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SECOND SUPPLEMENTAL INDENTURE OF TRUST

between

NORTHSTAR GUARANTEE, INC., DIVISION B,

and

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

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Dated as of April 1, 2002

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This Second Supplemental Indenture of Trust, dated as of April 1, 2002, between Northstar Guarantee, Inc., Division B, a membership organization whose sole member is Great Lakes Higher Education Corporation, a non-profit corporation duly organized and existing under the laws of the State of Wisconsin (the "*Issuer*"), and U.S. Bank National Association, a national banking association duly established, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States (the "*Trustee*");

**WITNESSETH:**

WHEREAS, the Issuer, U.S. Bank National Association (f/k/a Firststar Bank, National Association), as eligible lender trustee, and the Trustee, as indenture trustee, have heretofore executed and delivered an Indenture of Trust, dated as November 1, 2000 (the "*Indenture*"); and

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

WHEREAS, the Issuer has, by proper action of its Board, authorized and determined to issue six series of Senior Notes in the respective aggregate principal amounts of \$65,500,000 (the "*Series 2002A-1 Notes*"), \$65,500,000 (the "*Series 2002A-2 Notes*"), \$65,500,000 (the "*Series 2002A-3 Notes*"), \$65,500,000 (the "*Series 2002A-4 Notes*"), \$65,500,000 (the "*Series 2002A-5 Notes*") and \$65,500,000 (the "*Series 2002A-6 Notes*" and, together with the Series 2002A-1 Notes, the Series 2002A-2 Notes, the Series 2002A-3 Notes, the Series 2002A-4 Notes and the Series 2002A-5 Notes, the "*Series 2002A Notes*") and one series of Subordinate Notes in the aggregate principal amount of \$37,000,000 (the "*Series 2002B Notes*" and, together with the Series 2002A Notes, the "*Series 2002 Notes*"); and

WHEREAS, the Issuer desires by this Second Supplemental Indenture to prescribe the terms and provisions of the Series 2002 Notes, all as more fully set forth herein; and

WHEREAS, the Issuer desires to extend the Revolving Period relating to the Series 2000 Notes issued under the First Supplemental Indenture of Trust, dated as of November 1, 2000, between the Issuer and the Trustee; as more fully described herein; and

WHEREAS, the execution and delivery of this Second Supplemental Indenture and the issuance of the Series 2002 Notes have been in all respects duly and validly authorized by the Issuer;

NOW, THEREFORE, THIS SECOND SUPPLEMENTAL INDENTURE WITNESSETH:

SECTION 1. DEFINITIONS.

In this Second Supplemental Indenture, the terms defined in the Indenture shall, except as otherwise provided in this Section 1, have the same meaning when used herein unless the context

or use thereof indicates another or different meaning or intent. In addition, the following terms shall have the following respective meanings unless the context hereof clearly requires otherwise:

*“Acquisition Period”* shall mean the period beginning on the date of issuance of the Series 2002 Notes and ending on May 15, 2002, or the last day of such other month as may be provided by Issuer Order, provided that the Rating Agency Condition shall have been met with respect to such Issuer Order.

*“Administrative Allowance”* shall mean (a) a monthly allowance equal to 1/12 of 0.5% of the ending Principal Balance of the Financed Student Loans, plus accrued interest thereon, during the preceding month, and (b) additional costs and expenses not to exceed \$30,000 per annum, or such greater or lesser amount as may be provided by Issuer Order (*provided* that the Rating Agency Condition is met with respect to any increase in such amount).

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

*“Applicable Interest Rate”* shall mean the rate of interest per annum borne from time to time by a series of the Series 2002 Notes, which shall be (i) during the Initial Interest Period for such series, the Initial Interest Rate, and (ii) during each Interest Period thereafter, the rate of interest determined in accordance with the provisions of Sections 4 through 12 hereof.

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

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

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

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

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

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

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

*“Auction Date”* shall mean, initially, with respect to the Series 2002A-1 Notes, May 23, 2002, with respect to the Series 2002A-2 Notes, May 30, 2002, with respect to the Series 2002A-3 Notes, June 6, 2002, with respect to the Series 2002A-4 Notes, May 17, 2002, with respect to the Series 2002A-5 Notes, May 24, 2002, with respect to the Series 2002A-6 Notes, May 31, 2002, and with respect to the Series 2002B Notes, June 27, 2002, and thereafter, with respect to each such series of Series 2002 Notes, the Business Day immediately preceding the first day of each succeeding Auction Period for such series, other than:

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

Notwithstanding the foregoing, the Auction Date for one or more Auction Periods may be changed pursuant to Section 11 of this Second Supplemental Indenture.

*“Auction Period”* shall mean the Interest Period applicable to each series of the Series 2002 Notes, which Auction Period (after the Initial Interest Period for each such series) initially shall consist generally of 28 days, as the same may be adjusted pursuant to Section 10 hereof.

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

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

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

*“Authorized Denominations”* shall mean \$50,000 and any multiple thereof.

*“Available Series 2002 Notes”* shall have the meaning ascribed to such term in Section 4(c)(i)(A) hereof.

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

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

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

*“Broker-Dealer”* shall mean (i) initially, with respect to the Series 2002A-1 Notes, the Series 2002A-2 Notes, the Series 2002A-3 Notes, and the Series 2002B Notes, UBS PaineWebber Inc., and with respect to the Series 2002A-4 Notes, the Series 2002A-5 Notes and the Series 2002A-6 Notes, Banc of America Securities LLC and (ii) with respect to any series of Series 2002 Notes, any other broker or dealer (each as defined in the Exchange Act), commercial bank or other entity permitted by law to perform the functions required of a Broker-Dealer set forth in the Auction Procedures that (a) is a Participant (or an affiliate of a Participant), (b) has been appointed as such with respect to such series of Series 2002 Notes by the Issuer pursuant to Section 9 hereof and (c) has entered into a Broker-Dealer Agreement that is in effect on the date of reference.

*“Broker-Dealer Agreement”* shall mean each agreement between the Auction Agent and a Broker-Dealer, approved by the Issuer, pursuant to which the Broker-Dealer agrees to participate in Auctions as set forth in the Auction Procedures, as such agreement may from time to time be amended or supplemented. Each Broker-Dealer Agreement shall be in substantially the form of the Broker-Dealer Agreements, dated as of April 1, 2002, between Deutsche Bank Trust Company Americas, as Auction Agent, and each of UBS PaineWebber Inc. and Banc of America Securities LLC, respectively, as Broker-Dealer.

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

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

*“Business Day”* shall mean any day other than December 30, December 31, April 14, April 15, such other dates as may be agreed to in writing by the Market Agent, the Auction Agent, the Broker-Dealers and the Issuer, or a Saturday, Sunday, holiday or day on which banks located in the city of New York, New York, or the New York Stock Exchange, the Trustee or the Auction Agent, are authorized or permitted by law or executive order to close.

*“Carry-Over Amount”* shall mean the excess, if any, of (a) the amount of interest on a Series 2002 Note that would have accrued with respect to the related Auction Period at the Auction Rate over (b) the amount of interest on such a Series 2002 Note actually accrued with respect to such Auction Period based on the Maximum Rate, together with the unpaid portion of any such excess from prior Auction Periods; *provided* that any reference to “principal” or “interest” in this Second Supplemental Indenture, in the Indenture, and in the Series 2002 Notes shall not include, within the meanings of such words, any Carry-Over Amount or any interest accrued on any Carry-Over Amount.

*"Closing Date"* shall mean April 18, 2002, the date of initial issuance and delivery of the Series 2002 Notes hereunder.

*"Eligible Carry-Over Make-Up Amount"* shall mean, with respect to each Interest Period relating to a series of Series 2002 Notes as to which, as of the first day of such Interest Period, there is any unpaid Carry-Over Amount, an amount equal to the lesser of (a) interest computed on the principal balance of such series in respect of such Interest Period at a per annum rate equal to the excess, if any, of the Maximum Rate over the Applicable Interest Rate, and (b) the aggregate Carry-Over Amount remaining unpaid as of the first day of such Interest Period together with interest accrued and unpaid thereon through the end of such Interest Period. The Eligible Carry-Over Make-Up Amount shall be \$0.00 for any Interest Period with respect to which the Maximum Auction Rate equals or exceeds the Auction Rate.

*"Existing Holder"* shall mean (i) with respect to and for the purpose of dealing with the Auction Agent in connection with an Auction, a Person who is a Broker-Dealer listed in the Existing Holder Registry at the close of business on the Business Day immediately preceding such Auction and (ii) with respect to and for the purpose of dealing with the Broker-Dealer in connection with an Auction, a Person who is a beneficial owner of Series 2002 Notes.

*"Existing Holder Registry"* shall mean the registry of Persons who are owners of the Series 2002 Notes, maintained by the Auction Agent as provided in the Auction Agent Agreement.

*"First Supplemental Indenture"* shall mean the First Supplemental Indenture of Trust, dated as of November 1, 2000, between the Issuer and the Trustee, as amended or supplemented in accordance with the terms hereof and of the Indenture.

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

*"Indenture"* shall mean the Indenture of Trust, dated as of November 1, 2000, from the Issuer, and U.S. Bank National Association (f/k/a Firststar Bank, National Association), as Eligible Lender Trustee, to the Trustee as amended and supplemented from time to time.

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

*"Initial Auction Agent Agreement"* shall mean the Auction Agent Agreement, dated as of April 1, 2002, by and among the Issuer, the Trustee and the Initial Auction Agent, including any amendment thereof or supplement thereto.

*"Initial Interest Period"* shall mean, as to a series of Series 2002 Notes, the period commencing on the Closing Date and continuing through the day immediately preceding the Initial Interest Rate Adjustment Date for such series.



*“Initial Interest Rate”* shall mean 2.05% per annum for the Series 2002A-1 Notes, 2.05% per annum for the Series 2002A-2 Notes, 2.05% per annum for the Series 2002A-3 Notes, 2.08% per annum for the Series 2002A-4 Notes, 2.08% per annum for the Series 2002A-5 Notes, 2.08% per annum for the Series 2002A-6 Notes, and 2.20% per annum for the Series 2002B Notes.

*“Initial Interest Rate Adjustment Date”* shall mean with respect to (i) the Series 2002A-1 Notes, May 24, 2002, (ii) the Series 2002A-2 Notes, May 31, 2002, (iii) the Series 2002A-3 Notes, June 7, 2002, (iv) the Series 2002A-4 Notes, May 20, 2002, (v) the Series 2002A-5 Notes, May 28, 2002, (vi) the Series 2002A-6 Notes, June 3, 2002, and (vii) the Series 2002B Notes, June 28, 2002.

*“Interest Payment Date”* shall mean (i) each regularly scheduled interest payment date on the Series 2002 Notes, which for each series of Series 2002 Notes shall be the Business Day immediately following the expiration of the Initial Interest Period for such series and each related Auction Period thereafter; *provided, however*, if the duration of the Interest Period is one year or longer, then the Interest Payment Dates therefor shall be as determined by the Issuer with the consent of the applicable Broker-Dealer and the first Business Day immediately following the end of such Interest Period; or (ii) with respect to the payment of interest upon acceleration of the Series 2002 Notes or the payment of Defaulted Interest, such date on which such interest is payable under the Indenture.

*“Interest Period”* shall mean, (i) with respect to each series of Series 2002 Notes, unless otherwise changed as described herein, initially, the period commencing on the Closing Date to and not including the Initial Interest Rate Adjustment Date for the applicable series, and, thereafter, each successive period of generally 28 days, commencing on the first Business Day following the applicable Series Auction Date, and ending on (and including) the applicable Series Auction Date (unless such date is not followed by a Business Day, in which case on the next succeeding day that is followed by a Business Day); and (ii) if the Auction Periods are changed as provided herein, each period commencing on an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date. By way of example, if an Interest Period ordinarily would end on a Tuesday, but the following Wednesday is not a Business Day, the Interest Period will end on that Wednesday and the new Interest Period will begin on Thursday.

*“Interest Rate Adjustment Date”* shall mean the date on which the interest rate on a series of Series 2002 Notes is effective, which for each series of Series 2002 Notes shall be the date of commencement of each Auction Period for such series.

*“Interest Rate Determination Date”* shall mean for each series of Series 2002 Notes, the Auction Date for such series, or, if no Auction Date is applicable to such series, the Business Day immediately preceding the date of commencement of an Auction Period.

*“LIBOR Determination Date”* shall mean the Auction Date, or if no Auction Date is applicable, the Business Day immediately preceding the first day of the applicable Interest Period.

*“Market Agent”* shall mean UBS PaineWebber Inc., or with respect to any series of Series 2002 Notes, any successor in such capacity hereunder.

*“Market Agent Agreement”* shall mean that certain Market Agent Agreement dated as of April 1, 2002, between the Market Agent and the Trustee, including any supplement thereto or amendment thereof.

*“Marketing and School Services Expense Allowance”* shall mean a monthly allowance equal to 1/12 of 0.1% of the ending Principal Balance of the Financed Student Loans, plus accrued interest thereon, during the preceding month, or such greater or lesser amount as may be provided by Issuer Order (*provided* that the Rating Agency Condition is met with respect to any increase in such amount). Such amount shall be paid of out the Administration Fund.

*“Maximum Auction Rate”* shall mean, for any Auction, a per annum interest rate on the Series 2002 Notes which, when taken together with the interest rate on the Series 2002 Notes for the one-year period ending on the final day of the proposed Auction Period, would result in the average interest rate on the Series 2002 Notes for such period either (a) not being in excess (on a per annum basis) of the average of the Ninety-One Day United States Treasury Bill Rate plus 1.20% for such one-year period (if all of the ratings assigned by the Rating Agencies to the Series 2002 Notes are “Aa3” or “AA-” or better), (b) not being in excess (on a per annum basis) of the Ninety-One Day United States Treasury Bill Rate plus 1.50% for such one-year period (if any one of the ratings assigned by the Rating Agencies to the Series 2002 Notes is less than “Aa3” or “AA-” but all are at least any category of “A”), or (c) not being in excess (on a per annum basis) of the average of Ninety-One Day United States Treasury Bill Rate plus 1.75% for such one-year period (if any one of the ratings assigned by the Rating Agencies to the Series 2002 Notes is less than the lowest category of “A”); *provided, however*, that if the Series 2002 Notes have not been Outstanding for at least such one-year period then for any portion of such period during which such Series 2002 Notes were not Outstanding, the interest rates on the Series 2002 Notes for purposes of this definition shall be deemed to be equal to such rates as the Market Agent shall determine were the rates of interest on equivalently rated auction securities with comparable lengths of auction periods during such period; *provided, however*, that this definition may be modified at the direction of the Issuer upon receipt by the Trustee of (A) written consent of the Market Agent and (B) written consent from each Rating Agency then rating the Series 2002 Notes that such change will not in and of itself result in a reduction of the rating on any Series 2002 Notes. For purposes of the Auction Agent and the Auction Procedures, the ratings referred to in this definition shall be the last ratings of which the Auction Agent has been given notice pursuant to the Auction Agent Agreement. The percentage amount to be added to the Ninety-One Day United States Treasury Bill Rate in any one or more of (a), (b) or (c) above may be increased by delivery to the Auction Agent and the Trustee of a certificate signed by an Authorized Officer of the Issuer directing such increase, together with satisfaction of the Rating Agency Condition with respect to such increase.

*“Maximum Interest Rate”* shall mean the lesser of (a) 18% per annum or (b) the highest rate the Issuer may legally pay, from time to time, as interest on the Series 2002 Notes.

*“Maximum Rate”* on any date of determination, shall mean the interest rate per annum equal to the least of: (a) the Maximum Auction Rate, (b) the Maximum Interest Rate and (c) during the occurrence of a Net Loan Restriction Period, the Net Loan Rate.

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

*“Net Loan Rate Restriction Period”* shall mean, with respect to any series of the Series 2002 Notes, the period of time from and including a Net Loan Rate Trigger Date to but excluding a Net Loan Rate Termination Date.

*“Net Loan Rate Termination Date”* shall mean, for a series of Series 2002 Notes for which the Net Loan Rate Trigger Date has occurred, the first day of an Auction Period which immediately follows three consecutive Auction Dates for such series of the Series 2002 Notes where the Auction Rate established on each such Auction Date for such series was equal to or less than a per annum rate equal to the sum of (a) the Ninety-One Day United States Treasury Bill Rate in effect as of each such Auction Date plus (b) 1.0%.

*“Net Loan Rate Trigger Date”* shall mean, for a series of Series 2002 Notes, the first day of an Auction Period which immediately follows six consecutive Auction Dates for such series of the Series 2002 Notes where the Auction Rate established on each such Auction Date for such series exceeded a per annum rate equal to the sum of (a) the Ninety-One Day United States Treasury Bill Rate in effect as of each such Auction Date plus (b) 1.0%.

*“Ninety-One Day United States Treasury Bill Rate”* shall mean the bond-equivalent yield on the 91-day United States Treasury Bills sold at the last auction thereof that immediately precedes the Auction Date, as determined by the Market Agent on the Auction Date.

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

*“Note Registrar”* shall mean, with respect to the Series 2002 Notes, the Trustee.

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

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

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

*“Paying Agent”* shall mean the Trustee and its successor or successors or any other commercial bank designated in accordance herewith as a place at which principal of, premium, if any, or interest on the Series 2002 Notes is payable.

*“Payment Default”* shall mean, with respect to a series of Series 2002 Notes, (i) a default in the due and punctual payment of any installment of interest on such series, or (ii) the circumstance that on any Auction Date there are insufficient moneys in the Debt Service Fund to pay, or otherwise held by the Trustee under the Indenture and available to pay, the principal of and interest due on the Series 2002 Notes of such series on the Interest Payment Date immediately following such Auction Date.

*“Potential Holder”* shall mean any Person (including an Existing Holder) that is (i) a Broker-Dealer when dealing with the Auction Agent and (ii) a potential beneficial owner when dealing with a Broker-Dealer, who may be interested in acquiring Series 2002 Notes (or, in the case of an Existing Holder thereof, an additional Principal Amount of Series 2002 Notes).

*“Principal Balance”* when used with respect to a Student Loan, shall mean the unpaid principal amount thereof (including, in the case of FFELP Loans, any unpaid accrued interest thereon that is authorized to be capitalized under the Higher Education Act and, in the case of Alternative Loans, any unpaid accrued interest thereon that is authorized to be capitalized under the applicable promissory note).

*“Program Expense Percentage”* shall mean, with respect to any Auction Period, the per annum rate of interest (rounded to the next highest 0.01%) equal to the sum of the Note Fees, Administration Allowance and Servicing Fees, in each case for the calendar month immediately preceding such Auction Period, as determined by the Issuer on the last day of such calendar month, expressed as a percentage of the average daily outstanding Principal Balance of the Financed Student Loans during such month.

*“Regular Record Date”* shall mean, with respect to any series of Series 2002 Notes, (a) so long as Interest Payment Dates are specified to occur at the end of each Auction Period, the Applicable Number of Business Days immediately preceding each Interest Payment Date and (b) if and for so long as interest on such series of Series 2002 Notes is payable semiannually, one Business Day prior to each Interest Payment Date.

*“Reserve Fund Requirement”* shall mean, at any time, an amount equal to (1) 1% of the aggregate Principal Amount of Series 2002 Notes then Outstanding, or (2) such other amount specified as the Reserve Fund Requirement in another supplemental indenture; *provided, however,* that in no event shall the amount be less than \$500,000.

*“Revolving Period”* shall mean the period beginning on the date of issuance of the Series 2002 Notes and ending on April 1, 2004, or the last day of such other month as may be provided by Issuer Order, *provided* that the Rating Agency Condition shall have been met with respect to such Issuer Order.

*“Second Supplemental Indenture”* shall mean this Second Supplemental Indenture of Trust, dated as of April 1, 2002, between the Issuer and the Trustee, as amended or supplemented in accordance with the terms hereof and of the Indenture.

*“Securities Depository”* shall mean The Depository Trust Company, New York, New York, and its successors and assigns, or, if (i) the then-existing Securities Depository resigns from its functions as depository of the Series 2002 Notes or (ii) the Issuer discontinues use of the Securities Depository pursuant to Section 17(c) hereof, then any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the Series 2002 Notes and which is selected by the Issuer with the consent of the Trustee.

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

*“Series Auction Date”* shall mean (a) Thursday, with respect to the Series 2002A-1 Notes, the Series 2002A-2 Notes, the Series 2002A-3 Notes and the Series 2002B Notes, and (b) Friday, with respect to the Series 2002A-4 Notes, the Series 2002A-5 Notes and the Series 2002A-6 Notes.

*“Series 2000 Notes”* shall mean the Notes created and issued under the First Supplemental Indenture in the original Principal Amount of \$110,000,000.

*“Series 2002 Notes”* shall mean the Series 2002A Notes and the Series 2002B Notes.

*“Series 2002A Notes”* shall mean the Series 2002A-1 Notes, the Series 2002A-2 Notes, the Series 2002A-3 Notes, the Series 2002A-4 Notes, the Series 2002A-5 Notes and the Series 2002A-6 Notes.

*“Series 2002A-1 Notes”* shall mean the Notes created and to be issued under this Second Supplemental Indenture in the original Principal Amount of \$65,500,000 and designated as the “Auction Rate Student Loan Asset-Backed Notes, Senior Series 2002A-1.”

*“Series 2002A-2 Notes”* shall mean the Notes created and to be issued under this Second Supplemental Indenture in the original Principal Amount of \$65,500,000 and designated as the “Auction Rate Student Loan Asset-Backed Notes, Senior Series 2002A-2.”

*“Series 2002A-3 Notes”* shall mean the Notes created and to be issued under this Second Supplemental Indenture in the original Principal Amount of \$65,500,000 and designated as the “Auction Rate Student Loan Asset-Backed Notes, Senior Series 2002A-3.”

*“Series 2002A-4 Notes”* shall mean the Notes created and to be issued under this Second Supplemental Indenture in the original Principal Amount of \$65,500,000 and designated as the “Auction Rate Student Loan Asset-Backed Notes, Senior Series 2002A-4.”

*“Series 2002A-5 Notes”* shall mean the Notes created and to be issued under this Second Supplemental Indenture in the original Principal Amount of \$65,500,000 and designated as the “Auction Rate Student Loan Asset-Backed Notes, Senior Series 2002A-5.”

*“Series 2002A-6 Notes”* shall mean the Notes created and to be issued under this Second Supplemental Indenture in the original Principal Amount of \$65,500,000 and designated as the “Auction Rate Student Loan Asset-Backed Notes, Senior Series 2002A-6.”

*“Series 2002B Notes”* shall mean the Notes created and to be issued under this Second Supplemental Indenture in the original Principal Amount of \$37,000,000 and designated as the “Auction Rate Student Loan Asset-Backed Notes, Subordinate Series 2002B-1.”

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

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

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

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

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

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

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

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

*"T.H.E. Bonus Deposit"* initially shall mean an amount equal to 130 basis points per annum multiplied by the Principal Balance of the Financed Student Loans in repayment (and not delinquent more than 60 days) (75 basis points per annum with respect to Consolidation Loans) calculated and transferred monthly from the Collection Account to the Issuer Administrator on each Monthly Calculation Date. Such amounts shall be made through March 31, 2004, unless extended or amended as to timing or amount as provided by an Issuer Order (*provided* that the Rating Agency Condition is met with respect to such extension or amendment).

*"Unsubsidized Stafford Loan"* shall mean a Student Loan made pursuant to Section 428H of the Higher Education Act.

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

## SECTION 2. AUTHORIZATION AND TERMS OF SERIES 2002 NOTES.

There is hereby created and there shall be (1) a series of Senior Notes entitled "Auction Rate Student Loan Asset-Backed Notes, Senior Series 2002A-1," (2) a series of Senior Notes entitled "Auction Rate Student Loan Asset-Backed Notes, Senior Series 2002A-2," (3) a series

of Senior Notes entitled "Auction Rate Student Loan Asset-Backed Notes, Senior Series 2002A-3," (4) a series of Senior Notes entitled "Auction Rate Student Loan Asset-Backed Notes, Senior Series 2002A-4," (5) a series of Senior Notes entitled "Auction Rate Student Loan Asset-Backed Notes, Senior Series 2002A-5," (6) a series of Senior Notes entitled "Auction Rate Student Loan Asset-Backed Notes, Senior Series 2002A-6," and (7) a series of Subordinate Notes entitled "Auction Rate Student Loan Asset-Backed Notes, Subordinate Series 2002B-1." Subject to Section 2.8 of the Indenture, the aggregate Principal Amount of the Series 2002A-1 Notes that may be authenticated and delivered and Outstanding under the Indenture is limited to and shall not exceed \$65,500,000. The aggregate Principal Amount of the Series 2002A-2 Notes that may be authenticated and delivered and Outstanding under the Indenture is \$65,500,000. The aggregate Principal Amount of the Series 2002A-3 Notes that may be authenticated and delivered and Outstanding under the Indenture is \$65,500,000. The aggregate Principal Amount of the Series 2002A-4 Notes that may be authenticated and delivered and Outstanding under the Indenture is \$65,500,000. The aggregate Principal Amount of the Series 2002A-5 Notes that may be authenticated and delivered and Outstanding under the Indenture is \$65,500,000. The aggregate Principal Amount of the Series 2002A-6 Notes that may be authenticated and delivered and Outstanding under the Indenture is \$65,500,000. The aggregate Principal Amount of the Series 2002B Notes that may be authenticated and delivered and Outstanding under the Indenture is limited to and shall not exceed \$37,000,000.

Each series of Series 2002 Notes shall have a single Stated Maturity on April 1, 2042.

Each series of Series 2002 Notes shall bear interest at the Applicable Interest Rate, and at such Applicable Interest Rate (to the extent that the payment of such interest shall be legally enforceable) on overdue installments of interest.

The Series 2002 Notes shall be issued as fully registered Notes without coupons in Authorized Denominations.

The Series 2002 Notes shall be dated as provided in Section 2.9 of the Indenture and shall bear interest from their date of original issue until payment of principal has been made or duly provided for. The date of original issue of the Series 2002 Notes shall be the Closing Date. The Series 2002 Notes of each series shall be numbered in such manner as the Note Registrar shall determine.

Interest on each series of Series 2002 Notes shall be computed on the basis of a 365-day year for the number of days actually elapsed, except that, for any leap year, such calculation with respect to an Interest Payment Date occurring after January 1 of such year through December 31 of such year shall be computed on the basis of a 366-day year and accrue daily from the date thereof, and shall be payable on each Interest Payment Date with respect to such series prior to the Maturity thereof and at the Maturity thereof. The interest payable on each Interest Payment Date for each series of Series 2002 Notes shall be calculated on a per unit basis, based on a unit of \$50,000, and shall be that interest which has accrued through the last day preceding such Interest Payment Date or, in the case of the Maturity of a Series 2002 Note, the last day preceding the date of such Maturity. The Applicable Interest Rate shall be effective as of and on



the first day of the applicable Interest Period and be in effect thereafter through the end of such Interest Period.

The principal of and premium, if any, on the Series 2002 Notes, together with interest payable on the Series 2002 Notes at the Maturity thereof if the date of such Maturity is not a regularly scheduled Interest Payment Date, shall be payable in lawful money of the United States of America upon, except as otherwise provided in Section 17 hereof, presentation and surrender of such Series 2002 Notes at the Principal Office of the Trustee, as Paying Agent with respect to the Series 2002 Notes, or a duly appointed successor Paying Agent. Interest due on the Series 2002 Notes on each regularly scheduled Interest Payment Date shall, except as otherwise provided in Section 17 hereof, be paid by check or draft drawn upon the Paying Agent and mailed to the person who is the Holder thereof as of 5:00 p.m. on the Regular Record Date for such Interest Payment Date at the address of such Holder as it appears on the Note Register, or, in the case of any Series 2002 Note the Holder of which is the Holder of Series 2002 Notes in the aggregate Principal Amount of \$1,000,000 or more (or, if less than \$1,000,000 in Principal Amount of Series 2002 Notes is outstanding, the Holder of all outstanding Series 2002 Notes), at the direction of such Holder received by the Paying Agent by 5:00 p.m. on the last Business Day preceding the applicable Regular Record Date, by electronic transfer by the Paying Agent in immediately available funds to an account designated by such Holder. Any interest not so timely paid or duly provided for (herein referred to as "*Defaulted Interest*") shall cease to be payable to the person who is the Holder thereof at the close of business on the Regular Record Date and shall be payable to the person who is the Holder thereof at the close of business on a Special Record Date for the payment of any such Defaulted Interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the Defaulted Interest, and notice of the Special Record Date shall be given to the Holders of the Series 2002 Notes with respect to which such Defaulted Interest is to be paid, not less than ten (10) days prior to such Special Record Date by first-class mail to each such Holder as shown on the Note Register on a date selected by the Trustee, stating the date of the Special Record Date and the date fixed for the payment of such Defaulted Interest. All payments of principal of and premium, if any, and interest on the Series 2002 Notes shall be made in lawful money of the United States of America.

The Series 2002 Notes are subject to redemption prior to their Stated Maturity upon the terms and conditions and at the Prepayment Prices specified in Section 16 hereof.

Subject to the provisions of the Indenture, the Series 2002 Senior Notes shall be in substantially the form set forth in Exhibit A hereto, with such variations, omissions and insertions as may be required by the circumstances, be required or permitted by the Indenture, or be consistent with the Indenture and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto.

Subject to the provisions of the Indenture, the Series 2002B Notes shall be in substantially the form set forth in Exhibit B hereto, with such variations, omissions and insertions as may be required by the circumstances, be required or permitted by the Indenture, or be consistent with the Indenture and necessary or appropriate to conform to the rules and

requirements of any governmental authority or any usage or requirement of law with respect thereto.

### SECTION 3. INTEREST PAYABLE ON SERIES 2002 NOTES.

During the Initial Interest Period, each series of Series 2002 Notes shall bear interest at the Initial Interest Rate for such series. Thereafter, except with respect to an Auction Period Adjustment, each series of the Series 2002 Notes shall bear interest at the Applicable Interest Rate based on a 28-day Auction Period, as determined pursuant to this Section 3 and Sections 4 through 12 hereof.

The Applicable Interest Rate to be borne by each series of Series 2002 Notes for each Auction Period after the Initial Interest Period until an Auction Period Adjustment, if any, shall be determined as hereinbelow described. Each such Auction Period with respect to each series of the Series 2002 Notes (1) shall commence on and include the first Business Day following the applicable Series Auction Date, and end on (and include) the applicable Series Auction Date (unless such date is not followed by a Business Day, in which case on the next succeeding day that is followed by a Business Day) and (2) if the Auction Periods are changed as provided herein, each period commencing on an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date; *provided, however*, that if an Auction is scheduled to occur for the next Interest Period on a date that was reasonably expected to be a Business Day, but such Auction does not occur because such date is later not considered to be a Business Day, the Auction shall nevertheless be deemed to have occurred, and the applicable Auction Rate in effect for the next Interest Period will be the Auction Rate in effect for the preceding Interest Period and such Interest Period will generally be 28 days in duration, beginning on the calendar day following the date of the deemed Auction and ending on (and including) the applicable Series Auction Date (unless such date is not followed by a Business Day, in which case on the next succeeding day that is followed by a Business Day). If the preceding Interest Period was other than generally 28 days in duration, the Auction Rate for the deemed Auction will instead be the rate of interest determined by the Market Agent on equivalently rated auction securities with a comparable length of auction period.

Notwithstanding the foregoing:

(a) if the ownership of a series of Series 2002 Notes is no longer maintained in Book-Entry Form, the Auction Rate on such series for any Interest Period commencing after the delivery of definitive notes representing such series pursuant to Section 17 hereof shall equal the Maximum Rate on the Business Day immediately preceding the first day of such subsequent Interest Period; or

(b) if a Payment Default shall have occurred with respect to a series of Series 2002 Notes, the Applicable Interest Rate on such series for the Interest Period commencing on or immediately after such Payment Default, and for each Interest Period thereafter, to and including the Interest Period, if any, during which, or commencing less than two (2) Business Days after, such Payment Default is cured, shall equal the Non-Payment Rate on the first day of each such Interest Period.

In accordance with Section 4(c)(ii) hereof, the Auction Agent shall promptly give written notice to the Trustee and the Issuer of each Auction Rate (unless the Applicable Interest Rate is the Non-Payment Rate or the ownership of such series is no longer maintained in Book-Entry Form) applicable to each series of the Series 2002 Notes. The Trustee shall notify the Holders of Series 2002 Notes of the Applicable Interest Rate with respect to each such series for each Auction Period not later than the second Business Day of such Auction Period.

In the event that the Auction Agent no longer determines, or fails to determine, when required, the Applicable Interest Rate with respect to a series of Series 2002 Notes, or if, for any reason, such manner of determination shall be held to be invalid or unenforceable, the Applicable Interest Rate for the next succeeding Interest Period shall be the Maximum Rate. The Maximum Rate with respect to each Interest Rate Determination Date shall be determined and communicated by the Auction Agent in accordance with Section 6 hereof and the Auction Agent Agreement. If the Auction Agent shall fail or refuse to determine the Maximum Rate, the Maximum Rate shall be determined by a securities dealer appointed by the Issuer capable of making such a determination in accordance with the provisions hereof and written notice of such determination shall be given by such securities dealer to the Trustee.

If the Auction Rate for a series of Series 2002 Notes is greater than the Maximum Rate, then the Applicable Interest Rate with respect to such series for the related Interest Period will be the Maximum Rate. The excess of the amount of interest that would have accrued on the Series 2002 Notes at the Auction Rate over the amount of interest actually accrued at the Maximum Rate will accrue as the Carry-Over Amount. Such determination of the Carry-Over Amount shall be made separately for each series of Series 2002 Notes. Each Carry-Over Amount shall bear interest for each Interest Period calculated at a rate equal to One-Month LIBOR (as determined by the Auction Agent on the related Interest Rate Determination Date, provided the Trustee has received notice of One-Month LIBOR from the Auction Agent, and, if the Trustee shall not have received such notice from the Auction Agent, then as determined by the Trustee on such date) from the Interest Payment Date for the Interest Period with respect to which such Carry-Over Amount was calculated, until paid. Any payment in respect of Carry-Over Amount shall be applied, first, to any accrued interest payable thereon and thereafter in reduction of such Carry-Over Amount. For purposes of this Second Supplemental Indenture, the Indenture and the Series 2002 Notes, any reference to "principal" or "interest" herein and therein shall not include, within the meaning of such words, any Carry-Over Amount or any interest accrued on any Carry-Over Amount. Such Carry-Over Amount shall be separately calculated for each Series 2002 Note of such series by the Trustee during such Interest Period in sufficient time for the Trustee to give notice to each Holder of such Carry-Over Amount as required in the next succeeding sentence. On the Interest Payment Date for an Interest Period with respect to which such Carry-Over Amount has been calculated by the Trustee, the Trustee shall give written notice to each Holder of the Carry-Over Amount applicable to such Holder's Series 2002 Note, which written notice may accompany the payment of interest (if made by check made to each such Holder on such Interest Payment Date) or otherwise shall be mailed on such Interest Payment Date by first-class mail, postage prepaid, to each such Holder at such Holder's address as it appears on the registration books maintained by the Note Registrar. Such notice shall state, in addition to such Carry-Over Amount, that, unless and until a Series 2002 Note has been redeemed under the Indenture (after which all accrued Carry-Over Amount with respect to such

Series 2002 Note, and all accrued interest thereon, that remains unpaid shall be canceled and no Carry-Over Amount, or interest accrued thereon, shall be paid with respect to such Series 2002 Note), (i) the Carry-Over Amount (and interest accrued thereon) shall be paid by the Trustee on the first occurring Interest Payment Date for a subsequent Interest Period if and to the extent that (a) the Eligible Carry-Over Make-Up Amount with respect to such Interest Period is greater than zero, and (b) moneys are available pursuant to the terms of the Indenture to pay such Carry-Over Amount (and interest accrued thereon), and (ii) interest shall accrue on the Carry-Over Amount at a per annum rate equal to One-Month LIBOR until such Carry-Over Amount is paid in full or is canceled.

The Carry-Over Amount (and interest accrued thereon) on Outstanding Series 2002 Notes of a series shall be paid by the Trustee on the first occurring Interest Payment Date for a subsequent Interest Period with respect to such series if and to the extent that (i) the Eligible Carry-Over Make-Up Amount with respect to such Interest Period is greater than zero, and (ii) moneys in the Collection Fund and the Surplus Fund are available on the Monthly Calculation Date immediately preceding the month in which such Interest Payment Date occurs, for transfer to the Interest Account for such purpose in accordance with Sections 4.6 and 4.8 of the Indenture, after taking into account all other amounts payable from the Collection Fund and the Surplus Fund in accordance with such Sections on such Monthly Calculation Date. Any Carry-Over Amount (and any interest accrued thereon) with respect to any Series 2002 Note which is unpaid as of the Maturity of such Series 2002 Note shall be paid to the Holder thereof on the date of such Maturity to the extent that moneys are available therefor in accordance with the provisions of the preceding clause (ii); *provided, however*, that any Carry-Over Amount (and any interest accrued thereon) which is not so paid on the date of such Maturity shall be canceled with respect to such Series 2002 Note on the date of such Maturity and shall not be paid on any succeeding Interest Payment Date. To the extent that any portion of the Carry-Over Amount (and any interest accrued thereon) remains unpaid after payment of a portion thereof, such unpaid portion shall be paid in whole or in part as required hereunder until fully paid by the Trustee on the next occurring Interest Payment Date(s), as necessary, for the subsequent Interest Period(s), if and to the extent that the conditions in the first sentence of this paragraph are satisfied. On any Interest Payment Date(s) on which the Trustee pays less than all of the Carry-Over Amount (and any interest accrued thereon) with respect to a Series 2002 Note, the Trustee shall give written notice in the manner set forth in the immediately preceding paragraph to the Holder of such Series 2002 Note of the Carry-Over Amount remaining unpaid on such Series 2002 Note.

The Interest Payment Date on which any Carry-Over Amount (or any interest accrued thereon) for a series of Series 2002 Notes shall be paid shall be determined by the Trustee in accordance with the provisions of the immediately preceding paragraph, and the Trustee shall make payment of the Carry-Over Amount (and any interest accrued thereon) in the same manner as it pays interest on the Series 2002 Notes on an Interest Payment Date.

#### SECTION 4. DETERMINING THE APPLICABLE INTEREST RATE.

By purchasing Series 2002 Notes, whether in an Auction or otherwise, each purchaser of the Series 2002 Notes, or its Broker-Dealer, must agree and shall be deemed by such purchase to

have agreed (i) to participate in Auctions on the terms described herein, (ii) to have its beneficial ownership of the Series 2002 Notes maintained at all times in Book Entry Form for the account of its Participant, which in turn will maintain records of such beneficial ownership, (iii) to authorize such Participant to disclose to the Auction Agent such information with respect to such beneficial ownership as the Auction Agent may request; (iv) that a Sell Order placed by an Existing Holder will constitute an irrevocable offer to sell the principal amount of the Series 2002 Notes specified in such Sell Order; (v) that a Bid placed by an Existing Holder will constitute an irrevocable offer to sell the principal amount, or a lesser principal amount, of the Series 2002 Notes specified in such Bid if the rate specified in such Bid is greater than, or in some cases equal to, the Applicable Interest Rate, determined as described herein; and (vi) that a Bid placed by a Potential Holder will constitute an irrevocable offer to purchase the amount, or a lesser principal amount, of the Series 2002 Notes specified in such Bid if the rate specified in such Bid is, respectively, less than or equal to the Applicable Interest Rate, determined as set forth herein.

So long as the ownership of a series of Series 2002 Notes is maintained in Book-Entry Form by the Securities Depository, an Existing Holder may sell, transfer or otherwise dispose of Series 2002 Notes of such series only pursuant to a Bid or Sell Order placed in an Auction or otherwise sell, transfer or dispose of Series 2002 Notes through a Broker-Dealer, *provided* that, in the case of all transfers other than pursuant to Auctions, such Existing Holder, its Broker-Dealer or its Participant advises the Auction Agent of such transfer. Auctions shall be conducted on each Auction Date, if there is an Auction Agent on such Auction Date, in the following manner (such procedures to be applicable separately to each series of the Series 2002 Notes):

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

(A) each Existing Holder of Series 2002 Notes may submit to a Broker-Dealer by telephone or otherwise information as to:

(1) the Principal Amount of Outstanding Series 2002 Notes, if any, owned by such Existing Holder which such Existing Holder desires to continue to hold without regard to the Auction Rate for the next succeeding Auction Period;

(2) the Principal Amount of Outstanding Series 2002 Notes, if any, which such Existing Holder offers to sell if the Auction Rate for the next succeeding Auction Period shall be less than the rate per annum specified by such Existing Holder; and/or

(3) the Principal Amount of Outstanding Series 2002 Notes, if any, owned by such Existing Holder which such Existing Holder offers to sell without regard to the Auction Rate for the next succeeding Auction Period; and

(B) one or more Broker-Dealers may contact Potential Holders to determine the Principal Amount of Series 2002 Notes which each Potential Holder offers to purchase, if the Auction Rate for the next succeeding Auction Period shall not be less than the rate per annum specified by such Potential Holder.

For the purposes hereof, the communication to a Broker-Dealer of information referred to in clause (A) or (B) of this paragraph (i) is herein referred to as an “*Order*,” and each Existing Holder and each Potential Holder placing an Order is herein referred to as a “*Bidder*”; an Order described in clause (A)(1) is herein referred to as a “*Hold Order*”; an Order described in clauses (A)(2) and (B) is herein referred to as a “*Bid*”; and an Order described in clause (A)(3) is herein referred to as a “*Sell Order*.”

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

(1) the Principal Amount of Outstanding Series 2002 Notes specified in such Bid if the Auction Rate determined as provided in this Section 4 shall be less than the rate specified therein; or

(2) such Principal Amount, or a lesser Principal Amount of Outstanding Series 2002 Notes to be determined as set forth in Section 4(d)(i)(D) hereof, if the Auction Rate determined as provided in this Section 4 shall be equal to the rate specified therein; or

(3) such Principal Amount, or a lesser Principal Amount of Outstanding Series 2002 Notes to be determined as set forth in Section 4(d)(ii)(C) hereof, if the rate specified therein shall be higher than the Maximum Rate and Sufficient Bids have not been made.

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

(1) the Principal Amount of Outstanding Series 2002 Notes specified in such Sell Order; or

(2) such Principal Amount, or a lesser Principal Amount of Outstanding Series 2002 Notes determined as set forth in Section 4(d)(ii)(C) hereof, if Sufficient Bids have not been made.

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

(1) the Principal Amount of Outstanding Series 2002 Notes specified in such Bid if the Auction Rate determined as provided in this Section 4 shall be higher than the rate specified in such Bid; or

(2) such Principal Amount, or a lesser Principal Amount of Outstanding Series 2002 Notes determined as set forth in Section 4(d)(i)(E) hereof, if the Auction Rate determined as provided in this Section 4 shall be equal to the rate specified in such Bid.

(b) *Submission by a Broker-Dealer to the Auction Agent.* (i) Each Broker-Dealer shall submit in writing to the Auction Agent prior to the Submission Deadline on each Auction Date all Orders obtained by such Broker-Dealer and shall specify with respect to each such Order:

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

(B) the aggregate Principal Amount of Series 2002 Notes that are the subject of such Order;

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

(1) the Principal Amount of Series 2002 Notes, if any, subject to any Hold Order placed by such Existing Holder;

(2) the Principal Amount of Series 2002 Notes, if any, subject to any Bid placed by such Existing Holder and the rate specified in such Bid; and

(3) the Principal Amount of Series 2002 Notes, if any, subject to any Sell Order placed by such Existing Holder; and

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

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

(iii) If an Order or Orders covering all Outstanding Series 2002 Notes owned by an Existing Holder is not submitted to the Auction Agent prior to the Submission Deadline, the Auction Agent shall deem a Hold Order to have been submitted on behalf of such Existing Holder covering the Principal Amount of Outstanding Series 2002 Notes owned by such Existing Holder and not subject to an Order submitted to the Auction Agent.

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

(v) If any Existing Holder submits through a Broker-Dealer to the Auction Agent one or more Orders covering in the aggregate more than the Principal Amount of Outstanding Series 2002 Notes owned by such Existing Holder, such Orders shall be considered valid as follows and in the following order of priority:

(A) All Hold Orders shall be considered valid, but only up to the aggregate Principal Amount of Outstanding Series 2002 Notes held by such Existing Holder, and if the aggregate Principal Amount of Series 2002 Notes subject to such Hold Orders exceeds the aggregate Principal Amount of Series 2002 Notes held by such Existing Holder, the aggregate Principal Amount of Series 2002 Notes subject to each such Hold Order shall be reduced pro rata so that the aggregate Principal Amount of Series 2002 Notes subject to such Hold Order equals the aggregate Principal Amount of Outstanding Series 2002 Notes owned by such Existing Holder.

(B) (1) any Bid shall be considered valid up to an amount equal to the excess of the Principal Amount of Outstanding Series 2002 Notes owned by such Existing Holder over the aggregate Principal Amount of Series 2002 Notes subject to any Hold Order referred to in clause (A) of this paragraph (v);

(2) subject to subclause (1) of this clause (B), if more than one Bid with the same rate is submitted on behalf of such Existing Holder and the aggregate Principal Amount of Outstanding Series 2002 Notes subject to such Bids is greater than such excess, such Bids shall be considered valid up to and including an amount equal to such excess, and the stated amount of Outstanding Series 2002 Notes subject to each Bid with the same rate shall be reduced pro rata to cover the stated amount of Outstanding Series 2002 Notes equal to such excess;

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

(4) in any such event, the amount of Outstanding Series 2002 Notes, if any, subject to Bids not valid under this clause (B) shall be treated as the subject of a Bid by a Potential Holder at the rate therein specified; and

(C) All Sell Orders shall be considered valid up to an amount equal to the excess of the Principal Amount of Outstanding Series 2002 Notes held by such Existing Holder over the aggregate Principal Amount of Series 2002 Notes subject to valid Hold Orders referred to in clause (A) of this paragraph (v) and valid Bids referred to in clause (B) of this paragraph (v).



(vi) If more than one Bid for Series 2002 Notes is submitted on behalf of any Potential Holder, each Bid submitted shall be a separate Bid with the rate and Principal Amount therein specified.

(vii) Any Bid or Sell Order submitted by an Existing Holder covering an aggregate Principal Amount of Series 2002 Notes not equal to an Authorized Denomination shall be rejected and shall be deemed a Hold Order. Any Bid submitted by a Potential Holder covering an aggregate Principal Amount of Series 2002 Notes not equal to an Authorized Denomination shall be rejected.

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

(ix) An Existing Holder that offers to purchase additional Series 2002 Notes is, for purposes of such offer, treated as a Potential Holder.

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

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

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

(A) the excess of the total Principal Amount of Outstanding Series 2002 Notes over the sum of the aggregate Principal Amount of Outstanding Series 2002 Notes subject to Submitted Hold Orders (such excess being herein referred to as the "*Available Series 2002 Notes*"), and

(B) from the Submitted Orders whether:

(1) the aggregate Principal Amount of Outstanding Series 2002 Notes subject to Submitted Bids by Potential Holders specifying one or more rates equal to or lower than the Maximum Interest Rate exceeds or is equal to the sum of:

(y) the aggregate Principal Amount of Outstanding Series 2002 Notes subject to Submitted Bids by Existing Holders

specifying one or more rates higher than the Maximum Interest Rate, and

(z) the aggregate Principal Amount of Outstanding Series 2002 Notes subject to Submitted Sell Orders;

(in the event such excess or such equality exists, other than because the sum of the Principal Amount of Series 2002 Notes in subclauses (2) and (3) above is zero because all of the Outstanding Series 2002 Notes are subject to Submitted Hold Orders, such Submitted Bids described in subclause (1) above shall be referred to collectively as "*Sufficient Bids*"); and

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

(1) (y) each such Submitted Bid from Existing Holders specifying such lowest rate and (z) all other Submitted Bids from Existing Holders specifying lower rates were rejected (thus entitling such Existing Holders to continue to own the Principal Amount of Series 2002 Notes subject to such Submitted Bids); and

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

the result would be that such Existing Holders described in subclause (1) above would continue to own an aggregate Principal Amount of Outstanding Series 2002 Notes which, when added to the aggregate Principal Amount of Outstanding Series 2002 Notes to be purchased by such Potential Holders described in subclause (2) above, would equal not less than the Available Series 2002 Notes.

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

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

(B) if Sufficient Bids do not exist (other than because all of the Outstanding Series 2002 Notes are subject to Submitted Hold Orders), that the Auction Rate for the next succeeding Interest Period shall be equal to the Maximum Rate; or

(C) if all Outstanding Series 2002 Notes are subject to Submitted Hold Orders, that the Auction Rate for the next succeeding Interest Period shall be equal to the All Hold Rate.

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

If for any Interest Period the Auction Rate exceeds the Maximum Rate, the Applicable Interest Rate for such Interest Period shall equal the Maximum Rate. If the Maximum Auction Rate is less than the Auction Rate, the Applicable Interest Rate will be the Maximum Auction Rate. If the Auction Agent has not received Sufficient Bids (other than because all of the Outstanding Series 2002 Notes are subject to Submitted Hold Orders), the Applicable Interest Rate will be the Maximum Rate. In any of the cases described above, Submitted Orders will be accepted or rejected and the Auction Agent will take such other action as described below in subparagraph (ii) of Section 4(d) hereof.

(d) *Acceptance and Rejection of Submitted Bids and Submitted Sell Orders.* Existing Holders shall continue to own the Principal Amount of Series 2002 Notes that are subject to Submitted Hold Orders, and, based on the determinations made pursuant to Section 4(c)(i) hereof, Submitted Bids and Submitted Sell Orders shall be accepted or rejected, and the Auction Agent shall take such other action as described below:

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

(A) Existing Holders' Submitted Bids specifying any rate that is higher than the Winning Bid Rate shall be accepted, thus requiring each such Existing Holder to sell the aggregate Principal Amount of Series 2002 Notes subject to such Submitted Bids;

(B) Existing Holders' Submitted Bids specifying any rate that is lower than the Winning Bid Rate shall be rejected, thus entitling each such Existing Holder to continue to own the aggregate Principal Amount of Series 2002 Notes subject to such Submitted Bids;

(C) Potential Holders' Submitted Bids specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus requiring such Potential Owner to purchase the aggregate Principal Amount of Series 2002 Notes subject to such Submitted Bid;

(D) Each Existing Holders' Submitted Bid specifying a rate that is equal to the Winning Bid Rate shall be rejected, thus entitling such Existing Holder to continue to own the aggregate Principal Amount of

Series 2002 Notes subject to such Submitted Bid, unless the aggregate Principal Amount of Outstanding Series 2002 Notes subject to all such Submitted Bids shall be greater than the Principal Amount of Series 2002 Notes (the "*Remaining Principal Amount*") equal to the excess of the Available Series 2002 Notes over the aggregate Principal Amount of Series 2002 Notes subject to Submitted Bids described in clauses (B) and (C) of this Section 4(d)(i), in which event such Submitted Bid of such Existing Holder shall be rejected in part, and such Existing Holder shall be entitled to continue to own the Principal Amount of Series 2002 Notes subject to such Submitted Bid, but only in an amount equal to the aggregate Principal Amount of Series 2002 Notes obtained by multiplying the Remaining Principal Amount by a fraction, the numerator of which shall be the Principal Amount of Outstanding Series 2002 Notes owned by such Existing Holder subject to such Submitted Bid and the denominator of which shall be the sum of the Principal Amount of Outstanding Series 2002 Notes subject to such Submitted Bids made by all such Existing Holders that specified a rate equal to the Winning Bid Rate; and

(E) Each Potential Holder's Submitted Bid specifying a rate that is equal to the Winning Bid Rate shall be accepted, but only in an amount equal to the Principal Amount of Series 2002 Notes obtained by multiplying the excess of the aggregate Principal Amount of Available Series 2002 Notes over the aggregate Principal Amount of Series 2002 Notes subject to Submitted Bids described in clauses (B), (C) and (D) of this Section 4(d)(i) by a fraction, the numerator of which shall be the aggregate Principal Amount of Outstanding Series 2002 Notes subject to such Submitted Bid and the denominator of which shall be the sum of the Principal Amount of Outstanding Series 2002 Notes subject to Submitted Bids made by all such Potential Holders that specified a rate equal to the Winning Bid Rate.

(ii) If Sufficient Bids have not been made (other than because all of the Outstanding Series 2002 Notes are subject to Submitted Hold Orders), subject to the provisions of Section 4(d)(iv) hereof, Submitted Orders shall be accepted or rejected as follows in the following order of priority and all other Submitted Bids shall be rejected:

(A) Existing Holders' Submitted Bids specifying any rate that is equal to or lower than the Maximum Rate shall be rejected, thus entitling such Existing Holders to continue to own the aggregate Principal Amount of Series 2002 Notes subject to such Submitted Bids;

(B) Potential Holders' Submitted Bids specifying any rate that is equal to or lower than the Maximum Rate shall be accepted, thus requiring each Potential Holder to purchase the aggregate Principal Amount of Series 2002 Notes subject to such Submitted Bids; and

(C) each Existing Holder's Submitted Bid specifying any rate that is higher than the Maximum Rate and each Existing Holder's Submitted Sell Order shall be accepted, thus entitling each Existing Holder that submitted any such Submitted Bid or Submitted Sell Order to sell the Series 2002 Notes subject to such Submitted Bid or Submitted Sell Order, but in both cases only in an amount equal to the aggregate Principal Amount of Series 2002 Notes obtained by multiplying the aggregate Principal Amount of Series 2002 Notes subject to Submitted Bids described in clause (B) of this Section 4(d)(ii) by a fraction, the numerator of which shall be the aggregate Principal Amount of Outstanding Series 2002 Notes owned by such Existing Holder subject to such Submitted Bid or Submitted Sell Order and the denominator of which shall be the aggregate Principal Amount of Outstanding Series 2002 Notes subject to all such Submitted Bids and Submitted Sell Orders.

(iii) If all Outstanding Series 2002 Notes are subject to Submitted Hold Orders, all Submitted Bids shall be rejected.

(iv) If, as a result of the procedures described in paragraph (i) or (ii) of this Section 4(d), any Existing Holder would be entitled or required to sell, or any Potential Holder would be entitled or required to purchase, a Principal Amount of Series 2002 Notes that is not equal to an Authorized Denomination, the Auction Agent shall, in such manner as in its sole discretion it shall determine, round up or down the Principal Amount of Series 2002 Notes to be purchased or sold by any Existing Holder or Potential Holder so that the Principal Amount of Series 2002 Notes purchased or sold by each Existing Holder or Potential Holder shall be equal to an Authorized Denomination.

(v) If, as a result of the procedures described in paragraph (i) of this Section 4(d), any Potential Holder would be entitled or required to purchase less than an Authorized Denomination of Series 2002 Notes, the Auction Agent shall, in such manner as in its sole discretion it shall determine, allocate Series 2002 Notes for purchase among Potential Holders so that only Series 2002 Notes in Authorized Denominations are purchased by any Potential Holder, even if such allocation results in one or more of such Potential Holders not purchasing any Series 2002 Notes.

(e) Based on the result of each Auction, the Auction Agent shall determine the aggregate Principal Amount of Series 2002 Notes to be purchased and the aggregate Principal Amount of Series 2002 Notes to be sold by Potential Holders and Existing Holders on whose behalf each Broker-Dealer submitted Bids or Sell Orders and, with respect to each Broker-Dealer, to the extent that such aggregate Principal Amount of Series 2002 Notes to be sold differs from such aggregate Principal Amount of Series 2002 Notes to be purchased, determine to which other Broker-Dealer or Broker-Dealers acting for one or more purchasers such Broker-Dealer shall deliver, or from which other

Broker-Dealer or Broker-Dealers acting for one or more sellers such Broker-Dealer shall receive, as the case may be, Series 2002 Notes.

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

(g) Notwithstanding anything in this Second Supplemental Indenture to the contrary notwithstanding, no Auction will be held on any Auction Date hereunder during the continuance of a Payment Default (or on the next Business Day after a Payment Default is cured) or if the Series 2002 Notes are no longer in Book-Entry-Form.

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

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

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

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

SECTION 6. CALCULATION OF VARIOUS RATES.

The Auction Agent shall calculate the Maximum Auction Rate, the All Hold Rate and the Applicable LIBOR-Based Rate on each Auction Date and shall notify the Issuer, Trustee and the Broker-Dealers of the Maximum Auction Rate, the Maximum Interest Rate, the All Hold Rate and the Applicable LIBOR-Based Rate, all as provided in the Auction Agent Agreement. If the ownership of the Series 2002 Notes is no longer maintained in Book-Entry Form by the Securities Depository, the Trustee shall calculate the Maximum Rate on the Business Day immediately preceding the first day of each Interest Period after the delivery of definitive Series 2002 Notes pursuant to Section 17 hereof. If a Payment Default shall have occurred, the Trustee

shall calculate the Non-Payment Rate on the Interest Rate Determination Date for (i) each Interest Period commencing after the occurrence and during the continuance of such Payment Default and (ii) any Interest Period commencing less than two (2) Business Days after the cure of any Payment Default. The Auction Agent shall determine the Applicable LIBOR-Based Rate for each Interest Period other than the first Interest Period; *provided* that if the ownership of the Series 2002 Notes is no longer maintained in Book-Entry Form, or if a Payment Default has occurred, then the Trustee shall determine the Applicable LIBOR-Based Rate for each such Interest Period.

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

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

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

(a) By 10:00 a.m., New York City time, on each Regular Record Date with respect to the Series 2002 Notes, the Trustee shall determine the aggregate amounts of interest distributable on the next succeeding Interest Payment Date to the beneficial owners of each series thereof.

(b) As soon as practicable prior to each Interest Payment Date with respect to the Series 2002 Notes, the Trustee shall:

(i) confirm with the Auction Agent, so long as no Payment Default has occurred and is continuing and the ownership of the Series 2002 Notes is maintained in Book-Entry Form by the Securities Depository, (1) the date of such next Interest Payment Date and (2) the amount payable to the Auction Agent on such Interest Payment Date pursuant to Section 5(b) hereof;

(ii) advise the Securities Depository, so long as the ownership of the Series 2002 Notes is maintained in Book-Entry Form by the Securities Depository, upon request, of the aggregate amount of interest, and the aggregate amount (if any) of Carry-Over Amount and interest thereon, distributable on the next succeeding Interest Payment Date to the beneficial owners of each series thereof; and

(iii) pursuant to Section 3 hereof, advise the Holders of each series of Series 2002 Notes of any Carry-Over Amount accruing on such series.

SECTION 8. AUCTION AGENT.

(a) Deutsche Bank Trust Company Americas is hereby appointed as Initial Auction Agent to serve as agent for the Issuer in connection with Auctions. The Trustee and the Issuer will, and the Trustee is hereby directed to, enter into the Initial Auction Agent Agreement with Deutsche Bank Trust Company Americas, as the Initial Auction Agent. Any Substitute Auction Agent shall be (i) a bank, national banking association or trust company duly organized under the laws of the United States of America or any state or territory thereof having its principal place of business in the Borough of Manhattan, New York, or such other location as approved by the Trustee in writing and having a combined capital stock or surplus of at least \$50,000,000, or (ii) a member of the National Association of Securities Dealers, Inc., having a capitalization of at least \$50,000,000, and, in either case, authorized by law to perform all the duties imposed upon it hereunder and under the Auction Agent Agreement. The Auction Agent may at any time resign and be discharged of the duties and obligations created by this Second Supplemental Indenture by giving at least ninety (90) days' notice to the Trustee, the Market Agent and the Issuer. The Auction Agent may be removed at any time by the Trustee upon the written direction of an Authorized Officer of the Issuer or the Holders of 66 2/3% of the aggregate Principal Amount of the Series 2002 Senior Notes then Outstanding (or, if there shall be no Series 2002A Notes Outstanding, the Holders of 66-2/3% of the aggregate Principal Amount of the Series 2002B Notes), and if by such Holders, by an instrument signed by such Holders or their attorneys and filed with the Auction Agent, the Issuer and the Trustee upon at least ninety (90) days' notice. Neither resignation nor removal of the Auction Agent pursuant to the preceding two sentences shall be effective unless and until a Substitute Auction Agent has been appointed and has accepted such appointment. However, if a Substitute Auction Agent shall not have been appointed within sixty (60) days from the date of a notice of resignation, the resigning Auction Agent may petition any court of competent jurisdiction for the appointment of a Substitute Auction Agent. If required by the Issuer, a Substitute Auction Agent Agreement shall be entered into with a Substitute Auction Agent. Notwithstanding the foregoing, the Auction Agent may terminate the Auction Agent Agreement if, within twenty-five (25) days after notifying the Trustee, each Market Agent and the Issuer in writing that it has not received payment of any Auction Agent Fee due it in accordance with the terms of the Auction Agent Agreement, the Auction Agent does not receive such payment.

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

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



(d) In the event of a change in the Auction Agent Fee Rate pursuant to Section 6.4(b) of the Auction Agent Agreement, the Auction Agent shall give notice thereof to the Trustee in accordance with the Auction Agent Agreement.

#### SECTION 9. BROKER-DEALERS.

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

(b) Any Broker-Dealer may be removed at any time, at the request of an Authorized Officer of the Issuer, but there shall, at all times, be at least one Broker-Dealer appointed and acting as such with respect to each series of Series 2002 Notes.

#### SECTION 10. CHANGES IN AUCTION PERIOD OR PERIODS.

While any of the Series 2002 Notes are Outstanding, the Issuer may, from time to time, convert the length of one or more Auction Periods (an "*Auction Period Adjustment*"), in order to conform with then current market practice with respect to similar securities or to accommodate economic and financial factors that may affect or be relevant to the length of the Auction Period and the Applicable Interest Rate borne by any series of the Series 2002 Notes. The Issuer shall not initiate an Auction Period Adjustment unless it shall have received, not less than ten days nor more than twenty days prior to the Auction Period Adjustment, the written consent of the applicable Market Agent, which consent shall not be unreasonably withheld. The Issuer shall initiate the Auction Period Adjustment by giving written notice by Issuer Order to the Trustee, the Auction Agent, the applicable Market Agent and the Securities Depository in substantially the form of, or containing substantially the information contained in, Exhibit E to this Second Supplemental Indenture at least ten days prior to the Auction Date for such Auction Period.

Any such adjusted Auction Period shall not be less than seven days nor more than one year.

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

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

In connection with any Auction Period Adjustment, the Auction Agent shall provide such further notice to such parties as is specified in Section 2.5 of the Auction Agent Agreement.

#### SECTION 11. CHANGES IN THE AUCTION DATE.

The applicable Market Agent, with the written consent of an Authorized Officer of the Issuer and with the consent of any affected Broker-Dealer, may specify an earlier Auction Date (but in no event more than five Business Days earlier) than the Auction Date that would otherwise be determined in accordance with the definition of "Auction Date" in Section 1 of this Second Supplemental Indenture with respect to one or more specified Auction Periods for one or more series of Series 2002 Notes in order to conform with then current market practice with respect to similar securities or to accommodate economic and financial factors that may affect or be relevant to the day of the week constituting an Auction Date and the Applicable Interest Rate borne by the Series 2002 Notes of such series. The applicable Market Agent shall deliver a written request for consent to such change in the Auction Date to the Issuer not less than three days nor more than twenty days prior to the effective date of such change. The applicable Market Agent shall provide notice of its determination to specify an earlier Auction Date for one or more Auction Periods by means of a written notice delivered at least three days prior to the proposed changed Auction Date to the Trustee, the Auction Agent, the Issuer and the Securities Depository. Such notice shall be substantially in the form of, or contain substantially the information contained in, Exhibit G to this Second Supplemental Indenture.

In connection with any change described in this Section 11, the Auction Agent shall provide such further notice to such parties as is specified in Section 2.5 of the Auction Agent Agreement.

#### SECTION 12. ADDITIONAL PROVISIONS REGARDING THE APPLICABLE INTEREST RATE.

The determination of each Applicable Interest Rate by the Auction Agent or any other Person pursuant to the provisions of the applicable Section of this Second Supplemental Indenture shall be conclusive and binding on the Holders of the series of Series 2002 Notes to which such Applicable Interest Rate applies, and the Issuer and the Trustee may rely thereon for all purposes.

In no event shall the cumulative amount of interest paid or payable on a series of Series 2002 Notes (including interest calculated as provided herein, plus any other amounts that constitute interest on the Series 2002 Notes of such series under applicable law, which are contracted for, charged, reserved, taken or received pursuant to the Series 2002 Notes of such series or related documents) calculated from the date of issuance of such series through any subsequent day during the term of such series or otherwise prior to payment in full of the Series 2002 Notes of such series exceed the amount permitted by applicable law. If the applicable law is ever judicially interpreted so as to render usurious any amount called for under the Series 2002 Notes of a series or related documents or otherwise contracted for, charged, reserved, taken or

received in connection with the Series 2002 Notes of such series, or if the redemption or acceleration of the maturity of the Series 2002 Notes of such series results in payment to or receipt by the Holder or any former Holder of the Series 2002 Notes of such series of any interest in excess of that permitted by applicable law, then, notwithstanding any provision of the Series 2002 Notes of such series or related documents to the contrary, all excess amounts theretofore paid or received with respect to the Series 2002 Notes of such series shall be credited on the Principal Amount of the Series 2002 Notes of such series (or, if the Series 2002 Notes of such series have been paid or would thereby be paid in full, refunded by the recipient thereof), and the provisions of the Series 2002 Notes of such series and related documents shall automatically and immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for under the Series 2002 Notes of such series and under the related documents.

### SECTION 13. QUALIFICATIONS OF MARKET AGENT.

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

In the event that any Market Agent shall be removed or be dissolved, or if the property or affairs of any Market Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and there is no Market Agent for any series of Series 2002 Notes, and the Issuer shall not have appointed its successor as Market Agent, the Trustee, notwithstanding the provisions of the first paragraph of this Section 13, shall be deemed to be the Market Agent for such series for all purposes of this Second Supplemental Indenture until the appointment by the Issuer of the successor Market Agent. Nothing in this Section 13 shall be construed as conferring on the Trustee additional duties other than as set forth herein.

### SECTION 14. PURPOSES OF ISSUANCE OF SERIES 2002 NOTES.

The Series 2002 Notes are being issued (a) to provide funds to be used to acquire or originate Student Loans, (b) to pay Guarantee fees with respect to Financed Alternative Loans, (c) to pay interest on the Notes, Administrative Allowances, Marketing and School Services Expense Allowances and Note Fees, (d) to fund the Reserve Funds and (e) to pay costs of issuing the Notes.

SECTION 15. DEPOSIT OF SERIES 2002 NOTE PROCEEDS.

From the proceeds derived from the sale of the Series 2002 Notes, there shall be deposited with the Trustee:

- (i) for credit to the Acquisition Fund, an amount equal to \$415,587,949;
- (ii) for credit to the Collection Fund, an amount equal to \$5,638,500;
- (iii) for credit to the Administration Fund, an amount equal to \$691,950;
- (iv) for credit to the Reserve Fund, an amount equal to \$4,300,000; and
- (v) for credit to the Alternate Loan Loss Reserve Fund, an amount equal to \$2,491,601.

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

The amounts in the Debt Service Fund and the accounts therein may be held in the Collection Fund instead of the Debt Service Fund. In such case, the amounts held in the Collection Fund instead of the Debt Service Fund shall be distributed in the same amounts and to the same persons or accounts as would be the case if such amounts were being held in the Debt Service Fund, *provided, however*, that no amounts shall be paid with respect to any Subordinate Obligations unless the Senior Asset Percentage is at least equal to 102% on the date of such payment (other than with respect to payments of principal on the Notes, for which the Senior Asset Percentage must be at least 105% on the date of selection of the Notes to be redeemed).

SECTION 16. REDEMPTION OF SERIES 2002 NOTES.

The Series 2002 Notes are subject to redemption as provided in this Section 16.

(a) *Optional Redemption.* Subject to compliance with Section 3.2 of the Indenture and the next paragraph, Outstanding Series 2002 Notes of any series may, at the option of the Issuer and from amounts credited to the Retirement Account for such purpose, be redeemed on any regularly scheduled Interest Payment Date for such series, in whole or in part, at a Prepayment Price equal to 100% of the Principal Amount of Series 2002 Notes to be so redeemed plus accrued interest thereon to the Prepayment Date.

(b) *Mandatory Redemption.* The Series 2002 Notes of any series are subject to mandatory redemption on any regularly scheduled Interest Payment Date from revenues deposited to the Collection Fund pursuant to Section 4.6 of the Indenture. The Series 2002 Notes of each series selected for redemption as provided in subsection (c) of this Section 16 shall be redeemed on the first regularly scheduled Interest Payment Date for that series for which the

Trustee can give the required notice. The Prepayment Price will be 100% of the Principal Amount of such Notes to be redeemed, plus accrued interest thereon to the Prepayment Date.

The Principal Amount of Series 2002 Notes to be redeemed pursuant to this subsection (b) from revenues deposited to the Collection Fund and available for such purpose in accordance with Section 4.6 of the Indenture on any Monthly Calculation Date shall be equal to the largest Authorized Denomination.

(c) *Selection of Series 2002 Notes for Redemption.* If less than all Outstanding Series 2002 Notes are to be redeemed pursuant to subsections (a) or (b) of this Section 16, such Principal Amounts of each series of Series 2002 Notes as the Issuer may designate shall be selected for redemption, to the extent that the provisions of Section 3.2 of the Indenture will not be violated thereby. In the absence of valid direction by the Issuer, the Series 2002 Notes to be redeemed will be selected as follows: first from the Series 2002B Notes to the extent permitted by Section 3.2 of the Indenture, and thereafter in ascending numerical order of the series designation.

If less than all of the Outstanding Series 2002 Notes of a given series are to be redeemed pursuant to this Section 16, the particular Series 2002 Notes to be redeemed shall be selected by the Trustee by lot in such manner as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions of the principal of Series 2002 Notes in an Authorized Denomination.

The Trustee shall promptly notify the Note Registrar and any Paying Agent for the Series 2002 Notes (in each case, if other than the Trustee) in writing of the Series 2002 Notes selected for redemption and, in the case of any Series 2002 Note selected for partial redemption, the Principal Amount thereof to be redeemed.

For all purposes of the Indenture, unless the context otherwise requires, all provisions relating to the redemption of Series 2002 Notes shall relate, in the case of any Series 2002 Note redeemed or to be redeemed only in part, to the portion of the principal of such Series 2002 Note which has been or is to be redeemed.

(d) *Notice of Redemption.* Notice of redemption of Series 2002 Notes pursuant to this Section 16 shall be given not less than ten days nor more than 30 days prior to the Prepayment Date in accordance with the provisions of Section 3.4 of the Indenture.

#### SECTION 17. BOOK-ENTRY SERIES 2002 NOTES.

(a) Subject to subsection (c) below, the registered Holder of all Series 2002 Notes shall be the Securities Depository, and the Series 2002 Notes shall be registered in the name of the nominee for the Securities Depository.

(b) The Series 2002 Notes shall be initially issued in the form of one or more separate, authenticated fully-registered Series 2002 Notes for each series thereof in the aggregate Principal Amount of such series. Upon initial issuance, the ownership of each such Series 2002 Note shall

be registered in the registration books kept by the Note Registrar in the name of the nominee of the Securities Depository. The Trustee and the Issuer may treat the Securities Depository (or its nominee) as the sole and exclusive owner of the Series 2002 Notes registered in its name for the purposes of (1) payment of the principal or Prepayment Price of and interest on the Series 2002 Notes, (2) selecting the Series 2002 Notes or portions thereof to be redeemed, (3) giving any notice permitted or required to be given to Holders under the Indenture, (4) registering the transfer of Series 2002 Notes, and (5) obtaining any consent or other action to be taken by Holders and for all other purposes whatsoever, and neither the Trustee nor the Issuer shall be affected by any notice to the contrary (except as provided in subsection (c) below). Neither the Trustee nor the Issuer shall have any responsibility or obligation to any Participant, any beneficial owner of Series 2002 Notes or any other Person claiming a beneficial ownership interest in the Series 2002 Notes under or through the Securities Depository or any Participant, or any other Person which is not shown on the registration books of the Note Registrar as being a Holder, with respect to the accuracy of any records maintained by the Securities Depository or any Participant, the payment to the Securities Depository of any amount in respect of the principal or Prepayment Price of or interest on the Series 2002 Notes; any notice which is permitted or required to be given to Holders under the Indenture; the selection by the Securities Depository or any Participant of any Person to receive payment in the event of a partial redemption of the Series 2002 Notes; or any consent given or other action taken by the Securities Depository as Holder. The Trustee shall pay all principal and Prepayment Price of and interest on the Series 2002 Notes only to or upon the order of the Securities Depository, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to the principal, purchase price or Prepayment Price of and interest on the Series 2002 Notes to the extent of the sum or sums so paid. Except as provided in subsection (c) below, no Person other than the Securities Depository shall receive an authenticated Series 2002 Note evidencing the obligation of the Issuer to make payments of principal or Prepayment Price and interest pursuant to this Indenture. Upon delivery by the Securities Depository to the Trustee of written notice to the effect that the Securities Depository has determined to substitute a new nominee in place of the preceding nominee, the Series 2002 Notes will be transferable to such new nominee in accordance with subsection (f) below.

(c) In the event the Issuer determines that it is in the best interest of the Issuer not to continue the Book-Entry System of transfer or that the interest of the Holders might be adversely affected if the Book-Entry System of transfer is continued, the Issuer may so notify the Securities Depository and the Trustee, whereupon the Securities Depository will notify the Participants of the availability through the Securities Depository of definitive Series 2002 Notes. In such event, the Trustee shall authenticate, transfer and exchange definitive Series 2002 Notes as requested by the Securities Depository in appropriate amounts in accordance with subsection (f) below. The Securities Depository may determine to discontinue providing its services with respect to the Series 2002 Notes at any time by giving notice to the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable law, or the Issuer may determine that the Securities Depository is incapable of discharging its responsibilities and may so advise the Securities Depository. In either such event, the Issuer shall either establish its own Book-Entry System or use reasonable efforts to locate another securities depository. Under such circumstances (if there is no successor Securities Depository), the Issuer and the Trustee shall be obligated to deliver definitive Series 2002 Notes as described in this Indenture and in accordance

with subsection (f) below. In the event definitive Series 2002 Notes are issued, the provisions of the Indenture and this Supplemental Indenture shall apply to such definitive Series 2002 Notes in all respects, including, among other things, the transfer and exchange of such Series 2002 Notes and the method of payment of principal or Prepayment Price of and interest on such Series 2002 Notes. Whenever the Securities Depository requests the Issuer and the Trustee to do so, the Issuer and the Trustee will cooperate with the Securities Depository in taking appropriate action after reasonable notice (A) to make available one or more separate definitive Series 2002 Notes to any Participant having Series 2002 Notes credited to its account with the Securities Depository or (B) to arrange for another securities depository to maintain custody of definitive Series 2002 Notes.

(d) Notwithstanding any other provision of the Indenture to the contrary, so long as any Series 2002 Note is registered in the name of the nominee of the Securities Depository, all payments with respect to the principal or Prepayment Price of and interest on such Series 2002 Note and all notices with respect to such Series 2002 Note shall be made and given, respectively, to the Securities Depository as provided in its letter of representations.

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

(f) In the event that any transfer or exchange of Series 2002 Notes is permitted under subsection (b) or (c) of this Section 17, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered Holder thereof of the Series 2002 Notes to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of the Indenture. In the event definitive Series 2002 Notes are issued to Holders other than the nominee of the Securities Depository, or another securities depository as Holder of all the Series 2002 Notes, the provisions of the Indenture shall also apply to, among other things, the printing of such definitive Series 2002 Notes and the methods of payment of principal or Prepayment Price of and interest on such Series 2002 Notes.

#### SECTION 18. LIMITATION ON NOTE FEES.

For so long as any Series 2002 Notes shall be Outstanding, the Issuer covenants and agrees that the Note Fees with respect to the Series 2002 Notes to be paid, or reimbursed to the Issuer, from the Administration Fund shall not, in any year, exceed the sum of (1) the annual fees of the Trustee, the Eligible Lender Trustee and the Market Agent in effect as of the Closing Date, plus (2) the Broker-Dealer Fees payable at the Broker-Dealer Fee Rate in effect as of the Closing Date, plus (3) the Auction Agent Fees payable at the Auction Agent Fee Rate in effect as of the Closing Date, unless the Issuer delivers to the Trustee written confirmation from each of the Rating Agencies then rating the Series 2002 Notes to the effect that payment or reimbursement

of such additional Note Fees will not result in a reduction or withdrawal of the rating of the Series 2002 Notes.

SECTION 19.       LIMITATION ON ACQUISITION OF ALTERNATIVE LOANS; ALTERNATIVE LOAN LOSS RESERVE FUND.

(a) For so long as any Series 2002 Notes shall be Outstanding, the Issuer covenants and agrees that the amounts transferred from the Collection Fund to the Acquisition Fund during the Revolving Period for the acquisition or origination of Financed Student Loans (other than the repurchase of Alternative Loans with respect to which Guarantee payments had previously been made, as required by the Alternative Loan Guaranty Agreement) shall not be used to acquire or originate Alternative Loans to the extent that the aggregate principal balance of Financed Alternative Loans would, upon such acquisition or origination, exceed 50% of the aggregate principal balance of all Financed Student Loans, unless the Issuer delivers to the Trustee written confirmation from each of the Rating Agencies then rating the Series 2002 Notes to the effect that acquisition or origination of such additional Student Loans of such type will not result in a reduction or withdrawal of the rating of the Series 2002 Notes. The payment of Guarantee fees with moneys in the Acquisition Fund shall not be deemed to be the origination or acquisition of an additional amount of Alternative Loans.

(b) Upon each purchase or origination of an Alternative Loan with amounts in the Acquisition Fund, the Issuer shall deposit or cause to be deposited into the Alternative Loan Loss Reserve Fund from amounts in the Acquisition Fund an amount equal to 4% of the current Principal Balance of such Alternative Loan (or such other amount as may be directed by the Issuer; *provided, however*, that no smaller amount shall be directed by the Issuer unless the Rating Agency Condition has been satisfied).

SECTION 20.       CERTAIN DESIGNATIONS PURSUANT TO THE INDENTURE.

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

(i) the "*Senior Asset Requirement*" shall mean that, as of the date of determination, the Senior Asset Percentage is at least equal to 105% and the Subordinate Asset Percentage is at least equal to 100.5%; and

(ii) the "*Asset Release Requirement*" shall mean that, as of the date of determination, (A) the Senior Asset Percentage is at least equal to 105% and the Subordinate Asset Percentage is at least equal to 101.5% and (B) the Aggregate Value of assets held under the Indenture, less the principal amount of all Notes Outstanding will exceed \$500,000 after release or payment;

or, in either case, such greater amount(s) as may be provided in a Supplemental Indenture providing for the issuance of any series of Notes any of which are then Outstanding; *provided*, that in connection with any proposed amendment to the Indenture to reduce any such



requirements to levels not below those set forth above, the Holders of all Outstanding Series 2000 Notes and Series 2002 Notes shall be deemed to have consented to such amendment.

(b) For purposes of making the deposits required by Section 4.7.1 of the Indenture with respect to the Series 2002 Notes, for any Interest Period for which the actual Applicable Interest Rate with respect to a series of Series 2002 Notes is not known on the Monthly Calculation Date, such series of Series 2002 Notes shall be assumed to bear interest at the rate determined by the Issuer and set forth in an Issuer Order.

SECTION 21. MANDATORY REDEMPTION OF OR DISTRIBUTIONS OF PRINCIPAL WITH RESPECT TO NOTES.

(a) For purposes of Section 3.3 of the Indenture and subject to the provisions of Section 3.2 of the Indenture, if less than all Outstanding Series 2002 Notes are to be redeemed, the particular series from which Notes shall be redeemed will be determined by Issuer.

(b) For purposes of Section 3.3 of the Indenture, any Supplemental Indenture pursuant to which any series of Notes is issued may provide that amounts transferred to the Retirement Account for the mandatory redemption of, or distribution of principal with respect to, Notes shall be applied to such series of Notes, or any portions thereof, either prior to or after the application of such amounts to the Series 2002 Notes, or shall be allocated between such series of Notes and the Series 2002 Notes in any other manner. This Section shall not alter the limitation set forth in Section 3.2 of the Indenture.

SECTION 22. LIST OF NON-BUSINESS DAYS.

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

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

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

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

(2) The Series 2002 Senior Notes constitute, and are hereby designated as, "Senior Notes" within the meaning of the term as defined and used in the Indenture, and the Series 2002B Notes constitute, and are hereby designated as, "Subordinate Notes" within the meaning of the term as defined and used in the Indenture.

(3) Upon receipt of the proceeds of the sale of the Series 2002 Notes, (1) the revenues and other moneys and property pledged under the Indenture will not be encumbered by any lien or charge thereon or pledge thereof, other than the lien and charge thereon and pledge thereof created by the Indenture for the payment and security of the Notes and (2) there will not be outstanding any bonds, notes or other evidences of indebtedness payable from and secured by a lien on or pledge or charge upon the revenues and other moneys and property pledged under the Indenture.

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

(b) The Issuer hereby amends the First Supplemental Indenture as follows:

(1) The words "October 1, 2002" are hereby deleted from the definition of "Revolving Period" and are hereby replaced with "April 1, 2004."

(2) The definition of "Administrative Allowance" is hereby deleted and replaced with the following: "*Administrative Allowance*" shall mean (a) a monthly allowance equal to 1/12 of 0.5% of the ending Principal Balance of the Financed Student Loans, plus accrued interest thereon, during the preceding month, and (b) additional costs and expenses not to exceed \$30,000 per annum, or such greater or lesser amount as may be provided by Issuer Order (*provided* that the Rating Agency Condition is met with respect to any increase in such amount).

(3) The following definition is hereby added to Section 1: "*Marketing and School Services Expense Allowance*" shall mean a monthly allowance equal to 1/12 of 0.1% of the ending Principal Balance of the Financed Student Loans, plus accrued interest thereon, during the preceding month, or such greater or lesser amount as may be provided by Issuer Order (*provided* that the Rating Agency Condition is met with respect to any increase in such amount).

(4) The definition of "T.H.E. Bonus Deposit" is hereby deleted and replaced with the following: "*T.H.E. Bonus Deposit*" initially shall mean an amount equal to 130 basis points per annum multiplied by the Principal Balance of the Financed Student Loans in repayment (and not delinquent more than 60 days) (75 basis points per annum with respect to the Consolidation Loans) calculated and transferred monthly from the Collection Account to the Issuer Administrator on each Monthly Calculation Date. Such amounts shall be made through March 31, 2004, unless extended or amended as to timing or amount as provided by an Issuer Order (*provided* that the Rating Agency Condition is met with respect to such extension or amendment).

- (5) Section 18 is hereby deleted and replaced with the following:

SECTION 18. Limitation on Fees.

For so long as any Series 2000 Notes shall be Outstanding, the Issuer covenants and agrees that the Note Fees with respect to the Series 2000 Notes to be paid, or reimbursed to the Issuer, from the Administration Fund shall not, in any year, exceed the sum of (1) the annual fees of the Trustee, the Eligible Lender Trustee and the Market Agent in effect as of the Closing Date, plus (2) the Broker-Dealer Fees payable at the Broker-Dealer Fee Rate in effect as of the Closing Date, plus (3) the Auction Agent Fees payable at the Auction Agent Fee Rate in effect as of the Closing Date, unless the Issuer delivers to the Trustee written confirmation from each of the Rating Agencies then rating the Series 2000 Notes to the effect that payment or reimbursement of such additional Note Fees will not result in a reduction or withdrawal of the rating of the Series 2000 Notes.

- (6) The reference to the State of New York in Section 24 is hereby deleted and replaced with the State of Minnesota.

- (c) The Issuer hereby amends the second paragraph of Section 4.2 of the Indenture to read as follows:

Balances in the Acquisition Fund shall be used only for (a) the acquisition of Eligible Loans, (b) the origination of Eligible Loans, including all origination and guarantee fees, if any, in connection therewith, (c) the redemption or purchase of, or distribution of principal with respect to, Notes as provided in a Supplemental Indenture providing for the issuance of such Notes, (d) the payment of Debt Service on the Notes and Other Obligations when due (upon transfer to the Debt Service Fund as set forth in the following paragraph), (e) marketing costs pursuant to a Marketing Agreement, (f) the deposit of amounts into the Alternative Loan Loss Reserve Fund or (g) such other purposes related to the Issuer's loan programs as may be provided in the Supplemental Indenture authorizing a series of Notes; *provided, however*, if after any reauthorization or amendment of the Higher Education Act, Eligible Loans authorized thereunder have terms or provisions materially and adversely different from Eligible Loans so authorized prior to such reauthorization or amendment, such loans shall not be acquired hereunder unless the Rating Agency Condition is met with respect to such acquisition. The Trustee shall make payments from the Acquisition Fund to Lenders for the acquisition of Eligible Loans (such payments to be made at purchase prices not in excess of any limitation specified in a Supplemental Indenture), upon receipt by the Trustee of an Eligible Loan Acquisition Certificate and all documents and certificates required thereby. The Trustee shall make payments from the Acquisition Fund for the origination of Eligible Loans including all origination and guarantee fees, if any, in connection therewith, upon

receipt by the Trustee of an Eligible Loan Origination Certificate and all documents and certificates required thereby or by any other Issuer Order or Issuer Certificate.

SECTION 24. GOVERNING LAW.

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

SECTION 25. HEADINGS; TABLE OF CONTENTS.

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

SECTION 26. SEVERABILITY.

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

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

SECTION 27. COUNTERPARTS.

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

SECTION 28. EFFECT OF SECOND SUPPLEMENTAL INDENTURE.

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

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

NORTHSTAR GUARANTEE, INC., DIVISION B

By: *Garrett P. Strout*  
Title: President

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By: \_\_\_\_\_  
Title: \_\_\_\_\_

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

NORTHSTAR GUARANTEE, INC., DIVISION B

By: \_\_\_\_\_  
Title: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee


By:  \_\_\_\_\_  
Title: **Daniel R. Bley**  
**Vice President & Trust Officer**

EXHIBIT A

FORM OF SERIES 2002A NOTES

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

\_\_\_\_\_  
AUCTION RATE STUDENT LOAN ASSET-BACKED NOTE  
SENIOR SERIES 2002A-\_\_\_\_

No. R-\_\_\_\_ \$[\_\_\_\_\_]

STATED MATURITY DATE	DATE OF ORIGINAL ISSUE	INTEREST RATE	CUSIP
		Variable	_____

REGISTERED HOLDER: CEDE & Co.

PRINCIPAL AMOUNT:

FOR VALUE RECEIVED, Northstar Guarantee, Inc., Division B, a membership organization the sole member of which is Great Lakes Higher Education Corporation, a nonprofit corporation organized under the laws of the State of Wisconsin (the "Corporation," which term includes any successor corporation under the Indenture hereinafter referred to), acknowledges itself indebted and hereby promises to pay to the registered holder specified above, or registered assigns (the "Registered Holder"), but solely from the revenues and receipts hereinafter specified and not otherwise, the Principal Amount specified above on the Stated Maturity Date specified above (subject to the right of prior redemption hereinafter mentioned), upon presentation and surrender of this Note at the Principal Office of the Trustee (as hereinafter defined), as Paying Agent for the Series 2002 Notes (as hereinafter defined), or a duly appointed successor Paying Agent, and to pay interest on said Principal Amount, but solely from the revenues and receipts hereinafter specified and not otherwise, to the Registered Holder hereof from the date hereof until the payment of said Principal Amount has been made or duly provided for, payable on each Interest Payment Date and at Maturity, at the Applicable Interest Rate (as hereinafter described), and at the same rate per annum (to the extent that the payment of such interest shall be legally enforceable) on overdue installments of interest. Payment of interest on this Note on each regularly scheduled Interest Payment Date shall be made by check or draft drawn upon the Paying Agent and mailed to the person who is the Registered Holder hereof as of 5:00 p.m. on

the applicable Regular Record Date at the address of such Registered Holder as it appears on the Note Register maintained by the Note Registrar, or, if the Registered Holder of this Note is the Registered Holder of Series 2002 Notes in the aggregate principal amount of \$1,000,000 or more (or, if less than \$1,000,000 in Principal Amount of Series 2002 Notes is outstanding, the Holder of all outstanding Series 2002 Notes), at the direction of such Registered Holder received by the Paying Agent by 5:00 p.m. on the last Business Day preceding the applicable Regular Record Date, by electronic transfer by the Paying Agent in immediately available funds to an account designated by such Registered Holder. In addition, interest on this Note is payable at the Maturity hereof in the same manner as the principal hereof, unless the date of such Maturity is a regularly scheduled Interest Payment Date, in which event interest is payable in the manner set forth in the preceding sentence. Any interest not so timely paid or duly provided for (herein referred to as "*Defaulted Interest*") shall cease to be payable to the person who is the Registered Holder hereof at the close of business on the Regular Record Date and shall be payable to the person who is the Registered Holder hereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the Defaulted Interest, and notice of the Special Record Date shall be given to the Registered Holder hereof not less than ten days prior thereto by first-class mail to such Registered Holder as shown on the Note Register on a date selected by the Trustee, stating the date of the special record date and the date fixed for the payment of such defaulted interest. The principal of, premium, if any, and interest on this Note are payable in lawful money of the United States of America.

This Note is one of an authorized issue of Notes, issued and to be issued by the Corporation in one or more series pursuant to an Indenture of Trust, dated as of November 1, 2000 (as supplemented and amended, the "*Indenture*"), from the Corporation and U.S. Bank National Association (f/k/a Firststar Bank, National Association), as eligible lender trustee, to U.S. Bank National Association (f/k/a Firststar Bank, National Association), as Trustee (the "*Trustee*," which term includes any successor trustee under the Indenture), as supplemented by a Second Supplemental Indenture of Trust, dated as of April 1, 2002 (the "*Second Supplemental Indenture*"), between the Corporation and the Trustee. As provided in the Indenture, the Series 2002 Notes are issuable in series which may vary as in the Indenture provided or permitted. This Note is one of a series of Senior Notes issued in an aggregate principal amount of \$65,500,000 (the "*Series 2002A-\_\_ Notes*"). The Series 2002A-\_\_ Notes are issued simultaneously with five other series of Senior Notes issued in the aggregate principal amount of \$65,500,000 (the "*Series 2002A-\_\_ Notes*"), \$65,500,000 (the Series 2002A-\_\_ Notes"), \$65,500,000 (the Series 2002A-\_\_ Notes"), \$65,500,000 (the Series 2002A-\_\_ Notes"), and \$65,500,000 (the Series 2002A-\_\_ Notes" and, together with the Series 2002A-\_\_ Notes, the 2002A-\_\_ Notes, the 2002A-\_\_ Notes, the 2002A-\_\_ Notes, collectively referred to herein as the "*Series 2002A Notes*"), and a series of Subordinated Notes issued in an aggregate principal amount of \$37,000,000 (the "*Series 2002B Notes*," and, together with the Series 2002A Notes, collectively referred to herein as the "*Series 2002 Notes*"). The proceeds of the Series 2002 Notes will be used by the Corporation to (a) provide funds to be used to acquire or originate Student Loans, (b) to pay guarantee fees with respect to Financed Alternative Loans, and (c) to pay interest on the Series 2002 Notes, Note Fees, Administrative Allowances and Marketing and School Services Expense Allowances, (d) to fund the Reserve Funds and (e) to pay costs of issuing the Notes.



Reference is hereby made to the Indenture, copies of which are on file in the Principal Office of the Trustee, and to all of the provisions of which any Registered Holder of this Note by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Notes and Other Obligations secured thereunder; the student loan acquisition program being financed by the issuance of the Notes; the revenues and other moneys pledged to the payment of the principal of and premium, if any, and interest on the Notes and the Other Obligations; the nature and extent and manner of enforcement of the pledge; the conditions upon which Notes may be issued or Other Obligations may be incurred by the Corporation thereunder, payable from such revenues and other moneys thereunder as Senior Obligations or Subordinate Obligations; the conditions upon which the Indenture may be amended or supplemented with or without the consent of the Holders of the Notes; the rights and remedies of the Registered Holder hereof with respect hereto and thereto, including the limitations upon the right of a Registered Holder hereof to institute any suit, action or proceeding in equity or at law with respect hereto and thereto; the rights, duties and obligations of the Corporation and the Trustee thereunder; the terms and provisions upon which the liens, pledges, charges, trusts and covenants made therein may be discharged at or prior to the maturity or redemption of this Note, and this Note thereafter no longer be secured by the Indenture, or be deemed to be Outstanding thereunder; and for the other terms and provisions thereof. Terms used with initial capital letters but not defined in this Note have the respective meanings given such terms in the Indenture. The Series 2002A Notes are being issued as, and will constitute, Senior Notes under the Indenture. The Series 2002B Notes are being issued as, and will constitute, Subordinate Notes under the Indenture.

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

Interest payable on this Series 2002A-\_\_\_ Note shall be computed on the basis of a 365-day year for the number of days actually elapsed, except that for any leap year, such calculation with respect to an Interest Payment Date occurring after January 1 of such year through December 31 of such year shall be computed on the basis of a 366-day year and accrue daily from the date hereof, and is payable on each regularly scheduled Interest Payment Date prior to the Maturity hereof and at the Maturity hereof. The interest payable on each Interest Payment Date for this Note shall be that interest which has accrued through the last day of the last complete Interest Period immediately preceding the Interest Payment Date or, in the case of the Maturity hereof, to and including the date of such Maturity. The Applicable Interest Rate shall be effective as of and on the first day (whether or not a Business Day) of the applicable Interest Period and be in effect thereafter through the end of such Interest Period.

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

During the Initial Interest Period, this Note shall bear interest at the Initial Interest Rate for the Series 2002A-\_\_\_ Notes. Thereafter until an Auction Period Adjustment, if any, this Note shall bear interest at an Applicable Interest Rate based on an Auction Period that shall initially consist of \_\_\_ days, as determined pursuant to the Second Supplemental Indenture.

The Applicable Interest Rate to be borne by this Note after the Initial Interest Period for each Auction Period until an Auction Period Adjustment, if any, shall be the least of (i) the Maximum Auction Rate in effect for such Auction Period, (ii) the Auction Rate determined in accordance with the applicable provisions of the Second Supplemental Indenture, and (iii) the lesser of 18% per annum or the maximum rate permitted by law (the "*Maximum Interest Rate*").

The Interest Period, the Applicable Interest Rate, the method of determining the Applicable Interest Rate on each of the Series 2002A-\_\_\_ Notes and the Auction Procedures related thereto, including, without limitation, required notices thereof to the Holders or Existing Holders of the Series 2002A-\_\_\_ Notes, an Auction Period Adjustment, a change in the Auction Date and the Interest Payment Dates will be determined in accordance with the terms, conditions and provisions of the Second Supplemental Indenture and the Auction Agent Agreement, to which terms, conditions and provisions specific reference is hereby made, and all of which terms, conditions and provisions are hereby specifically incorporated herein by reference.

If the Maximum Auction Rate for a series of Series 2002 Notes is less than the Auction Rate and less than or equal to the Maximum Interest Rate, then the Applicable Interest Rate with respect to such series for the related Interest Period will be the Maximum Auction Rate. If the Applicable Interest Rate with respect to the Series 2002A-\_\_\_ Notes for any Interest Period is the Maximum Auction Rate, the Trustee shall determine the Carry-Over Amount, if any, with respect to the Series 2002A-\_\_\_ Notes for such Interest Period. Such Carry-Over Amount shall bear interest calculated at a rate equal to One-Month LIBOR from the Interest Payment Date for the Interest Period with respect to which such Carry-Over Amount was calculated until paid. For purposes of this Note, any reference to "principal" or "interest" herein shall not include within the meaning of such words Carry-Over Amount or any interest accrued on any such Carry-Over Amount. Such Carry-Over Amount shall be separately calculated for each Series 2002A-\_\_\_ Note by the Trustee during such Interest Period in sufficient time for the Trustee to give notice to each Holder of such Carry-Over Amount as required in the next succeeding sentence.

The Carry-Over Amount for the Series 2002A-\_\_\_ Notes shall be paid by the Trustee on Outstanding Series 2002A-\_\_\_ Notes on the first occurring Interest Payment Date for a subsequent Interest Period if and to the extent that (i) the Eligible Carry-Over Make-Up Amount with respect to such Interest Period is greater than zero, and (ii) moneys in the Collection Fund and the Surplus Fund are available on the Monthly Calculation Date immediately preceding the month in which such Interest Payment Date occurs for transfer to the Interest Account for such purpose in accordance with the applicable provisions of the Indenture, after taking into account all other amounts payable from the Collection Fund and the Surplus Fund on such Monthly Calculation Date. Any Carry-Over Amount (and any interest accrued thereon) with respect to the Series 2002A-\_\_\_ Note which is unpaid as of the Maturity of the Series 2002A-\_\_\_ Note shall be paid to the Holder thereof on the date of such Maturity to the extent that moneys are available therefor in accordance with the provisions of the preceding clause (ii); *provided*,

*however*, that any Carry-Over Amount (and any interest accrued thereon) which is not so paid on the date of such Maturity shall be canceled with respect to the Series 2002A-\_\_\_ Note on the date of such Maturity and shall not be paid on any succeeding Interest Payment Date. To the extent that any portion of the Carry-Over Amount (and any interest accrued thereon) remains unpaid after payment of a portion thereof, such unpaid portion shall be paid in whole or in part as required hereunder until fully paid by the Trustee on the next occurring Interest Payment Date or Dates, as necessary, for a subsequent Interest Period or Periods, if and to the extent that the conditions in the first sentence of this paragraph are satisfied. On any Interest Payment Date on which the Trustee pays less than all of the Carry-Over Amount (and any interest accrued thereon) with respect to a Series 2002A-\_\_\_ Note, the Trustee shall give written notice in the manner set forth in the Second Supplemental Indenture to the Holder of such Series 2002A-\_\_\_ Note of the Carry-Over Amount remaining unpaid on such Series 2002A-\_\_\_ Note.

The Interest Payment Date on which such Carry-Over Amount for the Series 2002A-\_\_\_ Notes shall be paid shall be determined by the Trustee in accordance with the provisions of the immediately preceding paragraph, and the Trustee shall make payment of the Carry-Over Amount (and any interest accrued thereon) in the same manner as it pays interest on the Series 2002A-\_\_\_ Notes on an Interest Payment Date.

By purchasing Series 2002A Notes, whether in an Auction or otherwise, each purchaser of the Series 2002A Notes, or its Broker-Dealer, must agree and shall be deemed by such purchase to have agreed (i) to participate in Auctions on the terms described in the Second Supplemental Indenture, (ii) to have its beneficial ownership of the Series 2002A Notes maintained at all times in Book-Entry Form for the account of its Participant, which in turn will maintain records of such beneficial ownership, and (iii) to authorize such Participant to disclose to the Auction Agent such information with respect to such beneficial ownership as the Auction Agent may request. So long as the ownership of Series 2002A Notes is maintained in Book-Entry Form by the Securities Depository, an Existing Holder may sell, transfer or otherwise dispose of Series 2002A Notes only pursuant to a Bid or Sell Order placed in an Auction or otherwise sell, transfer or dispose of Series 2002A Notes through a Broker-Dealer, *provided* that, in the case of all transfers other than pursuant to Auctions, such Existing Holder, its Broker-Dealer or its Participant advises the Auction Agent of such transfer.

The determination of the Applicable Interest Rate by the Auction Agent or any other authorized Person pursuant to the provisions of the Second Supplemental Indenture shall be conclusive and binding on the Holders of the Series 2002A-\_\_\_ Notes to which such Applicable Interest Rate applies, and the Corporation and the Trustee may rely thereon for all purposes.

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

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

Subject to compliance with the provisions of the Indenture relating to certain asset requirements, Outstanding Series 2002 Notes of any series shall be redeemed, in part, on the first regularly scheduled Interest Payment Date for such series for which notice can be given in accordance with the requirements of the Second Supplemental Indenture, at a redemption price equal to 100% of the principal amount of Series 2002 Notes of such series so redeemed, from revenues deposited in the Collection Fund in excess of amounts necessary to pay or provide for the payment of certain program operating expenses, interest on the Notes and certain other obligations payable from the Debt Service Fund.

Subject to compliance with the provisions of the Indenture relating to certain asset requirements and certain other requirements, Outstanding Series 2002 Notes may, at the option of the Corporation, be redeemed on any regularly scheduled Interest Payment Date, in whole or in part, at a redemption price equal to 100% of the principal amount thereof to be redeemed.

If not all Series 2002 Notes are to be redeemed, the particular Series 2002 Notes to be redeemed are to be selected as provided in the Indenture and the Second Supplemental Indenture.

Notice of redemption shall be given by first-class mail mailed not less than 15 days before the redemption date to each Holder of Series 2002 Notes to be redeemed at his last address appearing on the Note Register; but no defect in or failure to give such notice of redemption shall affect the validity of proceedings for redemption of any Note not affected by such defect or failure. All Series 2002 Notes so called for redemption will cease to bear interest on such Redemption Date, provided funds for their redemption have been duly deposited, and, except for the purpose of payment, shall no longer be protected by the Indenture and shall not be deemed Outstanding thereunder.

It is provided in the Second Supplemental Indenture that Series 2002 Notes of a denomination larger than \$50,000 may be redeemed in part (\$50,000 or a multiple thereof) and that upon any partial redemption of any such Series 2002 Note the same shall be surrendered in exchange for one or more new Notes of the same series in authorized form for the unredeemed portion of principal.

If provision is made for the payment of principal of and premium, if any, and interest on this Note in accordance with the Indenture, this Note shall no longer be deemed Outstanding

under the Indenture, shall cease to be entitled to the benefits of the Indenture and shall thereafter be payable solely from the funds provided for such payment.

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

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

This Note is transferable by the Registered Holder hereof upon surrender of this Note for transfer at the Principal Office of the Note Registrar (which shall be the Trustee unless and until an Authenticating Agent becomes the Note Registrar under the Indenture) or at the Principal Office of a duly appointed Authenticating Agent (the "*Authenticating Agent*," which term includes any successor Authenticating Agent under the Indenture), duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Note Registrar or the Authenticating Agent, as the case may be, and executed by the Registered Holder hereof or his attorney duly authorized in writing, with signature guarantees satisfactory to the Note Registrar or the Authenticating Agent, as the case may be. Thereupon the Corporation shall execute and the Trustee or the Authenticating Agent, as the case may be, shall authenticate and deliver, in exchange for this Note, one or more new fully registered Notes in the name of the transferee, of an authorized denomination, in aggregate principal amount equal to the principal amount of this Note, of the same series and bearing interest at the same rate. This Note may also be exchanged for one or more other Notes of the same series upon surrender hereof at the Principal Office of the Note Registrar or the Principal Office of an Authenticating Agent. No Authenticating Agent will be initially appointed with respect to the Series 2002 Notes. Notwithstanding the foregoing provisions of this paragraph, no Series 2002A-\_\_\_ Note shall be required to be transferred, (i) during a period beginning at the opening of business fifteen days before any selection of Series 2002A-\_\_\_ Notes for redemption and ending at the close of business on the day of such selection, or (ii) if such Series 2002A-\_\_\_ Note has been selected for redemption in whole or in part.

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

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

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

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

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

Dated: \_\_\_\_\_

NORTHSTAR GUARANTEE, INC., DIVISION B

By \_\_\_\_\_  
Its: \_\_\_\_\_

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CERTIFICATE OF AUTHENTICATION

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

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By \_\_\_\_\_  
Authorized Representative

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ASSIGNMENT

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

Dated: \_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY OR  
OTHER IDENTIFYING NUMBER OF ASSIGNEE

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

\_\_\_\_\_  
SIGNATURE GUARANTEED:

\_\_\_\_\_



**EXHIBIT B**

**FORM OF SERIES 2002B NOTES**

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

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AUCTION RATE STUDENT LOAN ASSET-BACKED NOTE  
SUBORDINATE SERIES 2002B-1

No. R-\_\_\_\_\_ \$37,000,000

STATED MATURITY DATE	DATE OF ORIGINAL ISSUE	INTEREST RATE	CUSIP
		Variable	

REGISTERED HOLDER: CEDE & Co.

PRINCIPAL AMOUNT:

FOR VALUE RECEIVED, Northstar Guarantee, Inc., Division B, a membership organization whose sole member is Great Lakes Higher Education Corporation, a nonprofit corporation organized under the laws of the State of Wisconsin (the “Corporation,” which term includes any successor corporation under the Indenture hereinafter referred to), acknowledges itself indebted and hereby promises to pay to the registered holder specified above, or registered assigns (the “Registered Holder”), but solely from the revenues and receipts hereinafter specified and not otherwise, the Principal Amount specified above on the Stated Maturity Date specified above (subject to the right of prior redemption hereinafter mentioned), upon presentation and surrender of this Note at the Principal Office of the Trustee (as hereinafter defined), as Paying Agent for the Series 2002 Notes (as hereinafter defined), or a duly appointed successor Paying Agent, and to pay interest on said Principal Amount, but solely from the revenues and receipts hereinafter specified and not otherwise, to the Registered Holder hereof from the date hereof until the payment of said Principal Amount has been made or duly provided for, payable on each Interest Payment Date and at Maturity, at the Applicable Interest Rate (as hereinafter described), and at the same rate per annum (to the extent that the payment of such interest shall be legally enforceable) on overdue installments of interest. Payment of interest on this Note on each regularly scheduled Interest Payment Date shall be made by check or draft drawn upon the

Paying Agent and mailed to the person who is the Registered Holder hereof as of 5:00 p.m. on the applicable Regular Record Date at the address of such Registered Holder as it appears on the Note Register maintained by the Note Registrar, or, if the Registered Holder of this Note is the Registered Holder of Series 2002 Notes in the aggregate principal amount of \$1,000,000 or more (or, if less than \$1,000,000 in Principal Amount of Series 2002 Notes is outstanding, the Holder of all outstanding Series 2002 Notes), at the direction of such Registered Holder received by the Paying Agent by 5:00 p.m. on the last Business Day preceding the applicable Regular Record Date, by electronic transfer by the Paying Agent in immediately available funds to an account designated by such Registered Holder. In addition, interest on this Note is payable at the Maturity hereof in the same manner as the principal hereof, unless the date of such Maturity is a regularly scheduled Interest Payment Date, in which event interest is payable in the manner set forth in the preceding sentence. Any interest not so timely paid or duly provided for (herein referred to as "*Defaulted Interest*") shall cease to be payable to the person who is the Registered Holder hereof at the close of business on the Regular Record Date and shall be payable to the person who is the Registered Holder hereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the Defaulted Interest, and notice of the Special Record Date shall be given to the Registered Holder hereof not less than ten days prior thereto by first-class mail to such Registered Holder as shown on the Note Register on a date selected by the Trustee, stating the date of the special record date and the date fixed for the payment of such defaulted interest. The principal of, premium, if any, and interest on this Note are payable in lawful money of the United States of America.

This Note is one of an authorized issue of Notes, issued and to be issued by the Corporation in one or more series pursuant to an Indenture of Trust, dated as of November 1, 2000 (as supplemented and amended, the "*Indenture*"), from the Corporation and U.S. Bank National Association (f/k/a Firststar Bank, National Association), as eligible lender trustee, to U.S. Bank National Association (f/k/a Firststar Bank, National Association), as Trustee (the "*Trustee*," which term includes any successor trustee under the Indenture), as supplemented by a Second Supplemental Indenture of Trust, dated as of April 1, 2002 (the "*Second Supplemental Indenture*"), between the Corporation and the Trustee. As provided in the Indenture, the Series 2002 Notes are issuable in series which may vary as in the Indenture provided or permitted. This Note is one of a series of Subordinate Notes issued in an aggregate principal amount of \$37,000,000 (the "*Series 2002B Notes*"). The Series 2002B Notes are issued simultaneously with six series of Senior Notes issued in the aggregate principal amount of \$393,000,000 (the "*Series 2002A Notes*" and, together with the Series 2002B Notes, collectively referred to herein as the "*Series 2002 Notes*"). The proceeds of the Series 2002 Notes will be used by the Corporation to (a) provide funds to be used to acquire Student Loans, (b) to pay guarantee fees with respect to Financed Alternative Loans, (c) to pay interest on the Series 2002 Notes, Note Fees, Administrative Allowances and Marketing and School Services Expense Allowances, (d) to fund the Reserve Funds and (e) to pay costs of issuing the Notes.

Reference is hereby made to the Indenture, copies of which are on file in the Principal Office of the Trustee, and to all of the provisions of which any Registered Holder of this Note by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Notes and Other Obligations secured thereunder; the student

loan acquisition program being financed by the issuance of the Notes; the revenues and other moneys pledged to the payment of the principal of and premium, if any, and interest on the Notes and the Other Obligations; the nature and extent and manner of enforcement of the pledge; the conditions upon which Notes may be issued or Other Obligations may be incurred by the Corporation thereunder, payable from such revenues and other moneys thereunder as Senior Obligations or Subordinate Obligations; the conditions upon which the Indenture may be amended or supplemented with or without the consent of the Holders of the Notes; the rights and remedies of the Registered Holder hereof with respect hereto and thereto, including the limitations upon the right of a Registered Holder hereof to institute any suit, action or proceeding in equity or at law with respect hereto and thereto; the rights, duties and obligations of the Corporation and the Trustee thereunder; the terms and provisions upon which the liens, pledges, charges, trusts and covenants made therein may be discharged at or prior to the maturity or redemption of this Note, and this Note thereafter no longer be secured by the Indenture, or be deemed to be Outstanding thereunder; and for the other terms and provisions thereof. Terms used with initial capital letters but not defined in this Note have the respective meanings given such terms in the Indenture. The Series 2002A Notes are being issued as, and will constitute, Senior Notes under the Indenture. The Series 2002B Notes are being issued as, and will constitute, Subordinate Notes under the Indenture.

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

The Series 2002B Notes constitute Subordinate Notes under the Indenture which are subordinated in right of payment, the direction of remedies and certain other matters in accordance with the terms of the Indenture to the rights of the Holders of Senior Notes issued from time to time under the Indenture (including, without limitation, the Series 2002A Notes) and Other Senior Beneficiaries thereunder (except termination payments due under swap agreements as a result of swap counterparty default). A failure to pay principal of and premium, if any, or interest on this Subordinate Note will not constitute an Event of Default under the Indenture if any Senior Obligation is Outstanding.

Interest payable on this Series 2002B Note shall be computed on the basis of a 365-day year for the number of days actually elapsed, except that for any leap year such calculation with respect to an Interest Payment Date occurring after January 1 of such year through December 31 of such year shall be computed on the basis of a 366-day year and accrue daily from the date hereof (on the basis of a 365 or 366-day year, as applicable), and is payable on each regularly scheduled Interest Payment Date prior to the Maturity hereof and at the Maturity hereof. The interest payable on each Interest Payment Date for this Note shall be that interest which has accrued through the last day of the last complete Interest Period immediately preceding the Interest Payment Date or, in the case of the Maturity hereof, to and including the date of such Maturity. The Applicable Interest Rate shall be effective as of and on the first day (whether or not a Business Day) of the applicable Interest Period and be in effect thereafter through the end of such Interest Period.

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

During the Initial Interest Period, this Note shall bear interest at the Initial Interest Rate for the Series 2002B Notes. Thereafter until an Auction Period Adjustment, if any, this Note shall bear interest at an Applicable Interest Rate based on an Auction Period that shall initially consist of \_\_\_\_ days, as determined pursuant to the Second Supplemental Indenture.

The Applicable Interest Rate to be borne by this Note after the Initial Interest Period for each Auction Period until an Auction Period Adjustment, if any, shall be the least of (i) the Maximum Auction Rate in effect for such Auction Period, (ii) the Auction Rate determined in accordance with the applicable provisions of the Second Supplemental Indenture, and (iii) the lesser of 18% per annum or the maximum rate permitted by law (the "*Maximum Interest Rate*").

The Interest Period, the Applicable Interest Rate, the method of determining the Applicable Interest Rate on each of the Series 2002B Notes and the Auction Procedures related thereto, including, without limitation, required notices thereof to the Holders or Existing Holders of the Series 2002B Notes, an Auction Period Adjustment, a change in the Auction Date and the Interest Payment Dates will be determined in accordance with the terms, conditions and provisions of the Second Supplemental Indenture and the Auction Agent Agreement, to which terms, conditions and provisions specific reference is hereby made, and all of which terms, conditions and provisions are hereby specifically incorporated herein by reference.

If the Maximum Auction Rate for a series of Series 2002 Notes is less than the Auction Rate and less than or equal to the Maximum Interest Rate, then the Applicable Interest Rate applicable to such series for the related Interest Period will be the Maximum Auction Rate. If the Applicable Interest Rate applicable to the Series 2002B Notes for any Interest Period is the Maximum Auction Rate, the Trustee shall determine the Carry-Over Amount, if any, with respect to the Series 2002B Notes for such Interest Period. Such Carry-Over Amount shall bear interest calculated at a rate equal to One-Month LIBOR from the Interest Payment Date for the Interest Period with respect to which such Carry-Over Amount was calculated until paid. For purposes of this Note, any reference to "principal" or "interest" herein shall not include within the meaning of such words Carry-Over Amount or any interest accrued on any such Carry-Over Amount. Such Carry-Over Amount shall be separately calculated for each Series 2002B Note by the Trustee during such Interest Period in sufficient time for the Trustee to give notice to each Holder of such Carry-Over Amount as required in the next succeeding sentence.

The Carry-Over Amount for the Series 2002B Notes shall be paid by the Trustee on Outstanding Series 2002B Notes on the first occurring Interest Payment Date for a subsequent Interest Period if and to the extent that (i) the Eligible Carry-Over Make-Up Amount with respect to such Interest Period is greater than zero, and (ii) moneys in the Collection Fund and the Surplus Fund are available on the Monthly Calculation Date immediately preceding the month in which such Interest Payment Date occurs for transfer to the Interest Account for such purpose in accordance with the applicable provisions of the Indenture, after taking into account

all other amounts payable from the Collection Fund and the Surplus Fund on such Monthly Calculation Date. Any Carry-Over Amount (and any interest accrued thereon) with respect to the Series 2002B Note which is unpaid as of the Maturity of the Series 2002B Note shall be paid to the Holder thereof on the date of such Maturity to the extent that moneys are available therefor in accordance with the provisions of the preceding clause (ii); *provided, however*, that any Carry-Over Amount (and any interest accrued thereon) which is not so paid on the date of such Maturity shall be canceled with respect to the Series 2002B Note on the date of such Maturity and shall not be paid on any succeeding Interest Payment Date. To the extent that any portion of the Carry-Over Amount (and any interest accrued thereon) remains unpaid after payment of a portion thereof, such unpaid portion shall be paid in whole or in part as required hereunder until fully paid by the Trustee on the next occurring Interest Payment Date or Dates, as necessary, for a subsequent Interest Period or Periods, if and to the extent that the conditions in the first sentence of this paragraph are satisfied. On any Interest Payment Date on which the Trustee pays less than all of the Carry-Over Amount (and any interest accrued thereon) with respect to a Series 2002B Note, the Trustee shall give written notice in the manner set forth in the Second Supplemental Indenture to the Holder of such Series 2002B Note of the Carry-Over Amount remaining unpaid on such Series 2002B Note.

The Interest Payment Date on which such Carry-Over Amount for the Series 2002B Notes shall be paid shall be determined by the Trustee in accordance with the provisions of the immediately preceding paragraph, and the Trustee shall make payment of the Carry-Over Amount (and any interest accrued thereon) in the same manner as it pays interest on the Series 2002B Notes on an Interest Payment Date.

By purchasing Series 2002B Notes, whether in an Auction or otherwise, each purchaser of the Series 2002B Notes, or its Broker-Dealer, must agree and shall be deemed by such purchase to have agreed (i) to participate in Auctions on the terms described in the Second Supplemental Indenture, (ii) to have its beneficial ownership of the Series 2002B Notes maintained at all times in Book-Entry Form for the account of its Participant, which in turn will maintain records of such beneficial ownership, and (iii) to authorize such Participant to disclose to the Auction Agent such information with respect to such beneficial ownership as the Auction Agent may request. So long as the ownership of Series 2002B Notes is maintained in Book-Entry Form by the Securities Depository, an Existing Holder may sell, transfer or otherwise dispose of Series 2002B Notes only pursuant to a Bid or Sell Order placed in an Auction or otherwise sell, transfer or dispose of Series 2002B Notes through a Broker-Dealer, *provided that*, in the case of all transfers other than pursuant to Auctions, such Existing Holder, its Broker-Dealer or its Participant advises the Auction Agent of such transfer.

The determination of the Applicable Interest Rate by the Auction Agent or any other authorized Person pursuant to the provisions of the Second Supplemental Indenture shall be conclusive and binding on the Holders of the Series 2002B Notes to which such Applicable Interest Rate applies, and the Corporation and the Trustee may rely thereon for all purposes.

Notwithstanding any provision of this Note to the contrary, in no event shall the cumulative amount of interest paid or payable on this Note (including interest calculated as provided herein, plus any other amounts that constitute interest on this Note under applicable

law, which are contracted for, charged, reserved, taken or received pursuant to this Note or related documents) calculated from the date of issuance of this Note through any subsequent day during the term of this Note or otherwise prior to payment in full of this Note exceed the amount permitted by applicable law. If the applicable law is ever judicially interpreted so as to render usurious any amount called for under this Note or related documents or otherwise contracted for, charged, reserved, taken or received in connection with this Note, or if the redemption or acceleration of the Maturity of this Note results in payment to or receipt by the Registered Holder or any former Registered Holder hereof of any interest in excess of that permitted by applicable law, then notwithstanding any provision of this Note or related documents to the contrary all excess amounts theretofore paid or received with respect to this Note shall be credited on the principal balance of this Note (or, if this Note has been paid or would thereby be paid in full, refunded by the recipient thereof), and the provisions of this Note and related documents shall immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for under this Note and under the related documents.

Subject to compliance with the provisions of the Indenture relating to certain asset requirements, Outstanding Series 2002 Notes of any series shall be redeemed, in part, on the first regularly scheduled Interest Payment Date for such series for which notice can be given in accordance with the requirements of the Second Supplemental Indenture, at a redemption price equal to 100% of the principal amount of Series 2002 Notes of such series so redeemed, from revenues deposited in the Collection Fund in excess of amounts necessary to pay or provide for the payment of certain program operating expenses, interest on the Notes and certain other obligations payable from the Debt Service Fund.

Subject to compliance with the provisions of the Indenture relating to certain asset requirements and certain other requirements, Outstanding Series 2002 Notes may, at the option of the Corporation, be redeemed on any regularly scheduled Interest Payment Date, in whole or in part, at a redemption price equal to 100% of the principal amount thereof to be redeemed.

If not all Series 2002 Notes are to be redeemed, the particular Series 2002 Notes to be redeemed are to be selected as provided in the Indenture and the Second Supplemental Indenture.

Notice of redemption shall be given by first-class mail mailed not less than 15 days before the redemption date to each Holder of Series 2002 Notes to be redeemed at his last address appearing on the Note Register; but no defect in or failure to give such notice of redemption shall affect the validity of proceedings for redemption of any Note not affected by such defect or failure. All Series 2002 Notes so called for redemption will cease to bear interest on such Redemption Date, provided funds for their redemption have been duly deposited, and, except for the purpose of payment, shall no longer be protected by the Indenture and shall not be deemed Outstanding thereunder.

It is provided in the Second Supplemental Indenture that Series 2002 Notes of a denomination larger than \$50,000 may be redeemed in part (\$50,000 or a multiple thereof) and that upon any partial redemption of any such Series 2002 Note the same shall be surrendered in

exchange for one or more new Notes of the same series in authorized form for the unredeemed portion of principal.

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

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

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

This Note is transferable by the Registered Holder hereof upon surrender of this Note for transfer at the Principal Office of the Note Registrar (which shall be the Trustee unless and until an Authenticating Agent becomes the Note Registrar under the Indenture) or at the Principal Office of a duly appointed Authenticating Agent (the "*Authenticating Agent*," which term includes any successor Authenticating Agent under the Indenture), duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Note Registrar or the Authenticating Agent, as the case may be, and executed by the Registered Holder hereof or his attorney duly authorized in writing, with signature guarantees satisfactory to the Note Registrar or the Authenticating Agent, as the case may be. Thereupon the Corporation shall execute and the Trustee or the Authenticating Agent, as the case may be, shall authenticate and deliver, in exchange for this Note, one or more new fully registered Notes in the name of the transferee, of an authorized denomination, in aggregate principal amount equal to the principal amount of this Note, of the same series and bearing interest at the same rate. This Note may also be exchanged for one or more other Notes of the same series upon surrender hereof at the Principal Office of the Note Registrar or the Principal Office of an Authenticating Agent. No Authenticating Agent will be initially appointed with respect to the Series 2002 Notes. Notwithstanding the foregoing provisions of this paragraph, no Series 2002B Note shall be required to be transferred, (i) during a period beginning at the opening of business fifteen days before any selection of Series 2002B

Notes for redemption and ending at the close of business on the day of such selection, or (ii) if such Series 2002B Note has been selected for redemption in whole or in part.

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

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

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

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

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

Dated: \_\_\_\_\_

NORTHSTAR GUARANTEE, INC., DIVISION B

By \_\_\_\_\_  
Title: \_\_\_\_\_



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CERTIFICATE OF AUTHENTICATION

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

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By \_\_\_\_\_  
Authorized Representative

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ASSIGNMENT

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

Dated: \_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY OR  
OTHER IDENTIFYING NUMBER OF ASSIGNEE

\_\_\_\_\_

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

\_\_\_\_\_

SIGNATURE GUARANTEED:

\_\_\_\_\_

**EXHIBIT C**

**NOTICE OF A PAYMENT DEFAULT**

**NORTHSTAR GUARANTEE, INC., DIVISION B  
AUCTION RATE STUDENT LOAN ASSET-BACKED NOTES  
[SENIOR SERIES 2002A- \_\_\_\_\_ ]  
[SUBORDINATE SERIES 2002B]**

NOTICE IS HEREBY GIVEN that a Payment Default has occurred and not been cured with respect to the Notes identified above. Determination of the Applicable Interest Rate pursuant to the Auction Procedures will be suspended. The Applicable Interest Rate on each series of the Series 2002 Notes for each Auction Period commencing after the date of Payment Default with respect thereto will equal the Non-Payment Rate, as it is determined by the Trustee on the first day of such Auction Period until \_\_\_\_\_.

Terms used herein have the meanings set forth in the Second Supplemental Indenture of Trust relating to the above-referenced Notes.

Dated: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By \_\_\_\_\_

**EXHIBIT D**

**NOTICE OF CURE OF PAYMENT DEFAULT**

**NORTHSTAR GUARANTEE, INC., DIVISION B  
AUCTION RATE STUDENT LOAN ASSET-BACKED NOTES  
[SENIOR SERIES 2002A-\_\_\_\_\_] ]  
[SUBORDINATE SERIES 2002B]**

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

Terms used herein have the meanings set forth in the Second Supplemental Indenture of Trust relating to the above-referenced Notes.

Dated: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By \_\_\_\_\_

**EXHIBIT E**

**NOTICE OF PROPOSED AUCTION PERIOD ADJUSTMENT**

**NORTHSTAR GUARANTEE, INC., DIVISION B  
AUCTION RATE STUDENT LOAN ASSET-BACKED NOTES  
[SENIOR SERIES 2002A-\_\_\_\_\_] ]  
[SUBORDINATE SERIES 2002B]**

Notice is hereby given that Northstar Guarantee, Inc., Division B proposes to change the length of one or more Auction Periods with respect to the Notes identified above, pursuant to the Second Supplemental Indenture of Trust relating to such Notes (the "*Second Supplemental Indenture*"), as follows:

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

2. The Auction Period Adjustment in Paragraph 1 shall take place only if (A) the Trustee and the Auction Agent receive, by 11:00 a.m., New York City time, on the Business Day before the Auction Date for the Auction Period commencing on the Effective Date, a certificate from the Market Agent, as required by the Second Supplemental Indenture, authorizing the change in length of one or more Auction Periods and confirmation from each Rating Agency that it will not reduce or withdraw its ratings on the Series 2002 Notes on account of such Auction Period Adjustment, and (B) Sufficient Bids exist on the Auction Date for the Auction Period commencing on the Effective Date.

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

Terms used herein have the meanings set forth in the Second Supplemental Indenture.

Dated: \_\_\_\_\_

NORTHSTAR GUARANTEE, INC., DIVISION B

By \_\_\_\_\_

**EXHIBIT F**

**NOTICE ESTABLISHING AUCTION PERIOD ADJUSTMENT**

**NORTHSTAR GUARANTEE, INC., DIVISION B  
STUDENT LOAN ASSET-BACKED NOTES  
[SENIOR SERIES 2002A-\_\_\_\_\_ ]  
[SUBORDINATE SERIES 2002B]**

Notice is hereby given that Northstar Guarantee, Inc., Division B hereby establishes new lengths for one or more Auction Periods with respect to the Notes identified above pursuant to the Second Supplemental Indenture of Trust relating to such Notes (the "*Second Supplemental Indenture*"):

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

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

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

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

Terms used herein have the meanings set forth in the Second Supplemental Indenture.

Dated: \_\_\_\_\_

NORTHSTAR GUARANTEE, INC., DIVISION B

By \_\_\_\_\_

EXHIBIT G

NOTICE OF CHANGE IN AUCTION DATE

NORTHSTAR GUARANTEE, INC., DIVISION B  
STUDENT LOAN ASSET-BACKED NOTES  
[SENIOR SERIES 2002A-\_\_\_\_\_ ]  
[SUBORDINATE SERIES 2002B]

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

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

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

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

Terms used herein have the meanings set forth in the Second Supplemental Indenture.

Dated: \_\_\_\_\_

\_\_\_\_\_,  
as Market Agent

By \_\_\_\_\_