
INDENTURE OF TRUST

by and among

NORTHSTAR STUDENT LOAN TRUST III,

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Owner Trustee

Dated as of September 1, 2016

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of September 1, 2016 (this “Indenture”), is by and among **NORTHSTAR STUDENT LOAN TRUST III** (the “Issuer”), a statutory trust duly organized and existing under the laws of the State of Delaware (the “State”), **U.S. BANK NATIONAL ASSOCIATION**, a national banking association duly organized and operating under the laws of the United States of America, as trustee hereunder (together with its successors, the “Trustee”), and **WILMINGTON TRUST, NATIONAL ASSOCIATION**, a national banking association duly organized and operating under the laws of the United States of America, not in its individual capacity but solely as owner trustee (together with its successors, the “Owner Trustee”) under the Trust Agreement (all capitalized terms used in these preambles, recitals and granting clauses shall have the same meanings assigned thereto in Article I hereof).

WITNESSETH:

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

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

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

NOW, THEREFORE, the Issuer, and as applicable the Owner Trustee, in consideration of the premises and acceptance by the Trustee of the trusts herein created, of the purchase and acceptance of the Notes by the Noteholders thereof, of the acknowledgement by the Trustee of the Granting Clauses set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, do hereby GRANT, CONVEY, PLEDGE, TRANSFER, ASSIGN AND DELIVER to the Trustee, for the benefit of the Noteholders, all of the moneys, rights and properties described in the granting clauses A through E below (the “Trust Estate”), as follows:

GRANTING CLAUSE A

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

GRANTING CLAUSE B

All moneys and investments held in the Funds and Accounts created under Section 5.01 hereof (other than the Trustee Expense Reserve Fund), including all proceeds thereof and all income thereon;

GRANTING CLAUSE C

The Financed Eligible Loans (other than Financed Eligible Loans released from the lien of the Trust Estate as provided herein) and all obligations of the obligors thereunder including all moneys accrued and paid thereunder on or after the applicable Cutoff Date;

GRANTING CLAUSE D

The rights of the Issuer and/or the Owner Trustee, as applicable, in and to the Trust Agreement, the Master Servicing Agreement, the Subservicing Agreement, any Servicing Agreement, any Backup Master Servicing Agreement and any Private Student Loan Purchase and Contribution Agreement as the same relate to the Financed Eligible Loans; and

GRANTING CLAUSE E

All proceeds from any property described in these Granting Clauses and any and all other property, rights and interests of every kind or description that from time to time hereafter is granted, conveyed, pledged, transferred, assigned or delivered to the Trustee as additional security hereunder.

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

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

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Notes and the interest due and to become due thereon, or provide fully for payment thereof as herein provided, at the times and in the manner mentioned in the Notes according to the true intent and meaning thereof, and shall make all required payments into the Funds and Accounts as required under Article V hereof, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee sums sufficient to pay or to provide for payment of the entire amount due and to become so due as herein provided, then this Indenture (other than Sections 4.13, 4.14 (for a period of 90 days after the Issuer has paid or provided for the payments of the amounts described herein) and 7.05 hereof) and the rights hereby granted shall cease, terminate and be void; otherwise, this Indenture shall be and remain in full force and effect;

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

ARTICLE I

DEFINITIONS AND USE OF PHRASES

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

“*Account*” shall mean any of the accounts created and established within any Fund pursuant to this Indenture.

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

“*Acquisition Period*” shall mean the period beginning on the Date of Issuance and ending on September 29, 2016.

“*Administration and Master Servicing Fee*” shall mean a monthly fee equal to 1/12 of 0.50% of the Pool Balance as of the close of business on the last day of the related Collection Period less the Servicing Fee, for the payment of fees and expenses due to the Administrator and the Master Servicer under the terms of the Master Servicing Agreement.

“*Administrator*” shall mean NCMS, in its capacity as administrator under the Master Servicing Agreement, or any successor thereto in accordance with the Master Servicing Agreement, so long as the Issuer has received a Rating Confirmation as to each such other administrator, except that no Rating Confirmation shall be necessary for GLELSI or NES acting as a successor thereto, and the term “Administrator” shall include any Sub-Administrator.

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

“*Authorized Denominations*” shall have the meaning ascribed to such term in Section 2.02 hereof.

“*Authorized Representative*” shall, when used with reference to the Issuer, mean the Administrator, the Sub-Administrator and any other Person duly authorized by the Trust Agreement to act on the Issuer’s behalf.

“*Available Funds*” shall mean, the sum of the following amounts received to the extent not previously distributed: (a) all collections received by the Servicer or any other service provider on the Financed Eligible Loans (including late fees received by the Servicer or any other service provider with respect to the Financed Eligible Loans and proceeds from the

consolidation of any Financed Eligible Loan) but net of amounts to be repaid to borrowers (whether or not in the form of a principal reduction of the applicable Financed Eligible Loan) with respect to the Financed Eligible Loans; (b) all Recovered Proceeds from any Financed Eligible Loans which became Charged-Off Financed Eligible Loans in accordance with the Program Guidelines, and all other moneys collected with respect to any Charged-Off Financed Eligible Loan which was written off, net of the sum of any amounts expended by the Issuer in connection with such liquidation and any amounts required by law to be remitted to the obligor on such Charged-Off Financed Eligible Loan; (c) the aggregate Purchase Amounts received for Financed Eligible Loans repurchased by the Depositor; (d) the aggregate amounts, if any, received from the Depositor, the Master Servicer or any Servicer, as the case may be, as reimbursement of principal or interest amounts with respect to the Financed Eligible Loans pursuant to a Private Student Loan Purchase and Contribution Agreement, the Master Servicing Agreement or a Servicing Agreement, respectively; (e) other amounts received by a Servicer pursuant to its role as Servicer under the related Servicing Agreement and payable to the Issuer in connection therewith; (f) all interest earned or gain realized from the investment of amounts in any Fund or Account; and (g) any other amounts deposited to the Collection Fund. “Available Funds” shall be determined pursuant to the terms of this definition by the Issuer and reported to the Trustee. Amounts required to be repaid to borrowers described in clause (a) hereof shall be paid by the Trustee upon receipt of a written direction from the Issuer. The Trustee may conclusively rely on such determinations without further duty to review or examine such information.

“*Backup Master Servicer*” shall mean GLELSI, its successors and assigns, or any other entity with which the Issuer maintains a Backup Master Servicing Agreement.

“*Backup Master Servicing Agreement*” shall mean the Backup Master Servicing Agreement, dated as of September 1, 2016, among the Issuer, the Master Servicer and the Backup Master Servicer, as amended, supplemented or replaced from time to time.

“*Basic Documents*” shall mean the Trust Agreement, this Indenture, the Note Purchase Agreement, the Master Servicing Agreement, the Subservicing Agreement, any Servicing Agreement, any Private Student Loan Purchase and Contribution Agreement, any Backup Master Servicing Agreement and any other documents and certificates delivered in connection with any thereof.

“*Beneficial Owner*” shall mean the owner of a Beneficial Ownership Interest in the Notes.

“*Beneficial Ownership Interest*” shall mean the right to receive payments and notices with respect to the Notes which are held by a Clearing Agency under a Book-Entry System.

“*Book-Entry System*” shall mean a form or system under which (a) the beneficial right to principal and interest may be transferred only through a book-entry, (b) physical securities in registered form are issued only to a Clearing Agency or its nominee as registered owner, with the securities “immobilized” to the custody of the Clearing Agency, and (c) the book-entry is the record that identifies the owners of beneficial interests in that principal and interest.

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

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

“*Charged-Off Financed Eligible Loan*” shall mean any defaulted Financed Eligible Loan charged-off pursuant to the Program Guidelines.

“*Clearing Agency*” shall mean an organization registered as a “clearing agency” pursuant to Section 17A of the Exchange Act. The initial Clearing Agency shall be The Depository Trust Company and its successor or assigns and the initial nominee for the Clearing Agency shall be Cede & Co. If (a) the then Clearing Agency resigns from its functions as depository of the Notes or (b) the Issuer discontinues use of the Clearing Agency, any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the Notes and which is selected by the Issuer with the consent of the Trustee.

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

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

“*Collection Fund*” shall mean the Fund by that name created in Section 5.01(c) hereof and further described in Section 5.04 hereof.

“*Collection Period*” shall mean, with respect to the first Monthly Distribution Date, the period beginning on the initial Cutoff Date and ending on September 30, 2016 and with respect to each subsequent Monthly Distribution Date, the Collection Period shall mean the calendar month immediately preceding such Monthly Distribution Date.

“*Conversion Event*” shall mean the occurrence of any of the following:

(a) The Master Servicer has notified the Issuer that it will no longer perform its obligations under the Master Servicing Agreement as applied to the Issuer;

(b) The Master Servicer is in material violation of its duties under the Master Servicing Agreement and such material violation continues for a period of 30 days after the Master Servicer becomes aware of such material violation or is notified thereof;

(c) (A) The Master Servicer (I) has entered against it involuntarily an order for relief under the United States Bankruptcy Code, as amended, (II) does not pay, or admits in writing its inability to pay, its debts generally as they become due, (III) makes an assignment for the benefit of creditors, (IV) applies for, seeks, consents to, or acquiesces in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property, (V) institutes any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, or to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fails to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (VI) takes any corporate action in furtherance of any matter described in clauses (I) through (V) above, or (VII) fails to contest in good faith any appointment or proceeding described in clause (B) below; or (B) a custodian, receiver, trustee, examiner, liquidator or similar official is appointed for the Master Servicer or any substantial part of any of its property, or a proceeding described in clause (A)(V) above is instituted against the Master Servicer and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of sixty (60) days; or

(d) the Master Servicing Agreement terminates pursuant to its terms and the Issuer has not entered into a replacement Master Servicing Agreement with a new Master Servicer satisfying the conditions of this Indenture.

“*Costs of Issuance Fund*” shall mean the Fund by that name created in Section 5.01(a) hereof and further described in Section 5.07 hereof, including any additional Accounts and Subaccounts created therein.

“*Cutoff Date*” shall mean (a) August 31, 2016 for the Eligible Loans acquired on the Date of Issuance and (b) for Financed Eligible Loans acquired after the Date of Issuance, the Cutoff Date will be the date such Financed Eligible Loans are transferred to the Trust Estate.

“*Date of Issuance*” shall mean September 7, 2016.

“*Depositor*” shall mean NorthStar Education Funding I, L.L.C.

“*Determination Date*” shall mean, the second Business Day preceding each Monthly Distribution Date.

“*Eligible Loan*” shall mean any loan made to finance post-secondary education that is made pursuant to the Program Guidelines.

“*Eligible Loan Acquisition Certificate*” shall mean a certificate signed by an Authorized Representative in substantially the form attached as Exhibit A hereto.

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

“*Event of Bankruptcy*” shall mean (a) the Person shall have commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its

debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall have made a general assignment for the benefit of creditors, or shall have declared a moratorium with respect to its debts or shall have failed generally to pay its debts as they become due, or shall have taken any action to authorize any of the foregoing; or (b) an involuntary case or other proceeding shall have been commenced against the Person seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property provided such action or proceeding is not dismissed within 60 days.

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

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

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

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

“*Funds*” shall mean each of the Funds created pursuant to Section 5.01 hereof.

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

“*Global Certificate*” shall mean any Note registered in the name of a Clearing Agency or its nominee.

“*Highest Priority Notes*” shall mean at any time when Series 2016-A Notes are Outstanding, the Series 2016-A Notes, and at any time when no Series 2016-A Notes are Outstanding, the Series 2016-B Notes.

“*Indenture*” shall mean this Indenture of Trust, including all supplements and amendments hereto.

“*Index Maturity*” shall mean (a) for One-Month LIBOR, one month and (b) for Two-Month LIBOR, two months.

“*Individual Note*” shall mean any Note registered in the name of a Noteholder other than a Clearing Agency or its nominee.

“*Initial Pool Balance*” shall mean the Pool Balance as of the initial Cutoff Date.

“*Initial Purchaser*” shall mean RBC Capital Markets, LLC, as the initial purchaser of the Notes.

“*Interest Accrual Period*” shall mean, initially, the period commencing on the Date of Issuance and ending on October 25, 2016 and thereafter, with respect to each Monthly Distribution Date, the period beginning on and including the immediately preceding Monthly Distribution Date and ending on the day immediately preceding such current Monthly Distribution Date.

“*Investment Securities*” shall mean:

(a) direct obligations of, or obligations on which the timely payment of the principal of and interest on which are unconditionally and fully guaranteed by, the United States of America;

(b) interest-bearing time or demand deposits, certificates of deposit or other similar banking arrangements with a maturity of 30 days or less with any bank, trust company, national banking association or other depository institution, including those of the Trustee, provided that, at the time of deposit or purchase such depository institution has commercial paper which has the required ratings from Moody’s corresponding to the duration of such investment set forth below;

(c) overnight repurchase agreements and overnight reverse repurchase agreements at least 101% collateralized by securities described in subparagraph (a) of this definition and with a counterparty, including the Trustee and any of its affiliates, that has the required ratings from Moody’s corresponding to the duration of such investment set forth below, or a counterparty approved in writing by Moody’s;

(d) commercial paper, including that of the Trustee and any of its affiliates, which has the required ratings from Moody’s corresponding to the duration of such investment set forth below, and which matures not more than 30 days after the date of purchase;

(e) investments in a money market fund rated at least “Aaa-mf” by Moody’s, including funds for which the Trustee or an affiliate thereof acts as investment advisor or provides other similar services for a fee, and which matures not more than 30 days after the date of purchase; and

(f) any other investment with a Rating Confirmation.

Each Investment Security or the provider of such Investment Security (other than those described in paragraphs (a) and (e) of this definition) shall have the following Moody’s long-term and or short-term ratings corresponding to the duration of such investment:

<u>Maximum Maturity</u>	<u>Minimum Ratings</u>
One Month	“A2” or “Prime-1”
Three Months	“A1” and “Prime-1”
Six Months	“Aa3” and “Prime-1”
Greater than Six Months	“Aaa” and “Prime-1”

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

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

“*LIBOR*” shall mean One-Month LIBOR or Two-Month LIBOR, as applicable.

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

“*Master Servicer*” shall mean NCMS, and any other master servicer or successor master servicer selected by the Issuer (or the Trustee pursuant to Section 4.04 hereof), including an affiliate of the Issuer, so long as the Issuer obtains a Rating Confirmation as to each such other master servicer, except that no Rating Confirmation shall be necessary for GLELSI or NES (with a guarantee or backup of its performance from GLELSI) acting as a successor thereto, and the term “Master Servicer” shall include any Sub-Master Servicer.

“*Master Servicing Agreement*” shall mean (a) the Master Servicing Agreement, dated as of August 27, 2010, between NEF and NCMS, as previously supplemented and as further supplemented by the Supplemental Master Servicing Agreement, dated as of September 1, 2016, pursuant to which NCMS agrees to act as Administrator and Master Servicer for the Issuer, and (b) any replacement master servicing agreement between the Issuer and any other Master Servicer.

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

“*Monthly Distribution Date*” shall mean the twenty-fifth (25th) day of each calendar month or, if such day is not a Business Day, the immediately succeeding Business Day, commencing on October 25, 2016.

“*Monthly Distribution Date Certificate*” shall have the meaning set forth in Section 4.15(a) hereof and shall be in the form of Exhibit D attached hereto.

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

“*NCMS*” shall mean Northstar Capital Markets Services, Inc., and any successor thereto.

“*NEF*” shall mean NorthStar Education Finance, Inc., and any successor thereto.

“*NES*” shall mean Northstar Education Services LLC, and any successor thereto.

“*Note Final Maturity Date*” for a Series of Notes or for any Note of such Series, as the context may require, shall mean the Series 2016-A Maturity Date or the Series 2016-B Maturity Date, as applicable.

“*Note Purchase Agreement*” shall mean the Note Purchase Agreement, dated as of August 26, 2016, among the Issuer, NEF and RBC Capital Markets, LLC, as initial purchaser of the Notes.

“*Noteholder*” shall mean, (a) with respect to a book-entry Note, the Person who is the owner of such book-entry Note, as reflected on the books of the Clearing Agency, or on the books of a Person maintaining an account with such Clearing Agency (directly as a Clearing Agency Participant or as an indirect participant, in each case in accordance with the rules of such Clearing Agency); and (b) with respect to Notes held in definitive form pursuant to Section 2.11 hereof, the Person in whose name a Note is registered in the Note registration books of the Trustee.

“*Notes*” shall mean, collectively, the Series 2016-A Notes and the Series 2016-B Notes.

“*One-Month LIBOR*” or “*Two-Month LIBOR*” shall mean, with respect to any Interest Accrual Period, the London interbank offered rate for deposits in U.S. dollars having the applicable Index Maturity as it appears on Reuters Screen LIBOR01 Page, or another page of this or any other financial reporting service in general use in the financial services industry, as of 11:00 a.m., London time, on the related LIBOR Determination Date as determined by the Trustee. If this rate does not appear on Reuters Screen LIBOR01 Page, or another page of this or any other financial reporting service in general use in the financial services industry, the rate for that day will be determined on the basis of the rates at which deposits in U.S. dollars, having the applicable Index Maturity and in a principal amount of not less than U.S. \$1,000,000, are offered at approximately 11:00 a.m., London time, on that LIBOR Determination Date, to prime banks in the London interbank market by the Reference Banks. The Trustee will request the principal London office of each Reference Bank to provide a quotation of its rate. If the Reference Banks provide at least two quotations, the rate for that day will be the arithmetic mean of the quotations. If the Reference Banks provide fewer than two quotations, the rate for that day will be the arithmetic mean of the rates quoted by major banks in New York City, selected by the Trustee at approximately 11:00 a.m., New York City time, on that LIBOR Determination Date, for loans in U.S. dollars to leading European banks having the applicable Index Maturity and in a principal amount of not less than U.S. \$1,000,000. If the banks selected as described above are not providing quotations, One-Month LIBOR in effect for the applicable Interest Accrual Period will be One-Month LIBOR in effect for the previous Interest Accrual Period.

“*Opinion of Counsel*” shall mean (a) with respect to the Issuer one or more written opinions of counsel who may, except as otherwise expressly provided in this Indenture, be employees of or counsel to the Issuer, the Owner Trustee, the Depositor, NEF or an Affiliate thereof and who shall be reasonably satisfactory to the Trustee, and which opinion or opinions

shall be addressed to the Trustee, as trustee, and shall be in form and substance satisfactory to the Trustee; (b) with respect to the Owner Trustee, the Depositor, NEF, the Administrator, the Master Servicer or a Servicer, one or more written opinions of counsel who may be an employee of or counsel to the Owner Trustee, the Depositor, NEF, the Administrator, the Master Servicer or a Servicer, which counsel shall be acceptable to the Trustee; and (c) with respect to the Trustee one or more written opinions of counsel who may, except as otherwise expressly provided in this Indenture, be employees of or counsel to the Trustee, the Issuer, the Owner Trustee, the Depositor, NEF or an Affiliate thereof and who shall be reasonably satisfactory to the Trustee.

“Optional Purchase Amount” shall mean, on any Monthly Distribution Date, the greater of (a) an amount equal to the outstanding principal amount of the Financed Eligible Loans, plus accrued interest to the Optional Purchase Date and (b) an amount that would be sufficient, when combined with amounts on deposit in the Funds and Accounts, to (i) reduce the Outstanding Amount of each Series of Notes on such Monthly Distribution Date to zero; (ii) pay to the respective Noteholders the Series 2016-A Noteholders’ Interest Distribution Amount and the Series 2016-B Noteholders’ Interest Distribution Amount payable on such Monthly Distribution Date; and (iii) pay any Administration and Master Servicing Fees, Servicing Fees, Trustee Fees, Trustee Expenses, Owner Trustee Fees, Backup Master Servicing Fees and Rating Surveillance Fees due and owing.

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

“Outstanding” shall mean, when used in connection with any Note, a Note which has been executed and delivered pursuant to this Indenture which at such time remains unpaid as to principal or interest, excluding Notes which have been replaced pursuant to Section 2.03 or 2.04 hereof, unless provision has been made for such payment pursuant to Section 10.02 hereof.

“Outstanding Amount” shall mean, as of any date of determination, the aggregate principal amount of all Notes Outstanding or the applicable Series of Notes, as the case may be, Outstanding at such date of determination.

“Owner Trustee” shall mean Wilmington Trust, National Association, a national banking association, not in its individual capacity, but solely in its capacity as the owner trustee of the Issuer and owner trustee hereunder and under the Trust Agreement, or any successor thereto appointed pursuant to the Trust Agreement

“Owner Trustee Fee” shall mean (a) the Owner Trustee’s initial acceptance fee of \$4,000 plus the initial annual fee of \$10,500 and (b) an annual fee equal to \$10,500, payable on each March Monthly Distribution Date, beginning on the March 2017 Monthly Distribution Date.

“Parity Ratio” shall mean, on any Monthly Distribution Date, (a) the Pool Balance (including all accrued interest on the Financed Eligible Loans) plus the amounts on deposit in the Acquisition Fund, the Collection Fund, the Capitalized Interest Fund and the Reserve Fund, each as of the end of the related Collection Period divided by (b) the Outstanding Amount of the Notes, after giving effect to distributions to be made on that Monthly Distribution Date. The

Parity Ratio shall be calculated by the Issuer and certified to the Trustee upon which the Trustee may conclusively rely with no duty to further examine or determine such information.

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

“*Pool Balance*” shall mean as of any date the aggregate principal balance of the Financed Eligible Loans on such date (including accrued interest thereon to the extent such interest is expected to be capitalized), after giving effect to the following, without duplication: (a) all payments received by the Issuer through such date from or on behalf of obligors on such Financed Eligible Loans; (b) all Purchase Amounts on Financed Eligible Loans received by the Issuer through such date from the Depositor; (c) the principal balance of all Charged-Off Financed Eligible Loans through such date; and (d) the aggregate amount of adjustments to balances of Financed Eligible Loans permitted to be effected by a Servicer under its related Servicing Agreement, if any, recorded through such date. The Pool Balance shall be calculated by the Issuer and certified to the Trustee, upon which the Trustee may conclusively rely with no duty to further examine or determine such information.

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

“*Private Student Loan Purchase and Contribution Agreement*” shall mean the Private Student Loan Purchase and Contribution Agreement, dated as of September 1, 2016, among the Issuer, the Owner Trustee and the Depositor, as amended and supplemented pursuant to the terms thereof and hereof.

“*Program*” shall mean NEF’s program for the origination and the purchase of Eligible Loans, as the same may be modified from time to time.

“*Program Guidelines*” shall mean the Program Guidelines setting forth the provisions for each of the Eligible Loans, all as attached hereto as Exhibit G.

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

“*Qualified Institutional Buyer*” shall mean a “qualified institutional buyer” within the meaning of Rule 144A.

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

“*Rating Agency*” shall mean Moody’s and its successors and assigns or any other rating agency requested by the Issuer to maintain a Rating on any of the Notes.

“*Rating Confirmation*” shall mean a written communication from the Rating Agency that a proposed action, failure to act, or other event specified therein will not, in and of itself, result in a downgrade of any of the Ratings then applicable to the Notes, or cause any Rating Agency to suspend, withdraw or qualify the Ratings then applicable to the Notes.

“*Rating Surveillance Fees*” shall mean annual amounts equal to \$15,000 payable to Moody’s on each March Monthly Distribution Date, beginning on the March 2017 Monthly Distribution Date.

“*Record Date*” shall mean the close of business on the day preceding each Monthly Distribution Date.

“*Recovered Proceeds*” shall mean, with respect to any Charged-Off Financed Eligible Loan, moneys collected in respect thereof from whatever source, net of the sum of any amounts expended by the Issuer in connection with recovering such amount and any amounts required by law to be remitted to the obligor on such Charged-Off Financed Eligible Loan.

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

“*Reserve Fund*” shall mean the Fund by that name created in Section 5.01(d) hereof and further described in Section 5.05 hereof, including any Accounts and Subaccounts created therein.

“*Responsible Officer*” shall mean, when used with respect to the Trustee, any officer within the corporate trust office of the Trustee, including any vice president, assistant vice president, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person’s knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

“*Rule 144A*” shall mean Rule 144A promulgated under the Securities Act.

“*Securities Act*” shall mean the Securities Act of 1933, as amended.

“*Securities Legend*” shall mean the following legend: “THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR REGISTERED OR QUALIFIED UNDER ANY STATE SECURITIES OR BLUE SKY LAW OF ANY STATE. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES THAT THIS NOTE MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) PURSUANT TO RULE 144A PROMULGATED UNDER THE SECURITIES ACT (“RULE 144A”) TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A “QIB”), PURCHASING FOR ITS OWN ACCOUNT OR A QIB PURCHASING FOR THE ACCOUNT OF A QIB, WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE

REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A; (B) PURSUANT TO ANOTHER EXEMPTION AVAILABLE UNDER THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (C) PURSUANT TO A VALID REGISTRATION STATEMENT.”

“*Senior Parity Ratio*” shall mean, on any Monthly Distribution Date, (a) the Pool Balance (including all accrued interest on the Financed Eligible Loans) plus the amounts on deposit in the Acquisition Fund, the Collection Fund, the Capitalized Interest Fund and the Reserve Fund, each as of the end of the related Collection Period divided by (b) the Outstanding Amount of the Series 2016-A Notes, after giving effect to distributions to be made on that Monthly Distribution Date. The Senior Parity Ratio shall be calculated by the Issuer and certified to the Trustee upon which the Trustee may conclusively rely with no duty to further examine or determine such information.

“*Series*” shall mean, as appropriate, the Series 2016-A Notes or the Series 2016-B Notes.

“*Series 2016-A Maturity Date*” shall mean the May 2036 Monthly Distribution Date.

“*Series 2016-A Note Interest Shortfall*” shall mean, with respect to any Monthly Distribution Date, the excess, if any, of (a) the Series 2016-A Noteholders’ Interest Distribution Amount on the immediately preceding Monthly Distribution Date over (b) the amount of interest actually distributed to the Series 2016-A Noteholders on such preceding Monthly Distribution Date, plus interest on the amount of such excess interest due to the Series 2016-A Noteholders, to the extent permitted by law, at the interest rate borne by the Series 2016-A Notes from such immediately preceding Monthly Distribution Date to the current Monthly Distribution Date, as determined by the Trustee and confirmed by the Administrator.

“*Series 2016-A Noteholder*” shall mean the Person in whose name a Series 2016-A Note is registered in the Note registration books maintained by the Trustee.

“*Series 2016-A Noteholders’ Interest Distribution Amount*” shall mean, with respect to any Monthly Distribution Date, the sum of (a) the amount of interest accrued at the Series 2016-A Rate for the related Interest Accrual Period on the Outstanding Amount of the Series 2016-A Notes immediately prior to such Monthly Distribution Date; and (b) the Series 2016-A Note Interest Shortfall for such Monthly Distribution Date, as based on the actual number of days in such Interest Accrual Period divided by 360 and rounding the resultant figure to the fifth decimal place, as determined by the Trustee and confirmed by the Administrator.

“*Series 2016-A Notes*” shall mean the \$86,000,000 Private Education Loan Asset-Backed Notes, Senior Series 2016-A issued by the Issuer pursuant to this Indenture, substantially in the form of Exhibit B hereto.

“*Series 2016-A Rate*” shall mean, for any Interest Accrual Period, other than the first Interest Accrual Period, the applicable One-Month LIBOR plus 1.25%, as determined by the Trustee. For the first Interest Accrual Period, the Series 2016-A Rate shall be determined by reference to the following formula:

$x + [a/b * (y-x)]$ plus 1.25%, as determined by the Trustee.

where:

x = One-Month LIBOR;

y = Two-Month LIBOR;

a = the actual number of days from the maturity date of One-Month LIBOR to the first Monthly Distribution Date; and

b = the actual number of days from the maturity date of One-Month LIBOR to the maturity date of Two-Month LIBOR.

“*Series 2016-B Maturity Date*” shall mean the October 2037 Monthly Distribution Date.

“*Series 2016-B Note Interest Shortfall*” shall mean, with respect to any Monthly Distribution Date, the excess, if any, of (a) the Series 2016-B Noteholders’ Interest Distribution Amount on the immediately preceding Monthly Distribution Date over (b) the amount of interest actually distributed to the Series 2016-B Noteholders on such preceding Monthly Distribution Date, plus interest on the amount of such excess interest due to the Series 2016-B Noteholders, to the extent permitted by law, at the interest rate borne by the Series 2016-B Notes from such immediately preceding Monthly Distribution Date to the current Monthly Distribution Date, as determined by the Trustee and confirmed by the Administrator.

“*Series 2016-B Note Interest Trigger*” shall mean, on any Monthly Distribution Date, any Series 2016-A Notes are Outstanding and (a)(i) the Pool Balance (including all accrued interest on the Financed Eligible Loans) plus the amounts on deposit in the Acquisition Fund, the Collection Fund, the Capitalized Interest Fund and the Reserve Fund, each as of the end of the related Collection Period, minus (ii) the Outstanding Amount of the Series 2016-A Notes as of the end of the related Collection Period, is less than (b) the initial aggregate principal amount of the Series 2016-B Notes.

“*Series 2016-B Noteholder*” shall mean the Person in whose name a Series 2016-B Note is registered in the Note registration books maintained by the Trustee.

“*Series 2016-B Noteholders’ Interest Distribution Amount*” shall mean, with respect to any Monthly Distribution Date, the sum of (a) the amount of interest accrued at the Series 2016-B Rate for the related Interest Accrual Period on the Outstanding Amount of the Series 2016-B Notes immediately prior to such Monthly Distribution Date; and (b) the Series 2016-B Note Interest Shortfall for such Monthly Distribution Date, as based on the actual number of days in such Interest Accrual Period divided by 360 and rounding the resultant figure to the fifth decimal place, as determined by the Trustee and confirmed by the Administrator.

“*Series 2016-B Notes*” shall mean the \$4,000,000 Private Education Loan Asset-Backed Notes, Subordinate Series 2016-B issued by the Issuer pursuant to this Indenture, substantially in the form of Exhibit C hereto and secured on a junior priority to the Series 2016-A Notes.

“*Series 2016-B Rate*” shall mean, for any Interest Accrual Period, other than the first Interest Accrual Period, the applicable One-Month LIBOR, plus 1.50%, as determined by the

Trustee. For the first Interest Accrual Period, the Series 2016-B Rate shall be determined by reference to the following formula:

$x + [a/b * (y-x)]$ plus 1.50%, as determined by the Trustee.

where:

x = One-Month LIBOR;

y = Two-Month LIBOR;

a = the actual number of days from the maturity date of One-Month LIBOR to the first Monthly Distribution Date; and

b = the actual number of days from the maturity date of One-Month LIBOR to the maturity date of Two-Month LIBOR.

“*Servicer*” shall mean GLELSI and any other servicer or successor servicer selected by the Issuer (or the Trustee pursuant to Section 4.04 hereof), including an affiliate of the Issuer, so long as the Issuer has satisfied the requirements of a Rating Confirmation as to each such other servicer.

“*Servicer Event of Default*” shall mean, for purposes of the Master Servicing Agreement, a default by the Servicer pursuant to the Servicing Agreement.

“*Servicing Agreement*” shall mean (a) the Non-FFELP Loan Servicing Agreement, dated as of September 1, 2016, between the Issuer and the Servicer, as amended from time to time, and (b) any replacement servicing agreement between the Issuer and any other Servicer.

“*Servicing Fee*” shall mean a monthly servicing fee for the payment of fees and expenses due to the Servicer under the terms of the Servicing Agreement that shall not exceed the Administration and Master Servicing Fee.

“*Specified Reserve Fund Balance*” shall mean, with respect to any Monthly Distribution Date, the greater of (a) 0.25% of the aggregate Outstanding Amount of the Notes as of the close of business on the last day of the related Collection Period and (b) 0.15% of the original Outstanding Amount of the Notes on the Date of Issuance, provided that in no event will such balance exceed the sum of the Outstanding Amount of the Notes and provided further, that such Specified Reserve Fund Balance may be reduced with a Rating Confirmation. The Specified Reserve Fund Balance shall be calculated by the Issuer and certified to the Trustee, upon which certification the Trustee may conclusively rely with no duty to further examine or determine such information.

“*State*” shall mean the State of Delaware.

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

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

“*Sub-Master Servicer*” shall mean NES, in its capacity as sub-master servicer under the Subservicing Agreement, or any successor thereto, so long as the Issuer has satisfied the requirements of a Rating Confirmation as to each such successor sub-master servicer.

“*Subservicing Agreement*” shall mean the Amended and Restated Subservicing Agreement, dated as of October 25, 2012, among NES, NCMS and GLELSI, as amended and supplemented pursuant to the terms thereof.

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

“*Trust Agreement*” shall mean the Amended and Restated Trust Agreement, dated as of September 1, 2016, between the Depositor and the Owner Trustee, as amended pursuant to the terms thereof.

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

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

“*Trustee Expense Reserve Fund*” shall mean the Fund by that name created in Section 5.01 hereof and further described in Section 5.06 hereof, including any additional Accounts and Subaccounts created therein.

“*Trustee Expense Reserve Fund Deposit*” shall mean a deposit equal to the lesser of (a) \$4,167 per month and (b) the amount necessary to bring the balance in the Trustee Expense Reserve Fund to \$150,000.

“*Trustee Expenses*” shall mean the costs, expenses and indemnification amounts due to the Trustee, other than the Trustee Fee.

“*Trustee Fee*” shall mean an amount equal to the amounts set forth in the Trustee Fee Letter dated November 16, 2015, or such other trustee fee letter as mutually agreed to by the Issuer and the Trustee (other than Trustee Expenses). The Trustee Fee shall not exceed the amount set forth in the closing cash flows for the Notes without a Rating Confirmation. The Issuer shall provide prior written notice to Moody’s at least 45 days prior to any increase in the Trustee Fee.

“*Two-Month LIBOR*” shall have the meaning ascribed to such term under the definition of “One-Month LIBOR.”

“*Unmatured Event of Default*” shall mean, for purposes of the Master Servicing Agreement, the occurrence of an event which, with the passing of time or the giving of notice, would constitute an Event of Default.

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

All references herein to “New York City time” shall be presumed to refer to “Eastern time” unless the Trustee is notified in writing to the contrary.

ARTICLE II

NOTE DETAILS AND FORM OF NOTES

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

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

Each Note shall be dated the Date of Issuance. The terms of the Notes set forth in Exhibits B and C hereto are part of the terms of this Indenture.

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

The Trustee shall upon Issuer Order authenticate and deliver Notes for original issue in an aggregate principal amount of \$86,000,000 for the Series 2016-A Notes and \$4,000,000 for the Series 2016-B Notes. The aggregate principal amount of each Series of Notes Outstanding at any time may not exceed such amount except as provided in Section 2.03 or 2.04 hereof.

The Notes shall be issuable as registered notes, in minimum denominations of \$100,000 and in integral multiples of \$1,000 in excess thereof (the “Authorized Denominations”).

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

Section 2.03. Registration, Transfer and Exchange of Notes; Persons Treated as Noteholders. The Issuer shall cause books for the registration and for the transfer of the Notes as provided in this Indenture to be kept by the Trustee which is hereby appointed the transfer agent of the Issuer for the Notes. Notwithstanding such appointment and with the prior written consent of the Issuer, the Trustee is hereby authorized to make any arrangements with other institutions which it deems necessary or desirable in order that such institutions may perform the duties of transfer agent for the Notes. Upon surrender for transfer of any Note at the Principal Office of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Noteholder or his attorney duly authorized in writing, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Note or Notes of the same interest rate and for a like Series and aggregate principal amount of the same Note Final Maturity Date.

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

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

By acceptance of a Note, whether upon original issuance or subsequent transfer, each Noteholder acknowledges the restrictions on the transfer of such Note set forth in the Securities Legend and in Section 2.12 hereof and agrees that it will transfer such Note only as provided herein. The Noteholder desiring to effect such transfer shall, and does hereby agree to, indemnify the Issuer, the Trustee and the Administrator against any liability that may result if the transfer is not exempt or is not made in accordance with such federal and state laws. None of the Issuer, the Trustee or the Administrator intends or is obligated to register or qualify any Note under the Securities Act or any state securities laws.

The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture.

The Trustee shall require the payment by any Noteholder requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer. The applicant for any such transfer or exchange may be required to pay all taxes and

governmental charges in connection with such transfer or exchange, other than exchanges pursuant to Section 2.07 hereof.

Section 2.04. Lost, Stolen, Destroyed and Mutilated Notes. Upon receipt by the Trustee of evidence satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note and, in the case of a lost, stolen or destroyed Note, of indemnity satisfactory to it and the Issuer, and upon surrender and cancellation of the Note, if mutilated, (a) the Issuer shall execute, and the Trustee shall authenticate and deliver, a replacement Note of the same Series, interest rate, Note Final Maturity Date and denomination in lieu of such lost, stolen, destroyed or mutilated Note or (b) if such lost, stolen, destroyed or mutilated Note shall have matured or within 15 days shall be due and payable, in lieu of executing and delivering a new Note as aforesaid, the Issuer may pay such Note. Any such new Note shall bear a number not contemporaneously outstanding. The applicant for any such new Note may be required to indemnify the Trustee and the Issuer, pay all taxes and governmental charges and all expenses and charges of the Issuer and of the Trustee in connection with the issuance of such Note. All Notes shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, lost or stolen Notes.

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

Section 2.06. Cancellation and Destruction of Notes by the Trustee. Whenever any Outstanding Notes shall be delivered to the Trustee for the cancellation thereof pursuant to this Indenture, upon payment of the principal amount and interest represented thereby, or for replacement pursuant to Section 2.03 or 2.04 hereof, such Notes shall be promptly cancelled and destroyed in accordance with its retention policy then in effect.

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

the temporary Notes shall be entitled to the same benefits under this Indenture as definitive Notes.

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

Section 2.09. Notices to Clearing Agency. Whenever a notice or other communication is required under this Indenture to be given to Noteholders, unless and until Individual Notes shall have been issued to Noteholders pursuant to Section 2.11 hereof, the Trustee shall give all such notices and communications specified herein to the Clearing Agency.

Section 2.10. Payment of Principal and Interest.

(a) Each Series of Notes shall accrue interest as provided in the forms of the Series 2016-A Notes and the Series 2016-B Notes, set forth in Exhibits B and C, respectively, hereto. The Trustee shall determine the Series 2016-A Rate and the Series 2016-B Rate on each LIBOR Determination Date, and shall give notice of such Series 2016-A Rate and Series 2016-B Rate to the Issuer and the Sub-Administrator in the form of Exhibit H hereto. At least five (5) Business Days prior to each Monthly Distribution Date, the Trustee shall give notice to the Sub-Administrator of the Series 2016-A Noteholders' Interest Distribution Amount and the Series 2016-B Noteholders' Interest Distribution Amount for such Monthly Distribution Date in the form of Exhibit I hereto. Such interest shall be payable with respect to each Series of Notes on each Monthly Distribution Date as specified in Section 5.04(c) hereof, subject to Section 4.01 hereof. Any installment of interest or principal, if any, payable on any Note which is punctually paid or duly provided for by the Issuer on the applicable Monthly Distribution Date shall be paid to the Person in whose name such Note is registered on the Record Date by wire transfer in immediately available funds to the account designated by such Person (except that in the case of holders of definitive Notes who do not provide wire instructions on a timely basis to the Trustee a check mailed first-class, postage prepaid to such Person's address as it appears on the records of the Trustee on such Record Date will be issued), and except for the final installment of principal payable with respect to such Note on a Monthly Distribution Date or on the Note Final Maturity Date for such Note which shall be payable as provided below. The amount of interest distributable to Noteholders for each \$1,000 in principal amount will be calculated by applying the applicable interest rate for the Interest Accrual Period to the principal amount of \$1,000, multiplying that product by the actual number of days in the Interest Accrual Period divided by 360, and rounding the resulting percentage figure to the fifth decimal point.

(b) The principal of each Note shall be payable in installments on each Monthly Distribution Date as provided in Section 5.04(c) hereof. Notwithstanding the foregoing, the entire unpaid principal amount of each Series of Notes shall be due and payable, if not previously paid, on the Note Final Maturity Date for such Series of Notes. The Trustee shall notify the Noteholder on or prior to the close of business on the Record Date preceding the applicable Monthly Distribution Date on which the Issuer expects that

the final installment of principal of and interest on such Note will be paid. Such notice shall be mailed or transmitted by facsimile or electronic delivery prior to such final Monthly Distribution Date and shall specify that such final installment will be payable only upon presentation and surrender of such Note and shall specify the place where such Note may be presented and surrendered for payment of such installment.

Section 2.11. Book-Entry Notes.

(a) Subject to paragraph (d) of this Section, the Noteholder of the Notes shall be a Clearing Agency, and the Notes shall be registered in the name of the nominee for such Clearing Agency.

(b) The Notes shall be initially issued in the form of one or more separate, authenticated fully-registered Notes in the aggregate Outstanding Amount of the Notes. Upon initial issuance, the ownership of the Notes shall be registered in the registration books kept by the Trustee in the name of the nominee of the Clearing Agency. The Trustee and the Issuer may treat the Clearing Agency, or its nominee, as the sole and exclusive owner of the Notes registered in its name for the purposes of (i) payment of the principal or redemption price of and interest on the Notes; (ii) selecting the Notes or portions thereof to be redeemed; (iii) giving any notice permitted or required to be given to Noteholders under this Indenture; (iv) registering the transfer of the Notes; and (v) obtaining any consent or other action to be taken by Noteholders 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 paragraph (d) of this Section). Neither the Trustee nor the Issuer shall have any responsibility or obligation to any Clearing Agency Participant, any Beneficial Owner of the Notes or any other Person claiming a Beneficial Ownership Interest in the Notes under or through a Clearing Agency or any Clearing Agency Participant thereof, or any other Person which is not shown on the registration books as being a Noteholder, with respect to the accuracy of any records maintained by a Clearing Agency or any Clearing Agency Participant thereof, the payment to a Clearing Agency of any amount in respect of the principal or redemption price of or interest on the Notes; any notice which is permitted or required to be given to Noteholders under this Indenture; the selection by a Clearing Agency or any Clearing Agency Participant thereof of any Person to receive payment in the event of a partial redemption of the Notes; or any consent given or other action taken by a Clearing Agency as a Noteholder. The Trustee shall pay all principal and redemption price of and interest on the Notes only to or upon the order of the Clearing Agency, 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 redemption price of and interest on the Notes to the extent of the sum or sums so paid. Except as provided in paragraph (d) of this Section, no Person other than a Clearing Agency shall receive an authenticated Note evidencing the obligation of the Issuer to make payments of principal or redemption price and interest pursuant to this Indenture. Upon delivery by a Clearing Agency to the Trustee of written notice to the effect that such Clearing Agency has determined to substitute a new nominee in place of the preceding nominee, the Notes will be transferable to such new nominee in accordance with paragraph (g) of this Section.

(c) The Notes may be offered and/or sold only to Qualified Institutional Buyers in reliance on Rule 144A.

(d) A Clearing Agency may determine to discontinue providing its services with respect to the Notes at any time by giving notice to the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable law, or the Issuer may determine that a Clearing Agency is incapable of discharging its responsibilities and may so advise such Clearing Agency. In either such event, the Issuer shall use reasonable efforts to locate another securities depository. Under such circumstances (if there is no successor Clearing Agency), the Issuer and the Trustee shall be obligated to deliver Individual Notes representing the Notes in accordance with paragraph (g) of this Section. In the event Individual Notes representing the Notes are issued, the provisions of this Indenture shall apply to such Individual Notes in all respects, including, among other things, the transfer and exchange of the Notes and the method of payment of principal or redemption price of and interest on the Notes. Whenever a Clearing Agency requests the Issuer and the Trustee to do so, the Issuer and the Trustee will cooperate with such Clearing Agency in taking appropriate action after reasonable notice (i) to make available one or more separate Individual Notes representing the Notes to any Clearing Agency Participant having the Notes credited to its account with the Clearing Agency, or (ii) to arrange for another securities depository to maintain custody of the Individual Notes.

(e) Notwithstanding any other provision of this Indenture to the contrary, so long as the Notes are registered in the name of the nominee of a Clearing Agency, all payments with respect to the principal or redemption price of and interest on the Notes and all notices with respect to the Notes shall be made and given, respectively, to such Clearing Agency as provided in its letter of representations or other such instruction letter.

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

(g) In the event that any transfer or exchange of Notes is permitted under paragraph (b) or (d) of this Section, such transfer or exchange shall be accomplished upon receipt by the Trustee from the Noteholder of the Notes to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of this Indenture. In the event Individual Notes representing the Notes are issued to Noteholders other than the nominee of the Clearing Agency, or another securities depository as Noteholder of all the Notes, the provisions of this Indenture shall also apply to, among other things, the printing of such

Individual Notes and the methods of payment of principal or redemption price of and interest on such Individual Notes representing the Notes.

Section 2.12. Transfer Restrictions.

(a) Each person who is or who becomes a Beneficial Owner of a Note shall be deemed by the acceptance or acquisition of such Beneficial Ownership Interest to have agreed to be bound by the provisions of this Section. No Beneficial Ownership Interest in a Note may be transferred, unless the proposed transferee shall have delivered to the Issuer and the Trustee either of (i) evidence satisfactory to the Issuer that such Note has been registered under the Securities Act and has been registered or qualified under all applicable state securities laws to the reasonable satisfaction of the Issuer; or (ii) an express agreement substantially in the form of the Investment Letter attached as Exhibit F hereto for Qualified Institutional Buyers by the proposed transferee to be bound by and to abide by the provisions of this Section and the restrictions noted in such Investment Letter; provided that compliance with the provisions of this clause (ii) shall be deemed to have been satisfied if the proposed transferee is listed in the latest available Standard & Poor's Ratings Services Rule 144A list of Qualified Institutional Buyers or other industry recognized subscriber services listing Qualified Institutional Buyers.

(b) The Issuer will, upon the request of any Beneficial Owner of any Note, which Beneficial Owner is a Qualified Institutional Buyer, provide such Beneficial Owner, and any Qualified Institutional Buyer designated by such Beneficial Owner, such financial and other information as such Beneficial Owner may reasonably determine to be necessary in order to permit compliance with the information requirements of Rule 144A under the Securities Act in connection with the resale of Notes, except at such time as the Issuer is subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended.

(c) Notwithstanding any provision to the contrary herein, so long as a Global Certificate is held by or on behalf of DTC, transfers of a Global Certificate, in whole or in part, shall only be made in accordance with Section 2.11(c) hereof, this subsection (c) and subsection (d) of this Section.

(i) *Global Certificates.* Subject to paragraphs (ii), (iii) and (iv) of this subsection (c), transfers of a Global Certificate shall be limited to transfers of such Global Certificate in whole, but not in part, to nominees of DTC or to a successor of DTC or such successor's nominee.

(ii) *Certificated Securities.* In the event that a Global Certificate is exchanged for Notes in definitive registered form without interest coupons, pursuant to Section 2.11(g) hereof, the Notes may be exchanged for one another only in accordance with such procedures and restrictions as are substantially consistent as determined by the Issuer to insure that such transfers comply with Rule 144A.

(iii) *Transfer of Interests in the Global Certificates.* Notwithstanding anything herein to the contrary, transfers of interests in a Global Certificate may be made by book-entry transfer of Beneficial Ownership Interests within the Clearing Agency; provided that any such transfer of interests is made in accordance with paragraph (iv) of this subsection (c).

(iv) *Restrictions on Transfers.* Any transfer of an interest in the Global Certificate to a Person that is not a Qualified Institutional Buyer shall be null and void and shall not be given effect for any purpose hereunder, and the Trustee shall, upon Issuer Order, hold any funds conveyed by the intended transferee of such interest in the Global Certificate in trust for the transferor and shall promptly reconvey such funds to such Person in accordance with the written instructions thereof delivered to the Trustee at its address listed in Section 9.01 hereof.

(d) Each Noteholder, by its purchase of a Note, whether upon original issuance or subsequent transfer, is deemed to have represented and agreed that:

(i) in connection with the purchase of the Notes, (1) none of the Issuer, the Depositor, NEF, the Trustee, the Initial Purchaser or any of their respective affiliates is acting as a fiduciary or financial or investment advisor for such Beneficial Owner; (2) such Beneficial Owner is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Trustee, the Initial Purchaser or any of their respective affiliates other than any statements in the Offering Memorandum relating to the Notes (the "Offering Memorandum"), and such Beneficial Owner has read and understands the Offering Memorandum; (3) such Beneficial Owner has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary and has made its own investment decision (including decisions regarding the suitability of any transaction pursuant to this Indenture) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer, the Trustee, the Initial Purchaser or any of their respective affiliates; and (4) the Noteholder is a Qualified Institutional Buyer as defined in Rule 144A under the Securities Act, is aware (and if it is acquiring the Notes for the account of one or more Qualified Institutional Buyers, each Beneficial Owner of the Notes is aware) that the Issuer and the Initial Purchaser are relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A, that it is acquiring the Notes for its own account or for the account of one or more Qualified Institutional Buyers for whom it is authorized to act, in either case for investment purposes and not for distribution in violation of the Securities Act, that it is able to bear the economic risk of an investment in the Notes and that the Noteholder has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of purchasing the Notes;

(ii) the Noteholder understands that the Notes are being offered only in a transaction that does not require registration under the Securities Act and, if

such Noteholder decides to resell or otherwise transfer such Notes, then it agrees that it will resell or transfer such Notes only so long as such Notes are eligible for resale pursuant to Rule 144A, to a person whom the seller reasonably believes is a Qualified Institutional Buyer acquiring the Notes for its own account or as a fiduciary or agent for others (which others must also be Qualified Institutional Buyers) to whom notice is given that the resale or other transfer is being made in reliance on Rule 144A and in accordance with any applicable United States state securities laws or other applicable securities laws of the relevant jurisdiction;

(iii) unless the Securities Legend has been removed from the Notes, such Noteholder shall notify each transferee of the Notes of the deemed representations set out above and that such transferee shall be deemed to have agreed to notify its subsequent transferees as to the foregoing;

(iv) it is not an employee benefit plan or other retirement arrangement (“Plan”) and is not acquiring the note directly or indirectly for, or on behalf of, or with Plan Assets (as defined in Section 3(42) of ERISA) of, a Plan, an entity which holds Plan Assets by reason of a Plan’s investment therein (a “Plan Asset Entity”) or governmental, non-U.S. or church plan that is subject to a substantially similar federal, state, local or foreign law (a “Similar Law”), or the acquisition and holding of the Notes by or on behalf of, or with Plan Assets of, any Plan, any Plan Asset Entity or governmental, non-U.S. or church plan that is subject to Similar Law is permissible under applicable law, will not result in any non-exempt prohibited transaction under Section 406 of ERISA, or Section 4975 of the Code, or other applicable federal and state law, and will not subject the Issuer or the Initial Purchaser to any obligation not affirmatively undertaken in writing;

(v) the Noteholder understands that each certificate representing an interest in the Notes will bear the Securities Legend, unless determined otherwise in accordance with applicable law; and

(vi) by virtue of its acceptance of such Note or Beneficial Ownership Interest therein to indemnify the Administrator, the Sub-Administrator, the Master Servicer, the Trustee, the Owner Trustee and the Issuer against any and all liability that may result if any transfer of such Note is not made in a manner consistent with the Securities Legend; and

(vii) except for NEF and the Depositor, it acknowledges that it is not part of the Issuer’s “expanded group” within the meaning of Proposed Treasury Regulation Section 1.385-1(b)(3).

Section 2.13. Withholding.

(a) All Noteholders shall deliver to the Trustee and the Issuer prior to the first Monthly Distribution Date and at any time or times required by applicable law, (i) a correct, complete and properly executed U.S. IRS Form W-9 or applicable Form W-8

(with appropriate attachments), or any successor form, as applicable (“Noteholder Tax Identification Information”) and (ii) any documentation that is required under the Foreign Account Tax Compliance Act (“FATCA”) or is otherwise necessary (in the sole determination of the Issuer, the Trustee, or other agent of the Issuer, as applicable) to enable the Issuer, the Trustee and any other agent of the Issuer to comply with their respective obligations under FATCA and to determine that such Noteholder (or holder of any beneficial interest in a Note) has complied with its obligations under FATCA, or to determine the amount to deduct and withhold from a payment (“Noteholder FATCA Information”). To the extent the Issuer has actual knowledge that FATCA withholding tax is applicable, it will notify the Indenture Trustee thereof.

(b) The parties agree that the Trustee shall be released of any liability relating to its actions and compliance under this Section and FATCA, and that the Issuer shall indemnify the Indenture Trustee (pursuant to Section 7.05 hereof) for any Indemnified Amounts incurred in connection with any of its actions and compliance with this Section and FATCA.

(c) Each Noteholder, by acceptance of the related Note or an interest in such Note, will be deemed to have agreed to provide the Issuer and the Trustee with the Noteholder Tax Identification Information and, to the extent applicable, the Noteholder FATCA Information. In addition, each holder of a Note or an interest therein will be deemed to understand that the Trustee and any other agent of the Issuer may withhold interest and principal payable with respect to a Note (without any corresponding gross-up) on any Noteholder or beneficial owner of an interest in a Note that fails to comply with the foregoing requirements.

ARTICLE III

PARITY AND PRIORITY OF LIEN; OTHER OBLIGATIONS

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

Section 3.02. Other Obligations. The Available Funds and other moneys, Financed Eligible Loans, securities, evidences of indebtedness, interests, rights and properties pledged under this Indenture are and will be owned by the Issuer free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, of equal rank with or subordinate to the respective pledges created by this Indenture, except as otherwise expressly provided herein, and all action on the part of the Issuer to that end has been duly and validly taken. If any Financed Eligible Loan is found to have been subject to a lien at the time such Financed Eligible Loan was pledged to the Trust Estate, the Issuer shall cause such lien to be released, shall purchase such Financed Eligible Loan from the Trust Estate for a purchase price equal to its principal amount and interest accrued thereon or shall replace such Financed Eligible Loan with

another Eligible Loan with substantially identical characteristics which replacement Eligible Loan shall be free and clear of liens at the time of such replacement. Except as otherwise provided herein, the Issuer shall not create or voluntarily permit to be created any debt, lien or charge on the Financed Eligible Loans which would be on a parity with, subordinate to, or prior to the lien of this Indenture; shall not do or omit to do or suffer to be done or omitted to be done any matter or things whatsoever whereby the lien of this Indenture or the priority of such lien for the Notes hereby secured might or could be lost or impaired; and will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence to or any equality with this Indenture as a lien or charge upon the Financed Eligible Loans; provided, however, that nothing in this Section shall require the Issuer to pay, discharge or make provision for any such lien, charge, claim or demand so long as the validity thereof shall be by it in good faith contested, unless thereby, in the reasonable opinion of the Trustee, the same will impair the security for the Notes; and provided further that any subordinate lien hereon (i.e., subordinate to the lien securing the Notes) shall be entitled to no payment from the Trust Estate, nor may any remedy be exercised with respect to such subordinate lien against the Trust Estate until all Notes have been paid or deemed paid hereunder.

ARTICLE IV

PROVISIONS APPLICABLE TO THE NOTES; DUTIES OF THE ISSUER

Section 4.01. Payment of Principal and Interest. The Issuer covenants that it will promptly pay, but solely from the Trust Estate, the principal of and interest, if any, on each and every Note issued under the provisions of this Indenture at the places, on the dates and in the manner specified herein and in said Notes according to the true intent and meaning thereof. The Notes shall be and are hereby declared to be payable from and equally secured, except as specifically provided in this Indenture with respect to certain payment and other priorities, by an irrevocable first lien on and pledge of the properties constituting the Trust Estate, subject to the application thereof as permitted by this Indenture, but in no event shall the Noteholders have any right to possession or control of any Financed Eligible Loans, which shall be held only by the Owner Trustee, or its agent or bailee, on behalf of the Issuer.

Section 4.02. Covenants as to Additional Conveyances. At any and all times, the Issuer will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers and assurances in law as the Trustee shall reasonably require for the better conveying, transferring and pledging and confirming unto the Trustee, all and singular, the properties constituting the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

Section 4.03. Further Covenants of the Issuer.

(a) The Issuer will cause the initial financing statements and all continuation statements with respect thereto to be filed in the office of the Secretary of State of the State and any other jurisdiction necessary to perfect and maintain the security interest granted by the Issuer and the Owner Trustee hereunder. The Issuer and the Owner

Trustee hereby irrevocably authorize the Trustee to file any and all financing statements, continuations and amendments thereto as may be required or advisable in such form as is determined by the Trustee in order to perfect or to continue the perfection of the security interest in the Trust Estate, in each case, on behalf of the Issuer and the Owner Trustee; provided, however, that the Trustee has no obligation to make such filings. Such financing statements and any amendments thereto may describe the Trust Estate or may indicate the Trust Estate (i) as all assets of the Issuer or words of similar effect, regardless of whether any particular asset comprised in the Trust Estate falls within the scope of Article 9 of the UCC or (ii) as being of an equal or greater scope or with greater or lesser detail than as set forth in the definition of "Trust Estate" (the terms of which shall be binding on the Issuer and the Owner Trustee). The Trustee shall not be responsible for the cost and expense of any financing statement filings, including, without limitation, continuation statements and amendments.

(b) The Issuer will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture and the other agreements to which the Issuer is a party pursuant to the transactions contemplated herein, including but not limited to the Basic Documents to which it is a party and will punctually perform all duties required by the Trust Agreement and the laws of the State.

(c) The Issuer shall operate on the basis of its Fiscal Year.

(d) The Issuer shall cause to be kept full and proper books of records and accounts, in which full, true and proper entries will be made of all dealings, business and affairs of the Issuer which relate to the Notes.

(e) The Issuer, upon written request of the Trustee, will permit at all reasonable times the Trustee or its agents, accountants and attorneys, to examine and inspect the property, books of account, records, reports and other data relating to the Financed Eligible Loans, and will furnish the Trustee such other information as it may reasonably request. The Trustee shall be under no duty to make any such examination unless requested in writing to do so by the Noteholders of 66-2/3% in collective aggregate principal amount of the Notes at the time Outstanding, and unless such Noteholders shall have offered the Trustee security and indemnity satisfactory to it against any fees, costs, expenses and liabilities which might be incurred thereby.

(f) The Issuer shall cause an annual audit to be made by an independent auditing firm of national reputation and file one copy thereof with the Trustee and each Rating Agency within 150 days of the close of each Fiscal Year, which audit may be consolidated with those of NEF. The Trustee shall be under no obligation to review or otherwise analyze such audit. In the event such independent auditing firm requires the Trustee to agree to the procedures to be performed by such firm in any of the reports required to be prepared pursuant to this subsection (f), the Issuer shall direct the Trustee in writing to so agree; it being understood and agreed that the Trustee will deliver such agreement in conclusive reliance upon the direction of the Issuer, and the Trustee has not

made any independent inquiry or investigation as to, and shall have no obligation or liability with respect to, the sufficiency, validity or correctness of such procedures.

(g) The Issuer covenants that all Financed Eligible Loans upon receipt thereof shall be delivered to the Trustee through the Master Servicer or the Servicer acting as agent or bailee of the Trustee pursuant to the Master Servicing Agreement or a Servicing Agreement; however, the Trustee shall not be obligated to directly hold any Financed Eligible Loans.

(h) Notwithstanding anything to the contrary contained herein, except upon the occurrence and during the continuance of an Event of Default hereunder, the Issuer hereby expressly reserves and retains the privilege to receive and, subject to the terms and provisions of this Indenture, to keep or dispose of, claim, bring suits upon or otherwise exercise, enforce or realize upon its rights and interest in and to the Financed Eligible Loans and the proceeds and collections therefrom, and neither the Trustee nor any Noteholder shall in any manner be or be deemed to be an indispensable party to the exercise of any such privilege, claim or suit and the Trustee shall be under no obligation whatsoever to exercise any such privilege, claim or suit; provided, however, that the Trustee shall have and retain possession or control of the Financed Eligible Loans pursuant to Section 5.02 hereof through the Master Servicer or the Servicer as the Trustee's agent or bailee so long as such Financed Eligible Loans are subject to the lien of this Indenture; however, the Trustee shall not be obligated to directly hold any Financed Eligible Loans.

(i) For any period during which any of the Notes are held by non-affiliates of the Issuer, the Issuer shall file Form ABS-15G pursuant to Rule 15Ga-1 promulgated under the Exchange Act;

Section 4.04. Enforcement of Master Servicing Agreement, Servicing Agreements and Backup Master Servicing Agreement. The Issuer shall comply with, shall require the Master Servicer to comply with and shall cause the Master Servicer to require each Servicer to comply with the following whether or not the Issuer is otherwise in default under this Indenture:

(a) cause to be diligently enforced and taken all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of the Master Servicing Agreement and all Servicing Agreements, including the prompt payment of all amounts due the Issuer thereunder, including, without limitation, all principal and interest payments which relate to any Financed Eligible Loans and cause the Master Servicer and each Servicer to specify whether payments received by it represent principal or interest;

(b) not permit the release of the obligations of the Master Servicer and any Servicer under the Master Servicing Agreement and any Servicing Agreement except in conjunction with amendments or modifications permitted by paragraph (h) below;

(c) at all times, to the extent permitted by law, cause to be defended, enforced, preserved and protected the rights and privileges of the Issuer, the Trustee and the

Noteholders under or with respect to the Master Servicing Agreement and each Servicing Agreement;

(d) at its own expense, the Issuer shall duly and punctually perform and observe each of its obligations to the Master Servicer or a Servicer under the Master Servicing Agreement or its related Servicing Agreement in accordance with the terms thereof;

(e) the Issuer agrees to give the Trustee and each Rating Agency prompt written notice of each default on the part of the Master Servicer or a Servicer of its obligations under the Master Servicing Agreement or its related Servicing Agreement coming to the Issuer's attention;

(f) the Issuer shall not waive any default by the Master Servicer or a Servicer under the Master Servicing Agreement or its related Servicing Agreement without first receiving the approval of the Noteholders of at least a majority of the collective aggregate principal amount of the Notes then Outstanding;

(g) the Issuer shall cause the Master Servicer and each Servicer to deliver to the Trustee, the Owner Trustee and the Issuer, on or before March 31 of each year, beginning with March 31, 2017, a certificate stating that (i) a review of the activities of the Master Servicer and each Servicer during the preceding calendar year and of its performance under the Master Servicing Agreement and its related Servicing Agreement has been made under the supervision of the officer signing such certificate and (ii) to the best of such officers' knowledge, based on such review, the Master Servicer and such Servicer has fulfilled all its obligations under the Master Servicing Agreement and its related Servicing Agreement throughout such year, or, there has been a default in the fulfillment of any such obligation, specifying each such default known to such officer and the nature and stature thereof. The Issuer shall send copies of such annual certificate of the Master Servicer and each Servicer to each Rating Agency; and

(h) not consent or agree to or permit any amendment or modification of the Master Servicing Agreement or any Servicing Agreement which will in any manner materially adversely affect the rights or security of the Noteholders. The Issuer and the Trustee shall be receive and entitled to conclusively rely upon an Opinion of Counsel that any such amendment or modification will not materially adversely affect the rights or security of the Noteholders.

As of the date of execution and delivery of this Indenture, the Financed Eligible Loans are master serviced by NCMS. GLELSI has agreed to provide backup master servicing pursuant to the terms of the Backup Master Servicing Agreement. Unless the Backup Master Servicer has become the Master Servicer, the Issuer covenants to maintain a Backup Master Servicing Agreement with a third-party Backup Master Servicer and to pay all fees of such third-party Backup Master Servicer as permitted under this Indenture. Any and all Financed Eligible Loans serviced by a Master Servicer are to be transferred for servicing by the Backup Master Servicer upon 90 days' written notice upon the occurrence of a Conversion Event with respect to that

Master Servicer in accordance with the requirements contained in the Backup Master Servicing Agreement.

If the Master Servicing Agreement terminates or is terminated and the Backup Master Servicer does not become the Master Servicer, the Issuer shall appoint a successor Master Servicer and provide written notice to the Trustee. If the Trustee has been notified in writing that the Master Servicing Agreement has been terminated and does not receive written notice from the Issuer that a successor Master Servicer has been appointed within 30 days of such termination, the Trustee shall (a) appoint a successor Master Servicer or (b) petition a court of competent jurisdiction to name a successor Master Servicer. The Trustee shall have no duty to assume any responsibilities, duties or liabilities of the Master Servicer. The Issuer shall pay and indemnify the Trustee for all Trustee Fees and Trustee Expenses in connection with and appointing the successor Master Servicer, including, without limitation, all its costs and attorneys' fees in petitioning such a court to name a successor Master Servicer. The Master Servicer, subject to the provisions of the Master Servicing Agreement, shall continue to service the Financed Eligible Loans serviced by it until a successor Master Servicer is appointed (and has accepted its appointment) and has commenced servicing such Financed Eligible Loans. The Trustee shall have no liability with respect to any fees or expenses of, or the performance of any successor Master Servicer appointed by the Trustee pursuant to this Section.

If the Servicing Agreement terminates or is terminated, the Issuer shall appoint a successor Servicer or direct the Trustee in writing to (a) appoint a successor Servicer or (b) petition a court of competent jurisdiction to name a successor Servicer. The Trustee shall have no duty to assume any responsibilities, duties or liabilities of the Servicer. The Issuer shall pay and indemnify the Trustee for all Trustee Fees and Trustee Expenses in connection with and appointing the successor Servicer, including, without limitation, all its costs and attorneys' fees in petitioning such a court to name a successor Servicer. The Servicer, subject to the provisions of the Servicing Agreement, shall continue to service the Financed Eligible Loans serviced by it until a successor Servicer is appointed (and has accepted its appointment) and has commenced servicing such Financed Eligible Loans. The Trustee shall have no liability with respect to any fees or expenses of, or the performance of any successor Servicer appointed by the Trustee pursuant to this Section.

Section 4.05. Procedures for Transfer of Funds. In any instance where this Indenture requires a transfer of funds or money from one Fund to another, a transfer of ownership in investments or an undivided interest therein may be made in any manner agreeable to the Issuer and the Trustee, and in the calculation of the amount transferred, interest on the investment which has or will accrue before the date the money is needed in the fund to which the transfer is made shall not be taken into account or considered as money on hand at the time of such transfer.

Section 4.06. Additional Covenants with Respect to the Eligible Loans. The Issuer covenants that it will cause legal title to the Financed Eligible Loans to be held by the Owner Trustee under the Trust Agreement. The Noteholders of the Notes shall not in any circumstances be deemed to be the owner or holder of the Financed Eligible Loans.

The Issuer shall be responsible for each of the following actions:

(a) the Issuer shall cause to be diligently enforced, and shall cause to be taken all reasonable steps, actions and proceedings necessary or appropriate for the enforcement of all terms, covenants and conditions of all Financed Eligible Loans and agreements in connection therewith, including the prompt payment of all principal and interest payments and all other amounts due thereunder;

(b) the Issuer shall cause the Financed Eligible Loans to be serviced by entering into the Master Servicing Agreement and the Servicing Agreement for the collection of payments made for, and the administration of the accounts of, the Financed Eligible Loans;

(c) the Issuer, or the Administrator on behalf of the Issuer, shall comply, and shall cause all of its officers, directors, employees and agents to comply, with the provisions of the Program Guidelines applicable to the Financed Eligible Loans; and

(d) the Issuer shall cause all Available Funds to flow to the Trustee. The Trustee shall have no obligation to administer, service or collect the loans in the Trust Estate or to maintain or monitor the administration, servicing or collection of such loans.

Section 4.07. Financed Eligible Loans; Collections Thereof; Assignment Thereof.

The Issuer, through the Master Servicer and one or more Servicers, shall diligently collect all principal and interest payments on all Financed Eligible Loans, and all default claims or payments which relate to such Financed Eligible Loans; provided, however, the Issuer may offer interest rate reductions with respect to the Financed Eligible Loans which result in rates of interest not less than those shown in the cash flow analyses provided to each Rating Agency on or prior to the Date of Issuance. The Issuer shall not offer any additional types of borrower incentive programs on the Financed Eligible Loans. The Issuer shall cause the filing and assignment of such claims by the Master Servicer or the appropriate Servicer. The Issuer will comply with the Program Guidelines which apply to the Program and to such Financed Eligible Loans. The Issuer shall not, except as otherwise provided herein, consent or agree to or permit any amendment or modification of any Financed Eligible Loan or agreement in connection therewith which will in any manner materially adversely affect the rights or security of the Noteholders.

Section 4.08. Appointment of Agents, Direction to Trustee, Etc. The Issuer shall employ and appoint all employees, agents, consultants and attorneys which it may consider necessary. No member of the board of directors or officer of the Administrator or the Sub-Administrator, either singly or collectively, shall be personally liable for any act or omission not willfully fraudulent or mala fide. The Issuer hereby directs the Trustee to enter into this Indenture. The Issuer hereby directs the Owner Trustee to enter into this Indenture, the Private Student Loan Purchase and Contribution Agreement and the Trust Agreement.

Section 4.09. Capacity to Sue. The Issuer shall have the power and capacity to sue and to be sued on matters arising out of or relating to the financing of the Financed Eligible Loans.

Section 4.10. Continued Existence; Successor to Issuer. The Issuer agrees that it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights and franchises as a Delaware statutory trust, except as otherwise permitted by this Section. The Issuer further agrees that it will not (a) sell, transfer or otherwise dispose of all or substantially all, of its assets (except Financed Eligible Loans if such sale, transfer or disposition will discharge this Indenture in accordance with Article X hereof); (b) consolidate with or merge into another entity; or (c) permit one or more other entities to consolidate with or merge into it. The preceding restrictions in clauses (a), (b) and (c) above shall not apply to a transaction if the transferee or the surviving or resulting entity, if other than the Issuer, by proper written instrument for the benefit of the Trustee, irrevocably and unconditionally assumes the obligation to perform and observe the agreements and obligations of the Issuer under this Indenture and a Rating Confirmation is obtained.

If a transfer is made as provided in this Section, the provisions of this Section shall continue in full force and effect and no further transfer shall be made except in compliance with the provisions of this Section.

Section 4.11. Amendment of Private Student Loan Purchase and Contribution Agreements. The Issuer shall notify the Trustee in writing of any proposed amendments to any existing Private Student Loan Purchase and Contribution Agreement. No such amendment shall be materially prejudicial to the Noteholders. The Trustee may conclusively rely on an Opinion of Counsel acceptable to it that such an amendment is not materially prejudicial to the Noteholders.

Section 4.12. Representations; Negative Covenants.

(a) The Issuer hereby makes the following representations and warranties to the Trustee on which the Trustee relies in authenticating the Notes and on which the Noteholders have relied in purchasing the Notes. Such representations and warranties shall survive the transfer and assignment of the Trust Estate to the Trustee.

(i) *Organization and Good Standing.* The Issuer is duly organized and validly existing under the laws of the State, and has the power to own its assets and to transact the business in which it presently engages.

(ii) *Due Qualification.* The Issuer is duly qualified to do business and is in good standing, and has obtained all material necessary licenses and approvals, in all jurisdictions where the failure to be so qualified, have such good standing or have such licenses or approvals would have a material adverse effect on the Issuer's business and operations or in which the actions as required by this Indenture require or will require such qualification.

(iii) *Authorization.* The Issuer has the power, authority and legal right to create and issue the Notes; to execute, deliver and perform this Indenture; and to grant the Trust Estate to the Trustee; furthermore, the creation and issuance of the Notes; execution, delivery and performance of this Indenture; and grant of the

Trust Estate to the Trustee have been duly authorized by the Issuer by all necessary action.

(iv) *Binding Obligation.* This Indenture, assuming due authorization, execution and delivery by the Trustee and the Owner Trustee, and the Notes in the hands of the Noteholders thereof constitute legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms, except that (A) such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws (whether statutory, regulatory or decisional) now or hereafter in effect relating to creditors' rights generally and (B) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to certain equitable defenses and to the discretion of the court before which any proceeding therefor may be brought, whether a proceeding at law or in equity.

(v) *No Violation.* The consummation of the transactions contemplated by this Indenture and the fulfillment of the terms hereof do not conflict with, result in any breach of any of the terms and provisions of or constitute (with or without notice, lapse of time or both) a default under the organizational documents of the Issuer, or any material indenture, agreement, mortgage, deed of trust or other instrument to which the Issuer is a party or by which it is bound, or result in the creation or imposition of any lien upon any of its material properties pursuant to the terms of any such indenture, agreement, mortgage, deed of trust or other instrument, other than this Indenture, nor violate any law or any order, rule or regulation applicable to the Issuer of any court or of any federal or state regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Issuer or any of its properties.

(vi) *No Proceedings.* There are no proceedings, injunctions, writs, restraining orders or investigations to which the Issuer or any of its affiliates is a party pending, or, to the best of its knowledge, threatened, before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality (A) asserting the invalidity of this Indenture, (B) seeking to prevent the issuance of any Notes or the consummation of any of the transactions contemplated by this Indenture or (C) seeking any determination or ruling that might materially and adversely affect the performance by the Issuer of its obligations under, or the validity or enforceability of this Indenture.

(vii) *Approvals.* All approvals, authorizations, consents, orders or other actions of any person, corporation or other organization, or of any court, governmental agency or body or official, required on the part of the Issuer in connection with the execution and delivery of this Indenture have been taken or obtained on or prior to the Date of Issuance.

(viii) *Place of Business.* The Issuer's place of business and chief executive office is located in the State of Minnesota, and the Issuer has had no other chief executive office.

(ix) *Tax and Accounting Treatment.* The Issuer intends to treat the transactions contemplated by the Private Student Loan Purchase and Contribution Agreements as an absolute transfer rather than as a pledge of the Financed Eligible Loans from the Depositor for federal income tax and financial accounting purposes and the Issuer (through the Owner Trustee) will be treated as the owner of the Financed Eligible Loans for all purposes. The Issuer further intends to treat the Notes as its indebtedness for federal income tax and financial accounting purposes.

(x) *Taxes.* The Issuer has filed (or caused to be filed) all federal, state, county, local and foreign income, franchise and other tax returns required to be filed by it through the date hereof, and has paid all taxes reflected as due thereon. There is no pending dispute with any taxing authority that, if determined adversely to the Issuer, would result in the assertion by any taxing authority of any material tax deficiency, and the Issuer has no knowledge of a proposed liability for any tax year to be imposed upon such entity's properties or assets for which there is not an adequate reserve reflected in such entity's current financial statements.

(xi) *Legal Name.* The legal name of the Issuer is "NorthStar Student Loan Trust III," and the Issuer has not changed its name since its inception. The Issuer has no trade names, fictitious names, assumed names or "dba's" under which it conducts its business and has made no filing in respect of any such name.

(xii) *Business Purpose.* The Issuer has acquired the Financed Eligible Loans conveyed to it under a Private Student Loan Purchase and Contribution Agreement for a bona fide business purpose and has undertaken the transactions contemplated herein as principal rather than as an agent of any other Person. The Issuer has no subsidiaries, has adopted and operated consistently with all requirements for statutory trusts under the laws of the State with respect to its operations and has engaged in no other activities other than those specified in this Indenture and the Private Student Loan Purchase and Contribution Agreements and in accordance with the transactions contemplated herein and therein.

(xiii) *Compliance with Laws.* The Issuer is in compliance with all applicable laws and regulations with respect to the conduct of its business and has obtained and maintains all permits, licenses and other approvals as are necessary for the conduct of its operations.

(xiv) *Valid Business Reasons; No Fraudulent Transfers.* The transactions contemplated by this Indenture are in the ordinary course of the Issuer's business, and the Issuer has valid business reasons for granting the Trust Estate pursuant to this Indenture. At the time of each such grant: (A) the Issuer granted the Trust Estate to the Trustee without any intent to hinder, delay or defraud any current or future creditor of the Issuer; (B) the Issuer was not insolvent and did not become insolvent as a result of any such grant; (C) the Issuer was not engaged and was not about to engage in any business or transaction

for which any property remaining with such entity was an unreasonably small capital or for which the remaining assets of such entity are unreasonably small in relation to the business of such entity or the transaction; (D) the Issuer did not intend to incur, and did not believe or should not have reasonably believed, that it would incur, debts beyond its ability to pay as they become due; and (E) the consideration received by the Issuer for the grant of the Trust Estate was reasonably equivalent to the value of the related grant.

(xv) *No Management of Affairs of Depositor or Affiliates.* The Issuer is not and will not be involved in the day-to-day management of the Administrator, the Depositor, NEF, or any affiliate.

(xvi) *No Transfers with Depositor or Affiliates.* Other than the acquisition of assets and, if applicable, the transfer of any Notes pursuant to this Indenture, the Issuer does not engage in and will not engage in any transactions with the Depositor and affiliates, except as provided herein with respect to the Master Servicing Agreement or the payment of distributions to the Depositor.

(xvii) *Ability to Perform.* There has been no material impairment in the ability of the Issuer to perform its obligations under this Indenture.

(xviii) *Financial Condition.* No material adverse change has occurred in the Issuer's financial status since the date of its formation.

(xix) *Event of Default.* No Event of Default has occurred and no event has occurred that, with the giving of notice, the passage of time, or both, would become an Event of Default.

(xx) *Acquisition of Financed Eligible Loans Legal.* The Issuer has complied with all applicable federal, state and local laws and regulations in connection with its acquisition of the Financed Eligible Loans from the Depositor.

(xxi) *No Material Misstatements or Omissions.* No information, certificate of an officer, statement furnished in writing or report delivered to the Trustee, the Master Servicer, the Backup Master Servicer, the Administrator, a Servicer or any Noteholder by the Issuer contains any untrue statement of a material fact or omits a material fact necessary to make such information, certificate, statement or report not misleading.

(xxii) *Not an Investment Company.* The Issuer is not an "investment company" within the meaning of the Investment Company Act pursuant to Rule 3a-7 promulgated thereunder. The Issuer does not rely upon the exclusions from the definition of "investment company" set forth in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. The Issuer does not constitute a "covered fund" for purposes of Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, 124 Stat. 1376 (2010), also known as the Volcker Rule.

(b) The Issuer will not:

(i) sell, transfer, exchange or otherwise dispose of any portion of the Trust Estate except as expressly permitted by this Indenture;

(ii) claim any credit on, or make any deduction from, the principal amount of any of the Notes by reason of the payment of any taxes levied or assessed upon any portion of the Trust Estate;

(iii) except as otherwise provided herein, dissolve or liquidate in whole or in part, except with the prior written consent of the Trustee and, to the extent Notes remain Outstanding, the approval of all of the Noteholders;

(iv) permit the validity or effectiveness of this Indenture, any Supplement or any grant hereunder to be impaired, or permit the lien of this Indenture to be amended, hypothecated, subordinated, terminated or discharged, or permit any Person to be released from any covenants or obligations under this Indenture, except as may be expressly permitted hereby;

(v) except as otherwise provided herein, permit any lien, charge, security interest, mortgage or other encumbrance (other than the lien of this Indenture) to be created on or extend to or otherwise arise upon or burden the Trust Estate or any part thereof or any interest therein or the proceeds thereof;

(vi) permit the lien of this Indenture not to constitute a valid first priority, perfected security interest in the Trust Estate;

(vii) incur or assume any indebtedness or guarantee any indebtedness of any Person whether secured by any Financed Eligible Loans under this Indenture or otherwise, except for such obligations as may be incurred by the Issuer in connection with the issuance of the Notes pursuant to this Indenture and unsecured trade payables in the ordinary course of its business;

(viii) operate such that it would be consolidated with the Depositor or any other affiliate and its separate existence disregarded in any federal or state proceeding;

(ix) act as agent of the Depositor or, except as provided in its Private Student Loan Purchase and Contribution Agreement, allow the Depositor to act as its agent;

(x) except as provided in the Basic Documents, allow the Administrator, the Depositor, NEF or any other affiliate to pay its expenses, guarantee its obligations or advance funds to it for payment of expenses; or

(xi) consent to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to the Issuer or of or relating to all

or substantially all of its property, or a decree or order of a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against the Issuer; or the Issuer shall not consent to the appointment of a receiver, conservator or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities, voluntary liquidation or similar proceedings of or relating to the Issuer or of or relating to all or substantially all of its property; or admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable insolvency, bankruptcy or reorganization statute, make an assignment for the benefit of its creditors or voluntarily suspend payment of its obligations.

(c) The Issuer makes the following representations and warranties as to the Trust Estate which is granted to the Trustee hereunder on such date, on which the Trustee relies in accepting the Trust Estate. Such representations and warranties shall survive the grant of the Trust Estate to the Trustee pursuant to this Indenture:

(i) *Financed Eligible Loans.* Each Financed Eligible Loan acquired or received by the Issuer shall constitute an Eligible Loan and shall satisfy any representations and warranties made with respect thereto in an applicable Private Student Loan Purchase and Contribution Agreement.

(ii) *Grant.* It is the intention of the Issuer that the transfer herein contemplated constitutes a grant of the Financed Eligible Loans to the Trustee.

(iii) *All Filings Made.* All filings (including, without limitation, UCC filings) necessary in any jurisdiction to give the Trustee a first priority perfected ownership and security interest in the Trust Estate, including the Financed Eligible Loans, have been made no later than ten days after the Date of Issuance and copies of the file-stamped financing statements shall be delivered to the Trustee within five Business Days of receipt by the Issuer or its agent from the appropriate secretary of state. The Issuer has not caused, suffered or permitted any lien, pledges, offsets, defenses, claims, counterclaims, charges or security interest with respect to the Financed Eligible Loans (other than the security interest created in favor of the Trustee) to be created.

(iv) *Transfer Not Subject to Bulk Transfer Act.* Each grant of the Financed Eligible Loans by the Issuer pursuant to this Indenture is not subject to the bulk transfer act or any similar statutory provisions in effect in any applicable jurisdiction.

(v) *No Transfer Taxes Due.* Each grant of the Financed Eligible Loans (including all payments due or to become due thereunder) by the Issuer pursuant to this Indenture is not subject to and will not result in any tax, fee or governmental charge payable by the Issuer or the Depositor to any federal, state or local government.

Section 4.13. Additional Covenants. So long as any of the Notes are Outstanding:

(a) The Issuer shall not engage in any business or activity other than in connection with the transactions contemplated by the Basic Documents.

(b) The Issuer shall not consolidate or merge with or into any other entity or convey or transfer its properties and assets substantially as an entirety to any entity except as otherwise provided herein.

(c) Except as otherwise provided in the Basic Documents, including collections on the Financed Student Loans held by the Servicer pursuant to the Servicing Agreement prior to remitting such collections to the Trustee, the funds and other assets of the Issuer shall not be commingled with those of any other individual, corporation, estate, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government, or any agency or political subdivision thereof.

(d) The Issuer shall not be, become or hold itself out as being liable for the debts of any other party.

(e) The Issuer shall not form, or cause to be formed, any subsidiaries.

(f) The Issuer shall act solely in its own name and through its duly authorized officers or agents, including the Administrator, in the conduct of its business, and shall conduct its business so as not to mislead others as to the identity of the entity with which they are concerned.

(g) The Issuer shall maintain its records and books of account and shall not commingle its records and books of account with the records and books of account of any other Person. The books of the Issuer may be kept (subject to applicable law) inside or outside the State at such place or places as may be designated from time to time by the provisions of the Trust Agreement.

(h) All actions of the Issuer shall be taken by an Authorized Representative.

(i) The Issuer shall not amend, alter, change or repeal any provision contained in this Section without a Rating Confirmation (a copy of which shall be provided to the Trustee) with respect to such amendment, alteration, change or repeal.

(j) The Issuer shall not materially amend its Trust Agreement without first obtaining a Rating Confirmation.

(k) All audited financial statements of the Issuer that are consolidated with those of any affiliate thereof will contain detailed notes clearly stating that (i) all of the Issuer's assets are owned by the Issuer, and (ii) the Issuer is a separate entity with creditors who have received ownership and/or security interests in the Issuer's assets.

(l) The Issuer will strictly observe legal formalities in its dealings with the Administrator, the Master Servicer, the Depositor, NEF or any Affiliate thereof, and,

except for collections on the Financed Student Loans held by the Servicer pursuant to the Servicing Agreement prior to remitting such collections to the Trustee, the funds or other assets of the Issuer will not be commingled with those of the Depositor, NEF, the Administrator, the Master Servicer or any other Affiliate thereof. The Issuer shall not maintain joint bank accounts or other depository accounts to which the Depositor, NEF, the Administrator, the Master Servicer or any other Affiliate has independent access. None of the Issuer's funds will at any time be pooled with any funds of the Depositor, NEF, the Administrator, the Master Servicer or any other Affiliate.

(m) The Issuer will maintain an arm's-length relationship with the Depositor (and any Affiliate). Any Person that renders or otherwise furnishes services to the Issuer will be compensated by the Issuer at market rates for such services it renders or otherwise furnishes to the Issuer except as otherwise provided in this Indenture. Except as contemplated in this Indenture, a Private Student Loan Purchase and Contribution Agreement, the Master Servicing Agreement, the Backup Master Servicing Agreement or a Servicing Agreement, the Issuer will not hold itself out to be responsible for the debts of the Depositor, NEF or the decisions or actions respecting the daily business and affairs of the Depositor or NEF.

Section 4.14. Providing of Notice. The Issuer, upon learning of any failure on its part to observe or perform in any material respect any covenant, representation or warranty of the Issuer set forth in this Indenture or the Private Student Loan Purchase and Contribution Agreements, or of any failure on the part of the Depositor to observe or perform in any material respect any covenant, representation or warranty of the Depositor set forth in its Private Student Loan Purchase and Contribution Agreement, shall promptly notify the Trustee, the Master Servicer, the appropriate Servicer and each Rating Agency of such failure.

Section 4.15. Certain Reports.

(a) Not later than the Determination Date preceding each Monthly Distribution Date, the Administrator will prepare and provide a certificate in the form of Exhibit D hereto (the "Monthly Distribution Date Certificate") to the Trustee. The Trustee shall provide a copy of any Monthly Distribution Date Certificate by posting a copy thereof at www.usbank.com/abs or at such other address as the Trustee shall notify the parties to this Indenture from time to time. In connection with providing access to the Trustee's Internet website, the Trustee may require registration and the acceptance of a disclaimer. The Trustee shall not be liable for the dissemination of information in accordance with this Indenture.

(b) The Trustee may conclusively rely and accept such reports from the Issuer as fulfilling the requirements of this Section, with no further duty to know, determine or examine such reports.

(c) The Issuer shall provide or cause to be provided to the Rating Agency, on an annual basis beginning June 1, 2017, the annual Servicer Organization Control Report ("SOCR") of GLELSI and the annual audited consolidated financial statements of NEF. In addition, the Issuer shall provide or cause to be provided to the Rating Agency (at

ServicerReports@moodys.com, Jinwen.Chen@moodys.com and Irina.Faynzilberg@moodys.com) and Intex (at absrequests@intex.com or such other method as determined between the Issuer and Intex), on a semiannual basis, raw loan portfolio data in the format historically provided to the Underwriter for cashflow purposes, relating to the Financed Eligible Loans from the Servicer, on or about each February 15 (for data as of January 31) and August 15 (for data as of July 31), commencing February 15, 2017.

Section 4.16. Statement as to Compliance. The Issuer will deliver to the Trustee and the Owner Trustee, within 120 days after the end of each fiscal year, a brief certificate from an Authorized Representative including (a) a current list of the Authorized Representatives, and (b) a statement indicating whether or not to the knowledge of the signers thereof the Issuer is in compliance with all conditions and covenants under this Indenture and, in the event of any noncompliance, specifying such noncompliance and the nature and status thereof. For purposes of this Section, such compliance shall be determined without regard to any period of grace or requirement of notice under this Indenture.

Section 4.17. Representations of the Issuer Regarding the Trustee's Security Interest. The Issuer hereby represents and warrants for the benefit of the Trustee and the Noteholders as follows:

(a) This Indenture creates a valid and continuing security interest (as defined in the applicable Uniform Commercial Code in effect in the States of Delaware and South Dakota) in the Financed Eligible Loans in favor of the Trustee, which security interest is prior to all other liens, charges, security interests, mortgages or other encumbrances, and is enforceable as such as against creditors of and purchasers from the Issuer.

(b) The Financed Eligible Loans are instruments, including promissory notes, or payment intangibles within the meaning of the Uniform Commercial Code of the State of New York.

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

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

(e) The Issuer has caused or will have caused, within ten days of the Date of Issuance, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in the Financed Eligible Loans granted to the Trustee hereunder.

(f) The Issuer has received a written acknowledgment from the Master Servicer and each Servicer (as custodian for the Trustee) that the Master Servicer or such

Servicer is holding executed copies of the promissory notes that constitute or evidence the Financed Eligible Loans for which it is acting as Master Servicer or Servicer, and that the Master Servicer or such Servicer is holding such solely on behalf and for the benefit of the Trustee.

(g) Other than the security interest granted to the Trustee pursuant to this Indenture, the Issuer has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Financed Eligible Loans. The Issuer has not authorized the filing of and is not aware of any financing statements against the Issuer that include a description of collateral covering the Financed Eligible Loans other than any financing statement relating to the security interest granted to the Trustee hereunder or that has been terminated. The Issuer is not aware of any judgment or tax lien filings against the Issuer.

Section 4.18. Further Covenants of the Issuer Regarding the Trustee's Security Interest. The Issuer hereby covenants for the benefit of the Trustee and the Noteholders as follows:

(a) The representations and warranties set forth in Section 4.17 hereof shall survive the termination of this Indenture.

(b) The Trustee shall not waive any of the representations and warranties set forth in Section 4.17 hereof.

(c) The Issuer shall take all steps necessary, and shall cause the Master Servicer and each Servicer, if any, to take all steps necessary and appropriate, to maintain the perfection and priority of the Trustee's security interest in the Financed Eligible Loans.

Section 4.19. Statements to Noteholders. Two days preceding a Monthly Distribution Date, the Issuer shall cause the Administrator to provide to the Trustee (with a copy to the Rating Agency) a report in the form of Exhibit E hereto, with such additional information as the Administrator shall determine. On or before the applicable Monthly Distribution Date, the Issuer shall make such report available to the Noteholders on its sponsor's website (currently at <http://www.northstar.org/investors/investors.html>).

Section 4.20. Tax Treatment.

(a) The parties hereto acknowledge and agree that it is their mutual intent that the Notes constitute and be treated as indebtedness for U.S. federal and all applicable state and local income and franchise tax purposes. Further, each party hereto, and each Noteholder by accepting and holding a Note hereby covenants to every other party hereto and to every other Noteholder to treat the Notes as indebtedness for U.S. federal and all applicable state and local income and franchise tax purposes in all tax filings, reports and returns and otherwise, and further covenants that neither it nor any of its Affiliates will take, or participate in the taking of or permit to be taken, any action that is inconsistent with such tax treatment and tax reporting of the Notes, unless required by applicable law. All successors and assignees of the parties hereto shall be bound by the provisions hereof.

(b) For avoidance of doubt, no election will be made by or on behalf of the Issuer to be classified as an association taxable as a corporation, for federal income tax purposes.

ARTICLE V

FUNDS

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

- (a) Acquisition Fund;
- (b) Capitalized Interest Fund;
- (c) Collection Fund;
- (d) Costs of Issuance Fund; and
- (e) Reserve Fund.

In addition, there is hereby created and established a Trustee Expense Reserve Fund to be held and maintained by the Trustee and solely for the benefit of the Trustee. The Trustee Expense Reserve Fund shall not be part of the Trust Estate. The Trustee is hereby authorized for the purpose of facilitating the administration of the Trust Estate and for the administration of any Notes issued hereunder to create further Accounts or Subaccounts in any of the various Funds and Accounts established hereunder which are deemed necessary or desirable.

Section 5.02. Acquisition Fund. On the Date of Issuance, the Trustee shall deposit from proceeds of the Notes an amount equal to \$80,601,305.22 into the Acquisition Fund. In addition, the Depositor shall deposit \$84,689,648.20 in principal amount of Eligible Loans, plus accrued borrower interest of \$566,063.41, to the Acquisition Fund on the Date of Issuance pursuant to the Private Student Loan Purchase and Contribution Agreement. Financed Eligible Loans shall be held by the Trustee through the Master Servicer or the Servicer as the Trustee's agent or bailee and shall be pledged to the Trust Estate and held as a part of the Acquisition Fund; however, the Trustee shall not be obligated to directly hold any Financed Eligible Loans.

An amount equal to \$64,219,365.61 of the moneys on deposit in the Acquisition Fund shall be used to acquire Eligible Loans described in the preceding paragraph pursuant to the Private Student Loan Purchase and Contribution Agreement on the Date of Issuance, and the remaining \$16,381,939.61 of moneys on deposit in the Acquisition Fund shall be used to acquire Eligible Loans pursuant to the Private Student Loan Purchase and Contribution Agreement during the Acquisition Period, each upon receipt by the Trustee of an Eligible Loan Acquisition Certificate at a price not in excess of 100% of the outstanding principal balance of such Eligible Loans as of the applicable Cutoff Date plus accrued interest to and including the applicable Cutoff Date. Any such Eligible Loan Acquisition Certificate shall state that such proposed use of moneys in the Acquisition Fund is in compliance with the provisions of this Indenture. If any

moneys remain in the Acquisition Fund at the end of the Acquisition Period, or on such earlier date as the Trustee may be instructed by Issuer Order, then the Trustee shall, upon written direction from the Administrator, transfer all such remaining moneys or funds to the Collection Fund on such date (or if such date is not a Business Day, on the next succeeding Business Day).

While the Issuer will be the beneficial owner of the Financed Eligible Loans, it is understood and agreed that the Owner Trustee will be the legal owner thereof and the Trustee will have a security interest in the Financed Eligible Loans for and on behalf of the Noteholders. Each promissory note evidencing a Financed Eligible Loan will be held in the name of the Owner Trustee for the account of the Issuer, for the benefit of the Noteholders.

Except (i) as provided in Sections 5.09 and 10.03 hereof, (ii) for consolidation or serialization purposes, (iii) for transfers to the Depositor pursuant to its repurchase obligation under its Private Student Loan Purchase and Contribution Agreement, or (iv) as set forth in the following sentence, Financed Eligible Loans shall not be sold, transferred or otherwise disposed of by the Issuer while any of the Notes are Outstanding. If necessary, the Issuer may sell Financed Eligible Loans through the Owner Trustee free from the lien of this Indenture, so long as (a) the sale price for any Financed Eligible Loan is not less than the Purchase Amount of such Financed Eligible Loan, (b) the collective aggregate principal balance of all such sales does not exceed 2% of the Initial Pool Balance and (c) any sale of Financed Eligible Loans described in this sentence will not cause a material change in the overall composition of the pool of Financed Eligible Loans, and the Issuer hereby certifies the same to the Trustee, upon which the Trustee may conclusively rely. The Issuer hereby certifies, upon which the Trustee may conclusively rely, that any Financed Eligible Loan sold pursuant to this Indenture shall not be sold for a price less than the Purchase Amount of such Financed Eligible Loan.

Section 5.03. Capitalized Interest Fund. On the Date of Issuance, the Trustee shall deposit from proceeds of the Notes an amount equal to \$500,000 into the Capitalized Interest Fund.

On each Monthly Distribution Date, to the extent there are insufficient Available Funds in the Collection Fund to make one or more of the transfers required by Sections 5.04(b) and 5.04(c)(i) through (iv) hereof, then the Administrator or the Sub-Administrator shall instruct the Trustee in writing to withdraw from the Capitalized Interest Fund on such Monthly Distribution Date, an amount equal to such deficiency and to deposit such amount in the Collection Fund. On the August 2017 Monthly Distribution Date, the Trustee, upon written direction from the Administrator, will transfer any amounts remaining in the Capitalized Interest Fund to the Collection Fund.

Section 5.04. Collection Fund.

(a) *Deposits to Collection Fund.* There shall be deposited to the Collection Fund (i) moneys from proceeds of the Notes in an amount equal to \$2,880,786.78, (ii) all Available Funds, and all other moneys and investments derived from assets on deposit in and transfers from the Capitalized Interest Fund (as described in Section 5.03 hereof), the Reserve Fund (as described in Section 5.05 hereof) and the Trustee Expense Reserve Fund (as described in Section 5.06 hereof), (iii) amounts deposited pursuant to

Section 10.03 hereof and (iv) any other amounts deposited thereto upon receipt of deposit instructions from the Issuer or the Administrator, as applicable. Moneys on deposit in the Collection Fund shall be used to make the payments described in this Section. The Trustee may conclusively rely on all written instructions of the Issuer or the Administrator described in this Indenture with no further duty to examine or determine the information contained in any Monthly Distribution Date Certificate, or Issuer Order.

(b) *Payments on Dates other than Monthly Distribution Dates.* Upon written direction from the Administrator to the Trustee, moneys in the Collection Fund shall be used on any date to pay, when due, fees and expenses insofar as the same relate to Financed Eligible Loans as described in clause (a) of the definition of Available Funds.

(c) *Payments on Monthly Distribution Dates.* The Administrator shall instruct the Trustee in writing no later than the Determination Date preceding each Monthly Distribution Date, beginning with the October 2016 Monthly Distribution Date (based on the information contained in a certificate of the Administrator (in the form set forth as Exhibit D hereto)), to make the following deposits and distributions from the Available Funds in the Collection Fund received during the immediately preceding Collection Period (including any amounts transferred from the Capitalized Interest Fund pursuant to Section 5.03 hereof and the Reserve Fund pursuant to Section 5.05(b) and (c) hereof) to the Persons or to the account specified below on such Monthly Distribution Date, in the following order of priority, and the Trustee shall comply with such instructions, provided, however, that if the Available Funds received during the immediately preceding Collection Period are not sufficient to make the payments or deposits required pursuant to clauses (i) through (iv) of this subsection (c), then, after any required transfers from the Capitalized Interest Fund and the Reserve Fund, any other Available Funds on deposit in the Collection Fund, which the Issuer would have deemed Available Funds for the current Collection Period, may be used to make the payments or deposits required pursuant to clauses (i) through (iv) of this subsection (c):

(i) to pay to the Master Servicer, the Servicer, the Backup Master Servicer, the Rating Agency, the Trustee and the Owner Trustee, pro rata if Available Funds are not sufficient to pay such amounts in full, based on amounts owed to each such party, without preference or priority of any kind, the Administration and Master Servicing Fee, the Servicing Fee, the Backup Master Servicing Fee, the Rating Surveillance Fees, the Trustee Fee and the Owner Trustee Fee, respectively, due on such Monthly Distribution Date, in each case, together with such fees remaining unpaid from prior Monthly Distribution Dates;

(ii) to deposit into the Trustee Expense Reserve Fund an amount equal to the Trustee Expense Reserve Fund Deposit for that month plus the amount of any shortfalls in previous deposits;

(iii) to pay to the Series 2016-A Noteholders, the Series 2016-A Noteholders' Interest Distribution Amount payable such Monthly Distribution Date, pro rata, based on amounts owed to each such party, without preference or priority of any kind;

(iv) unless a Series 2016-B Note Interest Trigger is in effect, to pay to the Series 2016-B Noteholders, the Series 2016-B Noteholders' Interest Distribution Amount payable on such Monthly Distribution Date, pro rata, based on amounts owed to each such party, without preference or priority of any kind;

(v) to pay to the Depositor, an amount equal to the unpaid interest accrued on the Financed Eligible Loans subsequent to the initial Cutoff Date but prior to the Date of Issuance, until such amount has been paid in full;

(vi) to deposit to the Reserve Fund, the amount, if any, necessary to reinstate the balance of the Reserve Fund up to the Specified Reserve Fund Balance;

(vii) to the applicable Noteholders, all remaining amounts in the Collection Fund available for distribution on such Monthly Distribution Date in the following order:

(A) to pay principal to the Series 2016-A Noteholders until the Series 2016-A Notes have been paid in full; and

(B) to pay principal to the Series 2016-B Noteholders until the Series 2016-B Notes have been paid in full;

(viii) to pay to the appropriate Person (as identified in the Issuer Order), any unreimbursed fees and expenses or indemnification amounts owed by the Issuer to such Person; and

(ix) to release to the Issuer any remaining funds to be paid in accordance with the Trust Agreement.

Notwithstanding the foregoing, on and after the Series 2016-A Maturity Date, the Series 2016-A Noteholders will receive amounts representing payment of the principal balance of the Series 2016-A Notes after clause (iii) of this subsection (c) until the Series 2016-A Notes have been paid in full and prior to the Series 2016-B Notes receiving payments of any Series 2016-B Noteholders' Interest Distribution Amount pursuant to clause (iv) of this subsection (c).

Amounts properly distributed pursuant to clause (v) or (viii) of this subsection (c) shall be deemed released from the Trust Estate and the security interest therein granted to the Trustee, and none of the Depositor, NEF or the Issuer shall in any event thereafter be required to refund any such distributed amounts.

The Administrator or the Sub-Administrator shall notify the Rating Agency, by forwarding a copy of Exhibit D hereto, if the Available Funds received during the immediately preceding Collection Period are not sufficient to make the payments or deposits required pursuant to clauses (i) through (iv) of this subsection (c), after any required transfers from the Capitalized Interest Fund and the Reserve Fund, and such

payments or deposits were made with other Available Funds on deposit in the Collection Fund from the current Collection Period.

Subject to the provisions of Sections 7.05 and 7.07 hereof, the Issuer hereby certifies that the amounts paid to the Trustee and the Owner Trustee (but not the Master Servicer) pursuant to clause (i) above shall not in any one Fiscal Year exceed the amount or percentage designated therefor in the cash flows provided to the Rating Agency on the Date of Issuance, unless the Issuer, after furnishing the Rating Agency with revised cash flows, shall have received a Rating Confirmation.

(d) *Optional Redemption from Sale of Financed Eligible Loans.* The Notes shall be subject to redemption from the proceeds of a sale of Financed Eligible Loans in accordance with Section 10.03 hereof on any Monthly Distribution Date, at a redemption price equal to the Outstanding Amount thereof, plus accrued interest.

Section 5.05. Reserve Fund.

(a) On the Date of Issuance, the Trustee shall deposit from proceeds of the Notes an amount equal to \$225,000 into the Reserve Fund. Thereafter, the Trustee shall transfer to the Reserve Fund from the Collection Fund all amounts designated for transfer thereto pursuant to Section 5.04(c)(vi) hereof.

(b) On each Monthly Distribution Date, to the extent there are insufficient Available Funds in the Collection Fund to make one or more of the transfers required by Sections 5.04(b) and 5.04(c)(i) through (c)(iv) hereof, then the Administrator shall instruct the Trustee in writing to withdraw from the Reserve Fund on such Monthly Distribution Date an amount equal to such deficiency and to deposit such amount in the Collection Fund to the extent moneys are not available to make such transfers from the Capitalized Interest Fund pursuant to Section 5.03 hereof. Additionally, if on the Note Final Maturity Date for a Series of Notes, and after giving effect to the distribution of the Available Funds on such Note Final Maturity Date, the principal amount of such Series of Notes will not be reduced to zero, the Issuer shall instruct the Trustee in writing to withdraw from the Reserve Fund on such Note Final Maturity Date an amount equal to the amount needed to reduce the principal amount of such Series of Notes to zero and to deposit such amount in the Collection Fund for application to payment of the Outstanding Amount of such Series of Notes.

(c) After giving effect to subsection (b) of this Section, if the amount on deposit in the Reserve Fund on any Monthly Distribution Date is greater than the Specified Reserve Fund Balance for such Monthly Distribution Date, the Issuer shall instruct the Trustee in writing to withdraw from the Reserve Fund on such Monthly Distribution Date an amount equal to such excess and to deposit such amount in the Collection Fund.

(d) On the final Monthly Distribution Date upon termination of the trust and following the payment in full of the Outstanding Amount of the Notes and of all other amounts owing or to be distributed hereunder to Noteholders, the Trustee, the Owner

Trustee, the Master Servicer, the Backup Master Servicer or the Administrator, any amount remaining on deposit in the Reserve Fund shall be distributed to the Depositor. The Depositor shall in no event be required to refund any amounts properly distributed pursuant to this subsection (d).

(e) Anything in this Section to the contrary notwithstanding, if the market value of securities and cash in the Reserve Fund is on any Monthly Distribution Date sufficient to pay the remaining principal amount of and interest accrued on the Notes and unpaid fees and expenses, such amount will be so applied on such Monthly Distribution Date and the Issuer shall instruct the Trustee in writing to make such payments.

Section 5.06. Trustee Expense Reserve Fund. On the Date of Issuance, the Issuer shall contribute an amount equal to \$150,000 into the Trustee Expense Reserve Fund. The Trustee shall transfer to the Trustee Expense Reserve Fund from the Collection Fund all amounts designated for transfer thereto pursuant to Section 5.04(c)(ii) hereof. Amounts on deposit in the Trustee Expense Reserve Fund shall be used by the Trustee, upon written notice to the Issuer and the Administrator, to pay Trustee Expenses. Amounts in excess of \$150,000 in the Trustee Expense Reserve Fund shall be transferred to the Collection Fund for application in accordance with the provisions of Section 5.04 or Section 6.02 hereof.

Section 5.07. Costs of Issuance Fund. On the Date of Issuance, the Trustee shall deposit from proceeds of the Notes an amount equal to \$1,455,100.00 into the Costs of Issuance Fund. Amounts deposited to the Costs of Issuance Fund shall be used to pay the costs of issuing the Notes as set forth in an Issuer Order. On the October 2016 Monthly Distribution Date, the Trustee will, upon written direction from the Administrator, transfer any amounts remaining in the Costs of Issuance Fund to the Collection Fund.

Section 5.08. Investment of Funds Held by Trustee. The Trustee shall invest money held for the credit of any Fund or Account or Subaccount held by the Trustee hereunder as directed in writing by an Authorized Representative, to the fullest extent practicable and reasonable, in Investment Securities which shall mature or be redeemed at the option of the holder prior to the respective dates when the money held for the credit of such Fund or Account will be required for the purposes intended. In the absence of any such direction and to the extent practicable, the Trustee shall invest amounts held hereunder in those Investment Securities described in clause (e) of the definition of the Investment Securities. All such investments shall be held by (or by any custodian on behalf of) the Trustee for the benefit of the Issuer; provided that all interest and other investment income collected (net of losses and investment expenses) on funds on deposit in any Fund or Account or Subaccount shall be deposited into the Collection Fund and shall be deemed to constitute a portion of the Available Funds. The Trustee and the Issuer hereby agree that unless an Event of Default shall have occurred hereunder, the Issuer acting by and through an Authorized Representative shall be entitled to, and shall, provide written direction to the Trustee.

The Investment Securities purchased shall be held by the Trustee and shall be deemed at all times to be part of such Fund or Account or Subaccounts or combination thereof, and the Trustee shall inform the Issuer of the details of all such investments. Upon direction in writing from an Authorized Representative, the Trustee shall present for redemption any Investment

Securities purchased by it as an investment whenever it shall be necessary to provide money to meet any payment from the applicable Fund. The Trustee shall provide online access to the Issuer, which online access shall include a list of all investments held for the credit of each Fund in its custody under the provisions of this Indenture as of the end of the preceding month and the value thereof, and shall list any investments which were sold or liquidated for less than the par value thereof, plus accrued but unpaid interest at the time thereof.

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

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

The Issuer acknowledges that to the extent the regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Issuer the right to receive brokerage confirmations of security transactions, the Issuer waives receipt of such confirmations. The Issuer shall retain the authority to institute, participate and join in any plan of reorganization, readjustment, merger or consolidation with respect to the issuer of any Investment Securities held hereunder, and, in general, to exercise each and every other power or right with respect to such Investment Securities as individuals generally have and enjoy with respect to their own assets and investments, including power to vote upon any matter relating to holders of such investment securities.

Section 5.09. Release.

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

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

(c) The Trustee shall, at such time as there are no Notes Outstanding and all sums due the Trustee hereunder (including pursuant to Sections 7.05 and 7.07 hereof) and all amounts payable to the Master Servicer, the Backup Master Servicer, each Servicer, the Administrator and the Owner Trustee have been paid, release any remaining portion

of the Trust Estate that secured the Notes from the lien of this Indenture and release to the Issuer or any other Person entitled thereto any funds then on deposit in the Funds and Accounts. The Trustee shall release property from the lien of this Indenture pursuant to this subsection (c) only upon receipt of an Issuer Order and an Opinion of Counsel.

(d) Each Noteholder, by the acceptance of a Note, acknowledges that from time to time the Trustee shall release the lien of this Indenture on any Financed Eligible Loan to be sold or transferred pursuant to Section 5.02 hereof, and each Noteholder, by the acceptance of a Note, consents to any such release.

ARTICLE VI

DEFAULTS AND REMEDIES

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

(a) default in the due and punctual payment of any interest on any Note when the same becomes due and payable, and such default shall continue for a period of five (5) days; provided, however, that a default in the due and punctual payment of any interest on any Series 2016-B Note shall not be an Event of Default if any Series 2016-A Notes are Outstanding;

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

(c) default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer to be kept, observed and performed contained in this Indenture or in the Notes, and continuation of such default for a period of 90 days after written notice thereof by the Trustee to the Issuer, or such later time if diligent care to cure such default is being pursued and a remedy cannot reasonably be effected within 90 days; and

(d) the occurrence of an Event of Bankruptcy.

Any notice herein provided to be given to the Issuer with respect to any default shall be deemed sufficiently given if sent by registered mail with postage prepaid to the Person to be notified, addressed to such Person at the post office address as shown in Section 9.01 hereof or such other address as may hereafter be given as the principal office of the Issuer in writing to a Responsible Officer of the Trustee by an Authorized Representative. The Trustee may give any such notice in its discretion and shall give such notice if requested to do so in writing by the Noteholders of at least 51% of the collective aggregate principal amount of the Highest Priority Notes at the time Outstanding.

Section 6.02. Remedy on Default; Possession of Trust Estate. Subject to Section 6.08 and Article VII hereof, upon the happening and continuance of any Event of Default, the Trustee and the Owner Trustee, directly or by their attorneys or agents, may enter into and upon and take possession of such portion of the Trust Estate as shall be in the custody of others, and all

property comprising the Trust Estate, and each and every part thereof, and exclude the Issuer and its agents, servants and employees wholly therefrom, and have, hold, use, operate, manage, and control the same and each and every part thereof, and in the name of the Issuer or otherwise, as they shall deem best, conduct the business thereof and exercise the privileges pertaining thereto and all the rights and powers of the Issuer and use all of the then existing Trust Estate for that purpose, and collect and receive all charges, income and Available Funds of the same and of every part thereof, and after deducting therefrom all expenses incurred hereunder and all other proper outlays herein authorized, and all payments which may be made as just and reasonable compensation for its own services, and for the services of its attorneys, agents, and assistants, and for indemnity payable to it pursuant to Section 7.05 hereof, the Trustee shall apply the rest and residue of the money received by the Trustee as follows:

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

SECOND, to the Master Servicer, the Servicer and the Backup Master Servicer, any Administration and Master Servicing Fees, Servicing Fees and Backup Master Servicing Fees due and remaining unpaid;

THIRD, pro rata, based on amounts due and owing, to the Series 2016-A Noteholders for amounts due and unpaid for interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Series 2016-A Notes for such interest;

FOURTH, to the Series 2016-A Noteholders for amounts due and unpaid on the Series 2016-A Notes for principal, ratably, without preference or priority of any kind, according to the amounts due and payable on the Series 2016-A Notes for principal;

FIFTH, pro rata, based on amounts due and owing, to the Series 2016-B Noteholders for amounts due and unpaid for interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Series 2016-B Notes for such interest;

SIXTH, to the Series 2016-B Noteholders for amounts due and unpaid on the Series 2016-B Notes for principal, ratably, without preference or priority of any kind, according to the amounts due and payable on the Series 2016-B Notes for principal; and

SEVENTH, to the Issuer.

The Trustee may fix a record date and payment date for any payment to Noteholders pursuant to this Section. At least 15 days before such record date, the Trustee shall mail to each Noteholder and the Issuer a notice that states the record date, the payment date and the amount to be paid.

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

contained, or in aid of the execution of any power herein granted, or for the enforcement of such other appropriate legal or equitable remedies as, in the opinion of such counsel, may be more effectual to protect and enforce the rights aforesaid.

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

Notwithstanding the foregoing, the Trustee is prohibited from selling the Financed Eligible Loans following an Event of Default, other than a default in the payment of any principal or interest on any Note, unless:

(a) The Noteholders of all of the Highest Priority Notes at the time Outstanding consent to such a sale;

(b) The proceeds of such a sale will be sufficient to discharge all the Outstanding Notes pursuant to Article X hereof at the date of such a sale; or

(c) The Issuer determines that the collections on the Financed Eligible Loans would not be sufficient on an ongoing basis to make all payments on such Notes as such payments would have become due if such Notes had not been declared due and payable, and the Trustee obtains the consent of the Noteholders of at least 66-2/3% of the aggregate principal amount of the Highest Priority Notes at the time Outstanding.

Such a sale following an Event of Default, other than a default in the payment of any principal or interest on any Note, shall also require the consent of all the Noteholders of the Series 2016-B Notes unless the proceeds of such a sale would be sufficient to discharge the Series 2016-B Notes pursuant to Article X hereof at the date of such a sale.

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

Section 6.06. Restoration of Position. In case the Trustee shall have proceeded to enforce any rights under this Indenture by sale or otherwise, and such proceedings shall have been discontinued, or shall have been determined adversely to the Trustee, then and in every such case to the extent not inconsistent with such adverse decree, the Issuer, the Trustee and the Noteholders shall be restored to their former respective positions and the rights hereunder in respect to the Trust Estate, and all rights, remedies and powers of the Trustee and of the Noteholders shall continue as though no such proceeding had been taken.

Section 6.07. Application of Sale Proceeds. The proceeds of any sale of the Trust Estate, together with any funds at the time held by the Trustee and not otherwise appropriated, shall be applied by the Trustee as set forth in Section 6.02 hereof, and then to the Issuer or whomsoever shall be lawfully entitled thereto.

Section 6.08. Acceleration of Maturity; Rescission and Annulment. If an Event of Default should occur and be continuing, then and in every such case the Trustee at the direction of the Noteholders representing not less than a majority of the Outstanding Amount of the Highest Priority Notes will declare all the Outstanding Notes to be immediately due and payable, by a notice in writing to the Issuer (and to the Trustee if given by the Noteholders), and upon any such declaration the unpaid principal amount of such Outstanding Notes, together with accrued and unpaid interest thereon through the date of acceleration, shall become immediately due and payable, subject, however, to Section 6.04 hereof.

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

- (a) the Issuer has paid or deposited with the Trustee a sum sufficient to pay:
 - (i) all payments of principal of and interest on all Notes and all other amounts that would then be due hereunder or upon such Notes if the Event of Default giving rise to such acceleration had not occurred; and

(ii) all sums due to, or paid or advanced by, the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, the Master Servicer and any Servicer and their agents and counsel; and

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

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

Section 6.09. Remedies Not Exclusive. The remedies herein conferred upon or reserved to the Trustee or the Noteholders are not intended to be exclusive of any other remedy, but each remedy herein provided shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, and every power and remedy hereby given to the Trustee or to the Noteholders, or any supplement hereto, may be exercised from time to time as often as may be deemed expedient. No delay or omission of the Trustee or of any Noteholder to exercise any power or right arising from any default hereunder shall impair any such right or power or shall be construed to be a waiver of any such default or to be acquiescence therein.

Section 6.10. Collection of Indebtedness and Suits for Enforcement by Trustee. The Issuer covenants that if:

(a) default is made in the payment of any installment of interest, if any, on any Notes when such interest becomes due and payable and such default continues for a period of five (5) days; or

(b) default is made in the payment of the principal of any Notes at their Note Final Maturity Date,

then the Issuer will, upon demand of the Trustee but solely from the Trust Estate, pay to the Trustee, for the benefit of the Noteholders, the whole amount then due and payable on such Notes for principal and interest, with interest upon any overdue principal and, to the extent that payment of such interest shall be legally enforceable, upon any overdue installments of interest, if any, at the rate or rates borne by or provided for in such Notes, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, fees, expenses, disbursements and advances of the Trustee and its agents and counsel.

If the Issuer fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may upon receiving from the Noteholders indemnification satisfactory to the Trustee, institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree, and may enforce the same against the Issuer or any other obligor upon such Notes of such Series and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Issuer but solely from the Trust Estate or any other obligor upon such Notes, wherever situated.

If an Event of Default with respect to the Notes occurs and is continuing, the Trustee may, after being indemnified to its satisfaction by the Noteholders and in its discretion, proceed to protect and enforce its rights and the rights of the Noteholders by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

Section 6.11. Direction of Trustee. Upon the happening of any Event of Default, the Noteholders of at least a majority of the collective aggregate principal amount of the Highest Priority Notes then Outstanding, shall have the right by an instrument or instruments in writing delivered to the Trustee to direct and control the Trustee as to the method of taking any and all proceedings for any sale of any or all of the Trust Estate, or for the appointment of a receiver, if permitted by law, and may at any time cause any proceedings authorized by the terms hereof to be so taken or to be discontinued or delayed; provided, however, that such Noteholders shall not be entitled to cause the Trustee to take any proceedings which in the Trustee's opinion based upon an Opinion of Counsel would be unjustly prejudicial to non-assenting Noteholders of Notes, but the Trustee shall be entitled to assume that the action requested by the Noteholders of at least 51% of the collective aggregate principal amount of the Highest Priority Notes then Outstanding will not be prejudicial to any non-assenting Noteholders unless the Noteholders of more than 50% of the collective aggregate principal amount of the non-assenting Noteholders, in writing, show the Trustee how they will be prejudiced. Provided, however, that anything in this Indenture to the contrary notwithstanding, the Noteholders of a majority of the collective aggregate principal amount of the Highest Priority Notes then Outstanding together with the Noteholders of a majority of the collective aggregate principal amount of all other Notes then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder, provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture. The provisions of this Section shall be expressly subject to the provisions of Sections 7.01(c), 7.05 and 7.07 hereof.

Section 6.12. Right to Enforce in Trustee. No Noteholder shall have any right as such Noteholder to institute any suit, action or proceedings for the enforcement of the provisions of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or for any other remedy hereunder, all rights of action hereunder being vested exclusively in the Trustee, unless and until such Noteholder shall have previously given to a Responsible Officer of the Trustee written notice of a default hereunder, and of the continuance thereof, and also unless the Noteholders of the requisite principal amount of the Notes then Outstanding shall have made written request upon a Responsible Officer of the Trustee and the Trustee shall have been afforded reasonable opportunity to institute such action, suit or proceeding in its own name, and unless the Trustee shall have been offered indemnity and security satisfactory to it against the fees, costs, expenses and liabilities (including those of its counsel and agents) to be incurred therein or thereby, which offer of indemnity shall be an express condition precedent hereunder to any obligation of the Trustee to take any such action hereunder, and the Trustee for 30 days after receipt of such notification, request and offer of indemnity, shall have failed to institute any such action, suit or proceeding. It is understood and intended that no one or more Noteholders shall

have the right in any manner whatever by his or their action to affect, disturb or prejudice the lien of this Indenture or to enforce any right hereunder except in the manner herein provided and for the equal benefit of the Noteholders of not less than a majority of the collective aggregate principal amount of the Notes then Outstanding.

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

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

Section 6.15. Notice of Defaults. Within 90 days after the occurrence of any default hereunder with respect to the Notes, the Trustee shall transmit notice of such default hereunder actually known to a Responsible Officer of the Trustee to each Noteholder and to the Rating Agency, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of or interest with respect to any Note, or in the payment of any sinking fund installment with respect to the Notes, the Trustee shall be protected in withholding such notice if and so long as a Responsible Officer of the Trustee in good faith determines that the withholding of such notice is in the interest of the Noteholders. For the purpose of this Section, the term “default” means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to the Notes.

ARTICLE VII

THE TRUSTEE

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

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

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

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

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

(c) Before taking any action hereunder requested by the Noteholders, the Trustee may require that it be furnished an indemnity bond or other indemnity and security satisfactory to it by the Noteholders, as applicable, for the reimbursement of all fees and expenses (including those of its counsel and agents) to which it may be put and to protect it against all liability.

(d) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

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

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken in good faith in accordance with the directions of the Noteholders of a majority of the aggregate principal amount of the Notes then Outstanding relating to the time, method and place of conducting any proceedings for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture with respect to the Notes; and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(e) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

Section 7.02. Recitals of Others. The recitals, statements and representations set forth herein and in the Notes shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the title of the Issuer in the Trust Estate or as to the security afforded thereby and hereby, or as to the validity or sufficiency of this Indenture or of the Notes issued hereunder, and the Trustee shall incur no responsibility in respect of such matters. The Trustee makes no representations as to the accuracy or completeness of any offering materials used in connection with the sale of the Notes and assumes no responsibility therefor. The Trustee shall not be accountable for the use or application by the Issuer of any of the Notes or of the proceeds of such Notes, or for the use or application of any funds paid to the Issuer in respect of the Financed Eligible Loans or deposited in or withdrawn from any accounts hereafter and in accordance with the terms of this Indenture.

Section 7.03. As to Filing of Indenture. The Trustee shall be under no duty (a) to file or record, or cause to be filed or recorded, this Indenture or any instrument supplemental hereto, (b) to procure any further order or additional instruments of further assurance, (c) to see to the delivery to it of any personal property intended to be mortgaged or pledged hereunder or thereunder, (d) to do any act which may be suitable to be done for the better maintenance of the lien or security hereof (other than the filing of all continuation (but not initial) statements), or (e) to give notice of the existence of such lien, or for extending or supplementing the same or to see that any rights to the Trust Estate and Funds intended now or hereafter to be transferred in trust hereunder are subject to the lien hereof. The Trustee shall not be liable for failure of the Issuer to pay any tax or taxes in respect of such property, or any part thereof, or the income therefrom or otherwise, nor shall the Trustee be under any duty in respect of any tax which may be assessed against it or the Noteholders in respect of such property or pledged to the Trust Estate. The Trustee agrees to file in a timely manner (if received from the Issuer in a timely manner) with any necessary execution by the Issuer, the Uniform Commercial Code financing and continuation statements referred to herein at the written direction of the Issuer; provided, that the Trustee shall have no responsibility for the sufficiency, adequacy or priority of any initial filing, and, in the absence of written notice to the contrary by the Issuer or other Authorized Representative, may conclusively rely and shall be protected in relying on all information and exhibits in such initial filings for the purposes of any continuation statements.

Section 7.04. Trustee May Act Through Agents. The Trustee may execute any of the trusts or powers hereof and perform any duty hereunder, either itself or by or through independent agents appointed by it, and shall also be permitted to appoint a separate trustee or co-trustee hereunder. Prior to appointing an independent agent, a separate trustee or a co-trustee to perform a duty, the Trustee shall provide written notice to the Rating Agency. If such notice has been provided to the Rating Agency as described in the previous sentence, the Trustee shall not be responsible for the actions or inaction, or for the supervision of, any attorneys, co-trustees or agents appointed by it with due care. All reasonable costs incurred by the Trustee and all reasonable compensation to all such persons as may be appointed by the Trustee in connection with the trusts hereof shall be paid by the Issuer as Trustee Expenses or otherwise.

Section 7.05. Indemnification of Trustee. Other than with respect to its duties to make payment on the Notes from amounts available hereunder when due and its duty to pursue the remedy of acceleration as provided respectively in Sections 6.02 and 6.08 hereof, for each of which no additional security or indemnity may be required, the Trustee shall be under no obligation or duty to perform any act at the request of Noteholders or to institute or defend any suit in respect thereof unless properly indemnified and provided with security to its satisfaction as provided in Section 7.01(c) hereof. However, the Trustee may begin suit, or appear in and defend suit, execute any of the trusts hereby created, enforce any of its rights or powers hereunder, or do anything else in its judgment proper to be done by it as Trustee, without assurance of reimbursement or indemnity, and in such case the Trustee shall be reimbursed or indemnified by the Noteholders requesting such action, if any, or the Issuer in all other cases, for all fees, costs and expenses, liabilities, outlays and counsel and agent fees and other reasonable disbursements properly incurred in connection therewith, unless such costs and expenses, liabilities, outlays and attorneys' fees and other reasonable disbursements properly incurred in connection therewith are adjudicated to have resulted from the negligence or willful misconduct of the Trustee. In furtherance and not in limitation of this Section, the Trustee shall not be liable for, and shall be held harmless by the Issuer from, following any Issuer Orders, instructions or other directions upon which the Trustee is authorized to conclusively rely pursuant to this Indenture or any other agreement to which it is a party. If the Issuer or the Noteholders, as appropriate, shall fail to make such reimbursement or indemnification, the Trustee may reimburse itself from any money in its possession under the provisions of this Indenture, subject only to the prior lien of the Notes for the payment of the principal thereof and interest thereon from the Collection Fund. None of the provisions contained in this Indenture or any other agreement to which it is a party shall require the Trustee to act or to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers if the Noteholders shall not have offered security and indemnity acceptable to it or if it shall have reasonable grounds for believing that prompt repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Issuer agrees to indemnify the Trustee for, and to hold it and its directors and officers harmless against, any loss, liability, damages, costs, fees or expenses (including attorney's fees) incurred without negligence or bad faith on its part (as finally adjudicated by a court of competent jurisdiction), arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including, but not limited to, the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder arising from the Trust Estate. The Issuer agrees to indemnify and hold harmless the Trustee and its directors and officers against any and all claims, demands, suits, actions or other proceedings and all losses, liabilities, damages, costs, fees or expenses whatsoever caused by any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering document distributed in connection with the issuance of the Notes or caused by any omission or alleged omission from such offering document of any material fact required to be stated therein or necessary in order to make the statements made therein in the light of the circumstances under which they were made, not misleading.

In no event shall the Trustee be responsible or liable for any special, indirect, punitive or consequential loss or damages of any kind whatsoever (including, but not limited to, loss of profit), whether or not foreseeable, irrespective of whether the Issuer or the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of such action.

The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder. The provisions of this Section shall survive the assignment by, resignation or removal of, the Trustee and the termination of this Indenture.

Section 7.06. Trustee's Right to Reliance. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, appraisal, opinion, report or document of the Issuer, the Administrator, the Sub-Administrator, the Master Servicer, the Sub-Master Servicer or a Servicer or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with experts and with counsel (who may but need not be counsel for the Issuer, the Trustee, or a Noteholder), and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered, and in respect of any determination made by it hereunder in good faith and in accordance with the opinion of such counsel.

Whenever in the administration hereof the Trustee shall reasonably deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a certificate signed by an Authorized Representative or an authorized officer of the Administrator, the Sub-Administrator, the Master Servicer, the Sub-Master Servicer or a Servicer.

The Trustee shall not be liable for any action taken, suffered or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it hereby; provided, however, that the Trustee shall be liable for its negligence or willful misconduct in taking such action.

The Trustee is authorized to enter into agreements with other Persons, in its capacity as Trustee, in order to carry out or implement the terms and provisions of this Indenture. The Trustee shall not be liable with respect to any action taken, suffered or omitted to be taken in good faith in accordance with this Indenture or any other transaction document or at the direction of the Noteholders evidencing the appropriate percentage of the aggregate principal amount of the Outstanding Notes relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture or any other transaction document.

Section 7.07. Compensation of Trustee. Except as otherwise expressly provided herein, all advances, counsel fees (including without limitation allocated fees of in-house counsel) and other expenses reasonably made or incurred by the Trustee in and about the execution and administration of the trust hereby created and reasonable compensation to the Trustee for its services in the premises shall be paid by the Issuer, including, without limitation,

Trustee Fees and Trustee Expenses. The compensation of the Trustee shall not be limited to or by any provision of law in regard to the compensation of trustees of an express trust. The Trustee shall not materially increase the Trustee Fee without giving the Issuer and each Rating Agency at least 90 days' written notice prior to the beginning of a Fiscal Year. If not paid by the Issuer, the Trustee shall have a lien against all money held pursuant to this Indenture, subject, prior to the occurrence and continuation of an Event of Default hereunder, only to the prior lien of the Notes against the money and investments in the Collection Fund for the payment of the principal thereof and interest thereon, for such reasonable compensation, expenses, advances and counsel fees incurred in and about the execution of the trusts hereby created and the exercise and performance of the powers and duties of the Trustee hereunder and the cost and expense incurred in defending against any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the negligence or willful misconduct of the Trustee).

Section 7.08. Creditor Relationships. The Trustee may act as depository for, and permit any of its officers or directors to act as a member of, or act in any other capacity in respect to, any committee formed to protect the rights of the Noteholders or to effect or aid in any reorganization growing out of the enforcement of the Notes or of this Indenture, whether or not any such committee shall represent the Noteholders of more than 60% of the collective aggregate principal amount of the Outstanding Notes.

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

Section 7.10. Removal of Trustee. The Trustee or any successor Trustee may be removed (a) with at least 30 days prior written notice by the Noteholders of a majority of the collective aggregate principal amount of the Highest Priority Notes then Outstanding, (b) by the Issuer for cause if the Trustee is in material breach of the Indenture or (c) with at least 30 days prior written notice by the Issuer without cause so long as no Event of Default exists or has existed within the last 30 days, in each case upon payment to the Trustee so removed of all money then due to it hereunder and appointment of a successor thereto by the Issuer and acceptance thereof by said successor. One copy of any such order of removal shall be filed with the Trustee so removed.

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

Section 7.11. Successor Trustee. In case at any time the Trustee or any successor Trustee shall resign, be removed, be dissolved, or otherwise shall be disqualified to act or be incapable of acting, or in case control of the Trustee or of any successor Trustee or of its officers shall be taken over by any public officer or officers, a successor Trustee may be appointed by the Issuer by an instrument in writing duly authorized by the Issuer. In the case of any such appointment by the Issuer of a successor to the Trustee, the Issuer shall forthwith cause notice thereof to be mailed to the Noteholders at the address of each Noteholder appearing on the note registration books maintained by the Trustee, as registrar.

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

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

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

successor to the Trustee may authenticate such Notes in its own name; and in all such cases such certificate shall have the full force which it has anywhere in the Notes or in this Indenture.

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

Section 7.14. Limitation with Respect to Examination of Reports. Except as provided in this Indenture, the Trustee shall be under no duty to examine any report or statement or other document required or permitted to be filed with it by the Issuer.

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

Section 7.16. Notices to Rating Agency. It shall be the duty of the Issuer to notify each Rating Agency then rating any of the Notes of (a) any amendment, change, expiration, extension or renewal of this Indenture, (b) prepayment of all the Notes, (c) any change in the Trustee and (d) any other information reasonably required to be reported to each Rating Agency under any Supplemental Indenture. All notices required to be forwarded to the Rating Agency under this Section shall be sent in writing at the following addresses:

Via electronic delivery to servicerreports@moodys.com
For any information not available in electronic format:
Moody's Investors Service, Inc.
ABS/RMBS Monitoring Department
24th Floor
7 World Trade Center
250 Greenwich Street
New York, New York 10007

The Trustee also acknowledges that each Rating Agency's periodic review for maintenance of a Rating on any Series of Notes may involve discussions and/or meetings with representatives of the Trustee at mutually agreeable times and places; provided, however, that the Administrator shall be included in all discussions and/or meetings with the Rating Agency.

Section 7.17. Merger of the Trustee. The Trustee may merge or consolidate with any other entity so long as the surviving entity is qualified to be the Trustee under the requirements of Section 7.11 hereof. Any corporation into which the Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Indenture, without the execution

or filing of any paper or any further act on the part of any other parties hereto. The Trustee shall provide the Issuer with prompt notice of any such merger or consolidation.

Section 7.18. Receipt of Funds. The Trustee shall not be accountable or responsible in any manner whatsoever for any action of the Issuer, the Administrator, the Sub-Administrator, the depository bank of any funds of the Issuer, or a Servicer, or for the application of funds or moneys until such time as funds are received by the Trustee.

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

Section 7.20. Corporate Trustee Required; Eligibility; Conflicting Interests. There shall at all times be a Trustee hereunder which shall have a combined capital and surplus of at least \$50,000,000. If such corporation publishes reports of condition at least annually, pursuant to law or the requirements of federal, state, territorial or District of Columbia supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article. Neither the Issuer nor any Person directly or indirectly controlling or controlled by, or under common control with, the Issuer shall serve as Trustee.

Section 7.21. Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Issuer or any other obligor upon the Notes or the property of the Issuer or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Issuer for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise:

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

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

disbursements and advances of the Trustee and any predecessor Trustee, their agents and counsel, and any other amounts due the Trustee or any predecessor Trustee.

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

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

Section 7.22. No Petition. The Trustee and the Owner Trustee will not at any time institute against the Issuer any bankruptcy proceeding under any United States federal or state bankruptcy or similar law in connection with any obligations of the Issuer under this Indenture. In addition, each Noteholder will be deemed to have agreed, by its acceptance of its Note, not to file or join in filing any petition in bankruptcy or commence any similar proceeding in respect of the Issuer.

Section 7.23. Additional Rights of the Trustee.

(a) The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

(b) The Trustee shall be deemed not to have knowledge of any event (including, but not limited to, an Event of Default other than an Event of Default described in Section 6.01(a) or (b) hereof), unless and until a Responsible Officer shall have been specifically notified in writing at the address in Section 9.01 hereof of such default or Event of Default by (a) the Noteholders representing not less than a majority of the Outstanding Amount of the Highest Priority Notes or (b) an Authorized Representative. Absent receipt of written notice, the Trustee may conclusively assume that no such event has occurred. The Trustee shall have no obligation to inquire into, or investigate as to, the occurrence of any such event (including any Event of Default other than an Event of Default described in Section 6.01(a) or (b) hereof). For purposes of determining the such party's responsibility and liability hereunder, whenever reference is made in this Indenture to any event (including, but not limited to, an Event of Default other than an Event of Default described in Section 6.01(a) or (b) hereof), such reference shall be construed to refer only to such event of which such party has received written notice thereof.

(c) The Trustee shall not be answerable or accountable hereunder except for its own bad faith, willful misconduct or negligence.

(d) Each Noteholder, by acceptance of a Note hereunder, represents that it has, independently and without reliance upon the Trustee or any other person, and based on such documents and information as it has deemed appropriate, made its own

investment decision. Each Noteholder also represents that it will, independently and without reliance upon the Trustee or any other person, and based on such documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under this Indenture. Except for notices, reports and other documents expressly required to be furnished to the Noteholders by the Trustee hereunder, the Trustee shall not have any duty or responsibility to provide the Noteholders with any other information concerning the transactions contemplated hereby, any other parties to this Indenture or to any related documents which may come into the possession of the Trustee or any of its officers, directors, employees, agents, representatives or attorneys-in-fact.

(e) The Trustee may conclusively rely on, and shall be fully protected in acting or refraining from acting upon, any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond or any other paper or document (including any of the foregoing delivered in electronic format) believed by it to be genuine and to have been signed or presented by the proper person or persons. The Trustee need not investigate, re-calculate, evaluate, verify, or independently determine the accuracy of any information, statement, representation or warranty or any fact or matter stated in any such document and may conclusively rely as to the truth of the statements and the correctness of the opinions expressed therein.

(f) Delivery of any reports, information and documents to the Trustee provided for herein is for informational purposes only, the Trustee has no obligation to review such reports, information or documents or confirm compliance of the same with the requirements of this Indenture (except as specifically provided herein), and the Trustee's receipt of such shall not constitute actual or constructive knowledge of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its representations, warranties or covenants hereunder (as to which the Trustee is entitled to rely exclusively on officers' certificates).

(g) The Trustee may consult with counsel, accountants and other skilled persons to be selected and employed by it with due care, and the Trustee shall not be liable for anything done, suffered or omitted by it in accordance with the oral or written advice of any such person.

(h) Before the Trustee acts or refrains from taking any action under this Indenture, it may require an officer's certificate and/or an opinion of counsel from the party requesting that the Trustee act or refrain from acting in form and substance acceptable to the Trustee, the costs of which (including the Trustee's reasonable attorney's fees and expenses) shall be paid by the party requesting that the Trustee act or refrain from acting. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such officer's certificates and/or opinions of counsel.

(i) Notwithstanding anything to the contrary in this Indenture, the Trustee shall not be liable for any loss or damage, or any failure or delay in the performance of its obligations hereunder if it is prevented from so performing its obligations by any reason which is beyond its control, including, but not limited to, by any existing or future law or

regulation, any existing or future act of governmental authority, act of God, flood, war whether declared or undeclared, terrorism, riot, rebellion, civil commotion, strike, lockout, other industrial action, general failure of electricity or other supply, aircraft collision, technical failure, accidental or mechanical or electrical breakdown, computer failure or failure of any money transmission system, credit risks of clearing bank, agent or system and any other market conditions affecting the execution or settlement of transactions or any event where, in the reasonable opinion of such party, performance of any duty or obligation under or pursuant to this Indenture would or may be illegal or would result in the Trustee being in breach of any law, rule, regulation, or any decree, order or judgment of any court, or practice, request, direction, notice, announcement or similar action of any relevant government, government agency, regulatory authority, stock exchange or self-regulatory organization to which the Trustee is subject.

(j) Notwithstanding anything to the contrary in this Indenture, the Trustee shall not be required to take any action that is not in accordance with applicable law.

(k) The right of the Trustee to perform any permissive or discretionary act enumerated in this Indenture or any related document shall not be construed as a duty.

(l) Except as specifically provided herein, neither the Trustee nor any of its officers, directors, employees, attorneys or agents will be responsible or liable for the existence, genuineness, value or protection of any collateral, for the legality, enforceability, effectiveness or sufficiency of the Basic Documents for the creation, perfection, priority, sufficiency or protection of any of the liens, or for any defect or deficiency as to any such matters, or for any failure to demand, collect, foreclose or realize upon or otherwise enforce any of the liens or Basic Documents or any delay in doing so.

(m) The Trustee shall not be responsible for, and makes no representation or warranty as to, the validity, legality, enforceability, sufficiency or adequacy of this Indenture or any related document, or as to the correctness of any statement contained in any thereof. The recitals contained herein and in the Notes shall be construed as the statements of the Issuer. The Trustee shall not be accountable for the Issuer's use of the proceeds from the issuance of the Notes or any money paid to the Issuer pursuant to the provisions hereof, and it shall not be responsible for any statement of the Issuer in this Indenture, in the Notes or in any document issued in connection therewith.

(n) The Trustee shall not be liable for any action or inaction of the Issuer, the Administrator, the Master Servicer, the Backup Master Servicer, any Servicer, or any other party (or agent thereof) to this Indenture or any related document and may assume compliance by such parties with their obligations under this Indenture or any other Basic Documents, unless a Responsible Officer of the Trustee shall have received written notice to the contrary.

(o) In the event of any ambiguity in the interpretation of any definition, provision or term or in the Basic Documents, the Trustee may seek a direction from the Issuer; upon such request, the Issuer shall provide such interpretation and the Trustee

shall not be liable for anything done, suffered or omitted by it in accordance with such interpretation.

(p) The Trustee shall have no duty to see to, or be responsible for the correctness or accuracy of, any recording, filing, or depositing of this Indenture or any agreement referred to herein or any financing statement evidencing a security interest, or to see to the maintenance of any such recording or filing or depositing or to any rerecording, refilling or re-depositing of any thereof.

ARTICLE VIII

SUPPLEMENTAL INDENTURES

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

(a) to cure any ambiguity or formal defect or omission in this Indenture or to conform to the offering memorandum related to the initial offering of the Notes;

(b) to grant to or confer upon the Trustee for the benefit of the Noteholders any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Noteholders or the Trustee;

(c) to subject to this Indenture additional revenues, properties or collateral;

(d) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Notes for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute;

(e) to evidence the appointment of a separate or co-Trustee or a co-registrar or transfer agent or the succession of a new Trustee hereunder, or any additional or substitute Master Servicer or Servicer;

(f) to add such provisions to or to amend such provisions of this Indenture as may be necessary or desirable to assure implementation of the Program if along with such Supplemental Indenture there is filed an Opinion of Counsel to the effect that the addition or amendment of such provisions will not materially impair the existing security of the Noteholders of any Outstanding Notes;

(g) to make any change as shall be necessary in order to obtain and maintain for any of the Notes an investment grade Rating from a nationally recognized rating

service, which changes, in the opinion of the Trustee will not materially adversely impact the Noteholder of any of the Notes;

(h) to make any changes necessary to comply with or obtain more favorable treatment under any current or future law, rule or regulation, including but not limited to the Code and the regulations promulgated thereunder;

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

(j) to make any other change which, in the judgment of the Trustee will not materially adversely impact the Noteholders of any Notes;

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

Section 8.02. Supplemental Indentures Requiring Consent of Noteholders.

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

If at any time the Issuer shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be mailed by registered or certified mail to each Noteholder of an Note at the address shown on the registration books. Such notice (which shall be prepared by the Issuer) shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Noteholders. If, within 60 days, or such longer period as shall be prescribed by the Issuer, following the mailing of such notice, the Noteholders of not less than a majority of the collective aggregate principal amount of the Notes Outstanding at the time of the execution of any such

Supplemental Indenture shall have consented in writing to and approved the execution thereof as herein provided, no Noteholder of any Note shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

Section 8.03. Execution of Supplemental Indentures. In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or any modification thereby of the trusts created by this Indenture, the Trustee shall receive, and be fully protected in relying upon, an Opinion of Counsel and certificate of an Authorized Representative stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own right, duties or immunities under this Indenture or otherwise. Any amendment or supplement which affects the rights, duties, immunities or liabilities of the Owner Trustee shall require the Owner Trustee's written consent.

ARTICLE IX

GENERAL PROVISIONS

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

The amount of Notes held by any person executing such instrument as a Noteholder and the fact, amount and numbers of the Notes held by such person and the date of his holding the same may be proved by the registration books of the Trustee.

All notices, requests and other communications to any party hereunder shall be in writing (including bank wire, telecopy, electronic communication, facsimile or similar writing) at the following addresses, and each address shall constitute each party's respective "Principal Office" for purposes of this Indenture:

If intended for the Issuer:

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

With a copy to the Sub-Administrator:

Northstar Education Services LLC
Suite 100
930 Blue Gentian Road
Eagan, MN 55121
Attention: President and CEO
Telephone: (651) 290-8784
Facsimile: (651) 290-8799
Email: taige.thornton@nseds.com

If intended for the Trustee:

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

If intended for the Owner Trustee:

Wilmington Trust, National Association
Rodney Square North
1100 North Market Street
Wilmington, DE 19890
Attention: Corporate Trust Administration
Telephone: (302) 636-6194
Facsimile: (302) 636-4140

Any party may change the address to which subsequent notices to such party are to be sent, or may change the address of its Principal Office, by notice to the others, delivered by hand or received by facsimile or registered first-class mail, postage prepaid. Each such notice, request or other communication shall be effective when delivered by hand or received by facsimile or registered first-class mail, postage prepaid.

Section 9.02. Covenants Bind Issuer. The covenants, agreements, conditions, promises, and undertakings in this Indenture shall extend to and be binding upon the successors and assigns of the Issuer, and all of the covenants hereof shall bind such successors and assigns, and each of them, jointly and severally. All the covenants, conditions and provisions hereof shall be held to be for the sole and exclusive benefit of the parties hereto and their successors and assigns and of the Noteholders from time to time of the Notes.

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

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

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

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

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

Section 9.07. Nonpresentment of Notes or Interest Checks. Should any of the Notes or interest checks not be presented for payment when due, the Trustee shall retain from any money transferred to it for the purpose of paying the Notes or interest checks so due, for the benefit of the Noteholders thereof, a sum of money sufficient to pay such Notes or interest checks when the same are presented by the Noteholders thereof for payment. Such money shall not be required to be invested. All liability of the Issuer to the Noteholders of such Notes or interest checks and all rights of such Noteholders against the Issuer under the Notes or interest checks or under this Indenture shall thereupon cease and determine, and the sole right of such Noteholders shall thereafter be against such deposit. If any Note or interest check shall not be

presented for payment within the period of two years following its payment or prepayment date, the Trustee shall return to the Issuer the money theretofore held by it for payment of such Note or interest check, and such Note or interest check shall (subject to the defense of any applicable statute of limitation) thereafter be an unsecured obligation of the Issuer. The Trustee's responsibility for any such money shall cease upon remittance thereof to the Issuer.

Section 9.08. Laws Governing. It is the intent of the parties hereto that this Indenture shall in all respects be governed by the laws of the State of New York, without reference to its conflict of law provisions (other than Sections 5-1401 and 5-1402 of the General Obligations Law).

Section 9.09. Consent to Jurisdiction. The ISSUER HEREBY AGREES TO THE NON-EXCLUSIVE JURISDICTION OF ANY FEDERAL COURT LOCATED WITHIN THE STATE OF NEW YORK. THE ISSUER HEREBY WAIVES ANY OBJECTION BASED ON *FORUM NON CONVENIENS*, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

Section 9.10. Waiver of Jury Trial. THE ISSUER HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS INDENTURE.

Section 9.11. Severability. If any covenant, agreement, waiver, or part thereof contained in this Indenture shall be forbidden by any pertinent law or under any pertinent law be effective to render this Indenture invalid or unenforceable or to impair the lien hereof, then each such covenant, agreement, waiver, or part thereof shall itself be and is hereby declared to be wholly ineffective, and this Indenture shall be construed as if the same were not included herein.

Section 9.12. Exhibits. The terms of the Schedules and Exhibits, if any, attached to this Indenture are incorporated herein in all particulars.

Section 9.13. Non-Business Days. Except as may otherwise be provided herein, if the date for making payment of any amount hereunder or on any Note, or if the date for taking any action hereunder, is not a Business Day, then such payment can be made without accruing further interest or action can be taken on the next succeeding Business Day, with the same force and effect as if such payment were made when due or action taken on such required date.

Section 9.14. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Trustee, the paying agent, if any, and the Noteholders, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Trustee, the paying agent, if any, and the Noteholders.

Section 9.15. Notes Are Limited Obligations. The Notes and the obligations of the Issuer contained in this Indenture are special, limited obligations of the Issuer, secured by and payable solely from the Trust Estate herein provided. The Issuer shall not be obligated to pay the Notes, the interest thereon, or any other obligation created by or arising from this Indenture from any other source.

Section 9.16. Financed Eligible Loans. The Issuer expects to acquire Eligible Loans and to pledge Eligible Loans to the Trustee, in accordance with this Indenture, which Eligible Loans, upon becoming subject to the lien of this Indenture, constitute Financed Eligible Loans, as defined herein. If for any reason a Financed Eligible Loan does not constitute an Eligible Loan, or ceases to constitute an Eligible Loan, such loan shall continue to be subject to the lien of this Indenture as a Financed Eligible Loan.

Section 9.17. Concerning the Owner Trustee. It is expressly understood and agreed by the parties to this Indenture and the Noteholders that (a) this Indenture is executed and delivered by the Owner Trustee not in its individual or personal capacity but solely in its capacity as Owner Trustee under the Trust Agreement on behalf of the Issuer, in the exercise of the powers and authority conferred and vested in it as Owner Trustee under the Trust Agreement, subject to the protections, indemnities and limitations from liability afforded to the Owner Trustee thereunder; (b) the representations, warranties, covenants, undertakings, agreements and obligations by the Owner Trustee or the Issuer are made and intended not as personal representations, warranties, covenants, undertakings, agreements and obligations by Wilmington Trust, National Association, but are made and intended for the purpose of only binding the Trust Estate, as defined in the Trust Agreement, and the Issuer; (c) nothing contained herein shall be construed as creating any liability on Wilmington Trust, National Association, individually or personally, to perform any expressed or implied covenant, duty or obligation of any kind whatsoever contained herein; (d) Wilmington Trust, National Association has made no investigation as to the accuracy or completeness of any representations and warranties made by the Owner Trustee or the Issuer in this Indenture; and (e) under no circumstances shall Wilmington Trust, National Association, be personally liable for the payment of any fees, costs, indebtedness or expenses of any kind whatsoever or be personally liable for the breach or failure of any obligation, representation, agreement, warranty or covenant whatsoever made or undertaken by the Owner Trustee or the Issuer hereunder.

ARTICLE X

PAYMENT AND CANCELLATION OF NOTES AND SATISFACTION OF INDENTURE

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

Section 10.02. Satisfaction of Indenture.

(a) If the Issuer shall pay, or cause to be paid, or there shall otherwise be paid to the Noteholders, the principal of and interest on the Notes, at the times and in the

manner stipulated in this Indenture, then the pledge of the Trust Estate, and all covenants, agreements and other obligations of the Issuer to the Noteholders and all other obligations due and outstanding shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, upon Issuer Order, the Trustee shall execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver all money held by it under this Indenture to the party entitled to receive the same under this Indenture as set forth in the Issuer Order. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Noteholders of any Outstanding Notes the principal of and interest on such Notes, such Notes shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of the Issuer to the Noteholders thereof shall thereupon cease, terminate and become void and be discharged and satisfied.

(b) Notes or interest installments shall be deemed to have been paid within the meaning of subsection (a) of this Section if money for the payment thereof has been set aside and is being held in trust by the Trustee at the respective Note Final Maturity Date or earlier prepayment date thereof. Any Outstanding Note shall, prior to its Note Final Maturity Date or earlier prepayment thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section if (i) such Note is to be prepaid on any date prior to its Note Final Maturity Date and (ii) the Issuer shall have given notice of prepayment as provided herein on said date, there shall have been deposited with the Trustee either money (fully insured by the Federal Deposit Insurance Corporation or fully collateralized by Governmental Obligations) in an amount which shall be sufficient, or Governmental Obligations (including any Governmental Obligations issued or held in book-entry form on the books of the Department of Treasury of the United States of America) the principal of and the interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal of and interest to become due on such Note on and prior to the prepayment date or Note Final Maturity Date thereof, and all other obligations due and outstanding, as the case may be. If moneys and/or Governmental Obligations are deposited with and held by the Trustee as provided in this subsection (b), such moneys and/or Governmental Obligations shall be accompanied by a report of a nationally recognized independent certified public accountant firm or other financial services firm verifying that the amount of such moneys and/or Governmental Obligations deposited will be sufficient, together with interest to accrue thereon, to pay all the Notes at or before their Maturity. Notwithstanding anything herein to the contrary, however, no such deposit shall have the effect specified in this subsection (b) if made during the existence of an Event of Default, unless made with respect to all of the Notes then Outstanding. Neither Governmental Obligations nor money deposited with the Trustee pursuant to this subsection (b) nor principal or interest payments on any such Governmental Obligations shall be withdrawn or used for any purpose other than, and shall be held irrevocably in trust in an escrow account for, the payment of the principal of and interest on such Notes. Any cash received from such principal of and interest on such Governmental Obligations deposited with the Trustee, if not needed for such purpose, shall, to the extent practicable, be reinvested in Governmental Obligations maturing at times and in amounts sufficient to pay when due the principal of and interest on such Notes and all other obligations due and outstanding

on and prior to such prepayment date or Note Final Maturity Date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Issuer, as received by the Trustee, free and clear of any trust, lien or pledge. Any payment for Governmental Obligations purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Governmental Obligations. For the purposes of this Section, "Governmental Obligations" shall mean and include only non-callable direct obligations of the Department of the Treasury of the United States of America or portions thereof (including interest or principal portions thereof), and such Governmental Obligations shall be of such amounts, maturities and interest payment dates and bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make the payments required herein, and which obligations have been deposited in an escrow account which is irrevocably pledged as security for the Notes. Such term shall not include mutual funds and unit investment trusts.

Section 10.03. Optional Purchase of All Financed Eligible Loans. The Administrator shall certify to and notify the Depositor and the Issuer, or any assignee of its rights hereunder, and the Trustee in writing, within 15 days after each Monthly Distribution Date on which the then Outstanding Amount is 12% or less of the initial principal amount of the Notes, of the percentage that the then Outstanding Amount bears to the initial principal amount of the Notes. The Depositor or its assignee shall have the option to purchase all of the Financed Eligible Loans on the date that is the tenth (10th) Business Day preceding any Monthly Distribution Date on which the then Pool Balance will be 10% or less of the Initial Pool Balance (the "Optional Purchase Date"). To exercise the option described in this Section, the Depositor or its assignee shall deposit in the Collection Fund by 10:00 a.m., Central time, on the Optional Purchase Date, an amount equal to the Optional Purchase Amount, less any amounts on deposit in the Funds and Accounts.

Section 10.04. Cancellation of Paid Notes. Any Notes which have been paid or purchased by the Issuer, mutilated Notes replaced by new Notes, and any temporary Note for which definitive Notes have been delivered shall (unless otherwise directed by the Issuer by Issuer Order) forthwith be cancelled and destroyed by the Trustee pursuant to Section 2.06 hereof.


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

NORTHSTAR STUDENT LOAN TRUST III,
as the Issuer

By: WILMINGTON TRUST, NATIONAL
ASSOCIATION, not in its individual capacity
or personal capacity but solely in its capacity as
Owner Trustee

By: _____
Name: _____
Title: _____

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By:  _____
Name: Chris McKim
Title: Vice President

Acknowledged and accepted as to clauses "C"
and "D" of the Granting Clauses as of the day
and year first written above:

WILMINGTON TRUST, NATIONAL
ASSOCIATION, not in its individual capacity
but solely as Owner Trustee


By: _____
Name: _____
Title: _____

[Signature Page to Indenture of Trust]

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

NORTHSTAR STUDENT LOAN TRUST III,
as the Issuer

By: WILMINGTON TRUST, NATIONAL
ASSOCIATION, not in its individual capacity
or personal capacity but solely in its capacity as
Owner Trustee

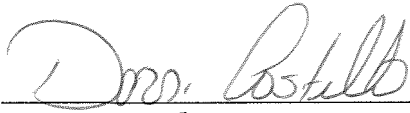
By: 
Name: Dorri Costello
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Name: _____
Title: _____

Acknowledged and accepted as to clauses "C"
and "D" of the Granting Clauses as of the day
and year first written above:

WILMINGTON TRUST, NATIONAL
ASSOCIATION, not in its individual capacity
but solely as Owner Trustee

By: 
Name: Dorri Costello
Title: Vice President

[Signature Page to Indenture of Trust]

EXHIBIT A

ELIGIBLE LOAN ACQUISITION CERTIFICATE

This Eligible Loan Acquisition Certificate is submitted pursuant to the provisions of Section 5.02 of the Indenture of Trust, dated as of September 1, 2016 (as amended, the “Indenture”), by and among NorthStar Student Loan Trust III (the “Issuer”), U.S. Bank National Association, as trustee (in such capacity, the “Trustee”), and Wilmington Trust, National Association, not in its individual capacity but solely as owner trustee (the “Owner Trustee”). All capitalized terms used in this Certificate and not otherwise defined herein shall have the same meanings given to such terms in the Indenture. The Trustee is hereby authorized and requested to disburse to _____ (the “Seller”) the sum of \$ _____ for the acquisition of Eligible Loans, legal title to which shall be acquired by the Owner Trustee. With respect to the Eligible Loans so to be acquired, the Issuer hereby certifies as follows:

1. The Eligible Loans to be acquired are those specified in Schedule A attached hereto (the “Acquired Eligible Loans”). The remaining unpaid principal amount of each Acquired Eligible Loan is as shown on such Schedule A.

2. The amount to be disbursed pursuant to this Certificate does not exceed the amount permitted by Section 5.02 of the Indenture, plus accrued interest.

3. Each Acquired Eligible Loan is an Eligible Loan authorized so to be acquired by the Indenture and the Trust Agreement.

4. The following items have been received and are being retained, on your behalf, by the Issuer, the Master Servicer or a Servicer:

(a) a copy of the Private Student Loan Purchase and Contribution Agreement(s) by and between the Issuer and the Seller with respect to the Acquired Eligible Loans (original copy maintained on file with the Issuer on behalf of the Trustee and the Owner Trustee);

(b) an opinion of counsel to the Issuer specifying each action necessary to perfect a security interest in all Eligible Loans to be acquired by the Issuer pursuant to the Private Student Loan Purchase and Contribution Agreements in favor of the Trustee (you are authorized to rely on the advice of a single blanket opinion of counsel to the Issuer until such time as the Issuer shall provide any amended opinion to you); and

(d) instruments duly assigning the Acquired Eligible Loans to the Issuer and the Owner Trustee.

5. The Issuer is not, on the date hereof, in default under the Indenture or in the performance of any of its covenants and agreements made in the Private Student Loan Purchase and Contribution Agreement(s) relating to the Acquired Eligible Loans, and, to the best knowledge of the Issuer, the Seller is not in default under the Private Student Loan Purchase and Contribution Agreement applicable to the Acquired Eligible Loans. The Issuer is not aware of

any default existing on the date hereof under any of the other documents referred to in paragraph 4 hereof, nor of any circumstances which would reasonably prevent reliance upon the opinion of counsel referred to in paragraph 4(d) hereof.

6. All of the conditions specified in the Private Student Loan Purchase and Contribution Agreement(s) applicable to the Acquired Eligible Loans and the Indenture for the acquisition of the Acquired Eligible Loans and the disbursement hereby authorized and requested have been satisfied; provided that the Issuer may waive the requirement of receiving an opinion of counsel from the counsel to the Seller.

7. The proposed use of moneys in the Acquisition Fund is in compliance with the provisions of the Indenture.

8. The undersigned is authorized to sign and submit this Certificate on behalf of the Issuer.

WITNESS my hand this _____ day of _____.

NORTHSTAR STUDENT LOAN TRUST III

By: NORTHSTAR EDUCATION SERVICES
LLC, as Sub-Administrator

By: _____
Name: _____
Title: _____

EXHIBIT B

FORM OF SERIES 2016-A NOTE

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

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR REGISTERED OR QUALIFIED UNDER ANY STATE SECURITIES OR BLUE SKY LAW OF ANY STATE. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES THAT THIS NOTE MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) PURSUANT TO RULE 144A PROMULGATED UNDER THE SECURITIES ACT (“RULE 144A”) TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A “QIB”), PURCHASING FOR ITS OWN ACCOUNT OR A QIB PURCHASING FOR THE ACCOUNT OF A QIB, WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A; (B) PURSUANT TO ANOTHER EXEMPTION AVAILABLE UNDER THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (C) PURSUANT TO A VALID REGISTRATION STATEMENT.

THE PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. THIS NOTE IS NOT GUARANTEED OR INSURED BY ANY GOVERNMENTAL AGENCY.

**NORTHSTAR STUDENT LOAN TRUST III
PRIVATE EDUCATION LOAN ASSET-BACKED NOTES
SENIOR SERIES 2016-A (LIBOR)**

REGISTERED NO. R-____ REGISTERED \$ _____

Date of Issuance	Maturity Date	CUSIP No.	ISIN No.
September 7, 2016	May 2036 Monthly Distribution Date	66705R AA7	US66705RAA77

PRINCIPAL SUM: ** _____ DOLLARS**

REGISTERED OWNER: ** _____ **

NorthStar Student Loan Trust III, a statutory trust organized and existing under the laws of the State of Delaware (herein referred to as the “Issuer”), for value received, hereby promises to pay to the Registered Owner, or registered assigns (the “Noteholder”), on each Monthly Distribution Date the principal allocable to this Note for such Monthly Distribution Date, as described in the Indenture of Trust, dated as of September 1, 2016 (the “Indenture”), by and among the Issuer, U.S. Bank National Association, a national banking association, as indenture trustee (the “Trustee”), and Wilmington Trust, National Association, a national banking association, not in its individual capacity but solely as owner trustee (capitalized terms used but not defined herein being defined in Article I of the Indenture, which also contains rules as to usage that shall be applicable herein); provided, however, that the entire unpaid principal amount of this Note shall be due and payable on the Maturity Date specified above (the “Series 2016-A Maturity Date”).

The Issuer shall pay interest on this Note at the rate per annum equal to the Series 2016-A Rate (as defined herein), on each Monthly Distribution Date until the principal of this Note is paid or made available for payment, on the principal amount of this Note outstanding on the preceding Monthly Distribution Date or the Date of Issuance in the case of the first Monthly Distribution Date (after giving effect to all payments of principal made on the preceding Monthly Distribution Date), subject to certain limitations contained in the Indenture. Interest on this Note shall accrue from and including the preceding Monthly Distribution Date (or, in the case of the first Interest Accrual Period, the Date of Issuance) to but excluding the following Monthly Distribution Date (each an “Interest Accrual Period”). Interest shall be calculated on the basis of the actual number of days elapsed in each Interest Accrual Period divided by 360 and rounding the resultant figure to the fifth decimal point. Such principal of and interest on this Note shall be paid in the manner specified herein.

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

This Note is one of a duly authorized issue of Notes of the Issuer, designated as its Private Education Loan Asset-Backed Notes, Senior Series 2016-A (the “Series 2016-A Notes”), which together with the Issuer’s Private Education Loan Asset-Backed Notes, Subordinate Series 2016-B (the “Series 2016-B Notes” and, together with the Series 2016-A Notes, the “Notes”), are issued under and secured by the Indenture, to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Noteholders. The Notes are subject to all terms of the Indenture.

The Notes are and will be secured by the Trust Estate pledged as security therefor as provided in the Indenture. The Series 2016-A Notes are senior to the Series 2016-B Notes as and to the extent provided in the Indenture.

Principal of the Series 2016-A Notes shall be payable on each Monthly Distribution Date in an amount equal to the principal allocable to the Series 2016-A Notes for such Monthly Distribution Date. “Monthly Distribution Date” means the twenty-fifth (25th) day of each calendar month or, if any such date is not a Business Day, the immediately succeeding Business Day, commencing September 26, 2016.

As described on the face hereof, the entire unpaid principal amount of this Note shall be due and payable on the Series 2016-A Maturity Date. Notwithstanding the foregoing, the entire unpaid principal amount of the Notes shall be due and payable on the date on which (a) an Event of Default shall have occurred and be continuing and (b) either the Trustee or the Noteholders representing not less than a majority of the Outstanding Amount of the Highest Priority Notes shall have declared the Notes to be immediately due and payable in the manner provided in the Indenture.

The Notes are subject to redemption from the proceeds of a sale of Financed Eligible Loans in accordance with Section 10.03 of the Indenture on any Monthly Distribution Date on or after the Monthly Distribution Date next succeeding the date on which the then Pool Balance is 10% or less of the Initial Pool Balance (all as defined in the Indenture), in whole only, at a redemption price equal to the principal amount thereof being redeemed, plus accrued interest, if any, due and payable on the Notes to such Monthly Distribution Date.

Interest on the Series 2016-A Notes shall be payable on each Monthly Distribution Date on the principal amount outstanding of the Series 2016-A Notes until the principal amount thereof is paid in full, at a rate per annum equal to the Series 2016-A Rate. The “Series 2016-A Rate” for each Interest Accrual Period, other than the first Interest Accrual Period, shall be equal to the applicable One-Month LIBOR, plus 1.25%. The “Series 2016-A Rate” for the first Interest Accrual Period shall be determined by reference to the following formula:

$$x + [a/b * (y-x)] \text{ plus } 1.25\%, \text{ as determined by the Trustee.}$$

where:

x = One-Month LIBOR;

y = Two-Month LIBOR;

a = the actual number of days from the maturity date of One-Month LIBOR to the first Monthly Distribution Date; and

b = the actual number of days from the maturity date of One-Month LIBOR to the maturity date of Two-Month LIBOR.

Payments of interest on this Note on each Monthly Distribution Date, together with the installment of principal, if any, to the extent not in full payment of this Note, shall be paid to the Person in whose name this Note is registered on the Record Date by check mailed first-class, postage prepaid to such Person’s address as it appears on the records of the Trustee on such Record Date, except that, unless definitive Notes have been issued pursuant to the Indenture, with respect to Notes registered on the Record Date in the name of the nominee of the Clearing

Agency (initially, such nominee to be Cede & Co.), payment shall be made by wire transfer in immediately available funds to the account designated by such nominee. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Note on a Monthly Distribution Date, then the Trustee shall notify the Person in whose name a Note is registered at the close of business on the Record Date preceding the Monthly Distribution Date on which the Issuer expects that the final installment of principal of and interest on this Note will be paid. Such notice shall be mailed or transmitted by facsimile prior to such final Monthly Distribution Date and shall specify that such final installment will be payable only upon presentation and surrender of this Note and shall specify the place where such Note may be presented and surrendered for payment of such installment.

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

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

Each Noteholder and each transferee of a Note shall be deemed to represent and warrant that it is not an employee benefit plan or other retirement arrangement (“Plan”) and is not acquiring the Note directly or indirectly for, or on behalf of, or with Plan Assets (as defined in Section 3(42) of ERISA) of, a Plan, an entity which holds Plan Assets by reason of a Plan’s investment therein (a “Plan Asset Entity”) or governmental, non-U.S. or church plan that is subject to subject to a substantially similar federal, state, local or foreign law (a “Similar Law”), or the acquisition and holding of the Notes by or on behalf of, or with Plan Assets of, any Plan, any Plan Asset Entity or governmental, non-U.S. or church plan that is subject to Similar Law is permissible under applicable law, will not result in any non-exempt prohibited transaction under Section 406 of Employee Retirement Income Security Act of 1974, as amended, or Section 4975 of the Internal Revenue Code of 1986, as amended, or other applicable federal and state law, and will not subject the Issuer or the Initial Purchaser to any obligation not affirmatively undertaken in writing.

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

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

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

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

This Note shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions (other than Sections 5-1401 and 5-1402 of the General Obligations Law), and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

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

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

It is expressly understood and agreed by the parties to the Indenture and the Noteholder that (a) this Note is executed and delivered by the Owner Trustee not in its individual or personal capacity but solely in its capacity as Owner Trustee under the Trust Agreement on behalf of the Issuer, in the exercise of the powers and authority conferred and vested in it as Owner Trustee under the Trust Agreement, subject to the protections, indemnities and limitations from liability afforded to the Owner Trustee thereunder; (b) the representations, warranties, covenants, undertakings, agreements and obligations by the Owner Trustee or the Issuer are made and intended not as personal representations, warranties, covenants, undertakings, agreements and obligations by Wilmington Trust, National Association, but are made and intended for the purpose of only binding the Trust Estate, as defined in the Trust Agreement, and the Issuer; (c) nothing contained herein shall be construed as creating any liability on Wilmington Trust, National Association, individually or personally, to perform any expressed or implied covenant, duty or obligation of any kind whatsoever contained herein; (d) Wilmington Trust, National Association has made no investigation as to the accuracy or completeness of any representations and warranties made by the Owner Trustee or the Issuer in this Note; and (e) under no circumstances shall Wilmington Trust, National Association, be personally liable for the payment of any fees, costs, indebtedness or expenses of any kind whatsoever or be personally liable for the breach or failure of any obligation, representation, agreement, warranty or covenant whatsoever made or undertaken by the Owner Trustee or Issuer hereunder.

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

NORTHSTAR STUDENT LOAN TRUST III, a Delaware statutory trust

By: WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its individual capacity or personal capacity but solely in its capacity as Owner Trustee

By: _____
Name: _____
Title: _____

Date: _____, _____

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

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

By: _____
Authorized Signatory

Date: _____, _____

ASSIGNMENT

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

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

(name and address of assignee)

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

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

Dated:

By: _____ *

Name: _____

Title: _____

Signature Guaranteed:

By: _____ *

*NOTICE: Signature(s) should be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee. The Assignor's signature to this assignment must correspond with the name as it appears upon the face of the within note in every particular without alteration or any change whatever.

EXHIBIT C

FORM OF SERIES 2016-B NOTE

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

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR REGISTERED OR QUALIFIED UNDER ANY STATE SECURITIES OR BLUE SKY LAW OF ANY STATE. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES THAT THIS NOTE MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) PURSUANT TO RULE 144A PROMULGATED UNDER THE SECURITIES ACT (“RULE 144A”) TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A “QIB”), PURCHASING FOR ITS OWN ACCOUNT OR A QIB PURCHASING FOR THE ACCOUNT OF A QIB, WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A; (B) PURSUANT TO ANOTHER EXEMPTION AVAILABLE UNDER THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (C) PURSUANT TO A VALID REGISTRATION STATEMENT.

THE PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. THIS NOTE IS NOT GUARANTEED OR INSURED BY ANY GOVERNMENTAL AGENCY.

**NORTHSTAR STUDENT LOAN TRUST III
PRIVATE EDUCATION LOAN ASSET-BACKED NOTES
SUBORDINATE SERIES 2016-B (LIBOR)**

REGISTERED NO. R-____ REGISTERED \$ _____

Date of Issuance	Maturity Date	CUSIP No.	ISIN No.
September 7, 2016	October 2037 Monthly Distribution Date	66705R AB5	US66705RAB50

PRINCIPAL SUM: ** _____ DOLLARS**

REGISTERED OWNER: ** _____ **

Northstar Student Loan Trust III, a statutory trust organized and existing under the laws of the State of Delaware (herein referred to as the “Issuer”), for value received, hereby promises to pay to the Registered Owner, or registered assigns (the “Noteholder”), on each Monthly Distribution Date the principal allocable to this Note for such Monthly Distribution Date, as described in the Indenture of Trust, dated as of September 1, 2016 (the “Indenture”), by and among the Issuer, U.S. Bank National Association, a national banking association, as indenture trustee (the “Trustee”), and Wilmington Trust, National Association, a national banking association, not in its individual capacity but solely as owner trustee (capitalized terms used but not defined herein being defined in Article I of the Indenture, which also contains rules as to usage that shall be applicable herein); provided, however, that the entire unpaid principal amount of this Note shall be due and payable on the Maturity Date specified above (the “Series 2016-B Maturity Date”).

The Issuer shall pay interest on this Note at the rate per annum equal to the Series 2016-B Rate (as defined herein), on each Monthly Distribution Date until the principal of this Note is paid or made available for payment, on the principal amount of this Note outstanding on the preceding Monthly Distribution Date or the Date of Issuance in the case of the first Monthly Distribution Date (after giving effect to all payments of principal made on the preceding Monthly Distribution Date), subject to certain limitations contained in the Indenture. Interest on this Note shall accrue from and including the preceding Monthly Distribution Date (or, in the case of the first Interest Accrual Period, the Date of Issuance) to but excluding the following Monthly Distribution Date (each an “Interest Accrual Period”). Interest shall be calculated on the basis of the actual number of days elapsed in each Interest Accrual Period divided by 360 and rounding the resultant figure to the fifth decimal point. Such principal of and interest on this Note shall be paid in the manner specified herein.

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

This Note is one of a duly authorized issue of Notes of the Issuer, designated as its Private Education Loan Asset-Backed Notes, Subordinate Series 2016-B (the “Series 2016-B Notes”), which, together with the Issuer’s Private Education Loan Asset-Backed Notes, Senior Series 2016-A (the “Series 2016-A Notes” and, together with the Series 2016-B Notes, the “Notes”), are issued under and secured by the Indenture, to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Noteholders. The Notes are subject to all terms of the Indenture.

The Notes are and will be secured by the Trust Estate pledged as security therefor as provided in the Indenture. The Series 2016-A Notes are senior to the Series 2016-B Notes as and to the extent provided in the Indenture.

Principal of the Series 2016-B Notes shall be payable on each Monthly Distribution Date in an amount equal to the principal allocable to the Series 2016-B Notes for such Monthly Distribution Date. “Monthly Distribution Date” means the twenty-fifth (25th) day of each calendar month or, if any such date is not a Business Day, the immediately succeeding Business Day, commencing September 26, 2016.

As described on the face hereof, the entire unpaid principal amount of this Note shall be due and payable on the Series 2016-B Maturity Date. Notwithstanding the foregoing, the entire unpaid principal amount of the Notes shall be due and payable on the date on which (a) an Event of Default shall have occurred and be continuing and (b) either the Trustee or the Noteholders representing not less than a majority of the Outstanding Amount of the Highest Priority Notes shall have declared the Notes to be immediately due and payable in the manner provided in the Indenture.

The Notes are subject to redemption from the proceeds of a sale of Financed Eligible Loans in accordance with Section 10.03 of the Indenture on any Monthly Distribution Date on or after the Monthly Distribution Date next succeeding the date on which the then Pool Balance is 10% or less of the Initial Pool Balance (all as defined in the Indenture), in whole only, at a redemption price equal to the principal amount thereof being redeemed, plus accrued interest, if any, due and payable on the Notes to such Monthly Distribution Date.

Interest on the Series 2016-B Notes shall be payable on each Monthly Distribution Date on the principal amount outstanding of the Series 2016-B Notes until the principal amount thereof is paid in full, at a rate per annum equal to the Series 2016-B Rate. The “Series 2016-B Rate” for each Interest Accrual Period, other than the first Interest Accrual Period, shall be equal to the applicable One-Month LIBOR, plus 1.50%. The “Series 2016-B Rate” for the first Interest Accrual Period shall be determined by reference to the following formula:

$$x + [a/b * (y-x)] \text{ plus } 1.50\%, \text{ as determined by the Trustee.}$$

where:

x = One-Month LIBOR;

y = Two-Month LIBOR;

a = the actual number of days from the maturity date of One-Month LIBOR to the first Monthly Distribution Date; and

b = the actual number of days from the maturity date of One-Month LIBOR to the maturity date of Two-Month LIBOR.

Interest payments on the Series 2016-B Notes shall be suspended if a Series 2016-B Note Interest Trigger is in effect. A “*Series 2016-B Note Interest Trigger*” shall be in effect if, on any Monthly Distribution Date, any Series 2016-A Notes are Outstanding and (a)(i) the Pool Balance (including all accrued interest on the Financed Eligible Loans) plus the amounts on deposit in the Acquisition Fund, the Capitalized Interest Fund and the Reserve Fund, each as of the end of the related Collection Period, minus (ii) the Outstanding Amount of the Series 2016-A Notes as of

the end of the related Collection Period, is less than (b) the initial aggregate principal amount of the Series 2016-B Notes. Any interest not paid on the Series 2016-B Notes on any Monthly Distribution Date will be paid on a subsequent Monthly Distribution Date to the extent a Series 2016-B Note Interest Trigger is no longer in effect, with interest on such unpaid interest at the interest rate of the Series 2016-B Notes. Failure to pay interest on the Series 2016-B Notes is not an Event of Default so long as any of the Series 2016-A Notes remain Outstanding.

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

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

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

Each Noteholder and each transferee of a Note shall be deemed to represent and warrant that it is not an employee benefit plan or other retirement arrangement ("Plan") and is not acquiring the Note directly or indirectly for, or on behalf of, or with Plan Assets (as defined in Section 3(42) of ERISA) of, a Plan, an entity which holds Plan Assets by reason of a Plan's investment therein (a "Plan Asset Entity") or governmental, non-U.S. or church plan that is subject to subject to a substantially similar federal, state, local or foreign law (a "Similar Law"), or the acquisition and holding of the Notes by or on behalf of, or with Plan Assets of, any Plan, any Plan Asset Entity or governmental, non-U.S. or church plan that is subject to Similar Law is

permissible under applicable law, will not result in any non-exempt prohibited transaction under Section 406 of Employee Retirement Income Security Act of 1974, as amended, or Section 4975 of the Internal Revenue Code of 1986, as amended, or other applicable federal and state law, and will not subject the Issuer or the Initial Purchaser to any obligation not affirmatively undertaken in writing.

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

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

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

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

This Note shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions (other than Sections 5-1401 and 5-1402 of the General Obligations Law), and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

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

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

It is expressly understood and agreed by the parties to the Indenture and the Noteholder that (a) this Note is executed and delivered by the Owner Trustee not in its individual or personal capacity but solely in its capacity as Owner Trustee under the Trust Agreement on behalf of the Issuer, in the exercise of the powers and authority conferred and vested in it as Owner Trustee under the Trust Agreement, subject to the protections, indemnities and limitations from liability afforded to the Owner Trustee thereunder; (b) the representations, warranties, covenants, undertakings, agreements and obligations by the Owner Trustee or the Issuer are made and intended not as personal representations, warranties, covenants, undertakings, agreements and obligations by Wilmington Trust, National Association, but are made and intended for the purpose of only binding the Trust Estate, as defined in the Trust Agreement, and the Issuer; (c) nothing contained herein shall be construed as creating any liability on Wilmington Trust, National Association, individually or personally, to perform any expressed or implied covenant, duty or obligation of any kind whatsoever contained herein; (d) Wilmington Trust, National

Association has made no investigation as to the accuracy or completeness of any representations and warranties made by the Owner Trustee or the Issuer in this Note; and (e) under no circumstances shall Wilmington Trust, National Association, be personally liable for the payment of any fees, costs, indebtedness or expenses of any kind whatsoever or be personally liable for the breach or failure of any obligation, representation, agreement, warranty or covenant whatsoever made or undertaken by the Owner Trustee or Issuer hereunder.

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

NORTHSTAR STUDENT LOAN TRUST III, a Delaware statutory trust

By: WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its individual capacity or personal capacity but solely in its capacity as Owner Trustee

By: _____
Name: _____
Title: _____

Date: _____, _____

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

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

By: _____
Authorized Signatory

Date: _____, _____

ASSIGNMENT

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

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

(name and address of assignee)

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

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

Dated:

By: _____ *
Name: _____
Title: _____

Signature Guaranteed:

By: _____ *

*NOTICE: Signature(s) should be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee. The Assignor's signature to this assignment must correspond with the name as it appears upon the face of the within note in every particular without alteration or any change whatever.

EXHIBIT D

FORM OF ADMINISTRATOR'S MONTHLY DISTRIBUTION DATE CERTIFICATE

This Monthly Distribution Date Certificate (the "Certificate") is being provided by the Northstar Education Services LLC, as Sub-Administrator (the "Sub-Administrator") to NorthStar Student Loan Trust III (the "Issuer") pursuant to Section 5.04(c) of the Indenture of Trust, dated as of September 1, 2016 (as amended, the "Indenture"), by and among the Issuer, U.S. Bank National Association, as trustee (the "Trustee"), and Wilmington Trust, National Association, not in its individual capacity but solely as owner trustee. All capitalized terms used in this Certificate and not otherwise defined shall have the same meanings as assigned to such terms in the Indenture.

Monthly Distribution Date

Pursuant to this Certificate, the Administrator hereby directs the Trustee to make the following deposits and distributions to the Persons or to the account specified below by 3:00 p.m. (New York City time) on _____, ____ (the "Monthly Distribution Date"), to the extent of (x) the amount of Available Funds received during the immediately preceding Collection Period in the Collection Fund (or, if necessary, other Available Funds on deposit in the Collection Fund as provided in Section 5.04(c) of the Indenture), and (y) the amount transferred from the Reserve Fund pursuant to Section 5.05(b), (c) and (d) of the Indenture. The Trustee shall make the following deposits and distributions in the following order of priority, and the Trustee shall comply with such instructions:

(i)	(A)	The Administration and Master Servicing Fee to the Master Servicer,	\$	-
	(B)	The Servicing Fee to the Servicer,	\$	-
	(C)	The Backup Master Servicing Fee to the Backup Master Servicer,	\$	-
	(D)	The Trustee Fee to the Trustee,	\$	-
	(E)	The Owner Trustee Fee to the Owner Trustee,	\$	-
	(F)	The Rating Agency Surveillance Fee to the Rating Agency;	\$	-

payments described in (A) through (F) above to be made ratably, without preference or priority of any kind, due on the Monthly Distribution Date in each case with such fees remaining unpaid from prior Monthly Distribution Dates;

(ii)		The Trustee Expense Reserve Fund Deposit to the Trustee Expense Reserve Fund;	\$	-
(iii)		Series 2016-A Noteholders' Interest Distribution Amount to the Series 2016-A Noteholders,	\$	-

(iv)	Unless a Series 2016-B Note Interest Trigger is in effect, Series 2016-B Noteholders' Interest Distribution Amount to the Series 2016-B Noteholders;	\$ -
(v)	An amount equal to the unpaid interest accrued on the Financed Eligible Loans subsequent to the applicable Cutoff Date but prior to the Date of Issuance, until such amount has been paid in full, to the Depositor;	\$ -
(vi)	Amounts to be deposited to the Reserve Fund necessary to reinstate the balance of the Reserve Fund up to the Specified Reserve Fund Balance;	\$ -
(vii)	All remaining amounts;	\$ -
	(A) <i>First</i> , to the Series 2016-A Noteholders (until paid in full), and	\$ -
	(B) <i>Second</i> , to the Series 2016-B Noteholders (until paid in full);	\$ -
(viii)	Payments to other Persons due and owing; and	\$ -
(ix)	Remaining amounts released to the Issuer.	\$ -
	Total Distributions	\$ -
	The Available Funds from the immediately preceding Collection Period on this Monthly Distribution Date.	\$ -
	If required, other Available Funds on deposit in the Collection Fund.	\$ -
	The Senior Parity Ratio as of such Monthly Distribution Date.	____%
	The Parity Ratio as of such Monthly Distribution Date.	____%
	Specified Reserve Fund Balance for such Monthly Distribution Date.	\$ -
	Pool Balance for such Monthly Distribution Date.	\$ -

Fund Transfers

Pursuant to this Certificate, if applicable, the Administrator further hereby directs the Trustee to withdraw from:

(a) the Acquisition Fund for deposit to the Collection Fund, an amount equal to \$_____, representing the remaining amount on deposit in the Acquisition Fund on _____, 2016 (or such earlier date as the Trustee may be instructed by Issuer Order); and

(b) the Capitalized Interest Fund for deposit to the Collection Fund (i) an amount equal to \$_____, representing the amount of insufficient Available Funds

in the Collection Fund to make the transfers required by Sections 5.04(b) and 5.04(c)(i) through (iv) of the Indenture, and (ii) an amount equal to \$ _____, representing the amount required to be transferred to the Collection Fund on such Monthly Distribution Date; and

(c) the Reserve Fund for deposit to the Collection Fund (i) to the extent moneys are not available to make the transfers from the Capitalized Interest Fund, an amount equal to \$ _____, representing the amount of insufficient Available Funds in the Collection Fund to make the transfers required by Sections 5.04(b) and 5.04(c)(i) through (iv) of the Indenture, and (ii) an amount equal to \$ _____, representing the amount on deposit in the Reserve Fund in excess of the Specified Reserve Fund Balance.

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

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

NORTHSTAR EDUCATION SERVICES LLC,
as Sub-Administrator

By: _____
Authorized Signatory

Date: _____, _____

EXHIBIT E
REPORT TO NOTEHOLDERS

Northstar Education Finance, Inc.

Series 2016

Monthly Report to Noteholders

Asset Coverage

Student Loan Portfolio			
	8/31/2016	Change	9/30/2016
Financed Eligible Student Loans	\$0		
Accrued Interest	\$0		
Total Portfolio	\$0	\$0	\$0

Fund Accounts and Cash in Transit			
	8/31/2016	Change	9/30/2016
Acquisition Fund	\$0		
Capitalized Interest Fund	\$0		
Collection Fund	\$0		
Costs of Issuance Fund	\$0		
Reserve Fund	\$0		
Trustee Expense Reserve Fund	\$0		
Total Account Balances	\$0	\$0	\$0
Cash In Transit	\$0	\$0	\$0
Total Account Balances and Cash In Transit	\$0	\$0	\$0

Notes Outstanding				
	8/31/2016	% of O/S Securities	9/30/2016	% of O/S Securities
	Balance		Balance	
Series 2016-A Notes	\$0	0.0%		#DIV/0!
Series 2016-B Notes	\$0	0.0%		#DIV/0!
Accrued Interest	\$0	0.00%	\$0	100.00%

Northstar Education Finance, Inc.

Series 2016

Monthly Report to Noteholders

Parity Ratio			
	8/31/2016	Change	9/30/2016
Student Loan Portfolio	\$0	\$0	\$0
Account Balances	\$0	\$0	\$0
Total Collateral Value	\$0	\$0	\$0
Outstanding Principal Amount - Senior Notes	\$0	\$0	\$0
Accrued Interest and Fees - Senior Notes	\$0	\$0	\$0
Total Senior Debt	\$0	\$0	\$0
Senior Parity Percentage	0.00%	#DIV/0!	#DIV/0!
Outstanding Principal Amount- Senior and Subordinate Notes	\$0	\$0	\$0
Accrued Interest and Fees- Senior and Subordinate Notes	\$0	\$0	\$0
Total Senior and Subordinate Debt	\$0	\$0	\$0
Total Parity Percentage	0.00%	#DIV/0!	#DIV/0!

Northstar Education Finance, Inc.

Series 2016

Monthly Report to Noteholders

Portfolio Transactions and Accruals			
		Principal	Interest
Portfolio Balances	8/31/2016	\$0	\$0
Student Loan Cash Activity			
		Principal	Interest
Payments Received			
THE Bonus Applied			
New Acquisitions			
Total Cash Activity		\$0	\$0
Student Loan Non-Cash Activity			
		Principal	Interest
Borrower Interest Accruals			
Charge-Offs			
Capitalized Interest			
Other Adjustments			
Total Non-Cash Activity		\$0	\$0
Total Student Loan Activity		\$0	\$0
Ending Balance	9/30/2016	\$0	\$0

Northstar Education Finance, Inc.
 Series 2016
 Monthly Report to Noteholders

Collection Activity

Collection Fund During Collection Period		
Beginning Account Balance	8/31/2016	\$0
Principal Payments Received		
Interest Payments Received		
Investment Income		
Investment Income From Other Trust Funds		
Transfers From Other Trust Funds		
Total Funds Received		\$0
Payments for Waterfall Distribution		
Transfers To Other Trust Funds		
Total Use of Funds		\$0
Ending Account Balance	9/30/2016	\$0

Northstar Education Finance, Inc.
 Series 2016
 Monthly Report to Noteholders

Security Detail

Senior and Subordinate Notes - Payments Made During Coilection Period							
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Security Description	Payment Date	Interest Rate	Number of Days	Interest from Date	Interest to Date	Interest Payment	Principal Payment
Series 2016-A Notes							
Series 2016-B Notes							
Payments Made During the Collection Period						\$0	\$0

Senior and Subordinate Notes - Future Distributions							
---	--	--	--	--	--	--	--

Security Description	Payment Date	Interest Rate	Number of Days	Interest from Date	Interest to Date	Interest Payment	Principal Payment
Series 2016-A Notes							
Series 2016-B Notes							
Future distributions						\$0	\$0

Northstar Education Finance, Inc.
 Series 2016
 Monthly Report to Noteholders

Portfolio Statistics

Borrower Status						
Status	Principal Amount		Percentage		Number of Loans	
	8/31/2016	9/30/2016	8/31/2016	9/30/2016	8/31/2016	9/30/2016
In School						
Grace						
Deferment						
Forbearance						
Repayment						
Grand Total	\$0	\$0	0.00%	0.00%	-	-

Northstar Education Finance, Inc.
 Series 2016
 Monthly Report to Noteholders

Delinquency Statistics						
	Principal Amount		Percentage		Number of Loans	
	8/31/2016	9/30/2016	8/31/2016	9/30/2016	8/31/2016	9/30/2016
Repayment						
Current						
31-60 Day Delinquent						
61-90 Day Delinquent						
91-120 Day Delinquent						
121-150 Day Delinquent						
151 -180 Days Delinquent						
> 180 Days Delinquent						
Total Repayment				100.00%		
30 + Days Delinquent		\$0				
60 + Days Delinquent		\$0				
90 + Days Delinquent		\$0				

Northstar Education Finance, Inc.

Series 2016

Monthly Report to Noteholders

Other Statistics		
	8/31/2016	9/30/2016
Weighted Average Coupon (WAC)		
Weighted Average Remaining Term:		
Weighted Average Monthly Borrower Payment		
Number of Loans	0	0
Number of Borrowers		

Waterfall for Distributions

		Waterfall		Remaining Fund Balance 9/30/2016
Calculation Date		XX/XX/XXXX	Transfers/Payments	
	Total Available Funds			\$0
First	pro rata			
	Master and Loan Servicing Fees			\$0
	Backup Master Servicing Fees (Annual)			\$0
	Rating Agency Surveillance Fees (Annual)			\$0
	Owner Trustee Fees			\$0
	Indenture Trustee Fees			\$0
Second	Trustee Expenses Reserve Fund (if balance less than \$150,000)			\$0
Third	Interest on the Series 2016-A Notes			\$0
Fourth	Interest on the Series 2016-B Notes (if no Interest Trigger in effect)			
Fifth	To pay to the Depositor, an amount equal to the unpaid interest accrued on the Financed Eligible Loans			\$0
Sixth	To the Reserve Fund, if needed, to reinstate the balance to the Specified Reserve Fund Balance;			\$0
Seventh	To the applicable Noteholders, all remaining amounts in the Collection Fund available for distribution in the following order: (A) to pay principal to the Series 2016-A Noteholders until the Series 2016-A Notes have been paid in full; and (B) to pay principal to the Series 2016-B Noteholders until the Series 2016-B Notes have been paid in full; and			\$0 \$0
Eighth	To pay to the appropriate Person (as identified in the Issuer Order), any unreimbursed fees and expenses or indemnification amounts owed by the Issuer to such Person			\$0
Ninth	To release to the Issuer any remaining amounts			\$0

“Series 2016-B Note Interest Trigger” shall mean, on any Monthly Distribution Date, any Series 2016-A Notes are Outstanding and (a)(i) the Pool Balance (including all accrued interest on the Financed Eligible Loans) plus the amounts on deposit in the Acquisition Fund, the Collection Fund, the Capitalized Interest Fund and the Reserve Fund, each as of the end of the related Collection Period, minus (ii) the Outstanding Amount of the Series 2016-A Notes as of the end of the related Collection Period, is less than (b) the initial aggregate principal amount of the Series 2016-B Notes.

Northstar Education Finance, Inc.

Series 2016

Monthly Report to Noteholders

Trend Analysis

Key Statistics		
	Aug-16	Sep-16
Series 2016-A Notes Outstanding	\$0	\$0
Series 2016-B Notes Outstanding	\$0	\$0
Portfolio Principal Balance	\$0	\$0
Portfolio Accrued Interest	\$0	\$0
Total Loan Portfolio	\$0	\$0
Number of Loans	0	0
Number of Borrowers	0	0
Borrower Principal Payments		\$0
Borrower Interest Payments		\$0
Weighted Average Coupon (WAC)	0.00%	0.00%
Weighted Average Remaining Term	0.00	0.00
Weighted Average Monthly Borrower Payment		
Senior Parity Ratio	0.00%	#DIV/0!

EXHIBIT F

**FORM OF INVESTMENT LETTER
FOR QUALIFIED INSTITUTIONAL BUYERS**

_____,
NorthStar Student Loan Trust III
U.S. Bank National Association

Re: NorthStar Student Loan Trust III,
Private Education Loan Asset-Backed Notes, [Senior Series 2016-A]
[Subordinate Series 2016-B]

Ladies and Gentlemen:

The undersigned (the “Purchaser”) intends to purchase certain of the above referenced Notes (the “Notes”) issued by NorthStar Student Loan Trust III (the “Issuer”) pursuant to the Indenture of Trust, dated as of September 1, 2016 (the “Indenture”), by and among the Issuer, Wilmington Trust, National Association, not in its individual capacity but solely as owner trustee, and U.S. Bank National Association, as trustee (the “Trustee”). Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Indenture.

THIS LETTER, OR A FACSIMILE COPY HEREOF, WILL BE DELIVERED TO THE ABOVE ADDRESSEES NO LATER THAN THE DATE OF PURCHASE.

In connection with the purchase of the Notes, the undersigned, as an authorized officer or agent of the Purchaser and on behalf of the Purchaser hereby agrees to the following terms and conditions and makes the representations and warranties stated herein with the express understanding that the truth and accuracy of the representations and warranties will be relied upon by the Issuer and the Trustee:

1. The Purchaser is duly organized, validly existing and in good standing under the laws of the jurisdiction of its creation and is authorized to purchase and invest in the Notes. The person executing this investment letter on behalf of the Purchaser is duly authorized to do so on the Purchaser’s behalf.

2. The person executing this investment letter on behalf of the Purchaser and making the certifications included herein is the chief financial officer, a person fulfilling an equivalent function, or other executive or authorized officer of the Purchaser or, if the Purchaser is a member of a “family of investment companies,” the certification is submitted by an executive officer of the Purchaser’s investment advisor.

3. The Purchaser acknowledges that it is familiar with Rule 144A (“Rule 144A”) promulgated under the Securities Act of 1933, as amended (the “Securities Act”), and certifies that it is described in one or more of the categories set forth in Appendix A attached hereto and is

a “qualified institutional buyer” (a “QIB”) as that term is defined in Rule 144A. The person executing this investment letter on behalf of the Purchaser further certifies as follows:

(a) The Purchaser owned and/or invested on a discretionary basis at least (i) \$100,000,000 in “eligible securities” (as defined in Appendix A attached hereto); or (ii) if the Purchaser is a dealer registered under Section 15 of the Securities Exchange Act of 1934 (the “Exchange Act”), at least \$100,000,000 in “eligible securities,” in each as of the end of the Purchaser’s most recent fiscal year (such amounts being calculated in accordance with Rule 144A);

(b) If the amount specified in clause (a) above is less than \$100,000,000, the Purchaser is a dealer registered pursuant to Section 15 of the Exchange Act acting in a riskless principal transaction on behalf of a QIB; and

(c) If the Purchaser decides to purchase Notes for the accounts of others, it will only purchase Notes for accounts that independently qualify as QIBs as defined in Rule 144A (unless the undersigned is an insurance company (as described in Appendix A) and is purchasing for the account of one or more of its “separate accounts” (as defined in Appendix A hereto)).

4. The Purchaser is acquiring the Notes for its own account or for the account of a QIB, in each case for investment, or for investment purposes and not with a view toward selling or transferring the Notes or any portion thereof in connection with any distribution thereof, in whole or in part, subject to any requirement of law that the disposition of the Purchaser’s property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell the Notes pursuant any applicable exemption from registration available under the Securities Act.

5. Neither the undersigned nor anyone acting on its behalf has (a) offered, pledged, sold, disposed of or otherwise transferred the Notes, any interest in the Notes or any other similar security to any Person in any manner; (b) solicited any offer to buy or accept a pledge, disposition or other transfer of the Notes, any interest in the Notes or any other similar security from any Person in any manner; (c) otherwise approached or negotiated with respect to the Notes, any interest in the Notes or any other similar security with any Person in any manner; (d) made any general solicitation by means of general advertising or in any other manner; or (e) taken any other action, that (in the case of any of the acts described in clauses (a) through (d) above) would constitute a distribution of the Notes under the Securities Act, would render the disposition of the Notes a violation of Section 5 of the Securities Act or any state securities law or would require registration or qualification of the Notes pursuant thereto. The undersigned will not act, nor has it authorized or will it authorize any Person to act, in any manner set forth in the foregoing sentence with respect to the Notes, any security issued in exchange therefor or in lieu thereof or any interest in the foregoing (but without prejudice to its right at all times to sell or otherwise dispose of the Notes in accordance with the requirements of the Indenture and this Investment Letter).

6. The Purchaser understands that the Notes have not been registered under the Securities Act or any state securities or “Blue Sky” laws and are being sold in reliance on

exemptions from the registration requirements of the Securities Act and any such laws for nonpublic offerings. The Purchaser further understands that the Notes and any security issued in exchange therefore or in lieu thereof must be held indefinitely unless subsequently registered under the Securities Act and any applicable state securities or “Blue Sky” laws or unless exemptions from the registration requirements of the Securities Act and such laws are available.

7. The Purchaser has received a copy of the Offering Memorandum dated August 26, 2016 (the “Offering Memorandum”) relating to the Notes, and recognizes that an investment in the Notes involves significant risks. The Purchaser understands that there is no established market for the Purchaser’s Notes and that none will develop and, accordingly, that the Purchaser must bear the economic risk of an investment in the Notes for an indefinite period of time.

8. The Purchaser acknowledges that neither the Issuer or any person representing the Issuer has made any representation to it with respect to the Issuer or the offering or sale of any of the Notes, other than the information contained in the Offering Memorandum or requested by the Purchaser as described in paragraph 10 hereof, which has been delivered to it and upon which it is relying in making its investment decision to acquire Notes. The Purchaser further acknowledges that neither the Trustee nor any person representing the Trustee has made any representation to it with respect to the Issuer or the offering or sale of any of the Notes.

9. The Purchaser has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of investments in the Notes. The undersigned understands that there may be restrictions on the ability of certain investors, including, without limitation, depository institutions, either to purchase the Notes or to purchase investments having characteristics similar to those of the Notes representing more than a specified percentage of the investor’s assets. The Purchaser has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision, and is able to bear the economic risks of such an investment for an indefinite period of time and can afford a complete loss of such investment.

10. The Purchaser has had the opportunity to ask questions of and receive answers from the Issuer concerning the purchase of the Notes and all matters relating thereto or any additional information deemed necessary to its decision to purchase the Notes. The Purchaser has reviewed and has made its decision to invest on its review of the Indenture and the Offering Memorandum and on certain other information it has obtained and that it deems relevant to its investment in the Notes. The Purchaser has made its own independent review of credit and related matters applicable to the Issuer, the purchase and holding of the Notes and otherwise to its investment in the Notes.

11. The Purchaser understands that none of the Issuer or the Trustee makes any representation as to the proper characterization of the Notes for legal investment or other purposes, or as to the ability of particular investors to purchase the Notes for legal investment or other purposes, or as to the ability of particular investors to purchase the Notes under applicable investment restrictions.

12. The Purchaser agrees on its own behalf and on behalf of any investor account for which it is purchasing the Notes, to offer, sell or otherwise transfer such Notes only (a) in a transaction complying with Rule 144A, to a person it reasonably believes is a QIB purchasing for its own account or for the account of a QIB to whom notice is given that the resale or other transfer is being made in reliance on Rule 144A; or (b) pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. If at some future time the Purchaser wishes to dispose of or exchange any of the Notes, the Purchaser will not do so unless before any such sale, transfer or other disposition the Purchaser has furnished to the Issuer and the Trustee an Investor Letter substantially in the form of Exhibit F to the Indenture, executed by the proposed transferee.

13. The Purchaser agrees that the Purchaser is bound by and will abide by the provisions of the Indenture, the restrictions noted on the face of the Notes and this Investment Letter. The Purchaser agrees that it will provide to each person to whom it transfers such Notes notice of the restrictions on transfer of the Notes. The Purchaser will comply with all applicable federal and state securities laws, rules and regulations in connection with any resale or transfer of the Notes by the Purchaser.

14. The Purchaser acknowledges that any proposed assignee of a beneficial ownership interest in the Notes will be deemed under the Indenture to have made agreements and representations substantially similar to those set forth above. The Purchaser understands that each of the Purchaser's Notes will bear a legend restricting transfer of the Notes substantially to the effect set forth in the Offering Memorandum under the caption "NOTICE TO PURCHASER."

15. The Purchaser understands that it is the Issuer's intention that the Notes be characterized as debt for federal income tax purposes, and by its acceptance of its Note, agrees to so treat the Note and to take no action inconsistent therewith.

16. The interpretation of the provisions hereof shall be governed and construed in accordance with the laws of the State of New York without regard to principles of conflicts of laws.

17. It is not a Plan (as defined in the Offering Memorandum) and is not acquiring the Note directly or indirectly for, or on behalf of, or with Plan Assets (as defined in the Offering Memorandum) of, a Plan, a Plan Asset Entity (as defined in the Offering Memorandum) or governmental, non-U.S. or church plan that is subject to Similar Law, or the acquisition and holding of the Notes by or on behalf of, or with Plan Assets of, any Plan, any Plan Asset Entity or governmental, non-U.S. or church plan that is subject to Similar Law is permissible under applicable law, will not result in any non-exempt prohibited transaction under Section 406 of Employee Retirement Income Security Act of 1974, as amended, or Section 4975 of the Internal Revenue Code of 1986, as amended, or other applicable federal and state law, and will not subject the Issuer or the Initial Purchaser to any obligation not affirmatively undertaken in writing.

18. The Purchaser understands that the offer and sale of the Notes to it is being made in reliance on Rule 144A and that applicable exemptions from the registration or qualification

requirements under state securities laws require that the Purchaser be a QIB under the applicable state securities law. The Purchaser will notify each of the addressees of this Investment Letter of any changes in the information and conclusions herein on or before the date of purchase. Until such notice is given, each purchase of Notes by the Purchaser will constitute a reaffirmation of the statements made in this Investment Letter as of the date of such purchase and the addressees of this Investment Letter will continue to rely on the statements and agreements made herein in connection with sales of Notes to the Purchaser made in reliance on Rule 144A.

19. If the Purchaser is acquiring any Notes as a fiduciary or agent for one or more investor accounts, the Purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make on behalf of such account the representations, confirmations, acknowledgments and agreements set forth in this investment letter.

20. If the Purchaser proposes that the Notes be registered in the name of a nominee, such nominee has completed the Nominee Acknowledgment below.

21. This Investment Letter will be deemed valid for the institution named on the signature page below. If there are additional institutions (e.g., subaccounts or mutual funds) to be designated as a QIB by this Certificate, the undersigned will provide a list of such institutions.

Dated _____, _____

Very truly yours,

[NAME OF PURCHASER]

By: _____
Name: _____
Title: _____

NOMINEE ACKNOWLEDGMENT

The undersigned hereby acknowledges and agrees that as to the Note being registered in its name, the sole beneficial owner thereof is and shall be _____, the Purchaser identified above, for whom the undersigned is acting as nominee.

Dated _____, _____

Very truly yours,

[NAME OF PURCHASER]

By: _____
Name: _____
Title: _____

APPENDIX A

1. Qualified Institutional Buyer (“QIB”) means any of the following institutions:

(a) An institution referred to in any of clauses (i) through (xiii) below that in the aggregate owns or invests on a discretionary basis at least \$100 million in “eligible securities”(defined in Section 2 below); provided, that such institution is buying for its own account or for the accounts of other QIBs.

(i) *Insurance Company.* An insurance company as defined in Section 2(a)(13) of the Securities Act of 1933, as amended (the “Securities Act”). A purchase by an insurance company for one or more of its separate accounts (as defined in Section 2(a)(37) of the Investment Company Act of 1940, as amended (the “Investment Company Act”)), which are neither registered under Section 8 of the Investment Company Act nor required to be so registered, is deemed to be a purchase for the account of the insurance company.

(ii) *Investment Company.* An investment company registered under the Investment Company Act.

(iii) *Investment Adviser.* An investment adviser registered under the Investment Advisers Act of 1940, as amended (the “Investment Advisers Act”).

(iv) *Issuer.* A corporation (other than a bank as defined in Section 3(a)(2) of the Securities Act or a savings and loan association or other institution referenced in Section 3(a)(5)(A) of the Securities Act of a foreign bank or savings and loan association equivalent institution).

(v) *Partnership; Business Trust.* A partnership, Massachusetts or similar business trust.

(vi) *Plan.* A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions for the benefit of its employees.

(vii) *Employee Benefit Plan.* An employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, as amended.

(viii) *Trust Fund.* A trust fund whose trustee is a bank or trust company and whose participants are exclusively plans of the types identified in paragraph (vi) or (vii) above, except trust funds that include as participants individual retirement accounts or H.R. 10 plans.

(ix) *501(c)(3) Organization.* Any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

(x) *Business Development Company, Section 2(a)(48)*. A business development company as defined in Section 2(a)(48) of the Investment Company Act.

(xi) *Business Development Company, Section 202(a)(22)*. A business development company as defined in Section 202(a)(22) of the Investment Advisers Act.

(xii) *Small Business Investment Company*. A small business investment company licensed by the U.S. Small Business Company Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958, as amended.

(xiii) *Bank; Savings and Loan*. A bank as defined in Section 3(a)(2) of the Securities Act, a savings and loan association or other institution as referenced in Section 3(a)(5)(A) of the Securities Act or a foreign bank or savings and loan association or equivalent institution that has an audited net worth of at least \$25 million in its latest annual financial statements, as of a date not more than 16 months preceding the date of sale in the case of a U.S. bank or savings and loan association, and not more than 18 months preceding such date of sale for a foreign bank or savings and loan association or equivalent institution.

(b) **Dealer**. A dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) acting for its own account or the accounts of other QIBs, that in the aggregate owns or invests on a discretionary basis at least \$10 million of securities of issuers that are not affiliated with the dealer; provided, that securities constituting the whole or a part of an unsold allotment to or subscription by a dealer as a participant in a public offering shall not be deemed to be owned by such dealer.

(c) **Dealer Acting in a Riskless Principal Transaction**. A dealer registered pursuant to Section 15 of the Exchange Act, acting in a riskless principal transaction (as defined in Rule 144A) on behalf of a QIB.

(d) **Investment Company, Part of a Family**. An investment company registered under the Investment Company Act, acting for its own account or for the accounts of other QIBs, that is part of a family of investment companies (as defined in Rule 144A) which own in the aggregate at least \$100 million in eligible securities.

(e) **Entity, All of the Equity Owners of which Are QIBs**. Any entity, all of the equity owners of which are QIBs, acting for its own account or the accounts of other QIBs.

2. **Eligible Securities/Discretionary Basis**. In determining the aggregate amount of securities owned or invested on a discretionary basis by an entity, the following instruments and interests shall be excluded: securities issued by issuers that are affiliated with the purchaser or, if the purchaser is an investment company seeking to qualify as a QIB pursuant to Section 1(d) above, are part of that purchaser’s “family of investment companies;” bank deposit notes and

certificates of deposit; loan participations; repurchase agreements; securities owned but subject to a repurchase agreement; and currency, interest rate and commodity swaps.

The value of eligible securities must be calculated based on cost to the purchaser (or on the basis of market value if (a) the entity reports its securities holdings in its financial statements on the basis of their market value and (b) no current information with respect to the cost of those securities has been published).

In determining the aggregate amount of securities owned by an entity or invested by the entity on a discretionary basis, securities owned by subsidiaries of the entity that are consolidated with the entity in its financial statements prepared in accordance with generally accepted accounting principles may be included if the investments of such subsidiaries are managed under the direction of the entity, except that, unless the entity is a reporting company under Section 13 or 15(d) of the Exchange Act, securities owned by such subsidiaries may not be included if the entity itself is a majority owned subsidiary that would be included in consolidated financial statements of another enterprise.

EXHIBIT G
PROGRAM GUIDELINES

[To be attached]

**NorthStar
Loan Programs**

PROGRAM GUIDELINES

**MAY 1997
revised June 1998
revised August 1998
revised March 1999
revised May 2000
revised October 2000
revised February 2002**

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SECTION A

NorthStar Program Descriptions

The NorthStar Loan Programs are student achievement/risk-based private capital student loan financing systems designed specifically to promote student access to specific accredited schools in the United States and certain eligible foreign schools by providing Federal Loans and Private Loans to students to fund the cost of their education at such schools.

A student at an Eligible School who wishes to participate in a NorthStar Program must first apply for and borrow a Federal Loan before applying for a Private Loan. While the NorthStar Programs offer Federal Loans, a student is not required to borrow his or her Federal Loan from the NorthStar Program in order to obtain a Private Loan from the NorthStar Program. After the student has borrowed his or her annual and/or aggregate maximum Federal Loan and provided evidence of the same to the Program Provider, if the student is found to be an Eligible Borrower, the NorthStar Program shall provide the student a Private Loan until the student's annual and/or aggregate maximum Private Loan limits are met.

Eligible Schools and Lenders who wish to participate in the NorthStar Programs must comply with these Guidelines.

NorthStar currently markets the following loan programs:

- The T.H.E. Loan programs which include discipline specific programs for Law, MBA, and Medical students. T.H.E. also includes a national program available to students attending four year schools. All of the T.H.E. programs include federal guaranteed loans as well as private loans.
- The Voyager Loan Program which provides federal guaranteed loans and private loans to the sixteen schools that make up the Minnesota Private College Council.
- NorthStar may occasionally purchase portfolios of Federally guaranteed student loans that were not originated through a NorthStar loan program. Such portfolios will be comprised of no more than ten percent (10%) proprietary school loan volume dollars.

SECTION B

Definitions (all references to the singular shall include the plural and visa-a-versa)

- B-1 Academic Discipline.** An academic discipline that the Program Provider has approved and that a student may pursue in order to qualify to receive a NorthStar Program Loan.
- B-2 Academic Year.** A period of time, typically eight to twelve months, in which a Full-Time Student is expected to complete the equivalent of at least two semesters, two trimesters or three quarters of study.
- B-3 Borrower.** An Eligible Borrower to whom Lender has extended a loan pursuant to a Northstar Program.
- B-4 Canceled Disbursement.**
- A Federal Loan Disbursement for which the funds are not distributed to or on behalf of the Borrower within 120 days of the date of Disbursement.
 - A Private Loan Disbursement for which the funds are not distributed to or on behalf of the Borrower within 60 days of the date of Disbursement.
- B-5 Capitalize or Capitalized.** At the time specified, accrued and unpaid interest and unpaid origination fee are added to the outstanding principal balance of the loan, and thereafter, interest will accrue on the new principal balance including the capitalized amount.
- B-6 Default.** A default is present when one of the conditions set forth as constituting a default in the Borrower's Promissory Note is present.
- B-7 Deferred Phase.** For each loan, the phase of the loan during which no payment of principal or interest is required. The Deferred Phase will commence on the date of Disbursement and will end on a date set forth in the Borrower's Promissory Note.
- B-8 Disburse or Disbursement.** The transfer and delivery of student loan funds to a Borrower by means of (a) a check payable to the order of and requiring the personal endorsement of the Borrower or co-payable to an authorized official of the Borrower's Eligible School, (b) a master check payable to the order of an Eligible School which contains loan funds for multiple Borrowers or (c) an electronic funds transfer to an Eligible School which contains loan funds for multiple Borrowers. All Disbursements made pursuant to master check or electronic funds transfer ((b) and (c) immediately above) must comply with the guidelines set forth in Exhibit A, attached hereto and incorporated herein by reference.
- B-9 Eligible Borrower.** A student who meets the eligibility requirements set forth in Section D of these Program Guidelines.
- B-10 Eligible School.** A school shall be an Eligible School if it is (i) a four year or specifically approved two year, degree granting accredited educational institution in the

United States or (ii) a foreign school which has been approved for participation in the Federal Family Education Loan Program by the United States Department of Education and for participation in the NorthStar Programs by the Program Provider. The Program Provider may, on the basis of default rates experienced by the school, require a school to establish and maintain a depository balance in a reserve fund as a condition of participating in the NorthStar Programs. In order to attain and maintain eligibility under the NorthStar Programs, a school which is identified as having an unusually high default rate, as determined by the Program Provider, shall be required to make a deposit of an amount equal to a percentage of the principal amount funded by the T.H.E. Program for the school's students, such percentage to be determined by the Program Provider. The default rate used for this purpose shall be the default rate experienced by the school which rate is known through the Federal Family Education Loan Program, published HEAL default rates or other means as determined by the Program Provider.

- B-11 Estimated Cost of Attendance.** The Estimated Cost of Attendance shall be as defined in the most current regulations promulgated pursuant to the Higher Education Act of 1965, as amended (20 U.S.C. § 1071 et seq.). In the event the Estimated Cost of Attendance ceases to be defined by said regulations, then the Program Provider shall define the same.
- B-12 Federal Loan.** A Federal Loan is a Stafford loan made pursuant to the Federal Family Education Loan Program by one or more Lenders in the NorthStar Programs.
- B-13 Full-Time Student.** A student who (i) has completed the registration requirement of the Eligible School he or she is attending, (ii) has commenced attending the Eligible School, and (iii) is carrying an academic workload equal to more than ninety percent of the academic workload of a full-time student as determined by the Eligible School for the student's Academic Discipline.
- B-14 Half-Time Student.** A student who (i) has completed the registration requirement of the Eligible School he or she is attending, (ii) has commenced attending the Eligible School, and (iii) is carrying an academic workload equal to more than fifty percent but less than ninety percent of the academic workload of a full-time student as determined by the Eligible School for the student's Academic Discipline.
- B-15 Lender.** An entity which is contractually obligated under a Participation Agreement to provide funds for loans extended through the NorthStar Programs.
- B-16 National.** A citizen of the United States of America.
- B-17 Notice of Default.** A written notice specifying the name of the Borrower, the Borrower's account or loan number, the Borrower's address and phone number, and the unpaid principal balance and unpaid accrued interest which is in Default.
- B-18 Participation Agreement.** An agreement entered into between the Program Provider, Lender and any other party(s) as may be decided by the Program Provider, evidencing the

commitment of Lender to fund loans under a NorthStar Program, the Program Provider's acceptance of such commitment and the terms of the commitment.

- B-19 Permanent Resident.** A person who, although not a citizen of the United States of America, has the authorization of the U.S. Department of Immigration and Naturalization Services to reside in the United States without conditions and has presented a current, valid resident alien card.
- B-20 Private Loan.** A Private Loan is a non-government re-insured loan made pursuant to these guidelines and a Participation Agreement by one or more Lenders in the NorthStar Program.
- B-21 Private Loan Reserve Fund.** An account managed by the Program Provider. All origination fees collected on Private Loans shall be deposited in this account. Investment earnings thereon remain in the account. The purpose of the account is to reimburse holders of Private Loans in the event of a Default or to credit enhance loans upon securitization or sale. The investment policy for the account is as set forth in Exhibit I, attached hereto and incorporated herein by reference.
- B-22 Program Provider.** The B Division of Northstar Guarantee Inc., a non-profit, 501©(3) tax exempt, corporation organized under the laws of the State of Minnesota or NorthStar Education Finance, a non-profit, 501©(3) tax exempt, corporation organized under the laws of the State of Delaware and its subsidiaries, and Great Lakes Higher Education Corporation, a non-profit, 501(c)(3) tax exempt, corporation organized under the laws of the State of Wisconsin.
- B-23 Promissory Note.** The document which evidences the Borrower's promise to repay his or her loan. A Federal Loan application and promissory note form and a Private Loan application and promissory note form for each Academic Discipline are set forth in Exhibits B through F, attached hereto and incorporated herein by reference.
- B-24 Repayment Phase.** For each loan, the phase of the loan during which repayment is required. The Repayment Phase shall begin on the day after the Deferred Phase ends and will continue for no more than the period of time provided in the Promissory Note.
- B-25 T.H.E. Program.** The Total Higher EducationSM Loan Program.
- B-26 Total and Permanent Disability.** Total and permanent disability shall have the same meaning as in the Higher Education Act of 1965, as amended.
- B-27 Voyager Loan Program.** The brand name of the program provided to the schools that are members of the Minnesota Private College Council.

SECTION C
General Provisions

C-1 Ratio of Government Insured to Non-Government Insured Loans. The success of the NorthStar Programs depends on the proper ratio of Federal to Private Loans as set forth in the Participation Agreements between the Program Provider and Lender. The Program Provider reserves the right to limit the number and amount of Private Loans which Lender may extend if the overall proportion of Federal Loans to Private Loans begins to approach a level that limits the viability of the NorthStar Programs.

C-2 Extension of Loans. The Lender shall make a loan only to an Eligible Borrower.

C-3 Limitations on Loan Amounts. A loan shall be subject to the following annual limits:

- a) **Minimum.** The minimum loan amount is the lesser of the Eligible Borrower's Estimated Cost of Attendance minus other financial aid or \$1,000.
- b) **Maximum.** The maximum loan amount shall be as set forth in the Participation Agreement between the Program Provider and Lender.

The limitations set forth above apply to each Academic Year of the Eligible School.

C-4 Interest. The interest to be charged on the Loans shall be specific to each Academic Discipline and shall be as set forth in the Participation Agreement between the Program Provider and Lender and in the Borrower's Promissory Note.

C-5 Capitalization. The manner in which interest is capitalized shall be specific to each Academic Discipline and shall occur as set forth in the Participation Agreement between the Program Provider and Lender and in the Borrower's Promissory Note.

C-6 Repayment Period. Federal Loans shall be repaid over the period of time provided in the Higher Education Act of 1965, as amended. Private Loans shall be repaid over the period of time provided in the Promissory Note.

C-7 Loan Origination. The Program Provider shall assist Lender with loan origination. The Borrower shall pay the applicable origination fee as set forth in the Participation Agreement and the Borrower's Promissory Note.

C-8 Loan Servicing and Collection. Unless specifically requested by a Borrower or the Borrower's Eligible School, the Program Provider shall arrange for the servicing and collection of the loan. The legal owner of the loan shall pay a monthly program fee for these services in an amount set forth in the Participation Agreement or as otherwise agreed to between the legal owner of the loan and the Program Provider. The program fee shall be paid from the date of a loan's Disbursement through the date the loan is

repaid in full.

- C-9 Federal Loan Guarantee.** The Program Provider shall arrange for a guarantor for all Federal Loans. Lender shall pay a guarantee fee for these services in an amount set forth in Lender's agreement with the applicable guarantor.
- C-10 Loan Collection.** The Program Provider shall arrange for the collection of a loan in Default. The practices used to collect such a loan shall be as set forth in Exhibit G, attached hereto and incorporated herein by reference.

SECTION D
Borrower Eligibility

A student is an Eligible Borrower if the student:

- a) is enrolled, will enroll or is admitted to an Eligible School
- b) is enrolled or will enroll as at least a Half-Time Student
- c) is enrolled or will enroll in an Academic Discipline
- d) if currently enrolled, is making satisfactory progress toward completion of his or her degree according to the Eligible School's published standards
- e) is a National or a Permanent Resident
- f) has completed a loan application and promissory note form; and
- g) satisfies, in the judgment of the Program Provider and Lender, the applicable credit requirements described in Exhibit H, attached hereto and incorporated herein by reference, or qualifies for and has been granted a waiver from those credit requirements by the Program Provider and Lender.

SECTION E

Permissible Borrower Charges

- E-1 Origination Fee.** The Borrower shall pay the origination fee. The amount of the origination fee and how it is paid shall be as set forth in the Borrower's Promissory Note, which shall be consistent with the Participation Agreement.
- E-2 Interest.** The Borrower shall pay interest on the principal amount of the loan from Disbursement until the principal balance is paid in full. Interest shall be calculated as set forth in the Borrower's Promissory Note.
- E-3 Late Charges.** The Borrower shall pay late charges for payments which are not received on the scheduled payment date as set forth in the Borrower's Promissory Note.
- E-4 Collection Expenses.** To the extent permitted by law and as set forth in the Borrower's Promissory Note, the Borrower shall pay reasonable attorneys' fees and other reasonable and necessary costs of loan collection.

SECTION F

Private Loan Reserve Fund

- F-1 Purpose.** The purpose of the Private Loan Reserve Fund is to provide a pool of funds to (a) reimburse Lender for Private Loan Defaults and (b) credit enhance Lender's loans to assist with the ultimate securitization and/or sale of the same.
- F-2 Establishment.** The Program Provider shall established a Private Loan Reserve Fund for Lender. The funds therein shall be held, administered and disbursed by the Program Provider in accordance with the terms and conditions hereinafter set forth.
- F-3 Deposits.** The party(ies) providing the origination and servicing services for Lender shall make all deposits to the Private Loan Reserve Fund.
- a) On the same day as the party providing the origination services for Lender disburses a Private Loan on behalf of Lender, that party shall deposit funds equal to the appropriate origination fee for such Private Loan into the Private Loan Reserve Fund.
 - b) On the same day as the Repayment Phase for a Private Loan commences, the Lender shall transfer to the party providing the servicing services for Lender, and that party shall credit, funds equal to the appropriate origination fee for such Private Loan into the Private Loan Reserve Fund.
- F-4 Investment of Fund Assets.** The Program Provider shall invest and reinvest the Private Loan Reserve Fund's assets in accordance with the investment policy set forth in Exhibit I, attached hereto and incorporated herein by reference. The assets and all investments thereof shall be held and, if registerable, shall be registered in the name of the legal owner of the Private Loan. The Program Provider shall not be responsible for any loss of principal as a result of any of the foregoing investments. The income or other earnings from such investments shall remain in the Program Loan Reserve Fund and be invested in accordance with the same investment policy. For purposes of investment, the assets may be commingled, so long as the Program Provider maintains sufficient records to determine the amount of any investment (and earnings thereon) allocable to each Loan.
- F-5 Payment of Private Loan Default Claims.** Prior to Lender's receipt of the applicable portion of the Private Loan Reserve Fund in accordance with Section G-3, to obtain reimbursement for a Private Loan in Default, pursuant to Lender's servicing contract with the party providing servicing services, the party providing the servicing services must submit a Notice of Default within thirty (30) days after the first occurrence of Default. Upon receipt of a Notice of Default, the Program Provider shall withdraw and disburse funds from the Private Loan Reserve Fund to Lender in an amount equal to the Private Loan's unpaid principal balance and unpaid accrued interest, and Lender shall sell to the Program Provider, and the Program Provider shall purchase, the Private Loan. The Program Provider may continue to seek collection of the Private Loan after it purchases the Private Loan. Upon Lender's receipt of the applicable portion of the Private Loan Reserve Fund in accordance with Section G-3, the Program Provider shall

no longer be obligated to reimburse Lender (or any subsequent holder of a Private Loan) for Private Loan Defaults.

F-6 **Limit of Liability.** Notwithstanding anything to the contrary, in no event shall the Program Provider's obligation to reimburse Lender for Private Loan Defaults exceed the balance in the Private Loan Reserve Fund applicable to the Private Loans owned by Lender.

SECTION G

Securitization or Sale of Loans

- G-1 Description.** Upon origination and Disbursement, and continuing through the Repayment Phase, all Loans shall be held by Lender until securitized or sold in accordance with the provisions hereof.
- G-2 Loan Securitization.** At the point the T.H.E. Program has a sufficient number of Federal Loans and Private Loans in the Repayment Phase to create a salable, asset-backed security, the Program Provider shall bundle the loans together and securitize the same. The extent to which a sufficient number of loans are considered available shall be dictated by the cash flow levels of the loans and the cash flow requirements of the securities markets at the given time. At the point of securitization, the percentage of funds held in the Private Loan Reserve Fund attributable to the loans being securitized shall be withdrawn by the Program Provider and used to credit enhance the securities. The Program Provider shall work with capital market rating agencies to attain investment grade ratings for products backed by the loans.

Within ninety (90) days after receiving notice from the Program Provider that the loans are to be securitized, Lender shall sell its loans to the securitization vehicle designated by the Program Provider or to the Program Provider for a price equal to that set forth in the T.H.E. Participation Agreement between the Program Provider and Lender.

- G-3 Loan Sale.** In the event the Program Provider and Lender agree that a loan will not be securitized, the Program Provider may elect to purchase the loan by providing written notice thereof to Lender within ten (10) business days after reaching such an agreement with Lender. If the Program Provider so elects, Lender shall sell the loan to the Program Provider within ninety (90) days after receiving such notice for a price equal to that set forth in the Participation Agreement. Also, if the loan is a Private Loan, the percentage of funds held in the Private Loan Reserve Fund attributable to the Private Loan shall be withdrawn by and disbursed to the Program Provider at the time of such sale, and the Program Provider shall thereafter bear responsibility for any and all Defaults thereon.

In the event Lender does not receive written notice of the Program Provider's election to purchase the loan within thirty-six (36) months after the loan has entered the Repayment Phase, Lender is no longer obligated to sell the loan to a securitization vehicle or to the Program Provider and may hold the loan or sell it to whomever Lender chooses. In addition, if the loan is a Private Loan, the percentage of funds held in the Private Loan Reserve Fund attributable to the Private Loan shall be withdrawn and disbursed to Lender who shall thereafter bear sole responsibility for any and all Private Loan Defaults.

Said funds shall be disbursed to Lender within fifteen (15) business days after the expiration of the first thirty-six (36) months of the loan's Repayment Phase. Further, with respect to Federal Loans, as long as Lender continues to hold the Federal Loan, Lender shall offer the Borrower any applicable repayment or reward programs at least as generous as those generally offered by Sallie Mae.

SECTION H
Miscellaneous.

- H-1 Compliance with Applicable Law.** Loans made pursuant to these Program Guidelines shall be subject to compliance with all applicable federal and state laws, rules and regulations, including laws which prohibit discrimination on the basis of race, national origin, religion, sex, marital status, age or handicapped status.
- H-2 NorthStar Program Marketing.** Unless otherwise specifically requested by an Eligible School, the Program Provider, without any assistance from Lender, shall solely market any NorthStar Program and its loans to Eligible Schools. Notwithstanding this, the Program Provider may request Lender's participation in any marketing and Lender may choose to so participate in its sole discretion.
- H-3 Application to Future Loans.** These Program Guidelines apply to any and all loans which Lender has presently committed to extend pursuant to a NorthStar Program and may, in the future, commit to extend pursuant to a NorthStar Program.
- H-4 Non-Exclusivity.** The Lender acknowledges that the Program Provider's utilization of Lender as a NorthStar Program lender is non-exclusive.
- H-5 Assignment.** Neither the Program Provider nor Lender may assign any rights or obligations under the Program Guidelines without the prior written consent of the other party.
- H-6 Benefit.** These Program Guidelines shall be binding upon and shall inure to the benefit of the Program Provider and Lender and their respective permitted successors and assigns.
- H-7 Amendment.** The Program Provider may amend these Program Guidelines, in writing, from time to time.

Exhibit A
TOTAL HIGHER EDUCATION (T.H.E.) LOAN PROGRAM
GUIDELINES FOR THE AUTHORIZED USE OF ELECTRONIC FUNDS TRANSFER

This policy statement outlines the Total Higher Education (T.H.E.) loan program's authorization for the use of electronic funds transfer (EFT) transactions in place of checks for the disbursement and delivery of loan proceeds for non-Federal Family Education Loan Program (FFELP) loans ("private loans"). Schools using EFT to process, disburse and deliver the aforementioned loans shall follow all applicable federal and state laws and regulations (including, without limitation, the provisions of the Higher Education Act of 1965, as amended from time to time (20 U.S.C. § 1071, et seq.) and Department of Education regulations promulgated thereunder, including without limitation, 34 C.F.R. §§ 668 and 682 (collectively, the "Act")) and the T.H.E. loan program's policy and procedures for the disbursement and delivery of loans by conventional means, as well as the following specific requirements for disbursement and delivery by EFT.

1. SCHOOL'S OBLIGATIONS

- a. The School must ensure an audit trail exists for the funds received via EFT as well as the ability to track the funds for individual Borrowers.
- b. The Borrower's authorization of the release of Student Loan proceeds disbursed by EFT may not be delegated to any other individual or entity through a Power of Attorney or other means. The Application and Promissory Note or the Master Promissory Note will serve as the Borrower's authorization to release Student Loan proceeds via EFT.
- c. All student loan proceeds transferred via EFT must be credited to the Borrower's account, or given to the Borrower, or returned to the T.H.E. loan program within the timeframes set forth in 34 CFR 668.167. For any disbursement for which the amount applied to the Borrower's account or released to the Borrower is more than the amount disbursed by the T.H.E. loan program, the School must provide a refund to the T.H.E. loan program of the difference immediately upon discovery, or no later than forty-five (45) days after receipt of such funds. The School shall retain proof of any refunds, cancellations and any other files or information transmitted to the T.H.E. loan program by the School. The T.H.E. loan program will assume all funds have been credited to the Borrower, unless notified by the School of a refund or cancellation. If the Borrower subsequently denies receipt of such funds, the T.H.E. loan program will hold the School responsible for proof that the Borrower was credited with the funds. If no proof exists, the School will be responsible for repayment of the obligation.
- d. Upon crediting the Student's account at the school, the School must notify the Student of the date and amount of the disbursement and the Student's right to cancel all or a portion of the loan. The School must return to the Lender any amount requested if the School receives the cancellation request within 14 days after the date the School sends the notice.

- e. The School must comply with the record retention requirement in the Act for each Borrower whose Student Loan proceeds are disbursed and delivered via EFT. The School must retain in each Borrower's record the date and amount of an EFT by the T.H.E. loan program and the date and amount of funds released to the Borrower or Borrower's account.
- f. If crediting the Borrower's account, the School may retain only those loan proceeds covering cost of attendance owed to the School for the loan period unless the Borrower requests in writing the School to retain any additional Student Loan proceeds to assist the Borrower in managing the funds.
- g. If funds transferred via EFT exceed the amount which may be credited to the Borrower's account (as described in 1f), the School must deliver the excess funds directly to the Borrower or refund the excess funds to the T.H.E. loan program.
- h. If the Borrower fails to register, or drops to less than half time status prior to the release of funds, the School must return the loan proceeds to the T.H.E. loan program within the timeframes set forth in 668.167.
- i. If the Borrower registers but withdraws, or is expelled prior to the first day of classes, or if the School is unable to document that the Borrower has attended classes during the loan period, the School shall notify the T.H.E. loan program of the withdrawal or expulsion and return to the T.H.E. loan program, within thirty (30) days of the date of determining the withdrawal or expulsion, any loan proceeds credited directly to the Borrower's account, and any loan proceeds delivered to the Borrower.

2. COSTS OF ELECTRONIC FUNDS TRANSFER

To the extent the T.H.E. loan program incurs costs associated with non-standard EFT processing, those costs will be discussed and agreed upon beforehand by the School and the T.H.E. loan program.

3. LIABILITY/INDEMNIFICATION

- a. Upon receipt of an Electronic Funds Transfer into the School's account, the School accepts full responsibility for the proper distribution of the funds to the Borrower or back to the T.H.E. loan program, as the case may be, in accordance with these Guidelines.
- b. The replacement of any losses of Student Loan proceeds caused by theft, mismanagement, inaccurate disbursements, disbursements to an ineligible Borrower, or otherwise by the School, shall be the responsibility of the School.

4. GENERAL PROVISIONS

- c. In the event a Borrower contends he or she never received the Student loan proceeds, and T.H.E. loan program is able to prove such funds were electronically transferred to the School's account, the School must demonstrate such funds were applied to the Borrower's account or given to the Borrower. If the School can provide such proof, the Borrower shall be responsible for repayment. If the School cannot provide such proof, it assumes full responsibility for the student loan amount, including any interest or penalties. If the T.H.E. loan program cannot prove such funds were electronically transferred to the School's account, the T.H.E. loan program will assume the responsibility to electronically transfer such funds to the School, provided the Borrower has provided proper authorization as required by paragraph (1b) above.
- d. The T.H.E. loan program and the School shall both exercise due care and diligence in performing the services required hereunder. To the extent the T.H.E. loan program is required to appear in, or is made a defendant in any legal action or other proceeding commenced by a party other than the School with respect to any matter arising hereunder, the School shall indemnify and hold the T.H.E. loan program harmless from all loss, liability and expense (including reasonable attorney's fees) arising out of the school's negligent acts or omissions hereunder, except for any loss, liability or expense arising out of or relating to the T.H.E. loan program's own acts or omissions with regard to the performance of services hereunder.

Notwithstanding any provisions hereunder to the contrary, the T.H.E. loan program shall indemnify and hold the School harmless from all loss, liability and expense (including reasonable attorney's fees) arising out of or relating to the T.H.E. loan program's acts or omissions with regard to performance of services hereunder; provided, however, the T.H.E. loan program shall not be responsible or liable in any way or for consequential damages. Under no circumstances shall the School be responsible or liable to T.H.E. loan program for the payment of consequential damages.

- a. No party may assign or otherwise transfer any of its rights or obligations hereunder, nor may such rights or obligations be modified or amended, without the prior written consent of the other party.
- b. As long as these Guidelines are in force and effect, the T.H.E. loan program shall have the right at all reasonable times to audit the School's books and records applicable to student loan funds to be disbursed and delivered via EFT hereunder.
- c. These guidelines shall be governed by the laws of the United States of America and/or the State of Minnesota, as the case may be. If any provision of these guidelines shall be held to be unenforceable, such unenforceability shall not affect the remaining portions hereof.

STATEMENT OF ACCEPTANCE

By signing and dating below, you accept and agree to be bound by the above outlined Electronic Funds Transfer Guidelines.

 (Name of School and School Code/Branch(s))

 (Signature of Individual)

 (Print Name and Title)

Date: _____

Exhibit B

**T.H.E.
MEDICAL DISCIPLINE
APPLICATION AND PROMISSORY NOTE FORM**

Exhibit C

**T.H.E.
LAW AND MASTER OF BUSINESS
ADMINISTRATION DISCIPLINES
APPLICATION AND PROMISSORY NOTE FORM**

Exhibit D

**T.H.E. NATIONAL PROGRAM
APPLICATION AND PROMISSORY NOTE FORM**

Exhibit E

**VOYAGER LOAN PROGRAM
APPLICATION AND PROMISSORY NOTE FORM**

Exhibit F

**MINNESOTA LOAN PROGRAM
APPLICATION AND PROMISSORY NOTE FORM**

Exhibit G

NORTHSTAR PROGRAMS LOAN COLLECTION

Capitalized terms used but not defined herein shall have the meanings set forth in the NorthStar Program Guidelines to which this Exhibit is attached.

In the collection of loans, the Program Provider shall (a) exercise reasonable care and due diligence, (b) for Federal Loans, utilize prescribed practices prescribed by the Higher Education Act of 1965, as amended, and (c) for Private Loans, utilize practices that are at least as rigorous as those described herein.

Collection of a Non-Government Insured Loan

Upon receipt of a Notice of Default, the Program Provider shall

1. Send six letters demanding the condition of default be remedied, including a final demand letter. There shall be no more than forty-five (45) days between each letter.
2. Make, with respect to a loan repayable in monthly installments where the condition of default is a failure to make any payment before or on the date it is due, after the payment is thirty (30) or more days past due, two attempted telephone calls demanding the condition be remedied or one actual telephone contact demanding the condition be remedied shall be made every forty-five (45) days
3. Utilize skip tracing activities for all Borrowers for whom the Program Provider and Lender do not have an accurate address or phone number. If the Program Provider determines that it does not know the current address for a borrower whose loan is delinquent, the Program Provider must, within ten days of making the determination, begin attempting to locate the borrower using normal commercial skip tracing techniques, including, but not limited to:
 - Sending a letter to or making a diligent effort (consisting of one successful contact or two unsuccessful attempts) to contact by telephone each co-maker, endorser, relative, reference, and most recent school identified in the borrower's file.

All skip tracing activities must be completed by the date of default, with no gaps of more than 45 days between activities.

If the Program Provider discovers that it does not have a correct telephone number for a delinquent borrower, the Program Provider must attempt to obtain the borrower's number using all available resources, including:

- Inquiring of directory assistance or a comparable service to obtain the borrower's number.

Sending a letter or making a diligent effort (one contact or two unsuccessful attempts) to contact by telephone each co-maker, endorser, reference, relative or individual identified on the most recent loan application and promissory note held by the lender for that borrower.

Contacting the financial aid administrator or other school official who may reasonably be expected to know the borrower's address.

Exhibit H

NORTHSTAR PROGRAMS BORROWER CREDIT REQUIREMENTS EFFECTIVE MARCH 1, 2002

Listed below are the credit requirements a student must meet in order to be considered an Eligible Borrower. The Program Provider shall exercise reasonable judgment in determining if a student satisfies the credit requirements. Students not meeting the credit requirements may appeal such a decision by providing documentation of extenuating circumstances. The documentation shall be reviewed and a final decision shall be made by Lender. Submission of an appeal does not guarantee the student will be granted Eligible Borrower status.

- Each applicant shall be credit scored using Credit Desk. Credit Desk will first look for a credit score greater than 620. If the score is greater than 620, the review will be continued utilizing the criteria listed below. If the score is 620 or less, the application will be denied unless the applicant has no or limited credit history. Additionally, the applicant may be required to obtain a credit worthy cosigner based on the chart below. The Program Provider maintains more detailed guidelines regarding this credit score policy, and these guidelines are available on request.

Program	Applicant Score	Cosigner	Decision	Note:
All Programs	Less than 620	N.A.	Deny	
T.H.E. Medical	No credit	Optional	Pass	Approved School
T.H.E. Medical	620+	Optional	Pass	Approved School
T.H.E. Law/MBA	No Credit	Optional	Pass	Approved premier School
T.H.E. Law/MBA	620+	Optional	Pass	Approved premier School
T.H.E. Law/MBA	No Credit	Required	Pass	Approved School
T.H.E. Law/MBA	620-679	Required	Pass	Approved School
T.H.E. Law/MBA	680+	Optional	Pass	Approved School
T.H.E. National (grad)	No Credit	Required	Pass	Approved School
T.H.E. National (grad)	620-679	Required	Pass	Approved School
T.H.E. National (grad)	680+	Optional	Pass	Approved School
T.H.E. National (undergrad)	No credit	Required	Pass	School Cohort <4.0%
T.H.E. National (undergrad)	620 -679	Required	Pass	School Cohort <4.0%
T.H.E. National (undergrad)	680+	Optional	Pass	School Cohort <4.0%
T.H.E. National (undergrad)	No Credit	Required	Pass	School Cohort >4.0%
T.H.E. National (undergrad)	620+	Required	Pass	School Cohort >4.0%

- The student's credit history shall not show any bankruptcies, foreclosures, repossessions, wage garnishments, skips, open charge-offs, open collection accounts, unpaid tax liens, unpaid judgments, or court proceedings wherein a claim was brought against the student for failure to make payment on an obligation.

NORTHSTAR PROGRAMS
BORROWER CREDIT REQUIREMENTS - continued

3. With regard to educational loans, the student's credit history shall not show any prior educational loan defaults, unless the student
 - 3.1. has repaid the educational loan in full, or
 - 3.2. is making satisfactory progress toward repaying the loan. The student is making satisfactory progress if no payments due under the loan are past due and the student has made the past six payments no later than on the day the payments were due.
 - 3.3. If the educational loan shows prior delinquencies, but the loan(s) are now in a deferred status, this shall not be grounds for denial.

4. With regard to paid charge-offs, tax liens and collection accounts, the student's credit history shall not show any single or combination of paid charge-offs, tax liens and/or collection accounts totaling more than \$150 within the immediately preceding two years.

5. With regard to all of the student's payment obligations, the student's credit history shall show that the student has had
 - 5.1. no payments over ninety (90) days past due within the immediately preceding year,
 - 5.2. no more than one payment over sixty (60) days past due within the immediately preceding year, and
 - 5.3. no more than three payments over thirty (30) days past due on a given trade line within the immediately preceding year.

If the Program Provider receives written documentation that any credit information was reported in error and that the error has subsequently been corrected, the erroneous credit information shall not be automatic grounds for denial of credit.

Note: A student whose state of residence (either permanent or temporary) is IOWA may not be denied credit solely because of the student's prior bankruptcy.

COSIGNER CREDIT REQUIREMENTS

Cosigners for the NorthStar programs will be credit scored. A Beacon, Empirica, or similar on line credit bureau score of 680 or above will be considered passing. A cosigner may be required to have a minimum credit score of 700 at certain designated schools. Since the analysis underlying the credit scores is proprietary to the credit bureaus, the only way to override a denial is to have the cosigner correct or address any derogatory issues at the Credit Bureau and request a re-scoring of their application.

If a student borrower is denied for credit reasons, the loan will be denied regardless of the outcome of the cosigner's credit. If the student is accepted and the cosigner is denied, the student may:

1. accept the loan and pay the non-cosigner fees, or
2. resubmit the application with an alternate cosigner, or
3. have the cosigner correct the information at the credit bureau and resubmit the application.

In-House Appeal Deny Criteria (Revised 4/99)

Unless a specific exception to the rule has been listed, an appeal from an applicant who fails any one of the criteria identified below WILL BE DENIED ACCESS TO A T.H.E. PRIVATE LOAN AND WILL BE DENIED BY THE PROCESSING CENTER IN ST. PAUL.

Major Derogatory:

- **Bankruptcy** unless extenuating circumstances include catastrophic medical problems.
- **Foreclosure**
- **Garnished Wage**
- **Repossession**
- **Judgment**
- **Account not paid or not settled prior to application receipt date**, including:
 - collection accounts/chargeoffs
 - tax liens
 - suits (*civil suits that have been filed without final decision are not considered a negative credit finding*)

UNLESS the account meets any of the following criteria:

- **disputed account** the applicant must state in the appeal letter that the account is in dispute;
- **minimal outstanding balance** total balance outstanding on a single derogatory account is \$299.00 or less;
- **payment arrangement** the applicant has made at least two (2) payments before application receipt date, and the original balance was less than \$500.00 and there was only one event

Paid Derogatories:

Includes: paid charge-off(s), paid tax lien(s), paid collection account(s)

- No more than 2 derogatory accounts paid within the past two years unless the original balance on each is less than \$500.00

Excessive Delinquencies:

- A borrower may have up to two accounts 90 days delinquent within the last year provided the accounts are current at the time of appeal and the balance on each is less than \$500.00
- A borrower may have up to three accounts 60 days delinquent within the last year provided the accounts are current at the time of appeal and the balance on each is less than \$500.00
- A borrower may have up to three accounts 30 days delinquent four times within the last year provided the accounts are current at the time of appeal and the balance on each is less than \$500.00

Prior Approved Appeals:

Prior approved appeals through another lender, student must provide the appeal documentation.

Prior approved appeals through Program Provider, provided no changes to the credit histories (i.e., same accounts and no additional derogatory histories on these accounts or additional accounts), the appeal documentation supplied under a previous Program Provider appeal approval will be satisfactory, provided the file is updated with the prior appeal file information. If the credit history has worsened since the previous Program Provider appeal approval, the student must supply appeal document to address ALL derogatories and a new decision will need to be made.

Exhibit I

NORTHSTAR PROGRAMS PRIVATE LOAN RESERVE FUND INVESTMENT POLICY

Capitalized terms used but not defined herein shall have the meanings set forth in the NorthStar Program Guidelines to which this Exhibit is attached.

The purpose of this policy is to establish, without being overly restrictive given changing economic, business and investment market conditions, investment objectives and guidelines for investing the Private Loan Reserve Fund's assets. This policy shall be reviewed on an annual basis by the Program Provider, and any modifications hereto shall be approved by Lender.

1. AUTHORIZED INVESTMENT OFFICER

The Program Provider shall act as the authorized investment officer for the Private Loan Reserve Fund and shall be solely responsible for purchasing and selling all Private Loan Reserve Fund investments. The Program Provider may delegate this function to an agent who shall serve as the authorized investment officer in accordance with this policy.

2. INVESTMENT OBJECTIVES

The primary investment objectives are liquidity and income balanced against maintaining the Private Loan Reserve Fund's principal.

3. INVESTMENT GUIDELINES

All investments shall provide adequate liquidity to meet the specific loan program's operational needs. To meet the objectives of maximum liquidity and income while protecting principal, the assets in the Private Loan Reserve Fund shall generally be invested as follows:

- 3.1. Liquidity. First and foremost, assets equal to a rolling three month cash requirement forecast shall be invested in cash equivalent investments.

Recommended liquidity investments include:

- 3.1.1. treasury bills,
- 3.1.2. agency discount notes/short term coupon agencies (with a term of one year or less),
- 3.1.3. federal funds,
- 3.1.4. money market instruments,
- 3.1.5. FDIC insured certificates of deposits,
- 3.1.6. repurchase agreements,
- 3.1.7. money market savings,
- 3.1.8. money market checking, and

3.1.9. bankers acceptances.

3.2. Income. After meeting the liquidity investment guideline in 3.1. immediately above, assets may be invested to maximize income earned on the Private Loan Reserve Fund's principal.

Recommended income investments include:

3.2.1. treasury notes and bonds (must mature within seven years of purchase),

3.2.2. corporate notes, bonds and debentures with an AA or Aa rating (must mature within seven years of purchase),

3.2.3. FDIC insured interest bearing deposits of no more than \$100,000 per institution (must mature within one year from date of purchase),

3.2.4. mutual funds which incorporate the investments listed in 3.2.1 through 3.2.3., and

3.2.5. balanced debt-equity portfolios which incorporate the investments listed in 3.1.1 through 3.1.9.

3.3. Strategic. In the event the authorized investment officer is presented with an investment opportunity that is consistent with the investment objectives but is not considered an acceptable liquidity or income investment, upon obtaining the written approval of the Program Provider and Lender, the authorized investment officer may invest Private Loan Reserve Fund assets in the opportunity.

4. CREDIT WORTHINESS REVIEW

To safeguard all investments, the authorized investment officer shall, on a quarterly basis, review the credit worthiness of all investments. In the event the credit rating of any investment is downgraded, an immediate review of the investment shall be conducted and a decision regarding whether to retain or sell the investment shall be documented.

5. RECORDS

The authorized investment officer shall maintain books and records adequate to (a) determine the amount of any investment and related earning thereon allocable to each loan, (b) support its compliance with this policy's investment objectives and guidelines and (c) document the quarterly credit worthiness reviews and decisions with respect to downgraded investments.

Exhibit J

ANNUAL PERCENTAGE RATE (A.P.R.) CALCULATION PROGRAMMING CODE

Exhibit K

TRUTH IN LENDING DISCLOSURE STATEMENTS

- 1. DEFERRED PHASE**
- 2. REPAYMENT PHASE**

Exhibit L
ELIGIBLE SCHOOLS

**NORTHSTAR PROGRAMS
BORROWER CREDIT REQUIREMENTS
EFFECTIVE MARCH 1, 2002**

Listed below are the credit requirements a student must meet in order to be considered an Eligible Borrower. The Program Provider shall exercise reasonable judgment in determining if a student satisfies the credit requirements. Students not meeting the credit requirements may appeal such a decision by providing documentation of extenuating circumstances. The documentation shall be reviewed and a final decision shall be made by Lender. Submission of an appeal does not guarantee the student will be granted Eligible Borrower status.

- Each applicant shall be credit scored using Credit Desk or similar program. Credit Desk will first look for a credit score greater than 620. If the score is greater than 620, the review will be continued utilizing the criteria listed below. If the score is 620 or less, the application will be denied unless the applicant has no or limited credit history. Additionally, the applicant may be required to obtain a credit worthy cosigner based on the chart below. The Program Provider maintains more detailed guidelines regarding this credit score policy, and these guidelines are available on request.

Program	Applicant Score	Cosigner	Decision	Note:
A + Loan Program (undergrad/Grad)	No credit	Required	Pass	School Cohort <4.0%
A + Loan Program (undergrad/Grad)	620 -679	Required	Pass	School Cohort <4.0%
A + Loan Program (undergrad/Grad)	680+	Optional	Pass	School Cohort <4.0%
A + Loan Program (undergrad/Grad)	No Credit	Required	Pass	School Cohort >4.0%
A + Loan Program (undergrad/Grad)	620+	Required	Pass	School Cohort >4.0%

- The student's credit history shall not show any bankruptcies, foreclosures, repossessions, wage garnishments, skips, open charge-offs, open collection accounts, unpaid tax liens, unpaid judgments, or court proceedings wherein a claim was brought against the student for failure to make payment on an obligation.

**NORTHSTAR PROGRAMS
BORROWER CREDIT REQUIREMENTS - continued**

3. With regard to educational loans, the student's credit history shall not show any prior educational loan defaults, unless the student
 - 3.1. has repaid the educational loan in full, or
 - 3.2. is making satisfactory progress toward repaying the loan. The student is making satisfactory progress if no payments due under the loan are past due and the student has made the past six payments no later than on the day the payments were due.
 - 3.3. If the educational loan shows prior delinquencies, but the loan(s) are now in a deferred status, this shall not be grounds for denial.

4. With regard to paid charge-offs, tax liens and collection accounts, the student's credit history shall not show any single or combination of paid charge-offs, tax liens and/or collection accounts totaling more than \$150 within the immediately preceding two years.

5. With regard to all of the student's payment obligations, the student's credit history shall show that the student has had
 - 5.1. no payments over ninety (90) days past due within the immediately preceding year,
 - 5.2. no more than one payment over sixty (60) days past due within the immediately preceding year, and
 - 5.3. no more than three payments over thirty (30) days past due on a given trade line within the immediately preceding year.

If the Program Provider receives written documentation that any credit information was reported in error and that the error has subsequently been corrected, the erroneous credit information shall not be automatic grounds for denial of credit.

Note: A student whose state of residence (either permanent or temporary) is IOWA may not be denied credit solely because of the student's prior bankruptcy.

COSIGNER CREDIT REQUIREMENTS

Cosigners for the NorthStar programs will be credit scored. A Beacon, Empirica, or similar on line credit bureau score of 680 or above will be considered passing. A cosigner may be required to have a minimum credit score of 700 at certain designated schools. Since the analysis underlying the credit scores is proprietary to the credit bureaus, the only way to override a denial is to have the cosigner correct or address any derogatory issues at the Credit Bureau and request a re-scoring of their application.

If a student borrower is denied for credit reasons, the loan will be denied regardless of the outcome of the cosigner's credit. If the student is accepted and the cosigner is denied, the student may:

1. accept the loan and pay the non-cosigner fees, or
 2. resubmit the application with an alternate cosigner, or
- have the cosigner correct the information at the credit bureau and resubmit the application.

In-House Appeal Deny Criteria (Revised 4/99)

Unless a specific exception to the rule has been listed, an appeal from an applicant who fails any one of the criteria identified below WILL BE DENIED ACCESS TO A PRIVATE LOAN.

Major Derogatory:

- **Bankruptcy** unless extenuating circumstances include catastrophic medical problems.
- **Foreclosure**
- **Garnished Wage**
- **Repossession**
- **Judgment**
- **Account not paid or not settled prior to application receipt date, including:**
 - collection accounts/chargeoffs
 - tax liens
 - suits (*civil suits that have been filed without final decision are not considered a negative credit finding*)

UNLESS the account meets any of the following criteria:

- **disputed account** the applicant must state in the appeal letter that the account is in dispute;
- **minimal outstanding balance** total balance outstanding on a single derogatory account is \$299.00 or less;
- **payment arrangement** the applicant has made at least two (2) payments before application receipt date, and the original balance was less than \$500.00 and there was only one event

Paid Derogatories:

Includes: paid charge-off(s), paid tax lien(s), paid collection account(s)

- No more than 2 derogatory accounts paid within the past two years unless the original balance on each is less than \$500.00

Excessive Delinquencies:

- A borrower may have up to two accounts 90 days delinquent within the last year provided the accounts are current at the time of appeal and the balance on each is less than \$500.00
- A borrower may have up to three accounts 60 days delinquent within the last year provided the accounts are current at the time of appeal and the balance on each is less than \$500.00
- A borrower may have up to three accounts 30 days delinquent four times within the last year provided the accounts are current at the time of appeal and the balance on each is less than \$500.00

Prior Approved Appeals:

Prior approved appeals through another lender, student must provide the appeal documentation.

Prior approved appeals through PNC, provided no changes to the credit histories (i.e., same accounts and no additional derogatory histories on these accounts or additional accounts), the appeal documentation supplied under a previous PNC appeal approval will be satisfactory, provided the file is updated with the prior appeal file information. If the credit history has worsened since the previous PNC appeal approval,

the student must supply appeal document to address ALL derogatories and a new decision will need to be made.

EXHIBIT H

NOTICE OF INTEREST RATES

NorthStar Student Loan Trust III
c/o Wilmington Trust, National Association
Rodney Square North
1100 North Market Street
Wilmington DE 19890
Attention: Corporate Trust Administration

Northstar Education Services LLC
Suite 800
444 Cedar Street
St. Paul, MN 55101-2133

The One-Month LIBOR Rate on _____, _____ (being the LIBOR Determination Date) is _____%

The Series 2016-A Rate and the Series 2016-B Rate for the Interest Accrual Period beginning on _____, _____ and ending on _____, _____ are as follows:

- Series 2016-A Rate— _____% (being One-Month LIBOR Rate plus _____%)
- Series 2016-B Rate— _____% (being One-Month LIBOR Rate plus _____%)

IN WITNESS WHEREOF, the Trustee has caused this Notice of Interest Rates to be duly executed and delivered as of _____, _____.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Name: _____
Title: _____

EXHIBIT I

NOTICE OF INTEREST DISTRIBUTION AMOUNTS

Northstar Education Services LLC
Suite 800
444 Cedar Street
St. Paul, MN 55101-2133

The Series 2016-A Noteholders' Interest Distribution Amount and the Series 2016-B Noteholders' Interest Distribution Amount for the Monthly Distribution Date on _____, _____ are as follows:

- Series 2016-A Noteholders' Interest Distribution Amount—\$ _____
- Series 2016-B Noteholders' Interest Distribution Amount—\$ _____

IN WITNESS WHEREOF, the Trustee has caused this Notice of Interest Distribution Amounts to be duly executed and delivered as of _____, _____.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Name: _____
Title: _____