition Certificate in the form of Exhibit B-2 to this Indenture. Any amount refunded by the Seller in a loan purchase transaction shall be deposited by the Trustee in the Series Acquisition Account, in the Series Student Loan Principal Account or in the Series Student Loan Interest Account from which such amount was originally paid.

Upon request by the Administrator, the Series Acquisition Accounts, the Series Student Loan Principal Accounts, the Series Student Loan Interest Accounts may also be applied by the Trustee for the Financing of Student Loans from the trustee under another indenture of trust between the Administrator or the Issuing Authority and such trustee or from the Administrator for Student Loans financed by the Administrator with funds not subject to an indenture of trust, in either case at a price not in excess of the full remaining unpaid principal amount of such Student Loans plus the amount of accrued and unpaid interest on such Student Loans payable by the obligors in respect thereof, plus any Loan Acquisition Expenses, which price shall be payable upon receipt of the Student Loan Acquisition Certificates and Updating Student Loan Acquisition Certificates of the Administrator as set forth above, and otherwise as provided in said other indenture of trust.

The Administrator shall purchase Student Loans hereunder serviced only by Servicers and guaranteed only by Guarantors that have been approved by the Bond Insurer at the time of such purchase. The Administrator shall not, and shall not direct the Trustee to, Finance Federal Student Loans that are subject to a Material Adverse Change in the Loan Program without the prior written consent of the Bond Insurer. Except for the Nonfederal Student Loans acquired from the Ohio Supplemental Student Loan Program, the Administrator shall not, and shall not direct the Trustee to, Finance any Nonfederal Student Loans unless it shall have

received the written consent of the Bond Insurer. Upon receipt by the Administrator of the written consent of the Bond Insurer, as described in the immediately preceding two sentences, the Administrator shall deliver a copy of the consent of the Bond Insurer to the Trustee and shall give written notice to the Rating Agencies then rating any Outstanding Bonds of the Financing of such Student Loans.

SECTION 5.3.2 Inclusion in Balances of Series Student Loan Portfolio Accounts. The Student Loans Financed as aforesaid shall be included in the Balances of the related Series Student Loan Portfolio Account until they shall have been paid in full or sold, exchanged or otherwise disposed of by the Trustee in accordance with Section 5.4 hereof.

SECTION 5.3.3 Investment of Series Acquisition Accounts; Transfer of Proceeds in Series Acquisition Accounts. Pending application of moneys in the Series Acquisition Accounts to the foregoing purposes, such moneys shall be invested in Investment Securities as provided in Section 5.10 hereof.

Any portion of the Balances of a Series Acquisition Account related to a series of Bonds which are not, or which the Trustee at any time determines cannot for any reason be, used to Finance Student Loans no later than the date which is six months after their deposit into such Series Acquisition Account (or such other date as may be necessary to maintain, or as may not adversely affect, the exclusion from gross income for federal income tax purposes of interest on such series of Bonds) and which the Administrator at its option determines and notifies the Trustee in writing cannot be invested at a yield not exceeding the yield on the related series of Bonds shall be transferred to the related Series Student Loan Principal Account for the redemption of Bonds of such series on or before such date as provided in Section 5.5.1 hereof, *unless and to the extent that* the Administrator shall have filed with the Trustee (i) either (a) an opinion of Bond Counsel to the effect that such transfer and use of moneys are not necessary to preserve the exclusion from gross income for federal income tax purposes of interest on such series of Bonds or that such exclusion may be preserved by investing such moneys at a yield not exceeding the Bond Yield or (b) a certificate to the effect that the Administrator has determined to undertake to calculate and to direct the payment (as Program Operating Expenses described in item (i)(C) of the definition thereof payable under Section 5.8 hereof) of any necessary "yield reduction payments" under Section 1.148-5(c) of the Treasury Regulations promulgated under Section 148 of the Internal Revenue Code, (ii) a Certificate of the Administrator stating that continued investment of such moneys until used to Finance Student Loans will not materially adversely affect the sufficiency of Revenues to meet the payment obligations under this Indenture and (iii) the written consent of the Bond Insurer.

SECTION 5.3.4 Series Capitalized Interest Accounts. The Trustee shall deposit to the credit of each Series Capitalized Interest Account, the amount set forth in the Series Bond Order given in connection with the issuance of the related series of Bonds.

To provide for the payment of interest on any Interest Payment Date or other date on which interest on the related series of Bonds is due, the Trustee shall transfer from the related Series Capitalized Interest Account, after any transfer pursuant to Section 5.5.2(b) hereof but prior to any transfer pursuant to Section 5.2 hereof, on the Business Day immediately preceding each Interest Payment Date and any other date on which interest is due on such related series of Bonds, to the extent of moneys available in the related Series Capitalized Interest Account, an amount up to, but not exceeding, the amount needed to increase the amount in the related Series Interest Account of the Bond Fund to the amount of interest becoming due and payable on such Interest Payment Date or other date on which interest on such related series of Bonds is due. The Trustee shall continue to make such transfers until the date on which all moneys in the related Series Capitalized Interest Account have been transferred from such Account; *provided, however, that* the Trustee shall also transfer from time to time any portion or all of the Balance

of any Series Capitalized Interest Account to the related Series Student Loan Acquisition Account as directed by the Administrator with the written consent of the Bond Insurer.

SECTION 5.3.5 Acquisition of Student Loans with Proceeds of the Series 2002 Bonds. The provisions of this Section 5.3.5 are in addition to, and are not in derogation of, the provisions regarding the acquisition of Student Loans set forth in Section 5.3, Section 5.3.1, Section 5.3.2 and Section 5.3.3 of this Indenture. Proceeds of the Series 2002 Bonds remaining in the Acquisition Account/2002 on the Acquisition Account/2002 Termination Date shall be transferred by the Trustee, without further authorization or direction, to the Senior Redemption Account/2002A in the Bond Fund and applied to the optional redemption of Series 2002A Senior Bonds in accordance with the provisions of Section 4.3 of this Indenture. If the Trustee in its sole discretion determines that there will be a balance remaining in the Senior Redemption Account/2002A after giving effect to the optional redemption of all Outstanding Series 2002A Senior Bonds, immediately upon such determination such balance shall be transferred by the Trustee, without further authorization or direction, from the Senior Redemption Account/2002A to the Subordinated Redemption Account/2002B and applied to the optional redemption of the Series 2002B Subordinated Bonds without further authorization or direction.

SECTION 5.4 Student Loan Portfolio Fund; Exchange or Sale of Student Loans. There has been established under this Indenture by the General Bond Order a Fund designated the Student Loan Portfolio Fund, and (ii) within the Student Loan Portfolio Fund, there shall be established by a Series Bond Order with respect to each series of Bonds, a Series Student Loan Portfolio Account. The Student Loan Portfolio Fund is not a cash fund held by the Trustee, but is an accounting maintained by the Administrator based on the Servicer's records and the Administrator's records of Student Loan balances, repayments, sales and exchanges.

All Financed Student Loans (including, without limitation, any Student Loans transferred to the Eligible Lender Trustee for deposit under this Indenture by a Seller or any other Person) shall be included in the Balances of the Series Student Loan Portfolio Account related to the Series Account from which the purchase price of such Financed Student Loans was paid. All principal of, interest on and Special Allowance Payments or other Revenues in respect of Financed Student Loans shall be deposited upon receipt to the credit of the related Series Accounts of the Revenue Fund as provided in Section 5.5 hereof.

The Trustee or the Administrator, with the consent of the Trustee, may remove Financed Student Loans included in the Balances of the Series Student Loan Portfolio Accounts therefrom and sell or exchange such Financed Student Loans only in accordance with this Section 5.4 and, if an Event of Default shall have occurred and be continuing, in accordance with Section 8.3 hereof. No Financed Federal Student Loans shall be exchanged for a Student Loan other than a Federal Student Loan. In any given calendar year, (a) no Federal Student Loans shall be sold or exchanged without the written consent of the Bond Insurer if the sale or exchange of such Federal Student Loans would cause the aggregate unpaid principal balance of all such Loans sold or exchanged in such calendar year to exceed \$5 million dollars and (b) no Nonfederal Student Loans shall be sold or exchanged without the written consent of the Bond Insurer if the sale or exchange of such Nonfederal Student Loans would cause the aggregate unpaid principal balance of all such Loans sold or exchanged in such calendar year to exceed \$1 million dollars.

Nothing in this Indenture shall be deemed to preclude the Servicers from maintaining possession of the promissory notes evidencing, and other documentation relating to, Financed Student Loans on behalf of the Eligible Lender Trustee and the Trustee in accordance with the Servicing Agreements, *provided that* the same is consistent with the creation and maintenance of the first lien and security interest created by the granting clause hereof and Section 5.9 hereof and does not impair the perfection of such security interest.

The Trustee, as directed by the Administrator, may, at any time and from time to time, deliver a Student Loan to the Seller thereof as and to the extent provided for in the applicable Purchase Agreement with such Seller with respect to a rejection by the Administrator and a repurchase by the Seller of such Student Loan against payment to the Trustee of moneys at least equal to the repurchase price thereof, together with all other amounts payable by such Seller thereof under such Purchase Agreement in connection such rejection or repurchase.

A Seller may, at any time and from time to time, deliver a Student Loan to the Administrator as and to the extent provided for in the applicable Purchase Agreement with the Administrator with respect to a rejection by the Seller and a repurchase by the Administrator of such Student Loan against payment to such Seller of moneys at least equal to the repurchase price thereof, together with all other amounts payable by the Administrator under such Purchase Agreement in connection such rejection or repurchase. In connection with such a repurchase by the Administrator, the Trustee shall pay all amounts due to such Seller from moneys in the Revenue Fund in accordance with the provisions of Section 5.5.1 and Section 5.5.2 hereof.

The Administrator may, at any time and from time to time, and if a Financed Federal Student Loan has lost its eligibility to bear interest at a Reduced Interest Rate, the Administrator at any time and from time to time shall, subject to the further conditions set forth in this Section 5.4, instruct the Trustee (a) to deliver such Financed Student Loan (i) to the Seller thereof as and to the extent provided for in the applicable Purchase Agreement or (ii) to the Seller or another Seller as otherwise provided in the Administration Agreement with respect to a sale or an exchange of such Financed Student Loan, in each case upon satisfaction of the terms and conditions therefor set forth in the Administration Agreement and, if applicable, the Purchase Agreement, *provided, however, that* notwithstanding anything to the contrary in this Indenture, on and after the Exchange Termination Date no Financed Federal Student Loan which has lost its eligibility to bear interest at a Reduced Interest Rate shall be exchanged for a Federal Student Loan eligible to bear interest at a Reduced Interest Rate without the prior written consent of the Bond Insurer, (b) to deliver all or any part of the Financed Student Loans against moneys at least sufficient to defease pursuant to Article X hereof all (but not less than all) of the Outstanding Bonds (*provided that* such moneys are applied by the Trustee immediately after receipt thereof to such defeasance in accordance with Section 10.2 hereof), or (c) following a default on any Financed Student Loan, to remove such Student Loan from its Series Student Loan Portfolio Account and to tender it to the Guarantor or the Secretary of Education to the extent required to collect the benefits of any related Contract of Guarantee in connection with such default.

Except with respect to the sale of Financed Student Loans during the occurrence and continuance of an Event of Default pursuant to and in accordance with Section 8.3 hereof, no Financed Student Loans shall be exchanged or sold hereunder unless the Asset Coverage Ratio has been at least 1.0 for the three consecutive calendar months immediately preceding the month in which the date of sale or exchange will occur and will be at least 1.0 after taking into effect such sale or exchange unless the Bond Insurer otherwise consents in writing to such exchange or sale. Subject to the foregoing, the Administrator may direct the sale or exchange of Financed Student Loans held in and to the credit of the Student Loan Portfolio Fund, but such sale or exchange shall be solely effected in accordance with the provisions of the Administration Agreement, including, without limitation, the provisions therein governing the sale price or the exchange price, as the case may be, of such Finance Student Loan. In connection with each such sale or exchange of Financed Student Loans, the Administrator shall deliver to the Trustee a Certificate of Sale/Exchange of Financed Student Loans substantially in the form of Exhibit B-3 attached hereto.

Any sale, exchange or other disposition of Financed Federal Student Loans pursuant to this Section 5.4 shall be only to or with one or more eligible lenders under the Higher

Education Act so long as the Higher Education Act requires the owner or holder of Federal Student Loans to be an eligible lender. Except as otherwise provided in this Section 5.4, the Trustee shall deposit the proceeds of any such sale, exchange or other disposition allocable to principal to the credit of the related Series Student Loan Principal Account in the Revenue Fund and the remainder of such proceeds to the credit of the related Series Student Loan Interest Account in the Revenue Fund.

SECTION 5.5 Revenue Fund. There has been established under this Indenture by the General Bond Order a Fund designated the Revenue Fund, and within the Revenue Fund, with respect to a series of Bonds, there shall be established by each Series Bond Order a Series Student Loan Principal Account and Series Student Loan Interest Account.

The Trustee shall deposit to the Revenue Fund all amounts received, whether as principal, interest, Interest Subsidy Payments, Special Allowance Payments, Guarantee payments, tuition refunds, repurchase payments paid by Sellers pursuant to the Purchase Agreements or otherwise, in respect of all Financed Student Loans accrued from and after the date of acquisition thereof by the Trustee; interest on all such Financed Student Loans payable by the student obligors in respect thereof accrued prior to the date of acquisition thereof by the Trustee and included in the purchase price thereof paid by the Trustee to the Sellers thereof; amounts received as earnings on or income from Investment Securities included in the Balances of the Funds and Series Accounts to the extent provided in Section 5.10 hereof; and proceeds, if any, of any sale or exchange of Financed Student Loans pursuant to Section 5.4 hereof to the extent required by such Section.

The Trustee shall deposit to the credit of the related Series Student Loan Principal Account or the related Series Student Loan Interest Account all amounts received from or with respect to the Financed Student Loans held in the related Series Student Loan Portfolio Account from the sale of such Financed Student Loans or as earnings on or income from Investment Securities included in the Balances of the related Series Accounts.

The Trustee shall further deposit any and all SSLP Deposits that it receives to the credit of the Student Loan Interest Account/2002, or upon written direction of the Administrator, to the SSLP Deposit Subaccount which it shall create and establish pursuant to such written direction. The Trustee shall apply all such SSLP Deposits only in accordance with the provisions of Section 5.5.2 of this Indenture regarding the application of such Deposits.

The Administrator shall, and shall cause each Seller, or the Eligible Lender Trustee shall, and shall cause each Servicer to, transfer all Revenues received by it to the Trustee, promptly or otherwise in accordance with the applicable Purchase Agreement or Servicing Agreement, as the case may be, and the Trustee shall, upon receipt of any such Revenues, immediately deposit and credit such Revenues to the Revenue Fund. As soon as practicable on or before the last Business Day of each month, the Trustee shall transfer all amounts then on deposit in the Revenue Fund which can then be identified as belonging to one of the following categories as follows: All payments of principal of Financed Student Loans, together with any tuition refunds, repurchase payments or rejection fees from Sellers, Guarantee payments with respect to Financed Federal Student Loans, and the proceeds of any sale or exchange of Financed Student Loans pursuant to Section 5.4 hereof, in each case to the extent allocable to such principal and to the extent required by that Section to be deposited to the credit of the related Series Student Loan Principal Account, shall be deposited by the Trustee to the credit of the related Series Student Loan Principal Account; and all payments of interest on Financed Student Loans, and Interest Subsidy Payments and Special Allowance Payments on Financed Federal Student Loans, together with any repurchase payments or rejection fees from Sellers, Guarantee payments, the proceeds of the sale or exchange of any Financed Student Loans pursuant to Section 5.4 hereof, in each case to the extent allocable to such interest and to

the extent required by such Section to be deposited to the credit of the related Series Student Loan Interest Account, all other income in respect of Financed Student Loans and all earnings on or income from Investment Securities included in the Balances of the Funds and Series Accounts to the extent provided in Section 5.10 hereof, shall be deposited by the Trustee to the credit of the related Series Student Loan Interest Account.

In connection with the deposit to the Revenue Fund of Revenues representing a payment from a student borrower or other Person on a Financed Student Loan and the allocation of such Revenues as between the principal of and interest on a Financed Student Loan, unless otherwise directed in writing by the Administrator, such Revenues shall be allocated first to the payment of accrued and unpaid interest on such Financed Student Loan and any amounts remaining after such allocation shall be allocated to payment of the principal of such Financed Student Loan.

SECTION 5.5.1 Series Student Loan Principal Accounts. On the last Business Day of each month, the Trustee shall take the following actions in the following order of priority with respect to all amounts then on deposit in each Series Student Loan Principal Account:

First, with respect to the proceeds of a sale of Financed Student Loans pursuant to Section 5.4 hereof required to be deposited in the related Series Student Loan Principal Account and subject to the provisions of clause Third below,

- (a) prior to the applicable Recycling Termination Date, the Trustee shall maintain and hold such amounts in the related Series Student Loan Principal Account to be applied by the Administrator on behalf of the Issuing Authority to the Financing of Student Loans as provided herein, *unless and to the extent that* the Administrator, prior to the applicable Recycling Termination Date and with the written consent of the Bond Insurer, shall direct in writing that the Trustee transfer such amounts to and deposit such amounts in the related Series Senior Redemption Account and/or Series Subordinated Redemption Account in the Bond Fund, and to the extent necessary and permitted by Section 5.6.2 hereof, to any other Series Redemption Account, for the redemption or payment at maturity of principal of the related Bonds pursuant to Sections 5.6.2 and the applicable provisions of Article IV hereof or any other applicable redemption provisions; and
- (b) from and after the applicable Recycling Termination Date, the Trustee shall transfer such amounts to and deposit such amounts in the related Series Senior Redemption Account and/or Series Subordinated Redemption Account in the Bond Fund, and to the extent necessary and permitted by Section 5.6.2 hereof, to any other Series Redemption Account, for the redemption or payment at maturity of principal of the related Bonds pursuant to Sections 5.6.2 and the applicable provisions of Article IV hereof or any other applicable redemption provisions, *unless and to the extent that* the Administrator, after the applicable Recycling Termination Date and with the written consent of the Bond Insurer, shall direct the Trustee in writing that the Trustee maintain and hold such amounts in the related Series Student Loan Principal Account to be applied by the Administrator on behalf of the Issuing Authority to the Financing of Student Loans as provided herein;

provided, however, that notwithstanding anything to the contrary in this clause First, the Trustee shall deposit:

- (i) to the related Series Redemption Account (and thereafter, if necessary to make up an insufficiency in an unrelated Series Redemption Account with respect to the payment

of principal of such unrelated series of Bonds at maturity or upon mandatory sinking fund redemption, to such other Series Redemption Account according to Series Priority), an amount at least equal to the amount necessary to provide, when added to all other amounts so deposited or to be deposited to such Series Redemption Account prior to an applicable mandatory sinking fund redemption date or Maturity Date, for the payment of a portion or all of the principal of a series of Bonds which is subject to mandatory redemption pursuant to mandatory sinking fund requirements or is payable at maturity; and

- (ii) after providing for the transfer and deposit described in the immediately preceding item (i) and after providing for the transfer and deposit to the related Series Interest Account pursuant to Section 5.5.2 (b) hereof, then the Trustee shall deposit to the related Series Interest Account (and thereafter, if necessary, to make up an insufficiency in an unrelated Series Interest Account with respect to the payment of interest on an Interest Payment Date for such unrelated series of Bonds or the payment of an Issuing Authority Exchange Payment from such Series Interest Account on the due date therefor according to Series Priority) an amount at least equal to the amount necessary to provide, when added to all other amounts so deposited or transferred or to be deposited or to be transferred to such related Series Interest Account prior to such Interest Payment Date or date on which such Issuing Authority Exchange Payment is due, for the payment of a portion or all of the interest on such series of related Bonds (and thereafter on such series of unrelated Bonds) due and payable on such Interest Payment Date or for the payment of a portion or all of a related Issuing Authority Exchange Payment (and thereafter of an unrelated Issuing Authority Exchange Payment) due and payable on such date.

Second, with respect to the amount of any moneys remaining in the related Series Student Loan Principal Account after giving effect to the provisions of the preceding clause First and subject to the provisions of clause Third below,

- (a) prior to the Recycling Termination Date, the Trustee shall maintain and hold such amounts in the related Series Student Loan Principal Account to be applied by the Administrator on behalf of the Issuing Authority to the Financing of Student Loans as provided herein, *unless and to the extent that* the Administrator, prior to the applicable Recycling Termination Date and with the written consent of the Bond Insurer, shall direct in writing that the Trustee transfer such amounts to and deposit such amounts in the related Series Senior Redemption Account and/or Series Subordinated Redemption Account in the Bond Fund, and to the extent necessary and permitted by Section 5.6.2 hereof, to any other Series Redemption Account in the Bond Fund, for the redemption or payment at maturity of principal of the related Bonds pursuant to Sections 5.6.2 and the applicable provisions of Article IV hereof or any other applicable redemption provisions; and
- (b) from and after the Recycling Termination Date, the Trustee shall transfer such amounts to and deposit such amounts in the related Series Senior Redemption Account and/or Series Subordinated Redemption Account in the Bond Fund, and to the extent necessary and permitted by Section 5.6.2 hereof, to any other Series Redemption Account, for the redemption or payment at maturity of principal of the related Bonds pursuant to Sections 5.6.2 and the applicable provisions of Article IV hereof or any other applicable redemption provisions, *unless and to the extent that* the Administrator, after the applicable Recycling Termination Date and with the written consent of the Bond Insurer, shall direct the Trustee in writing that the Trustee maintain and hold such amounts in the related Series Student Loan Principal Account

to be applied by the Administrator on behalf of the Issuing Authority to the Financing of Student Loans as provided herein;

provided, however, that notwithstanding anything to the contrary in this clause Second, the Trustee shall deposit

- (i) to the related Series Redemption Account (and thereafter, if necessary to make up an insufficiency in an unrelated Series Redemption Account with respect to the payment of principal of such unrelated series of Bonds at maturity or upon mandatory sinking fund redemption, to such other Series Redemption Account according to Series Priority) an amount at least equal to the amount necessary to provide, when added to all other amounts so deposited or to be deposited to such Series Redemption Account prior to an applicable mandatory sinking fund redemption date or Maturity Date, for the payment of a portion or all of the principal of a series of Bonds which is subject to mandatory redemption pursuant to mandatory sinking fund requirements or is payable at maturity; and
- (ii) after providing for the transfer and deposit described in the immediately preceding item (i) and after providing for the transfer and deposit to the related Series Interest Account pursuant to Section 5.5.2 (b) hereof, then the Trustee shall deposit to the related Series Interest Account (and thereafter, if necessary, to make up an insufficiency in an unrelated Series Interest Account with respect to the payment of interest on an Interest Payment Date for such unrelated series of Bonds or the payment of an Issuing Authority Exchange Payment from such Series Interest Account on the due date therefor according to Series Priority) an amount at least equal to the amount necessary to provide, when added to all other amounts so deposited or transferred or to be deposited or to be transferred to such related Series Interest Account prior to such Interest Payment Date or date on which such Issuing Authority Exchange Payment is due, for the payment of a portion or all of the interest on such series of related Bonds (and thereafter on such series of unrelated Bonds) due and payable on such Interest Payment Date or for the payment of a portion or all of a related Issuing Authority Exchange Payment (and thereafter of an unrelated Issuing Authority Exchange Payment) due and payable on such date.

Third, any amounts deposited in a Series Student Loan Principal Account and governed by either clause First or Second above, (i) which the Administrator at any time determines, and notifies the Trustee in writing that it does not reasonably expect will be applied to Finance Student Loans prior to the date three months after the date of receipt of such amount (or such other date as may be necessary to protect the exclusion from gross income for federal income tax purposes of interest on such related series of Bonds) or (ii) which the Administrator at any time determines, and notifies the Trustee in writing, that such amounts cannot and will not be invested at a yield not greater than the Bond Yield or, in the alternative, with respect to which the Administrator has determined not to undertake to calculate and to direct the payment (as Program Operating Expenses described in item (i)(C) of the definition thereof payable under Section 5.8 hereof) of any necessary "yield reduction payments" under Section 1.148-5(c) of the Treasury Regulations promulgated under Section 148 of the Internal Revenue Code, or (iii) with respect to which the Administrator cannot provide the Trustee with an opinion of Bond Counsel to the effect that the investment of such moneys in accordance with the requirements of the preceding sentence is not necessary to preserve the exclusion from gross income for federal income tax purposes of interest on such series of Bonds shall either (1) be transferred without further authorization or direction (A) to the related Series Redemption Account in the Bond Fund in accordance with the provisions of Section 5.6.2 hereof and subject to any transfers to the extent necessary and permitted by Section 5.6.2 hereof to other Series Redemption Accounts, for the redemption of such related series of Bonds as aforesaid on the earliest possible date and (B) after giving effect to the

immediately preceding item (A), to the related Series Interest Account in the Bond Fund (and thereafter, if necessary, to any unrelated Series Interest Account according to Series Priority) in accordance with the provisions of this Section, or (2) be invested in Investment Securities described in clause (g) of the definition thereof in Section 5.10 hereof.

The purchase price payable for such Student Loans to be purchased under clauses First or Second above, the conditions relating to the acquisition thereof and the form of Certificate required to be received by the Trustee as a condition precedent to the payment of moneys for such Student Loans shall be as set forth in Section 5.3.1 hereof, *provided, however, that* all such Student Loans and the Financing thereof shall also be subject to the satisfaction of any applicable conditions set forth in the currently effective Certificate and Agreement before such Student Loans are Financed hereunder. The Student Loans Financed as aforesaid shall be included in the Balances of the related Series Student Loan Portfolio Account until they shall have been paid in full or sold or exchanged by the Trustee in accordance with Section 5.4 hereof.

Notwithstanding anything to the contrary in this Section 5.5.1, including in the case of subdivision (b) hereof, the occurrence and continuance of a Recycling Termination Date or an Exchange Termination Date,

- (a) in connection with the exchange of a Financed Student Loan for a new Student Loan pursuant to Section 5.4 of this Indenture and the applicable provisions of the Administration Agreement and upon written direction from the Administrator, the Trustee shall pay out of the Series Student Loan Principal Account related to the Series Student Loan Portfolio Account to which such Financed Student Loan has been credited (and if amounts in such related Series Student Loan Principal Account are insufficient to make such a payment on the date such payment is to be made, then from one or more unrelated Student Loan Principal Accounts according to Series Priority) the amount directed by the Administrator in such written direction without further authorization or direction; *provided, however, that* in such case such written direction shall also contain the representation of the Administrator that the amount to be so paid to a Seller has been calculated in accordance with, and is authorized to be so paid under, the provisions of the Administration Agreement; and
- (b) in connection with a repurchase by the Administrator of a Student Loan that is rejected by a Seller after the return thereof to and repayment therefor by such Seller pursuant to the applicable Purchase Agreement, the Trustee shall pay to such Seller from the Series Student Loan Principal Account related to the Series Student Loan Portfolio Account to which such Student Loan will be credited (and if amounts in such related Series Student Loan Principal Account are insufficient to make such a payment on the date such payment is to be made, then from one or more unrelated Student Loan Principal Accounts according to Series Priority) the amount related to the outstanding principal balance of such Student Loan being repurchased as directed in writing by the Administrator; *provided, however, that* in such case such written direction shall also contain the representation of the Administrator that the amount to be so paid to a Seller has been calculated in accordance with, and is authorized to be so paid under, the provisions of the Administration Agreement and the applicable Purchase Agreement.

If the Administrator determines in its sole discretion that it would be financially beneficial to the security for the Bonds issued under this Indenture to transfer amounts credited to a Series Student Loan Principal Account to a Series Senior Redemption Account other than the related Series Senior Redemption Account and/or to a Series Subordinated Redemption

Account other than the related Series Subordinated Redemption Account, and if the Administrator has obtained the prior written consent of the Bond Insurer, the Administrator may direct the Trustee in writing to make such a transfer or transfers and the Trustee shall make such transfer or transfers notwithstanding any provision of this Section 5.5.1 or a prior written direction of the Administrator to the contrary.

Notwithstanding the foregoing provisions of this Section 5.5.1 and the provisions of Section 8.3 of this Indenture, from and after the Maturity Date, in the event that the Bond Insurer has made Payments Under the Policy, the Trustee shall apply all amounts on deposit in the Series Student Loan Principal Account in accordance with the provisions of Section 2.11 of this Indenture.

SECTION 5.5.2 Series Student Loan Interest Accounts. Solely for purposes of this Section 5.5.2, the term "Issuing Authority Exchange Payment" shall not include an Early Termination Payment. The Trustee shall transfer amounts in the Series Student Loan Interest Accounts in the following order of priority:

(a) As soon as practicable during each calendar month, but no later than one (1) Business Day prior to the day on which a payment or payments utilizing amounts from such transfer must be made, and at the written direction of the Administrator, and prior to making any transfer under the next succeeding item (b) if such transfer is scheduled to occur within such month, the Trustee shall transfer amounts first from each Series Student Loan Interest Account to the related Series Administration Account in the Services Fund and second, if necessary, from each Series Student Loan Interest Account to any other Series Administration Account according to Series Priority, when, as and to the extent required to increase the Balances of such Series Administration Account to the related Administration Requirement calculated as of the date of such transfer; and thereafter,

(b) (i) Except as otherwise provided in this paragraph with respect to clauses Third, Fourth and Fifth, on the Business Day immediately preceding each Interest Payment Date or such other date or dates as provided below, (ii) with respect to clause Third below, on the Business Day immediately preceding the Business Day on which an Early Termination Payment will be made by the Issuing Authority, (iii) with respect to clause Fourth below, as soon as practicable during the third calendar month of each calendar quarter and (iv) with respect to clause Fifth below, on each date as directed in writing by the Administrator, the Trustee shall transfer or apply all amounts then on deposit in each Series Student Loan Interest Account in the following order of priority, the requirement of each clause (and within each clause, of the first occurring division or subdivision) at the time of transfer to be satisfied before any transfer is made for any purpose under a subsequent clause (and within any clause under a subsequent occurring division or subdivision of such clause):

First, (A) (i) to the related Series Senior Interest Account in the Bond Fund to the extent required by Section 5.6.1 hereof to pay interest on Senior Bonds and to make any Issuing Authority Exchange Payment with respect to a Senior Exchange Agreement, and (ii) if required and permitted under Section 5.6.1 hereof, to any other Series Senior Interest Account in accordance with Section 5.6.1 hereof; *provided, however, that* notwithstanding anything to the contrary in this paragraph (b), if the Trustee is required to make a transfer pursuant to this clause First to pay an Issuing Authority Exchange Payment on any date which is not more than five (5) Business Days prior to an Interest Payment Date for the related series of Senior Bonds, such transfer shall be made in full only if there are sufficient moneys, taking into account the moneys available for deposit to the Series Interest Account under items (a) and (b) of the second paragraph of Section 5.6.1 hereof, to pay in full such Issuing Authority Exchange Payment and the interest due and payable on the related series of Senior Bonds on such

Interest Payment Date; *provided further, however, that* if there are not sufficient moneys, taking into account the moneys available for deposit to the Series Interest Account under items (a) and (b) of Section 5.6.1, to pay in full such Issuing Authority Exchange Payment and the interest due and payable on the related series of Senior Bonds on such Interest Payment Date, the Trustee shall transfer to the Series Interest Account to be applied to the payment of such Issuing Authority Exchange Payment a pro rata amount of the moneys available for deposit to the Series Interest Account based upon the proportion that the total amount of the Issuing Authority Exchange Payment represents of the aggregate of such Issuing Authority Exchange Payment and all the interest due and payable on such Interest Payment Date with respect to the related series of Senior Bonds; and thereafter (B) to the related Series Subordinated Interest Account in the Bond Fund to the extent required by Section 5.6.1 hereof to pay interest on a series of Subordinated Bonds;

Second, (A) any remainder to the related Series Reserve Account, and thereafter (B) to the extent required and permitted by Section 5.2 hereof, to any other Series Reserve Account in accordance with Section 5.2 hereof;

Third, any remainder to the related Series Senior Interest Account in the Bond Fund to the extent required to provide for the payment therefrom of an Early Termination Payment;

Fourth, (A) any remainder to the related Series Program Expense Account in the Services Fund, and thereafter (B) to any other Series Program Expense Account, to the extent required to increase the Balances of such Series Program Expense Account to the related Program Expense Requirement calculated as of the date of such transfer;

Fifth, upon the written direction of the Administrator, to the related Series Student Loan Principal Account or Series Student Loan Acquisition Account an amount representing accrued interest paid in connection with the acquisition of Student Loans, if such accrued interest was paid from such Series Account;

Sixth, during any year within ninety (90) days after an Interest Payment Date, and upon having received a written direction from the Administrator with respect thereto (which direction may be a continuing direction until written revocation of the same is delivered by the Administrator) together with the written consent of the Bond Insurer, to the related Series Ohio Scholarship and Fellowship Account of the Bond Fund, if such a Series Account has been created in the Bond Fund and is being maintained therein, an amount not exceeding one half of the Ohio Scholarship and Fellowship Account Deposit (or not exceeding the annual amount of the Ohio Scholarship and Fellowship Account Deposit for such year if the Administrator has directed the Trustee to make the transfer described in this clause Sixth only once each year) for withdrawal and application by the Issuing Authority as provided for in Section 5.6.4 of this Indenture;

Seventh, after the first to occur of (i) the satisfaction of the deposits, if any, pursuant to the immediately preceding clause Sixth, (ii) the expiration of the ninety-day period described in the immediately preceding clause Sixth or (iii) the foregoing of a deposit or deposits pursuant to the immediately preceding clause Sixth upon written direction of the Administrator,

- (a) prior to a Recycling Termination Date and subject to the provisions of item (b) below, any amounts remaining shall, first be applied by the Trustee for the Financing of Student Loans from Sellers or from the Administrator or

from the trustee under another indenture of trust between the Administrator or the Issuing Authority and such trustee and the following provisions shall apply to such Financings:

- 1) The purchase price payable for such Student Loans to be purchased, the conditions relating to the Financing thereof and the form of Certificate required to be received by the Trustee as a condition precedent to the payment of moneys for such Student Loans shall be as set forth in Section 5.3.1 hereof. In addition, all such Student Loans and the Financing thereof shall also be subject to the satisfaction of any applicable conditions set forth in the currently effective Certificate and Agreement before such Student Loans are Financed hereunder.
 - 2) The Student Loans Financed as aforesaid shall be included in the Balances of the related Series Student Loan Portfolio Account until they shall have been paid in full or sold or exchanged by the Trustee in accordance with Section 5.4 hereof.
 - 3) Any amounts invested pursuant to Section 5.5.3 hereof shall be applied for Financing suitable Student Loans as soon as practicable whenever and to the extent such Student Loans become reasonably available; *provided, however, that* no amounts invested pursuant to Section 5.5.3 hereof shall be applied for Financing Student Loans in accordance herewith after the applicable Recycling Termination Date.
- (b) The requirements of the preceding item (a) shall not apply to any amounts received for deposit in a Series Student Loan Interest Account and governed by this clause Seventh (1) which the Administrator at any time determines, and notifies the Trustee in writing that it reasonably expects, will not be able to applied to Finance Student Loans prior to the first anniversary of the date of receipt of such portion (or such other date as may be necessary to protect the exclusion from gross income for federal income tax purposes of interest on such related series of Bonds), or (2) (A) which the Administrator at any time determines, and notifies the Trustee in writing, that such amounts cannot and will not be invested at a yield not greater than the Bond Yield or (B) in the alternative, with respect to which the Administrator has determined not to undertake to calculate and to direct the payment (as Program Operating Expenses described in item (i)(C) of the definition thereof payable under Section 5.8 hereof) of any necessary "yield reduction payments" under Section 1.148-5(c) of the Treasury Regulations promulgated under Section 148 of the Internal Revenue Code, or (3) with respect to which the Administrator is unable to provide the Trustee with an opinion of Bond Counsel to the effect that the investment of such moneys in accordance with the requirements of the preceding item (2)(A) is not necessary to preserve the exclusion from gross income for federal income tax purposes of interest on such series of Bonds.
- (c) After a Recycling Termination Date, any portion of the amounts in a Series Student Loan Interest Account related to a series of Bonds and governed by this clause Seventh shall be transferred (1) (A) to the related Series Redemption Account in the Bond Fund and applied in accordance with the provisions of Section 5.6.2 hereof and (B) subject to any transfers to the extent necessary and permitted by Section 5.6.2 hereof, to other Series Redemption Accounts, for the redemption of such related series of Bonds as

aforesaid on the earliest possible date and (2) after giving effect to the immediately preceding item (1), to the related Series Interest Account in the Bond Fund (and thereafter, if necessary, to any unrelated Series Interest Account according to Series Priority) in accordance with the provisions of this Section.

Eighth, to the Excess Surplus Account for withdrawal and application by the Administrator as provided for in Section 5.6.3 of this Indenture, all or any part of the amount of Excess Surplus (as calculated and certified by the Administrator in accordance with Section 5.6.3 of this Indenture) that is in excess of the amount, if any, on deposit in the Excess Surplus Account immediately prior to such calculation.

In addition, the Trustee shall transfer amounts on deposit in a Series Student Loan Interest Account to the related Series Interest Account in the Bond Fund on any other day when and to the extent required by Section 5.6.1 hereof.

Notwithstanding anything to the contrary in this Section 5.5.2, including the occurrence and continuance of a Recycling Termination Date or an Exchange Termination Date, in connection with a repurchase by the Administrator of a Student Loan that is rejected by a Seller after the return thereof to and repayment therefor by such Seller pursuant to the applicable Purchase Agreement, the Trustee shall pay to such Seller from the Series Student Loan Interest Account related to the Series Student Loan Portfolio Account to which such Student Loan will be credited (and if amounts in such related Series Student Loan Interest Account are insufficient to make such a payment on the date such payment is to be made, then from one or more unrelated Student Loan Interest Accounts according to Series Priority) the amount related to the outstanding accrued but unpaid interest on such Student Loan being repurchased as directed in writing by the Administrator; *provided, however, that* in such case such written direction shall also contain the representation of the Administrator that the amount to be so paid to a Seller has been calculated in accordance with, and is authorized to be so paid under, the provisions of the Administration Agreement and the applicable Purchase Agreement.

If the Administrator determines in its sole discretion that it would be financially beneficial to the security for the Bonds issued under this Indenture to transfer amounts credited to a Series Student Loan Interest Account to a Series Senior Redemption Account other than the related Series Senior Redemption Account and/or to a Series Subordinated Redemption Account other than the related Series Subordinated Redemption Account, and if the Administrator has obtained the prior written consent of the Bond Insurer, the Administrator may direct the Trustee in writing to make such a transfer or transfers and the Trustee shall make such transfer or transfers notwithstanding any provision of this Section 5.5.2 or a prior written direction of the Administrator to the contrary.

SECTION 5.5.3 Investment of Revenue Fund. Pending transfers of moneys from the Series Accounts of the Revenue Fund, as provided in Sections 5.5.1 and 5.5.2 hereof, such moneys shall be invested in Investment Securities as provided in Section 5.10 hereof.

SECTION 5.6 Bond Fund. There has been established under this Indenture (i) by the General Bond Order a Fund designated the Bond Fund, and within the Bond Fund, the Excess Surplus Account and (ii) by each Series Bond Order, with respect to a series of Bonds, there shall be established a Series Redemption Account and a Series Interest Account.

The Series Accounts of the Bond Fund shall be used only for the payment of (i) the principal of the related Bonds and interest on such related Bonds and (ii) a related Issuing Authority Exchange Payment. Moneys on deposit in the Series Accounts of the Bond Fund shall be invested in Investment Securities as provided in Section 5.10 hereof.

SECTION 5.6.1 Series Interest Accounts. The Trustee shall deposit to the credit of a Series Interest Account the amount of any related Counterparty Exchange Payment received by the Trustee from an Exchange Counterparty pursuant to the provisions of its respective Senior Exchange Agreement and Section 5.11 hereof and shall apply such amount to the payment of interest on the related Bonds and/or to the payment of any related Issuing Authority Exchange Payment. The Trustee shall also credit to a Series Interest Account the amount of any SSLP Deposit which the Administrator has directed in writing be transferred to the credit of a Series Interest Account and shall apply such amount in accordance with the provisions of this Section 5.6.1.

To provide for the payment of interest which falls due on a series of Bonds and the amount of any related Issuing Authority Exchange Payment, on the last Business Day prior to each Interest Payment Date and on any other date on which interest is due on such series of Bonds or on which a related Issuing Authority Exchange Payment is due and payable, after giving effect to the amount of any related Counterparty Exchange Payment received or to be received by the Trustee from an Exchange Counterparty no later than the Business Day immediately preceding such Interest Payment Date or other date, the Trustee shall deposit to the credit of the related Series Interest Account, first to the related Series Senior Interest Account and thereafter to the related Series Subordinated Interest Account, to the extent that the interest on both the Senior Bonds and Subordinated Bonds of such series and/or that an Issuing Authority Exchange Payment is payable on the same Interest Payment Date or on such other same date or no more than five days before such Interest Payment Date or such other date, in the following order (with the aggregate amounts available under each of the following items (a) through (c) being applied in whole prior to the application of any amounts in the next succeeding item): (a) from (i) the related Series Student Loan Interest Account in the Revenue Fund, and (ii) if necessary after making the transfer provided for in the preceding item (a)(i), the other Series Student Loan Interest Accounts according to Series Priority, and (iii) if further necessary after making the transfers provided for in the preceding items (a)(i) and (a)(ii), first, the Series Capitalized Interest Accounts as described in Section 5.3.4 and second, the Series Acquisition Accounts as described in Section 5.3 hereof, and (iv) if further necessary, after making the transfers provided for in the preceding items (a)(i), (a)(ii) and (a)(iii), first from the related Series Student Loan Principal Account in the Revenue Fund, as described in Section 5.5.2, and second from the other Series Student Loan Principal Accounts according to Series Priority; (b) from the Series Reserve Accounts of the Reserve Fund in accordance with the provisions of Section 5.2 hereof; and (c) from (i) the related Series Student Loan Portfolio Account and (ii) if necessary after making the transfer provided for in the preceding item (c)(i), the other Series Student Loan Portfolio Accounts according to Series Priority, as provided for in Section 5.4 hereof, the amount needed to increase the amount in such Series Senior Interest Account and/or Series Subordinated Interest Account, as the case may be, to an amount equal to the sum of (i) the amount of interest becoming due and payable on such Interest Payment Date or other date on which interest is due on the related Senior Bonds and/or Subordinated Bonds of a series and (ii) the amount of any related Issuing Authority Exchange Payment to be paid by the Trustee to an Exchange Counterparty pursuant to the provisions of this Indenture and the applicable Senior Exchange Agreement on such Interest Payment Date or any date on which such related Issuing Authority Exchange Payment is due and payable. Subject to Section 5.6.3 hereof, moneys on deposit in such Series Interest Account shall be applied by the Trustee to the payment of the interest and any redemption premium on the related Bonds of a series when due (whether on an Interest Payment Date or upon the redemption or payment of the related Bonds in accordance with the terms of this Indenture) and to the payment of the amount of any related Issuing Authority Exchange Payment in accordance with the provisions of Section 5.11 hereof (with respect to which the Trustee has received written notice in accordance with the provisions of such Section 5.11), without further authorization or direction.

Notwithstanding the foregoing, all interest due and payable on Senior Bonds and all Issuing Authority Exchange Payments shall be paid before any interest due and payable on Subordinated Bonds shall be paid.

SECTION 5.6.2 Series Redemption Accounts. Moneys shall be deposited in each Series Redemption Account in the following order of priority and as provided for in Section 5.5.1 hereof: (a) from (i) the related Series Student Loan Principal Account in the Revenue Fund and (ii) if necessary after making the transfer provided for in the preceding item (a)(i), the other Series Student Loan Principal Accounts according to Series Priority, as provided for in Section 5.5.1 hereof; (b) from (i) the related Series Student Loan Interest Account in the Revenue Fund and (ii) if necessary after making the transfer provided for in the preceding item (b)(i), the other Series Student Loan Interest Accounts according to Series Priority, as provided in Section 5.5.2(b) hereof; (c) from the related Series Acquisition Account in the Acquisition Fund as provided in Section 5.3 hereof; (d) from (i) the related Series Student Loan Portfolio Account in the Student Loan Portfolio Fund and (ii) if necessary after making the transfer provided for in the preceding item (d)(i), the other Series Student Loan Portfolio Accounts according to Series Priority, as provided in Section 5.4 hereof and (e) (i) from the related Series Reserve Account of the Reserve Fund as provided in Section 5.2 hereof and (ii) if necessary after making the transfer provided for in the preceding item (e)(i), the other Series Reserve Accounts according to Series Priority, as provided in Section 5.2 hereof.

Subject to Section 5.6.3 hereof, moneys on deposit in each Series Redemption Account shall be applied by the Trustee to payment of principal of the related Bonds of such series at the Maturity Date or upon acceleration and to the redemption of the related series of Bonds pursuant to the applicable redemption provisions under this Indenture, without further authorization or direction; *provided, however, that* any moneys on deposit in a Series Redemption Account which represent transfers to be applied to mandatory sinking fund redemption of a series of Bonds shall be applied only to the payment of such mandatory sinking fund redemption. Interest on any series of Bonds paid or redeemed shall be payable from the related Series Interest Account, and, to the extent provided for in Section 5.6.1 hereof, other Series Interest Accounts in the Bond Fund in accordance with the provisions of Section 5.6.1 hereof.

In the event of (a) payment of a series of the Bonds on its Maturity Date, (b) acceleration of a series of the Bonds or (c) redemption of a series of the Bonds in whole, the Trustee shall, on the date of such payment, acceleration or redemption, transfer to the related Series Redemption Account all moneys in the related Series Acquisition Account of the Acquisition Fund and the related Series Student Loan Principal Account in the Revenue Fund, together with all moneys in the related Series Student Loan Interest Account in the Revenue Fund in excess of the amount next required to be deposited in the related Series Accounts of the Services Fund and the amount required to pay accrued interest on each related series of Bonds.

SECTION 5.6.3 Excess Surplus Account. Within ninety (90) days after an Interest Payment Date, the Administrator shall calculate and certify to the Trustee the amount of Excess Surplus that existed as of such Interest Payment Date (after giving effect, however, to all payments made on such Interest Payment Date), and if Excess Surplus exists, as calculated and certified by the Administrator as of such immediately preceding Interest Payment Date, the Administrator shall direct the Trustee in writing to transfer and deposit to the credit of the Excess Surplus Account pursuant to clause Eighth of Section 5.5.2(b) hereof from the cash or investment securities in any one or more Series Student Loan Interest Accounts all or any part of the amount of Excess Surplus (as so calculated and certified) which is in excess of the amount, if any, on deposit in the Excess Surplus Account immediately prior to such calculation. Such amount may be withdrawn by the Administrator from the Excess Surplus Account at any time upon written request of the Administrator to the Trustee to be used, however, solely as

hereinafter described; *provided, however, that* (i) on the date of such withdrawal there shall be no claim for indemnification under this Indenture or under any Related Program Document pending, or to the actual knowledge of the Administrator or the Trustee, threatened which, if successful, would be payable from the Pledged Receipts, (ii) after such withdrawal the Asset Coverage Ratio shall be at least 103% and (iii), if there are Nonfederal Student Loans in the Student Loan Portfolio Fund in an amount exceeding \$500,000, the Administrator shall have obtained the written consent of the Bond Insurer. Such request shall be signed by an Authorized Officer and shall contain a certification as to the matters described in items (i) and (ii) of the immediately preceding sentence.

Upon the Administrator's withdrawal of such amount from the Excess Surplus Account, the Administrator shall make such amount available for application to the "Ohio Outstanding Scholarship" and the "Ohio Priority Needs Fellowship" Programs as set forth in Sections 3333.37 to 3333.375 of the Ohio Revised Code; *provided, however, that* in the event that such Programs are no longer operative at any time that a withdrawal from the Excess Surplus Account is made under this Section 5.6.3, the Administrator shall apply such amount as directed in writing by the Issuing Authority.

Until withdrawal by the Administrator, amounts on deposit in the Excess Surplus Account shall be available for transfer by the Trustee to the Reserve Fund if, and to the extent that, a deficiency in any Series Reserve Account in the Reserve Fund remains after the transfers from the Series Student Loan Interest Accounts provided for in Section 5.5.2(b) hereof. In the event of such a deficiency, the Trustee shall make such a transfer in an amount up to but not exceeding the amount necessary to eliminate such deficiency. The Administrator may also direct in writing that the Trustee transfer, or in the absence of such direction the Trustee shall transfer, amounts on deposit in the Excess Surplus Account to (i) any Series Interest Account or Series Redemption Account in the Bond Fund, (ii) any Series Reserve Account in the Reserve Fund or (iii) any Series Acquisition Account in the Acquisition Fund, for use in each case as authorized hereunder for such Series Accounts.

SECTION 5.6.4 Series Ohio Scholarship and Fellowship Accounts. The Ohio Scholarship and Fellowship Account Deposit shall be transferred to and deposited in the related Series Ohio Scholarship and Fellowship Account as provided for in clause Sixth of Section 5.5.2(b) of this Indenture in an amount not exceeding the amount permitted under the currently effective Certificate and Agreement. Any amount in a Series Ohio Scholarship and Fellowship Account may be withdrawn therefrom at any time upon written request of the Issuing Authority to the Trustee accompanied by the written consent of the Bond Insurer (with a copy of each delivered by the Trustee to the Administrator and the Rating Agencies) and upon withdrawal shall be immediately deposited by the Issuing Authority into (a) the Ohio outstanding scholarship and the Ohio priority needs fellowship programs payment funds created in accordance with Section 3333.375 of the Ohio Revised Code for application to the "Ohio Outstanding Scholarship" and the "Ohio Priority Needs Fellowship" Programs as set forth in Sections 3333.37 to 3333.375 of the Ohio Revised Code or (b) such other fund to the extent permitted or required by Ohio law. Upon the Issuing Authority's withdrawal of any amount from a Series Ohio Scholarship and Fellowship Account in accordance with the provisions of this Indenture, such amount shall be free and clear of the pledge made in, and lien of, this Indenture from and after the date of such withdrawal.

Until withdrawal by the Issuing Authority, amounts on deposit in a Series Ohio Scholarship and Fellowship Account shall be available for transfer by the Trustee to the Reserve Fund if, and to the extent that, a deficiency in any Series Reserve Account in the Reserve Fund remains after the transfers from the Series Student Loan Interest Accounts provided for in Section 5.5.2(b) hereof. In the event of such a deficiency, the Trustee shall make such a transfer in an amount up to but not exceeding the amount necessary to eliminate such deficiency. Prior to

withdrawal from a Series Ohio Scholarship and Fellowship Account the Administrator may direct in writing that the Trustee transfer, or in the absence of such direction the Trustee shall transfer, amounts on deposit in a Series Ohio Scholarship and Fellowship Account to (i) any Series Interest Account or Series Redemption Account in the Bond Fund or (ii) any Series Reserve Account in the Reserve Fund, for use in each case as authorized hereunder for such Series Accounts.

Pending a withdrawal of moneys from a Series Ohio Scholarship and Fellowship Account of the Bond Fund, as provided in this Sections 5.6.4, such moneys shall be invested in Investment Securities as provided in Section 5.10 of this Indenture.

SECTION 5.7 Escrow Interest Fund. There has been established under this Indenture by the General Bond Order a Fund designated the Escrow Interest Fund, and within the Escrow Interest Fund, with respect to a series of Bonds, by each Series Bond Order there shall be established a Series Escrow Interest Account. Each Series Escrow Interest Account shall maintain an accounting of the liability for Excess Interest that is incurred under this Indenture and the Bonds of such series, and shall maintain an accounting of the discharge of such liability.

The Administrator shall deliver or cause to be delivered to the Trustee and to Bond Counsel within forty five (45) days after the end of each such Bond Year a determination of Excess Interest, if any, together with a description of the methodology used in making such determination. Within sixty (60) days after the end of each Bond Year, if liability for Excess Interest has been incurred during such Bond Year or is continuing and the Administrator has determined not to discharge such liability by the forgiveness of principal of and/or interest on related Financed Student Loans, the Administrator shall cause to be delivered to the Trustee (i) written instructions setting forth the amount of the transfer, if any, to be made on said Transfer Date, being either a deposit to or a withdrawal from the related Series Escrow Interest Account of the Escrow Interest Fund of any Excess Interest determined through the end of the immediately preceding Bond Year and (ii) an opinion of Bond Counsel that, upon said deposit or withdrawal, a series of Bonds will not be "arbitrage bonds" under the Internal Revenue Code solely because the yield on the Financed Student Loans exceeds the Bond Yield by more than the Permitted Spread. Notwithstanding the provisions of Section 5.5.2 hereof, any transfers to a Series Escrow Interest Account from the related Series Student Loan Interest Account shall be made on a Transfer Date and not on an Interest Payment Date.

Upon the receipt of a written direction from the Administrator, the Trustee shall on each Transfer Date transfer to each Series Escrow Interest Account from the related Series Student Loan Interest Account in the Revenue Fund an amount equal to the amount, if any, of Excess Interest that the Administrator has not applied and will not apply to the forgiveness of principal of and/or interest on related Financed Student Loans and which is required to be so transferred by Section 5.5.2 hereof. All amounts in a Series Escrow Interest Account, including all investment earnings thereon, shall remain therein until transferred or paid by the Trustee on any Transfer Date or the Maturity Date of all of the related Bonds to such other fund or the United States Department of the Treasury or for such other purpose, as the Administrator shall specify, upon receipt by the Trustee of (a) an order from the Administrator directing the Trustee to so transfer or pay a specified amount, and (b) a written opinion of Bond Counsel to the effect that any such application or transfer, upon satisfaction of any conditions set forth in such opinion (e.g., forgiveness of indebtedness on all or a portion of the Financed Student Loans relating to such series of Bonds), would not cause interest on such series of Bonds to be includable in the gross income of the owner thereof for federal income tax purposes.

The Administrator shall consult with Bond Counsel on or within sixty (60) days after each Transfer Date to determine (1) what disposition may be taken pursuant to the preceding paragraph with respect to any Excess Investment Earnings and any investment

earnings thereon in the Escrow Interest Fund on the next succeeding regularly scheduled Interest Payment Date, and the Administrator agrees to dispose of any such amounts on such Interest Payment Date in accordance therewith, and (2) what, if any, action may be necessary to be taken to prevent such series of Bonds from becoming "arbitrage bonds" under Section 148 of the Code, and the Administrator agrees to take any such action as shall be necessary to prevent such series of Bonds from becoming "arbitrage bonds". If, on the Maturity Date of all of Bonds, there is in the Escrow Interest Fund a liability for Excess Interest which has not been offset by the forgiveness of principal of and/or interest on related Financed Student Loans or by payment of such liability to the United States Department of the Treasury, and the Trustee has not received directions from the Administrator regarding the discharge of such liability, whether by the forgiveness of principal of and/or interest on related Financed Student Loans or by payment of such a liability to the United States Department of the Treasury, the Trustee, at the written direction of the Administrator, shall make a transfer pursuant to Section 5.5.2 hereof from the related Series Student Loan Interest Account to the related Series Escrow Interest Account. The Administrator shall obtain an opinion of Bond Counsel as to the use or uses to which such balance may be applied without adversely affecting the federal income tax status of interest on any series of Bonds and shall deliver a copy of such opinion to the Trustee. In the event that the opinion of Bond Counsel sets forth more than one use to which such balance may be applied, the Administrator shall request of the Issuing Authority a written direction as to the Issuing Authority's preference for the use of such balance in accordance with the opinion of Bond Counsel, and the Trustee, upon receiving a copy of such written direction, shall thereafter dispose of such balance in accordance with the written direction of the Issuing Authority without further authorization or direction. In any event, the Administrator, the Issuing Authority and the Trustee shall comply with all provisions and restrictions, including, but not limited to, those of this Indenture.

The moneys in each Series Escrow Interest Account shall be invested in Investment Securities, and any earnings on or income from such investments shall be retained therein except to the extent required to be deposited in the Rebate Fund.

SECTION 5.8 Services Fund. There has been established under this Indenture by the General Bond Order a Fund designated the Services Fund and (ii) within the Services Fund, there shall be established by each Series Bond Order a Series Administration Account, a Series Cost of Issuance Account and a Series Program Expense Account. The Series Accounts of the Services Fund shall be used for and applied to the payment of related Series Program Operating Expenses in accordance with the provisions as set forth in this Section 5.8.

The Trustee shall deposit to the credit of each Series Cost of Issuance Account, each Series Administration Account and each Series Program Expense Account the amounts set forth in the Series Bond Order creating and establishing such Series Accounts.

Administrative Expenses shall be paid by the Trustee from moneys in the related Series Administration Account and Series Cost of Issuance Account upon receipt of written orders or requisitions signed by an Authorized Officer, which in the case of payments from such Series Cost of Issuance Account and such Series Administration Account shall direct the payment to designated payees in designated amounts for stated services and certify that such payment is a proper charge against the applicable Series Administration Account or Series Cost of Issuance Account, as the case may be, and is then due and owing for services rendered or expenses incurred, and in the case of payments from a Series Program Expense Account shall certify that such amounts constitute related Program Operating Expenses described in clause (iv) of the definition thereof in Section 1.1 hereof and do not exceed the amount of such Program Operating Expenses permitted to be paid pursuant to the currently effective Certificate and Agreement.

The Trustee shall deposit to the credit of each Series Administration Account (i) Revenues from (a) the related Series Student Loan Interest Account in the Revenue Fund and thereafter (b) from the other Series Student Loan Interest Accounts according to Series Priority pursuant to Section 5.5.2(a) hereof and (ii) amounts from (a) the related Series Reserve Account of the Reserve Fund and thereafter (b) from the other Series Reserve Accounts of the Reserve Fund according to Series Priority as provided in Section 5.2 hereof. Amounts in each Series Administration Account shall be withdrawn and used by the Trustee in accordance with the applicable provisions of this Section 5.8 solely for the purpose of paying related Administrative Expenses. Moneys in a Series Administration Account representing original proceeds of a series of Bonds shall only be used to pay such Administrative Expenses related to such series of Bonds.

The Trustee, for the account of the Issuing Authority, shall distribute the Pledged Receipts so deposited in the Administration Account of the Services Fund for the payment of Administrative Expenses in accordance with the following priority:

(i) (A) any amounts required by Section 6.14 hereof or otherwise to be deposited into a Series Rebate Account of the Rebate Fund or to be applied to the making of "yield reduction payments" under Section 1.148-5(c) of the Treasury Regulations promulgated under Section 148 of the Internal Revenue Code and (B) Excess Interest liability, if any, based upon the yield on acquired purpose obligations and required to be deposited into a Series Escrow Interest Account of the Escrow Interest Fund;

(ii) any amounts required (A) under the Higher Education Act, the rules and regulations in effect thereunder or (B) by the Secretary of Education to be remitted to the United States Department of Education; and

(iii) (A) the fees and expenses of and any other amounts payable to the Trustee, the Eligible Lender Trustee, an Authenticating Agent, if any, the Administrator, the Servicers, the Auction Agent, the Broker-Dealers, the Market Agent, a Liquidity Facility Provider or the provider of a Credit Enhancement Facility, a Remarketing Agent, a Depository, any bank providing lock-box or similar services in connection with Financed Student Loans, in each case under their respective agreements; (B) the premium payable on the Municipal Bond Insurance Policy to the Bond Insurer; and (C) the fees and expenses of and any other amounts payable to any provider of services to the Program that are required to be provided under the terms and provisions of the Indenture, the Internal Revenue Code or the Higher Education Act, including, but not limited to, providers of audit services or the providers of calculation services, and other related services, for the purpose of determining arbitrage/rebate liability, if any.

If the amounts on deposit at any given time in the Administration Account are insufficient to pay in full at such time all Administrative Expenses due and payable at such time, then, such amounts shall be applied to the payment in full (or in part to the extent of all such amounts) of the Administrative Expenses described in item (i) of the immediately preceding paragraph prior to the payment of any Administrative Expenses described in items (ii) and (iii) thereof, and after the payment in full of all Administrative Expenses described in such item (i) and due and payable at such time, then to the payment in full (or in part to the extent of all such amounts) of the Administrative Expenses described in item (ii) of the immediately preceding paragraph prior to the payment of any Administrative Expenses described in item (iii) thereof, and after the payment in full of all Administrative Expenses described in such item (ii) and due and payable at such time, then to the payment in full (or in part to the extent of all such amounts on a pro rata basis for each Administrative Expense due and payable) of the Administrative Expenses described in item (iii) of the immediately preceding paragraph.

The Trustee shall deposit to the credit of each Series Program Expense Account Revenues from the related Series Student Loan Interest Account in the Revenue Fund pursuant to clause Fourth of Section 5.5.2(b) hereof. Amounts in a Series Program Expense Account shall be used only for the payment of related Program Operating Expenses described in clause (iv) of the definition thereof in Section 1.1 hereof, in accordance with the applicable provisions of this Section 5.8. If the amounts on deposit at any given time in a Series Program Expense Account are insufficient to pay in full at such time all Program Operating Expenses described in such clause (iv) due and payable at such time, then, such amounts shall be applied to the pro rata payment of all such Program Operating Expenses. Moneys in a Series Program Expense Account representing original proceeds of a series of Bonds shall only be used to pay such Program Operating Expenses related to such series of Bonds.

The moneys in the Series Accounts of the Services Fund shall be invested in Investment Securities as provided in Section 5.10 hereof.

SECTION 5.9 Pledge. The Bonds of each series, including the principal thereof and interest thereon, shall be payable solely from and secured hereunder solely by (i) the Pledged Receipts as provided in this Indenture and (ii) any other assets pledged to secure such series of Bonds under a Supplemental Indenture. Any Issuing Authority Exchange Payment shall be payable solely from and secured hereunder solely by the Pledged Receipts as provided in this Indenture; *provided, however, that* the Exchange Counterparty and the Trustee, on behalf of the Exchange Counterparty, herein or in any Supplemental Indenture executed in connection with a Senior Exchange Agreement, shall waive any and all rights which the Exchange Counterparty may have to receive any amounts realized by the Trustee from foreclosure upon the Pledged Receipts consisting of its Senior Exchange Agreement and its Exchange Counterparty Guarantee, if any. Any premium due on the Municipal Bond Insurance Policy shall be payable solely from and secured hereunder solely by the Pledged Receipts as provided in this Indenture.

The Administrative Expenses shall be secured hereunder by the pledge of the Pledged Receipts hereby granted, by the lien thereon, the security interest therein, and by the assignment to the Trustee of all right, title and interest of the Issuing Authority, the Administrator and the Eligible Lender Trustee in the Pledged Receipts, without priority by reason of number, date, purpose, or otherwise, except as otherwise expressly provided in this Indenture. Each such pledge, lien, security interest and assignment shall be valid and binding and shall, except as otherwise expressly provided herein, constitute a lien of equal priority and charge on the Pledged Receipts from time to time held hereunder for the benefit of the Persons to whom Administrative Expenses become due and payable.

The Bonds of a series, including the principal thereof and interest thereon, shall be secured hereunder by the pledge of the Pledged Receipts hereby granted, by the lien thereon and security interest therein, and by the assignment to the Trustee of all right, title and interest of the Issuing Authority, the Administrator and the Eligible Lender Trustee in the Pledged Receipts, without priority by reason of number, date, purpose, or otherwise, except as otherwise expressly provided in this Indenture and in the Bonds. Issuing Authority Exchange Payments shall be secured hereunder by the pledge of the Pledged Receipts hereby granted, by the lien thereon and security interest therein on an equal priority with the payment of interest on Senior Bonds, and by the assignment to the Trustee for the benefit of the Exchange Counterparty of all right, title and interest of the Issuing Authority, the Administrator and the Eligible Lender Trustee in the Pledged Receipts. Each such pledge, lien, security interest and assignment shall be valid and binding and shall, except as otherwise expressly provided herein, constitute a lien of equal priority and charge on the Pledged Receipts from time to time held hereunder for the benefit of the Holders of the Bonds of such series and any Exchange Counterparty (subject to the provisions of this Indenture permitting the application of the Pledged Receipts for the purposes and on the terms and conditions hereof, including, without limitation, the prior rights of the

Trustee to any realization from the Trustee's lien on and security interest in the Pledged Receipts, for the payment of Administrative Expenses hereunder, to the full extent provided by law, prior to all other indebtedness payable from or secured by the Pledged Receipts which may hereafter be created or incurred).

Pursuant to this Indenture the Issuing Authority, the Administrator and the Eligible Lender Trustee each has granted to the Trustee liens on and security interests in the Pledged Receipts. Regardless of the time or order of attachment, or the time, order or manner of perfection, or the time or order of filing of financing statements, each of the Holders of Bonds of a series by their purchase thereof, the Bond Insurer to the extent of the premium due on the Municipal Bond Insurance Policy by its delivery of such Policy, each Exchange Counterparty by execution and delivery of its Senior Exchange Agreement, each Servicer by its performance of its servicing of the Financed Student Loans, the Trustee, on behalf of itself and the Holders of Bonds of such series, the Administrator and the Eligible Lender Trustee, by their respective execution and delivery of this Indenture, agrees that each shall have the following relative priority with respect to the lien on and security interest in and rights related to the Pledged Receipts:

(i) The Trustee shall have a first and prior right to any realization from the Trustee's lien on and security interest in the Pledged Receipts, as security for the payment of the Administrative Expenses in accordance with the priorities set forth in Section 5.8 hereof, and any rights that the Holders of the Bonds of a series, an Exchange Counterparty or any Person to whom any Program Operating Expenses described in item (iv) of the definition thereof are due and payable may have to any realization from the Trustee's lien on or security interest in the Pledged Receipts as security for the payment and performance of the Administrator's and the Issuing Authority's obligations under this Indenture with respect to (A) the Bonds of each series, (B) any Senior Exchange Agreement and (C) the Program Operating Expenses described in item (iv) of the definition thereof shall be subordinated to such first and prior right; and

(ii) The Holders of Senior Bonds and any Exchange Counterparty (except as otherwise provided in a Supplemental Indenture executed in connection with the issuance of a series of Additional Bonds) shall have a second right to any realization from the Trustee's lien on and security interest in the Pledged Receipts, as security for the payment and performance of the Administrator's and the Issuing Authority's obligations under this Indenture with respect to (A) such Senior Bonds and (B) any Senior Exchange Agreement, in the manner provided in this Indenture.

(iii) The Holders of Subordinated Bonds (except as otherwise provided in a Supplemental Indenture executed in connection with the issuance of a series of Additional Bonds) shall have a third right to any realization from the Trustee's lien on and security interest in the Pledged Receipts, as security for the payment and performance of the Administrator's and the Issuing Authority's obligations under this Indenture with respect to the Subordinated Bonds in the manner provided in this Indenture.

(iv) The Administrator (except as otherwise provided in a Supplemental Indenture executed in connection with the issuance of a series of Additional Bonds) shall have a fourth right to any realization from the Trustee's lien on and security interest in the Pledged Receipts, as security for the payment of Program Operating Expenses described in item (iv) of the definition thereof due and payable to the Administrator and the performance of the Administrator's and the Issuing Authority's obligations under this Indenture in the manner provided in this Indenture.

Pursuant to the relative priorities set forth in the immediately preceding paragraph with respect to the liens and security interests granted hereunder, the Trustee, for the account of

the Administrator on behalf of the Issuing Authority, shall distribute the Pledged Receipts as follows:

(i) *First*, to the Persons to whom Administrative Expenses are due and payable in accordance with the priorities and provisions set forth in Section 5.8 hereof for the payment of Administrative Expenses, all in accordance with the terms and provisions of this Indenture; and

(ii) *Second*, to the Holders of Senior Bonds (except as otherwise provided herein or in a Supplemental Indenture executed in connection with a series of Additional Bonds) and each Exchange Counterparty under its Senior Exchange Agreement, ratably, except that each Exchange Counterparty shall not receive any distribution of Pledged Receipts consisting of proceeds of its Senior Exchange Agreement and its Exchange Counterparty Guarantee, in accordance with the terms and provisions of this Indenture; and

(iii) *Third*, to the Holders of Subordinated Bonds (except as otherwise provided herein or in a Supplemental Indenture executed in connection with a series of Additional Bonds), ratably, in accordance with the terms and provisions of this Indenture; and

(iv) *Fourth*, to the Administrator with respect to its Program Operating Expenses described in item (iv) of the definition thereof, all in accordance with the terms and provisions of this Indenture

Subject to the priorities established in this Section 5.9, a Holder, Exchange Counterparty, the Bond Insurer, the Senior Exchange Agreement Insurer [2004], the Eligible Lender Trustee, the Administrator or the Trustee shall not contest, or join in any contest of, the validity, perfection, priority or enforceability of the lien or security interest in or right with respect to the Pledged Receipts granted or provided for herein.

The covenants and agreements herein set forth to be performed by or on behalf of the Administrator shall be for the equal and proportionate benefit, security and protection of the Trustee, all Holders of the Bonds of each series, the Bond Insurer to the extent of the premium due on the Municipal Bond Insurance Policy, any Exchange Counterparty with respect to its Exchange Agreement and any Person to whom Program Operating Expenses are due and payable, without preference, priority or distinction as to payment or security or otherwise of any of the Bonds of such series over any of the other Bonds or over any related Issuing Authority Exchange Payment or any Issuing Authority Exchange Payment over any of the Bonds or over any other Issuing Authority Exchange Payment for any reason or cause whatsoever, except as expressly provided in this Indenture or the Bonds of such series, and, except as otherwise herein or therein specifically provided, all Bonds of such series and any Issuing Authority Exchange Payment shall be secured equally and ratably hereunder without discrimination or preference whatsoever.

No Holder of an Bond of a series shall be required to see that the moneys derived from such series of Bonds are applied to the purpose or purposes for which the series of Bonds was issued. The validity of any Bond of a series shall neither be dependent upon nor affected by the validity or regularity of any proceedings or contracts relating to the Program nor the use and application of the proceeds of the Bonds of such series.

Nothing in this Section 5.9 or in this Indenture shall prevent or be construed to prevent any Supplemental Indenture from pledging or otherwise providing, or the Administrator from providing, in addition to the security given or intended to be given by this Indenture, additional security for the benefit of any series of Bonds or any portion thereof or for the benefit of any Issuing Authority Exchange Payment.

The pledges of, liens on and security interests in, and assignments to the Trustee of the Pledged Receipts made hereby include any contract or any evidence of indebtedness or other rights of the Administrator or the Issuing Authority to receive any of the same, whether now existing or hereafter coming into existence, and whether now or hereafter acquired, and the proceeds thereof, with respect to any of the Pledged Receipts, including, without limitation, all rights of the Administrator, the Issuing Authority or the Eligible Lender Trustee in and under all Financed Student Loans, all Contracts of Guarantee guaranteeing Financed Federal Student Loans, any Senior Exchange Agreement, any Exchange Counterparty Guarantee, all Purchase Agreements (including all rights of the Administrator to the warranties of each Seller thereunder) and the Servicing Agreements (including all rights of the Issuing Authority and the Administrator to the warranties of each Servicer thereunder).

SECTION 5.10 Investments. The term "Investment Securities" shall mean any of the following:

(a) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America;

(b) obligations of any of the following federal agencies, which obligations represent the full faith and credit of the United States of America:

- (1) Export-Import Bank,
- (2) Farm Credit System Financial Assistance Corporation,
- (3) Rural Economic Community Development Administration,
- (4) General Services Administration,
- (5) U.S. Maritime Administration,
- (6) Small Business Administration,
- (7) Government National Mortgage Association (GNMA),
- (8) U.S. Department of Housing & Urban Development (PHAs), and
- (9) Federal Housing Administration;

(c) senior debt obligations rated "AAA" by Fitch and "Aaa" by Moody's issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, and senior debt obligations of other federal government-sponsored agencies approved by Moody's and Fitch, if rated by Fitch;

(d) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short-term certificates of deposit on the date of purchase of "F-1+" by Fitch, "A-1" or "A-1+" by S&P and "P-1" by Moody's and maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

(e) commercial paper which is rated at the time of purchase in the single highest classification, "F-1+" by Fitch, "A-1+" by S&P and "P-1" by Moody's, and which matures not more than 270 days after the date of purchase;

(f) investments in a money market fund that is rated in the highest applicable rating category by (i) a nationally recognized rating service acceptable to Moody's, S&P and Fitch or (ii) Moody's, S&P and Fitch, if rated by Fitch, and that has the ability to maintain a stable \$1.00 net asset value per share and the shares of which are freely transferable on a daily basis;

(g) Pre-refunded Municipal Bonds defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(i) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Fitch, S&P and Moody's or any successors thereto; or

(ii) (A) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in item (a) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(h) investment agreements approved in writing by the Bond Insurer and supported by appropriate opinions of counsel for the investment agreement provider; and

(i) other forms of investments (including repurchase agreements) approved in writing by the Bond Insurer.

Moneys held by the Trustee for the credit of any Fund or Series Account shall be invested by the Trustee to the fullest extent practicable and reasonable, in accordance with the provisions hereof, in Investment Securities, as directed in writing by the Administrator, and in the absence of any such directions, in Investment Securities described in item (f) of the first paragraph of this Section 5.10. All Investment Securities related to any proceeds of a series of Bonds shall be acquired subject to the limitations set forth in Sections 5.3.3, 5.5.1, 5.5.2 and 6.14 hereof, and all Investment Securities shall be acquired subject to the limitations on maturities hereinafter in this Section 5.10 set forth and to any additional limitations or requirements, consistent with the foregoing provisions of this paragraph, as may be established by written direction of the Administrator. Moneys shall be invested in Investment Securities with respect to which payments of principal and interest are scheduled or otherwise payable not later than the date on which it is estimated that such moneys will be required by the Trustee for the purposes intended. Investment Securities purchased under a repurchase agreement may be deemed to mature on the date or dates on which the Trustee may deliver such Investment Securities for repurchase under such agreement. Investment Securities which may be tendered for payment of the full principal amount thereof plus accrued interest thereon prior to the maturity thereof may be deemed to mature on the date or dates on which they may be so tendered. Investment Securities acquired as an investment of moneys in any Fund or Series Account shall be credited to such Fund or Series Account. Unless otherwise provided herein, any earnings on or income from Investment Securities credited to a Series Account shall be credited to the related Series Student Loan Interest Account in the Revenue Fund, as provided in Section 5.5 hereof, except that an amount of interest received with respect to any Investment Security on the first payment

of interest after purchase equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Security shall be credited to the Series Account from which such accrued interest was paid.

Subject to the provisions of Section 6.14 hereof with respect to the Rebate Fund, investments in any and all Funds and Series Accounts may be commingled in a separate fund or funds established by the Trustee for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular Funds and Series Accounts amounts received or held by the Trustee hereunder, *provided that* the Trustee shall at all times account for such investments strictly in accordance with the Funds and Series Accounts to which they are credited and otherwise as provided in this Indenture. The Trustee may act as principal or agent in the acquisition or disposing of any Investment Security. The Trustee may sell at the best price obtainable, or present for redemption, any Investment Security so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the Fund or Series Account to which such Investment Security is credited, and the Trustee shall not be liable or responsible for any loss resulting from the acquisition or disposition of such Investment Security in accordance herewith.

The Administrator shall determine the Value of Investment Securities held under this Indenture at the end of each calendar month and shall deliver a copy of its determination to the Bond Insurer upon completing such determination.

SECTION 5.11 Senior Exchange Agreements; Counterparty Exchange Payments; Issuing Authority Exchange Payments. The Issuing Authority hereby authorizes and directs the Trustee to acknowledge and agree to any Senior Exchange Agreement hereafter entered into by the Issuing Authority and an Exchange Counterparty under which (a) the Issuing Authority may be required to make, from time to time, Issuing Authority Exchange Payments and (b) the Trustee may receive, from time to time, Counterparty Exchange Payments for the account of the Issuing Authority. The Issuing Authority shall not execute and deliver any Senior Exchange Agreement unless at the time of entering into such Senior Exchange Agreement the Issuing Authority obtains the written consent of the Bond Insurer.

In connection with the execution of any Senior Exchange Agreement, the Trustee, on behalf of the Exchange Counterparty, shall waive in the Supplemental Indenture executed in connection with the Senior Exchange Agreement any and all rights which the Exchange Counterparty may have to receive any amounts realized by the Trustee from foreclosure upon the Pledged Receipts consisting of amounts due from its Senior Exchange Agreement and its Exchange Counterparty Guarantee, if any.

No later than the Business Day immediately preceding each date on which a Counterparty Exchange Payment or Issuing Authority Exchange Payment is due pursuant to the applicable Senior Exchange Agreement through and including the termination date of such Senior Exchange Agreement, the Administrator shall give written notice to the Trustee stating either (a) the amount of any Counterparty Exchange Payment due to be received by the Trustee for the account of the Issuing Authority no later than each such date or (b) the amount of any Issuing Authority Exchange Payment to be paid to the Exchange Counterparty on each such date. If the Trustee fails to receive such written notification from the Administrator by the end of such Business Day, it shall immediately notify the Administrator of such fact in writing.

On any Business Day on which a Counterparty Exchange Payment is due pursuant to the applicable Senior Exchange Agreement in accordance with the written notification received from the Administrator, the Trustee shall deposit all moneys received representing such Counterparty Exchange Payment in the related Series Interest Account to be applied in accordance with the provisions of Section 5.6.1 hereof. The Trustee shall notify the

Administrator on such Business Day, if (a) the amount received from the Exchange Counterparty is not equal to the amount specified in the written notification of the Administrator, (b) no amount is received from the Exchange Counterparty or (c) the amount received is not received in freely transferable funds.

On any date with respect to which an Issuing Authority Exchange Payment is due in accordance with the written notification received from the Administrator or, with respect to a payment in respect of an early termination date, from the Exchange Counterparty, the Trustee shall first make payment to the Exchange Counterparty of the amount of the Issuing Authority Exchange Payment specified in such written notification of the Administrator or the Exchange Counterparty, as the case may be, due on such date from moneys in the Series Interest Account related to such Senior Exchange Agreement and thereafter from the other Series Accounts as provided in Section 5.6.1 hereof by the deposit or wire transfer of freely transferable funds to the credit of the account of the Exchange Counterparty specified in such written notification of the Administrator or the Exchange Counterparty, as the case may be.

Nothing in this Indenture shall prohibit, or be construed as prohibiting, an Issuing Authority Exchange Payment or Counterparty Exchange Payment from being made on a date other than an Interest Payment Date.

SECTION 5.11.1 Senior Exchange Agreement [2004]. The Issuing Authority heretofore authorized and directed: (a) the Trustee to execute and deliver the Senior Exchange Agreement [2004] upon the satisfaction by the Issuing Authority of the conditions set forth in Section 7 of the Ancillary Order [2004]; (b) the Trustee, the Administrator and the Eligible Lender Trustee to execute and deliver pursuant to Section 9.1(12) of the Original Indenture the Second Supplemental Indenture in connection with the Senior Exchange Agreement [2004]; and (c) the Trustee, the Administrator or the Eligible Lender Trustee to take such other actions as may be necessary in order to cause the Exchange Counterparty [2004] to enter into the Senior Exchange Agreement [2004].

The Senior Exchange Agreement [2004] is hereby declared by the Issuing Authority to constitute a Senior Exchange Agreement under this Indenture to be secured as provided for therein and herein and to be subject to the provisions of Section 5.11 hereof and any other Sections of this Indenture which are applicable to Senior Exchange Agreements. The Trustee, the Eligible Lender Trustee and the Administrator each acknowledge and agree that the Senior Exchange Agreement [2004] constitutes a Senior Exchange Agreement under and for all purposes of this Indenture, including, but not limited to, payment of Issuing Authority Exchange Payments and any Early Termination Payment from and under this Indenture.

The provisions of this Indenture governing Senior Exchange Agreements in general shall govern the security for and payments of Issuing Authority Exchange Payments and any Early Termination Payment under this Indenture; provided, however, that if any inconsistency between any provision of this Section 5.11.1 and a provision of any other Section of this Indenture shall occur with respect to the Senior Exchange Agreement [2004], the provisions of this Section 5.11.1 shall govern in such a case.

Except as otherwise expressly provided herein, any notice to or demand upon the Exchange Counterparty [2004] may be served or presented, and such demand may be made, to:

UBS Financial Services Inc.
1285 Avenue of the Americas, 15th Floor
New York, New York 10019
Attention: Rhahime Bell
Telephone: (212) 713-1212
Facsimile: (212) 713-1303

and

UBS AG, Stamford Branch
677 Washington Blvd.
Stamford, CT 06912-03000
Attention: Legal Department
Facsimile: (203) 719-0680

or such other address as the Exchange Counterparty [2004] may specify in accordance with the Exchange Agreement [2004].

SECTION 5.12 Termination. When no Bonds remain Outstanding and all amounts due or to become due hereunder have been paid in full or provided for to the satisfaction of the Trustee, and all amounts, if any, owing to the Trustee, the Bond Insurer, the Administrator and the Eligible Lender Trustee have been paid in full or provided for to the satisfaction of the Trustee, the Eligible Lender Trustee and the Administrator, the Trustee shall transfer to the Administrator or to any Person designated by the Administrator, upon the written request of the Administrator, all Balances of all Funds and Series Accounts established hereby, except that Financed Federal Student Loans included in the Balances of the Series Student Loan Portfolio Accounts shall not be transferred to the Administrator or the Issuing Authority unless, at the time of such transfer, the Administrator or the Issuing Authority, as applicable, is an eligible lender under the Higher Education Act or the Higher Education Act permits transfer of such Federal Student Loans to a person other than an eligible lender and except that the Trustee shall retain and hold in each Series Program Expense Account in the Services Fund an amount estimated by the Trustee to be necessary to reimburse the Secretary of Education for any excess payments by the Secretary of Education to the Trustee in respect of the related Financed Federal Student Loans. Upon receipt of the Balance of all Funds and Series Accounts established hereby, the Administrator, or any Person designated by the Administrator, shall apply, or cause to be applied, such Balances in accordance with the provisions of Section 5.6.3 hereof related to the application of amounts withdrawn by the Administrator from the Excess Surplus Account.