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**INDENTURE OF TRUST**

by and between

**HIGHER EDUCATION LOAN AUTHORITY OF THE STATE OF MISSOURI**

and

**U.S. BANK NATIONAL ASSOCIATION**  
as Trustee

\$576,800,000  
Student Loan Asset-Backed Notes, Series 2011-1  
(LIBOR Floating Rate Notes)

Dated as of July 1, 2011

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## INDENTURE OF TRUST

**THIS INDENTURE OF TRUST**, dated as of July 1, 2011 (this “Indenture”), is by and between the **HIGHER EDUCATION LOAN AUTHORITY OF THE STATE OF MISSOURI** (the “Authority”), a public instrumentality and body politic and corporate organized and existing under the laws of the State of Missouri, and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association duly organized and existing under the laws of the United States of America, as trustee hereunder (together with its successors, the “Trustee”) (all capitalized terms used in these preambles, recitals and granting clauses shall have the same meanings assigned thereto in Article I hereof).

### WITNESSETH:

WHEREAS, pursuant to the laws of the State of Missouri, including particularly the Authorizing Act, the Authority is authorized to issue bonds or other forms of indebtedness to purchase student loan notes or finance student loans; and

WHEREAS, the Authority represents that it, by proper action, has duly authorized the execution and delivery of this Indenture, which Indenture provides for the payment of student loan asset-backed notes (as defined in Article I hereof, 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 between the parties hereto and the Registered Owners of the Notes (the Registered Owners evidencing their consent by their acceptance of the Notes) that, in the performance of any of the agreements of the Authority herein contained, any obligation it may thereby incur for the payment of money shall not be a general debt or obligation of the Authority, 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 Authority, in consideration of the premises and acceptance by the Trustee of the trusts herein created, of the purchase and acceptance of the Notes by the Registered Owners thereof and the acknowledgement thereof by the Trustee, 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 Registered Owners of the Notes, 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, including all proceeds thereof and all income thereon;

GRANTING CLAUSE C

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

GRANTING CLAUSE D

The rights of the Authority in and to any Servicing Agreement, any Backup Servicing Agreement, any Student Loan Purchase Agreement, any Origination Agreements and the Guarantee Agreements 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 Registered Owners, without preference of any Note over any other, except as may be 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 Authority, 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 7.05, 9.06, and 9.14 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 from the Date of Issuance to and including August 19, 2011.

“*Adjusted Pool Balance*” shall mean, for any Quarterly Distribution Date, the sum of the Pool Balance and amounts on deposit in the Capitalized Interest Fund and the Reserve Fund, in each case as of the last day of the Collection Period for that Quarterly Distribution Date.

“*Administrator*” shall mean the Authority or any successor to the Authority performing any administrative duties of the Authority hereunder, including, without limitation, any financial, reporting or other calculations with respect to the Trust Estate required to be made by the Authority hereunder.

“*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.

“*Authority*” shall mean the Higher Education Loan Authority of the State of Missouri, a public instrumentality and body politic and corporate of the State of Missouri, and its successors and assigns, or any body, agency, or instrumentality of the State of Missouri succeeding to or charged with the powers, duties and functions of the Authority.

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

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

“*Authorized Representative*” shall mean, when used with reference to the Authority, its Chairperson, Vice Chairperson, Treasurer, Secretary, Assistant Secretary, Executive Director, Chief Financial Officer, General Counsel or any other officer, board member or employee authorized in writing by another Authorized Representative to act on behalf of the Authority.



“*Authorizing Act*” shall mean the Missouri Higher Education Loan Authority Act, Title XI, Chapter 173, Sections 173.350 to 173.445 of the Missouri Revised Statutes, inclusive, as amended, and as the same may be in effect at any given time.

“*Available Funds*” shall mean, with respect to a Quarterly Distribution Date or a Monthly Servicing and Administration Payment Date, the sum of the following amounts received to the extent not previously distributed: (a) all collections received by any Servicer on the Financed Eligible Loans (including late fees received by any Servicer with respect to the Financed Eligible Loans and payments from any Guaranty Agency received with respect to the Financed Eligible Loans) but net of (i) any collections in respect of principal on the Financed Eligible Loans applied by the Authority to recall claims with respect to or repurchase Eligible Loans (only to the extent that such Eligible Loans were previously Financed Eligible Loans under this Indenture) from the Guaranty Agencies or any Servicer; provided, that such claim recall or repurchase is required by the terms of the Guarantee Agreement (including, for this purpose, any claim recall or repurchase which is “strongly encouraged” by the Common Manual), the related Servicing Agreement or Origination Agreement, as applicable, or such claim recall or repurchase is required by federal law or regulations, including, without limitation, the Authorizing Act and the related regulations, and (ii) amounts required by the Higher Education Act to be paid to the Department (including, but not limited to, any Monthly Rebate Fees and any Department Rebate Interest Amounts to be deposited into the Department Rebate Fund or paid directly to the Department) or 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) any Interest Benefit Payments and Special Allowance Payments received by the Trustee or the Authority with respect to Financed Eligible Loans; (c) all Liquidation Proceeds from any Financed Eligible Loans which became Liquidated Financed Eligible Loans in accordance with the related Servicer’s customary servicing procedures, and all other moneys collected with respect to any Liquidated Financed Eligible Loan which was written off, net of the sum of any amounts expended by the related Servicer in connection with such liquidation and any amounts required by law to be remitted to the obligor on such Liquidated Financed Eligible Loan; (d) the aggregate Purchase Amounts received for Financed Eligible Loans repurchased by a Seller, a Servicer, the Authority or otherwise released from the lien of this Indenture; (e) the aggregate amounts, if any, received from a Seller or any Servicer as reimbursement of non-guaranteed interest amounts, or lost Interest Benefit Payments and Special Allowance Payments, with respect to the Financed Eligible Loans pursuant to a Student Loan Purchase Agreement or a Servicing Agreement, respectively; (f) any other amounts received by a Servicer pursuant to its role as Servicer under the related Servicing Agreement and payable to the Authority in connection therewith; (g) all interest earned or gain realized from the investment of amounts in any Fund or Account; and (h) any other amounts deposited to the Collection Fund. “Available Funds” shall be determined pursuant to the terms of this definition by the Authority and reported to the Trustee. Amounts described in clause (a)(i) and (ii) hereof shall be paid by the Trustee upon receipt of a written direction from the Authority. The Trustee may conclusively rely on such determinations without further duty to review or examine such information.

“*Backup Servicing Agreement*” shall mean the Back-Up Third Party Servicing Agreement, dated May 12, 2011, between the Authority and the Pennsylvania Higher Education Assistance Agency, and any replacements thereof, the fees under which shall be paid by the Administrator.

“*Basic Documents*” shall mean this Indenture, any Servicing Agreement, any Backup Servicing Agreement, any Student Loan Purchase Agreement, any Origination Agreement, the Guarantee Agreements, and other documents and certificates delivered in connection with any thereof.

“*Board*” shall mean the governing board of the Authority.

“*Bond Counsel*” shall mean counsel of nationally recognized standing in the field of law relating to municipal, state and public agency financing selected by the Authority.

“*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 (i) a Saturday, (ii) a Sunday, (iii) a holiday or (iv) a day on which the Federal Reserve Bank or banks located in St. Louis, Missouri or the city in which the applicable corporate trust office of the Trustee is located (initially, Cincinnati, Ohio), are authorized or permitted by law, regulation or executive order to close.

“*Bylaws*” shall mean the bylaws of the Authority as in effect on the Date of Issuance, as the same may be amended and supplemented from time to time.

“*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.

“*Carryover Servicing Fees*” shall mean any fee for servicing the Financed Eligible Loans not permitted to be paid from funds available under Section 5.04(b)(i) and Section 5.04(c)(iii) hereof; the Carryover Servicing Fees shall initially be equal to \$0.00 and may only be increased subject to the requirements of Article VIII hereof.

“*Certificate of Insurance*” shall mean any certificate of insurance issued by the Secretary pursuant to Section 428C or Section 429 of the Higher Education Act, Insuring an Eligible Loan.

“*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, however, the then Clearing Agency resigns from its functions as depository of the Notes or the Authority discontinues use of the Clearing Agency as described in Section 2.09 hereof, then “Clearing Agency” shall mean 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 Authority 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.

“*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 Quarterly Distribution Date, the period beginning on the Date of Issuance and ending on November 30, 2011 and with respect to each subsequent Quarterly Distribution Date, the Collection Period shall mean the three calendar months immediately preceding such Quarterly Distribution Date.

“*Contract of Insurance*” shall mean the contract of insurance between the Eligible Lender and the Secretary.

“*Cut-off Date*” shall mean, with respect to any Eligible Loans Financed and pledged to the Trustee under this Indenture, the date on which such Eligible Loan is pledged to the Trustee under this Indenture.

“*Date of Issuance*” shall mean July 19, 2011.

“*Department*” shall mean the United States Department of Education, an agency of the federal government.

“*Department Rebate Fund*” shall mean the Fund by that name created in Section 5.01(d) hereof and further described in Section 5.06 hereof, including any Accounts and Subaccounts created therein.

“*Department Rebate Interest Amount*” means, with respect to any date of determination, the greater of (a)(i) the amount of interest paid by borrowers on the Financed Eligible Loans first disbursed on or after April 1, 2006 that exceeds the Special Allowance Payment support levels applicable to such Financed Eligible Loans under the Higher Education Act since the prior Department Rebate Payment Date less (ii) the amount of accrued Interest Benefit Payments or Special Allowance Payments due to the Authority since the prior Department Rebate Payment Date and (b) \$0.00.

“*Department Rebate Payment Date*” means the quarterly date that (i) the Department Rebate Interest Amount is due and payable to the Department or (ii) the Department offsets the Department Rebate Interest Amount from Interest Benefit Payments or Special Allowance Payments due to the Authority.

“*Determination Date*” shall mean, with respect to any Quarterly Distribution Date or Monthly Servicing and Administration Payment Date, as applicable, the second Business Day preceding such Quarterly Distribution Date or Monthly Servicing and Administration Payment Date.

“*E-loans*” shall mean Eligible Loans which are electronically signed.

“*Eligible Lender*” shall mean the Authority and all other entities which are “eligible lenders,” as defined in the Higher Education Act (including, but not limited to, “eligible lender trustees”) which have received an eligible lender number or other designation from the Secretary with respect to Eligible Loans made under the Higher Education Act.

“*Eligible Loan*” shall mean any loan made to finance post-secondary education that is made under the Higher Education Act.

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

“*Event of Bankruptcy*” shall mean (a) the Authority 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 Authority 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.

“*Event Notice*” shall mean notice of a proposed action, failure to act, or other event specified in the notice, which notice is given at least ten days prior to the occurrence of such proposed action, failure to act, or other event.

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

“*Expense Cap*” shall mean, for each year ending June 30, an annual amount equal to \$75,000 plus the amount, if any, by which the maximum permitted fee to the Trustee specified in clause (i) of the definition of Trustee Fee exceeds the amounts actually paid to the Trustee in clause (i) of the definition of Trustee Fee for such year.

“*Financed*” or “*Financing*” when used with respect to Eligible Loans, shall mean or refer to Eligible Loans (a) financed by the Authority 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, including, without limitation, the Eligible Loans described in Section 2.12(c) and Section 5.02 hereof, and (b) Eligible Loans substituted or exchanged for Financed Eligible Loans, but does not include Eligible Loans released from the lien of this Indenture to the extent permitted by this Indenture.

“*Fiscal Year*” shall mean the fiscal year of the Authority (initially July 1 to June 30) as established from time to time.

“*Fitch*” shall mean Fitch, Inc., Fitch Ratings Ltd., its subsidiaries and its successors and assigns.

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

“*Guarantee*” or “*Guaranteed*” shall mean, with respect to an Eligible Loan, the insurance or guarantee by a Guaranty Agency pursuant to such Guaranty Agency’s Guarantee Agreement

of the maximum percentage of the principal of and accrued interest on such Eligible Loan allowed by the terms of the Higher Education Act with respect to such Eligible Loan at the time it was originated (but without giving effect to adjustments for “exceptional performer” status under the Higher Education Act) and the coverage of such Eligible Loan by the federal reimbursement contracts, providing, among other things, for reimbursement to such Guaranty Agency for payments made by it on defaulted Eligible Loans insured or guaranteed by such Guaranty Agency of at least the minimum reimbursement allowed by the Higher Education Act with respect to a particular Eligible Loan.

“*Guarantee Agreements*” shall mean a guaranty or lender agreement between the Authority and any Guaranty Agency, and any amendments thereto.

“*Guaranty Agency*” shall mean any entity authorized to guarantee student loans under the Higher Education Act and with which the Authority maintains a Guarantee Agreement.

“*Higher Education Act*” shall mean the Higher Education Act of 1965, as amended or supplemented from time to time, or any successor federal act and all regulations, directives, bulletins and guidelines promulgated from time to time thereunder.

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

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

“*Index Maturity*” shall mean (i) for Three-Month LIBOR, three months, (ii) for Five-Month LIBOR, five months, and (iii) for Six-Month LIBOR, six months.

“*Initial Pool Balance*” shall mean the Pool Balance as of the end of the Acquisition Period.

“*Initial Student Loan Purchase Agreements*” shall mean the loan purchase agreements described in Exhibit F hereto.

“*Insurance*” or “*Insured*” or “*Insuring*” shall mean, with respect to an Eligible Loan, the insuring by the Secretary (as evidenced by a Certificate of Insurance or other document or certification issued under the provisions of the Higher Education Act) under the Higher Education Act of all or a portion of the principal of and accrued interest on such Eligible Loan.

“*Interest Accrual Period*” shall mean, initially, the period commencing on the Date of Issuance and ending on December 26, 2011 and thereafter, with respect to each Quarterly Distribution Date, the period beginning on and including the immediately preceding Quarterly

Distribution Date and ending on the day immediately preceding such current Quarterly Distribution Date.

“*Interest Benefit Payment*” shall mean an interest payment on Eligible Loans received pursuant to the Higher Education Act and an agreement with the federal government, or any similar payments.

“*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 or any agency or instrumentality thereof, including, but not limited to, direct or fully guaranteed (i) U.S. Treasury obligations, (ii) Farmers Home Administration certificates of beneficial ownership, (iii) General Services Administration participation certificates, (iv) U.S. Maritime Administration guaranteed Title XI financing, (v) Small Business Administration guaranteed participation certificates and guaranteed pool certificates, (vi) U.S. Department of Housing and Urban Development local authority bonds, and (vii) Washington Metropolitan Area Transit Authority guaranteed transit bonds; provided, however, such obligations must be limited to those instruments which have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change, not have an “r” suffix attached to any rating, and have interest tied to a single interest rate index plus a single fixed spread (if any), which interest moves proportionately with such index;

(b) debentures of the Federal Housing Administration;

(c) certain debt instruments of certain government-sponsored agencies, including: (i) Federal Home Loan Mortgage Corporation debt obligations, (ii) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives) consolidated system-wide bonds and notes, (iii) Federal Home Loan Banks consolidated debt obligations; (iv) the Federal National Mortgage Association debt obligations; (v) Financing Corp. (“FICO”) debt obligations; and (vi) Resolution Funding Corp (“REFCORP”) debt obligations or any agency or instrumentality of the United States of America which shall be established for the purposes of acquiring the obligations of any of the foregoing or otherwise providing financing therefor; provided, however, such obligations must be limited to those instruments which have a predetermined fixed dollar amount of principal due at maturity that cannot vary, not have an “r” suffix attached to any rating, and have interest tied to a single interest rate index plus a single fixed spread (if any), which interest moves proportionately with such index;

(d) federal funds, unsecured certificates of deposit, interest-bearing time or demand deposits, banker’s acceptances, and repurchase agreements or other similar banking arrangements with a maturity of 12 months or less with any domestic commercial banks (including those of the Trustee); provided, however, (i) that, at the time of deposit or purchase, such depository institution has commercial paper which is rated “A-1+” by S&P and “AA-/F1+” by Fitch, (ii) that ratings of holding companies

shall not be considered ratings of the banks; and (iii) such banking arrangements must be limited to those instruments which have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change, not have an “r” suffix attached to any rating, and have interest tied to a single interest rate index plus a single fixed spread (if any), which interest moves proportionately with such index;

(e) deposits that are fully insured by the Federal Deposit Insurance Corp. (“FDIC”) which (i) have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change, (ii) if rated, do not have an “r” suffix attached to the rating, and (iii) have interest which is tied to a single interest rate index plus a single fixed spread (if any), which interest moves proportionately with such index;

(f) debt obligations maturing in 365 days or less that are rated at least “AA-” by S&P and “AA-/F1+” by Fitch which (i) have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change, (ii) if rated, do not have an “r” suffix attached to the rating, and (iii) have interest which is tied to a single interest rate index plus a single fixed spread (if any), which interest moves proportionately with such index;

(g) commercial paper, including that of the Trustee and any of its Affiliates, which is rated in the single highest classification, “A-1+” by S&P and “F1+” by Fitch, and which matures not more than 365 days after the date of purchase; provided, however, such commercial paper shall (i) have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change, (ii) if rated, not have an “r” suffix attached to the rating, and (iii) have interest which is tied to a single interest rate index plus a single fixed spread (if any), which interest moves proportionately with such index;

(h) investments in certain short-term debt, including commercial paper, federal funds, repurchase agreements, unsecured certificates of deposit, time deposits, and banker’s acceptances, of issuers rated “A-1” by S&P and “AA-/F1+” by Fitch; provided, however, (i) only amounts in the Collection Fund may be invested under this clause (h), (ii) the total amount of such investments shall not represent more than 20% of the outstanding principal amount of the Notes, (iii) each such investment shall not mature beyond 30 days, (iv) such investments are not eligible for the Reserve Fund, (v) such investments shall have a predetermined fixed dollar amount of principal due at maturity that cannot vary, (vi) if such investments are rated, such investments shall not have an “r” suffix attached to the rating, and (vii) such investments shall have interest which is tied to a single interest rate index plus a single fixed spread (if any), which interest moves proportionately with such index;

(i) investments in a money market fund rated at least “AAAm” or “AAAm-G” by S&P and “AAAmmf” by Fitch, including funds for which the Trustee or an affiliate thereof acts as investment advisor or provides other similar services for a fee; and

(j) any other investment after the requirements of a Rating Notification have been satisfied.

“*Joint Sharing Agreement*” means any joint sharing agreement that may be entered into by the Authority in the future with the Trustee and other trustees to properly pay to or from the correct trust estate or indenture amounts which should be reallocated to reflect payments (or liabilities) on the student loans securing each such trust estate or indenture.

“*LIBOR*” shall mean Three-Month LIBOR, Five-Month LIBOR or Six-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.

“*Liquidated Financed Eligible Loan*” shall mean any Financed Eligible Loan liquidated by a Servicer (which shall not include any Financed Eligible Loan on which payments are received from a Guaranty Agency) or which such Servicer has, after using all reasonable efforts to realize upon such Financed Eligible Loan, determined to charge off.

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

“*Master Promissory Note*” shall mean a note (a) that evidences one or more loans made to finance post-secondary education and (b) that is in the form mandated by Section 432(m)(1) of the Higher Education Act, as added by Public Law No: 105-244 § 427, 112 Stat. 1702 (1998), as amended by Public Law No: 106-554 (enacted December 21, 2000) and as codified in 20 U.S.C. § 1082(m)(1).

“*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.

“*Minimum Purchase Amount*” shall mean, on any Quarterly Distribution Date, an amount that would be sufficient to (a) reduce the Outstanding Amount of the Notes on such Quarterly Distribution Date to zero; (b) pay to the respective Registered Owners the Noteholders’ Interest Distribution Amount payable on such Quarterly Distribution Date; and (c) pay any Monthly Rebate Fees and other amounts payable to the Department, amounts payable under any Joint Sharing Agreements or otherwise pursuant to Section 5.04(c)(i), Senior Administration Fees, Servicing Fees, Subordinate Administration Fees, Carryover Servicing Fees, and Trustee Fees due and owing.

“*Monthly Rebate Fee*” means the monthly rebate fee payable to the Department on the Financed Eligible Loans.



“*Monthly Servicing and Administration Payment Date*” shall mean the twenty-fifth (25<sup>th</sup>) day of each calendar month or, if such day is not a Business Day, the immediately succeeding Business Day, commencing on August 25, 2011.

“*Monthly Servicing and Administration Payment Date Certificate*” shall have the meaning set forth in Section 5.04(b) hereof and shall be in the form of Exhibit B-1 attached hereto.

“*Note Final Maturity Date*” shall mean the June 2036 Quarterly Distribution Date.

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

“*Note Rate*” shall mean, for any Interest Accrual Period, other than the first Interest Accrual Period, the applicable Three-Month LIBOR plus 0.85%, as calculated by the Trustee. For the first Interest Accrual Period, the Note Rate shall be calculated by reference to the following formula:

$x + [a/b * (y-x)]$  plus 0.85%, as calculated by the Trustee.

where:

x = Five-Month LIBOR;

y = Six-Month LIBOR;

a = 8 (the actual number of days from the maturity date of Five-Month LIBOR to the first Quarterly Distribution Date); and

b = 31 (the actual number of days from the maturity date of Five-Month LIBOR to the maturity date of Six-Month LIBOR).

“*Noteholder*” shall mean the Registered Owner of a Note.

“*Noteholders’ Interest Distribution Amount*” shall mean, with respect to any Quarterly Distribution Date, the sum of (a) the amount of interest accrued at the Note Rate for the related Interest Accrual Period on the Outstanding Amount of the Notes immediately prior to such Quarterly 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; and (b) the Note Interest Shortfall for such Quarterly Distribution Date.

“Notes” shall mean the \$576,800,000 Student Loan Asset-Backed Notes, Series 2011-1 (LIBOR Floating Rate Notes) issued by the Authority pursuant to this Indenture, substantially in the form of Exhibit A hereto.

“*Opinion of Counsel*” shall mean (a) with respect to the Authority, one or more written opinions of counsel who may, except as otherwise expressly provided in the Indenture, be employees of or counsel to the Authority 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; and (b) with respect to each Servicer, one or more written opinions of counsel who may be an employee of or counsel to such Servicer, which counsel shall be reasonably acceptable to the Trustee.

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

“*Origination Agreement*” shall mean any origination agreement entered into by the Authority for the origination of Eligible Loans financed in the Trust Estate, as amended from time to time.

“*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 and excluding Notes for which provision for payment has been made pursuant to Article X hereof.

“*Outstanding Amount*” shall mean, as of any date of determination, the aggregate principal amount of all Notes Outstanding at such date of determination.

“*Parity Ratio*” shall mean, on any Quarterly Distribution Date, (a) the Adjusted Pool Balance (including all accrued interest on the Financed Eligible Loans) divided by (b) the Outstanding Amount of the Notes, after giving effect to distributions to be made on that Quarterly Distribution Date. The Parity Ratio shall be calculated by the Administrator 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: (i) all payments received by the Authority through such date from or on behalf of obligors on such Financed Eligible Loans; (ii) all Purchase Amounts on Financed Eligible Loans received by the Authority through such date from a Seller or a Servicer or otherwise deposited by the Authority; (iii) all Liquidation Proceeds and Realized Losses on Financed Eligible Loans liquidated through such date; (iv) the aggregate amount of adjustments to balances of Financed Eligible Loans permitted to be effected by the Servicer under its related Servicing Agreement, if any, recorded through such date; and (v) the aggregate amount by which reimbursements by Guarantee

Agencies of the unpaid principal balance of defaulted Financed Eligible Loans through such date are reduced from 100% to 97%, or other applicable percentage as required by the risk sharing provisions of the Higher Education Act. The Pool Balance shall be calculated by the Authority as part of the Quarterly Distribution Date Certificate, upon which the Trustee may conclusively rely with no duty to further examine or determine such information.

*“Principal Distribution Amount”* shall mean, for (a) the December 2011 Quarterly Distribution Date, the amount, if any, by which the sum of (i) the Initial Pool Balance plus any moneys transferred from the Acquisition Fund to the Collection Fund at the end of the Acquisition Period and (ii) initial amounts on deposit in the Capitalized Interest Fund and the Reserve Fund as of the Date of Issuance exceeds the Adjusted Pool Balance for the December 2011 Quarterly Distribution Date; and (b) with respect to each Quarterly Distribution Date thereafter, the amount, if any, by which the Adjusted Pool Balance for the preceding Quarterly Distribution Date exceeds the Adjusted Pool Balance for the current Quarterly Distribution Date. Further, on the Note Final Maturity Date for the Notes, the Principal Distribution Amount on that date also shall include the amount needed to reduce the Outstanding Amount of Notes to zero.

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

*“Program”* shall mean the Authority’s program with respect to Eligible Loans pursuant to this Indenture, as the same may be modified from time to time.

*“Purchase Amount”* with respect to any Financed Eligible Loan shall mean the amount required to prepay in full such Financed Eligible Loan under the terms thereof including all accrued interest thereon and any unamortized premium, it being acknowledged that any accrued and unpaid Interest Benefit Payments or Special Allowance Payments will continue to be payable to the Trustee and constitute part of the Trust Estate.

*“Quarterly Distribution Date”* shall mean the twenty-fifth (25<sup>th</sup>) day of March, June, September and December, or if such day is not a Business Day, the immediately succeeding Business Day, commencing on December 27, 2011.

*“Quarterly Distribution Date Certificate”* shall have the meaning set forth in Section 4.15 hereof and shall be in the form of Exhibit B-2-A attached hereto.

*“Quarterly Distribution Date Information Form”* shall have the meaning set forth in Section 4.15 hereof and shall be in the form of Exhibit B-2-B attached hereto.

*“Rating”* shall mean one of the rating categories of each Rating Agency currently rating the Notes.

*“Rating Agency”* shall mean Fitch and S&P or any other rating agency requested by the Authority to maintain a rating on any of its Notes.

*“Rating Notification”* means that Fitch shall have been given an Event Notice and Fitch shall not have issued any written notice during the ten-day period following the giving of an Event Notice that the occurrence of the proposed action, failure to act, or other event specified in

the Event Notice will cause Fitch to downgrade any of the Ratings then applicable to the Notes or cause Fitch to suspend, withdraw or qualify the Ratings then applicable to the Notes; provided that such ten-day period shall be extended by up to twenty days if the Authority has received notice that such proposed action, failure to act, or other event is under review by Fitch and Fitch cannot complete its review during the ten-day period (and the Authority will give prompt written notice to the Trustee of any such notice of review received by it). Such inaction by Fitch cannot be viewed as an approval of the requested action of the Authority by Fitch.

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

“*Record Date*” shall mean, with respect to a Quarterly Distribution Date, the close of business on the day preceding such Quarterly Distribution Date.

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

“*Registered Owner*” shall mean the Person in whose name a Note is registered in the Note registration books of the Trustee.

“*Regulations*” shall mean the rules and regulations promulgated from time to time by the Secretary or any Guaranty Agency guaranteeing Financed Eligible Loans.

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

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

“*Secretary*” shall mean the Secretary of the Department or any successor to the pertinent functions thereof under the Higher Education Act.

“*Seller*” shall mean any seller selling loans to the Authority pursuant to a Student Loan Purchase Agreement.

“*Senior Administration Fee*” shall mean the monthly fee for administering the duties of the Authority and/or the Administrator under this Indenture, which fee, for each calendar month other than July 2011 and August 2011, shall initially be equal to (i) one-twelfth of 0.05% multiplied by (ii) the Pool Balance as of the close of business on the last Business Day of the preceding calendar month and may only be increased subject to the requirements of Article VIII hereof. The Senior Administration Fee for July 2011 and August 2011 shall be paid in August 2011 and shall be calculated by multiplying (a) 0.05% by (b) the Pool Balance as of close of business on the last day of the Acquisition Period, by (c) the actual number of days from the

Date of Issuance to August 31, 2011, divided by 360. The Senior Administration Fee shall also include annual reimbursement of any expenses incurred by the Authority and/or the Administrator under the Indenture, which amount shall be payable solely on the Monthly Servicing and Administration Payment Date in July of each year beginning in 2012; provided, that the maximum amount of such expense reimbursement payable to the Administrator on any such Monthly Servicing and Administration Payment Date shall be limited to the Expense Cap for the preceding year, less the portion thereof paid to the Trustee pursuant to clause (ii) of the definition of Trustee Fee during such year.

“*Servicer*” shall mean the Authority and Pennsylvania Higher Education Assistance Agency or an affiliate thereof and any other additional Servicer or successor Servicer with which the Authority has entered into a Servicing Agreement with respect to the Financed Eligible Loans and for which the Authority has satisfied the requirements of a Rating Notification.

“*Servicer’s Report*” shall mean the servicer reports to be furnished to the Authority by a Servicer pursuant to the related Servicing Agreement.

“*Servicing Agreement*” shall mean the servicing agreements with any third party Servicer relating to the Financed Eligible Loans, as such servicing agreements may be amended from time to time.

“*Servicing Fee*” shall mean the monthly fee and expenses for servicing the Financed Eligible Loans, which fee and expenses for each calendar month other than July 2011 and August 2011 shall initially be equal to (i) one-twelfth of 0.70% multiplied by (ii) the Pool Balance as of the close of business on the last Business Day of the preceding calendar month and may only be increased subject to the requirements of Article VIII hereof. The Servicing Fee for July 2011 and August 2011 shall be paid in August 2011 and shall be calculated by multiplying (a) 0.70%, by (b) the Pool Balance as of close of business on the last day of the Acquisition Period, by (c) the actual number of days from the Date of Issuance to August 31, 2011, divided by 360.

“*Special Allowance Payments*” shall mean the special allowance payments authorized to be made by the Secretary by Section 438 of the Higher Education Act, or similar allowances, if any, authorized from time to time by federal law or regulation.

“*Specified Reserve Fund Balance*” shall mean, with respect to the Date of Issuance, \$1,479,570, and thereafter with respect to any Quarterly Distribution Date, the greater of (a) 0.25% of the Pool Balance as of the close of business on the last day of the related Collection Period; and (b) 0.15% of the Initial Pool Balance, provided that in no event will such balance exceed the sum of the Outstanding Amount of the Notes. The Specified Reserve Fund Balance shall be calculated by the Authority and certified to the Trustee, upon which certification the Trustee may conclusively rely with no duty to further examine or determine such information.

“*Student Loan Purchase Agreements*” shall mean the Initial Student Loan Purchase Agreements and any other loan purchase agreements entered into by the Authority in connection with the purchase by the Authority of Financed Eligible Loans, including any such Financed Eligible Loans that were purchased by the Authority prior to being Financed hereunder.

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

“*Subordinate Administration Fee*” shall mean an additional fee for administering the duties of the Authority and/or the Administrator under this Indenture, which fee shall be payable on each Quarterly Distribution Date and shall initially be equal to the sum of the amounts computed for each calendar month during the related Collection Period by multiplying (i) one-twelfth of 0.10% by (ii) the Pool Balance as of the close of business on the last Business Day of the preceding calendar month and may only be increased subject to the requirements of Article VIII hereof. Notwithstanding the foregoing, the Subordinate Administration Fee for the July 2011 and August 2011 months shall be calculated by multiplying (a) 0.10% by (b) the Pool Balance as of close of business on the last day of the Acquisition Period by (c) the actual number of days from the Date of Issuance to August 31, 2011, divided by 360.

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

“*Three-Month LIBOR*” or “*Five-Month LIBOR*” or “*Six-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 obtained by the Trustee from such source. 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, Three-Month LIBOR, Five-Month LIBOR or Six-Month LIBOR, as the case may be, in effect for the applicable Interest Accrual Period will be Three-Month LIBOR, Five-Month LIBOR or Six-Month LIBOR, as the case may be, in effect for the previous Interest Accrual Period.

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

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

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

“*Trustee Fee*” shall mean an amount equal to (i) the annual fees of the Trustee as set forth in the Trustee Fee Letter, dated March 29, 2011, or such other trustee fee letter as the Authority may designate prior to a successor Trustee being appointed hereunder, which amount shall not exceed 0.02% of the Outstanding Amount of the Notes and (ii) the reasonable expenses and extraordinary expenses of the Trustee or successor Trustee prior to an Event of Default hereunder; provided, that the maximum amount of such expense reimbursement payable to the Trustee or any successor Trustee during any year (beginning July 1 of each year) shall be limited to the Expense Cap.

“*Underwriter*” shall mean Morgan Stanley & Co. LLC.

“*2008 Indenture*” shall mean that certain Indenture of Trust, dated as of October 1, 2008, by and between the Authority and the 2008 Indenture Trustee, as supplemented and amended by that certain 2008A Supplemental Indenture of Trust, dated as of October 1, 2008, by and between the Authority and the 2008 Indenture Trustee.

“*2008 Indenture Trustee*” shall mean U.S. Bank National Association, acting in its capacity as successor trustee under the 2008 Indenture.

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 by the Authority 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 form set forth in Exhibit A 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 Exhibit A 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 Authority by the manual or facsimile signature of an Authorized Representative of the Authority. Any Note may be signed (manually or by facsimile) or attested on behalf of the Authority 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 Authority Order authenticate and deliver the Notes for original issue in an aggregate principal amount of \$576,800,000. The aggregate principal amount of Outstanding Notes at any time may not exceed such amount except as provided in Section 2.04 hereof.

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

The Notes will be initially issued in book-entry form and will be represented by a book-entry note certificate deposited on the Date of Issuance with the Trustee, as custodian for the initial Clearing Agency and registered in the name of “Cede & Co.” as initial nominee for the initial Clearing Agency.

**Section 2.03. Registration, Transfer and Exchange of Notes; Persons Treated as Registered Owners.** The Authority 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 Authority for the Notes. Notwithstanding such appointment and with the prior written consent of the Authority, the Trustee is hereby authorized to make any arrangements with other institutions which it deems necessary or desirable in order that such institutions may perform the duties of transfer agent for the Notes. Upon surrender for transfer of any Note at the Principal Office of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly authorized in writing, the Authority 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 aggregate principal amount.

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



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

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

**Section 2.04. Lost, Stolen, Destroyed and Mutilated Notes.** Upon receipt by the Trustee of evidence satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note and, in the case of a lost, stolen or destroyed Note, of indemnity satisfactory to it, and upon surrender and cancellation of the Note, if mutilated, (a) the Authority shall execute, and the Trustee shall authenticate and deliver, a replacement Note of the same Authorized 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 Authority may pay such Note. Any such new Note shall bear a number not contemporaneously outstanding. The applicant for any such new Note may be required to pay all taxes and governmental charges and all expenses and charges of the Authority and of the Trustee in connection with the issuance of such Note. All Notes shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, lost or stolen Notes, negotiable instruments or other securities.

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

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

**Section 2.07. Temporary Notes.** Pending the preparation of definitive Notes, the Authority 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 Authority. Every temporary Note shall be executed by the Authority 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 Authority 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 Authority 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. Definitive Notes.** The Notes shall initially be issued in book-entry form as provided in Section 2.02 hereof, and no beneficial owner will receive certificates representing their respective interests in the Notes, except in the event the Trustee issues definitive Notes as provided in this Section. It is anticipated that during the term of the Notes, the Clearing Agency will make book-entry transfers among its Clearing Agency Participants and receive and transmit payment of principal of and interest on the Notes to the Clearing Agency Participants until and unless the Trustee authenticates and delivers definitive Notes to the beneficial owners as described in the following paragraph.

If (a) the Authority determines (i) that the Clearing Agency is unable to properly discharge its responsibilities; or (ii) that the Clearing Agency is no longer qualified to act as a securities depository and registered clearing agency under the Exchange Act; or (iii) that the continuation of a book-entry system to the exclusion of any Notes being issued to any Noteholder other than Cede & Co. is no longer in the best interests of the beneficial owners of the Notes; or (b) the Trustee receives written notice from Clearing Agency Participants having interests in not less than 50% in aggregate principal amount of the Outstanding Notes, as shown on the records of the Clearing Agency (and certified to such effect by the Clearing Agency), that the continuation of a book-entry system to the exclusion of any Notes being issued to any Noteholder other than Cede & Co. is no longer in the best interests of the beneficial owners of the Notes, then the Trustee shall notify the Noteholders of such determination or such notice and of the availability of certificates to beneficial owners requesting the same, and the Trustee shall register in the name of and authenticate and deliver definitive Notes to the beneficial owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous distributions of principal; provided, that in the case of a determination under (a)(i) or (a)(ii) above, the Authority, with the consent of the Trustee, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers. In such event, all references to the Clearing Agency herein shall relate to the period of time when the Clearing Agency has possession of at least one Note. Upon the issuance of definitive Notes, all references herein to obligations imposed upon or to be performed by the Clearing Agency shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such definitive Notes. If the Clearing Agency resigns and the Authority and the Trustee are unable to

locate a qualified successor of the Clearing Agency in accordance with the following paragraph, then the Trustee shall authenticate and cause delivery of definitive Notes to the beneficial owners of the Notes, as provided herein.

The Trustee may rely on information from the Clearing Agency and its Clearing Agency Participants as to the names of the beneficial owners of the Notes. The cost of printing, registration, authentication, and delivery of definitive Notes shall be paid for by the Authority. In the event the Clearing Agency resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Exchange Act, the Authority may appoint a successor Clearing Agency with the consent of the Trustee. Any such successor Clearing Agency shall be a securities depository which is a registered clearing agency under the Exchange Act, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee upon its receipt of a Note or Notes for cancellation shall cause the delivery of Notes to the successor Clearing Agency in appropriate Authorized Denominations and form as provided herein.

#### **Section 2.10. Payment of Principal and Interest.**

(a) The Notes shall accrue interest as provided in the form of the Notes set forth in Exhibit A hereto. Such interest shall be payable with respect to the Notes on each Quarterly 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 Authority on the applicable Quarterly Distribution Date shall be paid to the Person in whose name such 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 Section 2.09 hereof, with respect to Notes registered on the Record Date in the name of the nominee of the Clearing Agency (initially, such nominee to be Cede & Co.), payment shall be made by wire transfer in immediately available funds to the account designated by such nominee and except for the final installment of principal payable with respect to such Note on a Quarterly Distribution Date or on the Note Final Maturity Date for such Note which shall be payable as provided below. The amount of interest distributable to Noteholders of the Notes 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 figure to the fifth decimal point.

(b) The principal of each Note shall be payable in installments on each Quarterly Distribution Date as provided in Section 5.04(c) hereof. Notwithstanding the foregoing, the entire unpaid principal amount of the Notes shall be due and payable, if not previously paid, on the Note Final Maturity Date and on the date on which an Event of Default shall have occurred and be continuing if the Trustee or the Registered Owners of the Notes representing not less than a majority of the Outstanding Amount of the Notes have declared the Notes to be immediately due and payable in the manner provided in Section 6.02 hereof. The Trustee shall notify the Person in whose name a Note is registered on or prior to the close of business on the Record Date preceding the

applicable Quarterly Distribution Date on which the Authority 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 Quarterly Distribution Date and shall specify that such final installment will be payable only upon presentation and surrender of such Note and shall specify the place where such Note may be presented and surrendered for payment of such installment.

**Section 2.11. Notices to Clearing Agency.**

(a) Notwithstanding any other provision of this Indenture to the contrary, so long as any Note is registered in the name of Cede & Co., as nominee of the Clearing Agency, all payments with respect to principal of and interest on such Note and all notices to and requests for consent from the Registered Owner with respect to such Note shall be made and given, respectively, pursuant to the Clearing Agency's rules and procedures.

(b) Payments made by the Clearing Agency Participants to beneficial owners, notices given by the Clearing Agency Participants to beneficial owners and consents obtained by the Clearing Agency Participants from beneficial owners will be governed by standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Clearing Agency Participant and not of the Clearing Agency, the Trustee or the Authority, subject to any statutory and regulatory requirements as may be in effect from time to time.

**Section 2.12. Use of Proceeds of Notes.**

(a) The net proceeds of the sale of the Notes in the amount of \$569,409,461.60 (representing the par amount of the Notes less net original issue discount of \$4,794,938.40 and less the Underwriter's discount of \$2,595,600.00) shall be paid to the Trustee and applied by the Trustee as follows on the Date of Issuance:

(i) \$262,724,167.80 shall be deposited to the credit of the Acquisition Fund and then such amount shall be transferred by the Trustee on the Date of Issuance from the Acquisition Fund to the 2008 Indenture Trustee under the 2008 Indenture and applied by the 2008 Indenture Trustee, together with other moneys available therefor, to redeem all of the bonds outstanding thereunder as more specifically set forth in a certificate of the Authority delivered to the Trustee and the 2008 Indenture Trustee upon the issuance of the Notes;

(ii) \$298,369,320.80 shall be deposited to the credit of the Acquisition Fund to be used to finance Eligible Loans in accordance with the provisions of Section 5.02 hereof;

(iii) \$5,918,280.00 shall be deposited to the credit of the Capitalized Interest Fund;

(iv) \$1,479,570.00 shall be deposited to the credit of the Reserve Fund;  
and

(v) \$918,123.00 shall be deposited to the credit of the Acquisition Fund to be used to pay costs of issuance with respect to the Notes, or to reimburse the Authority therefor, as may be set forth in an Authority Order.

(b) On the Date of Issuance, the Authority shall deposit Eligible Loans including accrued borrower interest thereon in an aggregate amount (principal and interest) of \$16,847,488.31 to the credit of the Acquisition Fund.

(c) On the Date of Issuance, the 2008 Indenture Trustee shall release Eligible Loans including accrued borrower interest thereon in an aggregate amount (principal and interest) of \$276,611,228.89 from the lien of the 2008 Indenture simultaneously with the transfer of the proceeds of the Notes from the Acquisition Fund to the 2008 Indenture Trustee set forth in Section 2.12(a)(i) hereof. The Trustee shall accept, on behalf of the Authority, and shall deposit such Eligible Loans released by the 2008 Indenture Trustee to the credit of the Acquisition Fund.

### ARTICLE III

#### PARITY AND PRIORITY OF LIEN AND 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 Authority shall be for the equal benefit, protection and security of the Registered Owners 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 otherwise expressly provided in this Indenture.

**Section 3.02. Other Obligations.**

(a) 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 Authority 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 Authority 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 Authority 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 plus any unamortized premium, if any, 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 Authority 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 Authority 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 the same will endanger the security for the Notes; and provided further that any subordinate lien hereon (i.e., subordinate to the lien securing the 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.

(b) The Authority shall not commingle the Funds, Accounts and Subaccounts established by this Indenture with funds, proceeds, or investment of funds relating to other issues or series of bonds or notes or obligations heretofore or hereafter issued, except to the extent such commingling is required by the Trustee for ease in administration of its duties and responsibilities; provided, however, that should the Trustee require such permitted commingling, it shall keep complete records in order that the funds, proceeds, or investments under this Indenture may at all times be identified by source and application, and if necessary, separated.

## ARTICLE IV

### PROVISIONS APPLICABLE TO THE NOTES; DUTIES OF THE AUTHORITY

**Section 4.01. Payment of Principal and Interest.** The Authority 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 and any premium required for the retirement of said Notes by purchase or redemption according to the true intent and meaning thereof. The Notes shall be and are hereby declared to be payable from and equally secured 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 Registered Owners have any right to possession or control of any Financed Eligible Loans, which promissory notes evidencing such Financed Eligible Loans shall be held only by the Authority or its agent or bailee.

The Authority shall at all times maintain an office or agency where Notes may be presented for registration, transfer or exchange, and where notices, presentations and demands upon the Authority in respect of the Notes or this Indenture may be served. The Authority hereby appoints the Trustee as its agent to maintain such office or agency for the registration, transfer or exchange of Notes, and for the service of such notices, presentations, and demands upon the Authority.

**Section 4.02. Covenant to Perform Obligations Under This Indenture.** The Authority covenants that it will faithfully perform at all times and at all places all covenants, undertakings, stipulations, provisions and agreements contained in this Indenture, in any and every Note executed, authenticated and delivered hereunder and in all proceedings of the Authority pertaining thereto. The Authority covenants that it is duly authorized to issue the Notes authorized hereby and to enter into this Indenture and that all action on its part for the issuance of the Notes issued hereunder and the execution and delivery of this Indenture has been duly and effectively taken; and that such Notes in the hands of the owners thereof are and will be valid and enforceable obligations of the Authority according to the tenor and import thereof.

In consideration of the purchase and acceptance of the Notes by those who shall hold the same from time to time, the provisions of this Indenture shall be a part of the contract of the Authority with the owners of the Notes and shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Registered Owners from time to time.

**Section 4.03. Covenants as to Additional Conveyances.** At any and all times, the Authority will duly execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered such indentures supplemental hereto and such further acts, conveyances, instruments, transfers and assurances in law as shall be required for the better conveying, transferring and pledging and confirming unto the Trustee, all and singular, the Trust Estate pledged hereby to the payment of the principal of and interest on the Notes and any other amounts owed hereunder.

**Section 4.04. Further Covenants of the Authority.**

(a) The Authority shall cause, subject to Section 4.17 hereof, this Indenture and all supplements hereto and thereto, together with all other security instruments and financing statements, to be recorded and filed, as the case may be, if required by law for perfection of the security interests created herein, in such manner and in such places as may be required by law in order to perfect the lien of, and the security interests created by, this Indenture. The Authority hereby irrevocably authorizes the Trustee to file any and all financing statements and amendments thereto as may be required or advisable in such form as is necessary in order to perfect or to continue the perfection of the security interest in the Trust Estate, in each case, on behalf of the Authority, which continuation statements the Trustee agrees to file as provided herein. The Authority shall promptly notify the Trustee of any change in its name or in the address of its principal place of business.

(b) The Authority 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 Authority is a party pursuant to the transactions contemplated herein, including but not limited to the Basic Documents to which it is a party, the Guarantee Agreements and the Certificate of Insurance, and will punctually perform all duties required by the laws of the State of Missouri.

(c) The Authority shall be operated on the basis of its Fiscal Year.

(d) The Authority, 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 Registered Owners of 66-2/3% in collective aggregate principal amount of the Notes at the time Outstanding, and unless such Registered Owners shall have offered the Trustee security and indemnity satisfactory to it against any costs, expenses and liabilities which might be incurred thereby.

(e) The Authority shall cause to be kept and maintained proper books of account relating to the Program in which full, true and correct entries will be made, in accordance with generally accepted accounting principles, of all dealings or transactions of or in relation to the business and affairs of the Authority which relate to the Notes, and within 180 days after the end of each Fiscal Year shall receive an audit of the Authority by an Independent certified public accountant. A copy of each audit report showing in reasonable detail the financial condition of the Authority as at the close of each Fiscal Year shall be filed with the Trustee within 30 days after it is received by the Authority and shall be available for inspection by any Registered Owner.

(f) The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim to take the benefit or advantage of any stay or extension of law now or at any time hereafter in force which may affect the covenants and agreements contained in this Indenture or in the Notes, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority.

(g) Notwithstanding anything to the contrary contained herein, except upon the occurrence and during the continuance of an Event of Default hereunder, the Authority 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 Registered Owner shall in any manner be or be deemed to be an indispensable party to the exercise of any such privilege, claim or suit. The Trustee shall be under no obligation whatsoever to exercise any such privilege, claim or suit.

**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 Authority 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 Higher Education Act.**



(a) Administration of the Program. The Authority shall administer, operate and maintain the Program in such manner as to ensure that the Program and the Financed Eligible Loans will benefit from the benefits available under the Higher Education Act and the federal program of reimbursement for student loans pursuant to the Higher Education Act, or from any other federal statute providing for such federal program.

(b) Enforcement and Amendment of Guaranty Agreements. So long as any Notes are Outstanding, the Authority (a) will, from and after the date on which it shall have entered into, or caused the Trustee to enter into on its behalf, any Guaranty Agreement, maintain such Guaranty Agreement and diligently enforce its rights thereunder; (b) will enter into such other similar or supplemental agreements as shall be required to maintain benefits for all Financed Eligible Loans covered thereby; and (c) will not voluntarily consent to or permit any rescission of or consent to any amendment to or otherwise take any action under or in connection with any Guaranty Agreement or any similar or supplemental agreement or engage any other guarantor of the Financed Eligible Loans which in any manner will materially adversely affect the rights of the Registered Owners hereunder.

(c) Enforcement and Amendment of Certificates of Insurance. So long as any Notes are Outstanding, the Authority (a) will maintain all Certificates of Insurance and diligently enforce its rights thereunder, (b) will enter into such other similar or supplemental agreements as shall be required to maintain benefits for all Financed Eligible Loans covered thereby, and (c) will not voluntarily consent to or permit any rescission of or consent to any amendment to or otherwise take any action under or in connection with any such Certificates of Insurance or any similar or supplemental agreement which in any manner will materially adversely affect the rights of the Registered Owners hereunder.

(d) Financing, Collection and Assignment of Eligible Loans. All loans held under this Indenture shall be only Eligible Loans, and the Authority shall diligently cause to be collected all principal and interest payments (subject to Section 4.06(e) hereof) on all the Financed Eligible Loans and other sums to which the Authority is entitled pursuant to any Student Loan Purchase Agreement or Origination Agreement, all grants, subsidies, donations, insurance payments, Special Allowance Payments, Interest Benefit Payments, and all defaulted payments Guaranteed by a Guaranty Agency or Insured by the Secretary which relate to such Financed Eligible Loans. The Authority shall also make, or cause to be made by the applicable Servicer, every effort to perfect the Authority's or such Servicer's claims for payment from the Secretary or such Guaranty Agency, of all payments related to such Financed Eligible Loans, no later than required by the Higher Education Act and the applicable Guaranty Agreement. The Authority will assign such Financed Eligible Loans for payment of Guarantee or Insurance benefits within the required period under applicable law and regulations. The Authority will comply with all United States and state statutes, rules, and regulations which apply to the Program and to such Financed Eligible Loans.

(e) Enforcement of Financed Eligible Loans. The Authority shall, subject to the last sentence of this subsection, cause to be diligently enforced, and take all steps,

actions and proceedings reasonably necessary 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 the Authority thereunder. The Authority shall not, except as permitted by the last sentence of this subsection, permit the release of the obligations of any borrower under any Financed Eligible Loan and shall, subject to the last sentence of this subsection, at all times, to the extent permitted by law, cause to be defended, enforced, preserved and protected the rights and privileges of the Authority and the Trustee hereunder or with respect to each Financed Eligible Loan and agreement in connection therewith. The Authority shall not, subject to the last sentence of this subsection, 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 Registered Owners hereunder. Nothing in this Indenture shall be construed to prevent the Authority from (i) granting a reasonable forbearance to a borrower pursuant to the terms of the Higher Education Act; (ii) settling a default or curing a delinquency on any Financed Eligible Loan on such terms as shall be permitted by law; (iii) charging interest at a lower rate than is required by the Higher Education Act to the extent provided in Exhibit D hereto; (iv) establishing discounts or granting forgiveness of principal or interest on Financed Eligible Loans (including paying for such discounts or forgiveness with cash released from the Trust Estate) to the extent as provided in Exhibit D hereto; or (v) allowing a borrower to repay a Financed Eligible Loan pursuant to an income-based repayment plan pursuant to the Higher Education Act.

(f) *Administration and Collection of Financed Eligible Loans.*

(i) The Authority shall, or shall cause a Servicer or Servicers selected by the Authority to, administer and collect all Financed Eligible Loans which are part of the Trust Estate in a competent, diligent, and orderly fashion and in accordance with all applicable requirements of the Higher Education Act, the Secretary, the Regulations of the Secretary and each Guaranty Agency, and this Indenture.

(ii) In all events, promissory notes evidencing Financed Eligible Loans shall be held by the Authority or its agent, and all sums received by the Authority with respect to the Financed Eligible Loans shall be held on behalf of the Trustee including, but not limited to, all payments of principal and interest, Special Allowance Payments, Interest Benefit Payments, insurance or guarantee payments and proceeds of the sale thereof. All such amounts upon identification thereof shall be held in a segregated account and shall not be commingled with any of the Authority's funds.

**Section 4.07. Servicing and Enforcement of Servicing Agreements.**

(a) The Authority shall at all times appoint, retain and employ competent personnel for the purpose of carrying out its respective programs under the Authorizing Act and the Program and shall establish and enforce reasonable rules, regulations, tests and standards governing the employment of such personnel.

(b) The Authority shall cause to be diligently enforced and taken all reasonable steps, actions and proceedings necessary for the enforcement of all material terms, covenants and conditions of all Servicing Agreements, including, without limitation, the prompt payment of all principal and interest payments and all other amounts due the Authority thereunder, including, all grants, subsidies, donations, insurance payments, Special Allowance Payments, Interest Benefit Payments and all Guarantee payments by a Guaranty Agency which relate to any Financed Eligible Loans. Collections received on the Financed Eligible Loans once identified by the Authority or applicable Servicer as such shall be transferred to the Trustee for deposit into the Collection Fund on average within three business days of receipt as cleared funds. Except as authorized below, the Authority:

(i) shall not permit the release of any material obligations of any Servicer under the related Servicing Agreement, except in conjunction with amendments or modifications permitted by Section 4.07(c)(ii) hereof;

(ii) shall at all times, to the extent permitted by law, cause to be defended, enforced, preserved and protected the material rights of the Authority and, to the extent applicable, of the Trustee under or with respect to each Servicing Agreement;

(iii) shall not consent or agree to or permit any amendment or modification of any Servicing Agreement which will materially adversely affect the rights or security of the Trustee or the Registered Owners; and

(iv) shall at its own expense, duly and punctually perform and observe each of its obligations to each Servicer under the related Servicing Agreement in accordance with the terms thereof.

(c) The foregoing notwithstanding, nothing in this Indenture shall be construed to prevent the Authority:

(i) from taking actions to replace any Servicer if the Authority reasonably believes it prudent to do so in light of all circumstances then known to the Authority to exist and such action will not materially adversely affect either the ability of the Authority to pay or perform, as the case may be, all of its material obligations under this Indenture or the security pledged hereunder for the Notes and the Registered Owners; or

(ii) from consenting or agreeing to, or permitting, any amendments, modifications to, or waivers with respect to, any Servicing Agreement if the Authority determines in good faith that it is reasonably prudent to do so in light of all circumstances then known by the Authority to exist and such action will not materially adversely affect the ability of the Authority to pay or perform, as the case may be, its material obligations under this Indenture or the security pledged hereunder for the Notes and the Registered Owners.

(d) If at any time any Servicer fails in any material respect to perform its obligations under its Servicing Agreement or under the Higher Education Act or (in the case of the Authority as Servicer), under this Indenture, including without limitation the failure of the Servicer to comply with the due diligence requirements of the Higher Education Act, or if any servicing audit shows any material deficiency in the servicing of Financed Eligible Loans by any Servicer, the Authority shall, or shall cause the Servicer to, cure the failure to perform or the material deficiency or remove such Servicer and appoint another Servicer. The Authority agrees that if it, as a Servicer, is in material violation of Section 4.07(d) hereof, it shall promptly provide written notice thereof to the Trustee, detailing the nature of the material violation.

(e) If any Financed Eligible Loan ceases to be Guaranteed or Insured, and as a result thereof, a Guarantee or Insurance claim with respect to such Financed Eligible Loan is rejected by the applicable Guaranty Agency or an Insurance claim is not paid by the Secretary and the same is not cured within 180 days after such rejection, or if any Financed Eligible Loan is determined to be encumbered by any lien other than the lien of this Indenture, then the Authority shall either: (i) purchase such Financed Eligible Loan from the Trust Estate for a purchase price equal to its principal amount plus unamortized premium, if any, and interest accrued thereon; or (ii) replace such Financed Eligible Loan with another Financed Eligible Loan of substantially identical characteristics.

(f) As of the date of execution and delivery of this Indenture, the Financed Eligible Loans are serviced by the Authority or the Pennsylvania Higher Education Assistance Agency. Pennsylvania Higher Education Assistance Agency has agreed to provide backup servicing pursuant to the terms of the Backup Servicing Agreement in the event that (a) the Authority determines that it will no longer service any Financed Eligible Loans and provides sixty (60) days' written notice to Pennsylvania Higher Education Assistance Agency (or any replacement Servicer as provided herein) and the Trustee of such determination or (b) the Authority, in its role as Servicer, is in material violation of Section 4.07(d) hereof as determined by the Trustee (which shall have no duty to make such determination), the Authority or the Registered Owners of a majority in aggregate principal amount of the Outstanding Notes, which violation has not been cured thereunder after written notice to the Authority, and the Trustee (at the written direction of the Authority or the Registered Owners of a majority in aggregate principal amount of the Outstanding Notes) provides sixty (60) days' written notice to the Authority and Pennsylvania Higher Education Assistance Agency (or any replacement Servicer) of the determination that all of the Financed Eligible Loans then serviced by the Authority shall be serviced under the Backup Servicing Agreement. The Trustee, upon receipt from the Authority of any notice of a material violation of Section 4.07(d) hereof, shall give prompt written notice thereof to the Noteholders. The Authority covenants to maintain a Backup Servicing Agreement with a third-party servicer with respect to all of the Financed Eligible Loans serviced by the Authority and to pay all fees and expenses of such third-party servicer associated therewith.

**Section 4.08. Appointment of Agents, Direction to Trustee, Etc.** The Authority shall employ and appoint all employees, agents, consultants and attorneys which it may consider necessary. The Authority hereby directs the Trustee to enter into this Indenture.

**Section 4.09. Capacity to Sue.** The Authority 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 Authority.** The Authority 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 body politic and corporate constituting a public instrumentality of the State of Missouri, except as otherwise permitted by this Section. The Authority 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 Authority, 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 Authority under this Indenture.

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. Student Loan Purchase Agreements.** The Authority shall take actions reasonably necessary to enforce all material provisions of any of its Student Loan Purchase Agreements requiring a Seller to repurchase student loans Financed under this Indenture, including, without limitation, those student loans which have lost or never had their Guarantee or Insurance due to actions or omissions of such Seller. The Authority shall cause all Student Loan Purchase Agreements to include adequate provisions for the transfer of title to the Financed Eligible Loans, free and clear of any liens, upon payment of the purchase price therefor.

**Section 4.12. Representations; Negative Covenants.**

(a) The Authority hereby makes the following representations and warranties to the Trustee on which the Trustee relies in authenticating the Notes and on which the Registered Owners 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 Authority is duly organized and validly existing under the laws of the State of Missouri and has the power to own its assets and to transact the business in which it presently engages.

(ii) *Due Qualification.* The Authority 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 Authority's business and operations or in which the actions as required by this Indenture require or will require such qualification.

(iii) *Authorization.* The Authority 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 Authority by all necessary action.

(iv) *Binding Obligation.* This Indenture, assuming due authorization, execution and delivery by the Trustee and the Notes in the hands of the Registered Owners thereof constitute legal, valid and binding obligations of the Authority enforceable against the Authority 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 Authority, or any material indenture, agreement, mortgage, deed of trust or other instrument to which the Authority 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 Authority of any court or of any federal or state regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Authority or any of its properties.

(vi) *No Proceedings.* There are no proceedings, injunctions, writs, restraining orders or investigations to which the Authority 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 Authority 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 Authority in connection with the execution and delivery of this Indenture have been taken or obtained on or prior to the Date of Issuance.

(viii) *Tax and Accounting Treatment.* The Authority is and intends to be treated as the owner of the Financed Eligible Loans for all purposes. The Authority further intends and agrees to treat the Notes as its indebtedness for federal, state and local income tax and financial accounting purposes.

(ix) *Taxes.* The Authority is generally exempt from taxation as a governmental entity. Notwithstanding the foregoing, the Authority 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 Authority, would result in the assertion by any taxing authority of any material tax deficiency, and the Authority 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.

(x) *Legal Name.* The legal name of the Authority is the "Higher Education Loan Authority of the State of Missouri."

(xi) *Governmental Purpose.* The Authority has financed all of the Financed Eligible Loans in accordance with the purposes for which it was organized under the laws of the State of Missouri and for a valid, governmental purpose has undertaken the transactions contemplated herein as principal rather than as an agent of any other Person. The Authority has a valid governmental purpose for granting the Trust Estate pursuant to this Indenture. The Authority has adopted and operated the Program consistently with all material requirements under the laws of the State of Missouri with respect to its operations.

(xii) *Compliance with Laws.* The Authority is in all material respects in compliance with all applicable laws and regulations with respect to the conduct of the Program and has obtained and maintains all permits, licenses and other approvals as are necessary for the conduct of its operations relating to the Trust Estate.

(xiii) *No Fraudulent Transfers.* The consideration received by the Authority for the grant of the Trust Estate was reasonably equivalent to the value of the related grant.

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

(xv) *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.

(xvi) *Origination of Financed Eligible Loans Legal.* To the extent the Authority originated a Financed Eligible Loan, the Authority has complied with

all material applicable federal, state and local laws and regulations in connection with the origination thereof.

(xvii) *Not an Investment Company.* The Authority is not an “investment company” within the meaning of the Investment Company Act or is exempt from all provisions of the Investment Company Act.

(b) The Authority shall 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, approval of the Registered Owners;

(iv) permit the validity or effectiveness of this Indenture, any Supplemental Indenture 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) except as expressly permitted herein, operate such that it would be consolidated with any affiliate and its separate existence disregarded in any federal or state proceeding;

(viii) 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 Authority 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 Authority; or the Authority 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 Authority or of 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.

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

(a) The Authority 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.

(b) The Authority shall act solely in its own name and through its duly authorized officers or agents 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.

(c) The Authority 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 Authority may be kept (subject to applicable law) inside or outside the State of Missouri.

(d) All actions of the Authority shall be taken by an Authorized Representative.

(e) The Authority shall not amend, alter, change or repeal any provision contained in this Section in a manner which has an adverse effect on the Program, the Trust Estate, the Notes or the obligations of the Authority under any of the Basic Documents.

**Section 4.14. Providing of Notice.** The Authority, upon learning of any failure on its part to observe or perform in any material respect any covenant, representation or warranty of the Authority set forth in this Indenture shall promptly notify in writing the Trustee, the appropriate Servicer, if applicable, and each Rating Agency of such failure.

**Section 4.15. Certain Reports.** Not later than four Business Days prior to the Determination Date preceding each Quarterly Distribution Date, the Authority will prepare a certificate in the form of Exhibit B-2-A hereto (the “Quarterly Distribution Date Certificate”) and forward such Quarterly Distribution Date Certificate to the Trustee, at which time the Trustee shall prepare, based on the information in the Quarterly Distribution Date Certificate, a certificate in the form of Exhibit B-2-B hereto (the “Quarterly Distribution Date Information Form”). The Trustee shall provide the Authority with the Quarterly Distribution Date Information Form once the Trustee has completed such certificate, which shall be on or before the later of (x) two Business Days after the Trustee receives the Quarterly Distribution Date Certificate from the Authority and (y) two Business Days prior to the Determination Date. Upon receiving the completed Quarterly Distribution Date Information Form from the Trustee, the Authority shall post and provide electronic access to the Quarterly Distribution Date Information Form on the Authority’s web site. The Trustee shall direct any Noteholder who requests a copy

of the Quarterly Distribution Date Information Form to the electronic form of Exhibit B-2-B posted on the Authority's web site. The Trustee may conclusively rely and accept the information described in the Quarterly Distribution Date Certificate from the Authority, with no further duty to know, determine or examine such reports.

**Section 4.16. Statement as to Compliance.** The Authority shall deliver to the Trustee, within 150 days after the end of each Fiscal Year (beginning with the Fiscal Year ending June 30, 2012), 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 Authority 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 Authority Regarding the Trustee's Security Interest.**

(a) The Authority's chief executive office and chief place of business, including the office where the Authority keeps its records concerning the Financed Eligible Loans and related Available Funds and the Funds (collectively referred to below as the "Records") is located at 633 Spirit Drive, Chesterfield, Missouri 63005-1243. The Authority shall give the Trustee not less than 30 days' prior written notice of any change in its name or in the location of its chief executive office, its chief place of business and/or the location at which it keeps the Records.

(b) The Authority shall, at its own expense, execute and deliver such instruments and documents as may be required or may reasonably be requested by the Trustee in order to maintain in favor of the Trustee a perfected, first-priority security interest in the Financed Eligible Loans and related Available Funds and the Funds. Without limiting the generality of the foregoing, the Authority shall execute, deliver and file all such financing and continuation statements and amendments thereto and such other instruments, endorsements and notices as may be necessary or as the Trustee may reasonably request in order to perfect and preserve the lien and pledge of this Indenture; provided, however, the Trustee shall file all continuation statements necessary to perfect and preserve the lien and pledge of this Indenture.

(c) The Authority hereby authorizes the Trustee from time to time to file financing statements, continuation statements and amendments thereto, relative to all or any part of the Financed Eligible Loans, the related Available Funds and the Funds, without the signature of the Authority (where permitted by law); provided, however, the Trustee shall file all continuation statements necessary to perfect and preserve the lien and pledge of this Indenture. Copies of any such statement or amendment shall be promptly delivered to the Authority.

(d) The Authority shall timely pay any and all filing, registration and recording fees (and any re-filing, re-registration and re-recording fees) and all expenses

incident to the execution, delivery and/or performance of this Indenture and any agreement or instrument of further assurance furnished hereunder.

(e) The Authority shall warrant and defend its title to the Financed Eligible Loans, the related Available Funds and the Funds against the claims and demands of all Persons other than the Trustee and the Registered Owners of the Notes.

(f) Except for the lien and pledge of this Indenture, and any other liens expressly authorized under this Indenture, the Authority shall not cause or permit all or any part of the Trust Estate, including but not limited to the Financed Eligible Loans and related Available Funds and the Funds, to become subject to any consensual or non-consensual lien or encumbrance.

(g) Except for the lien and pledge of this Indenture, (i) the Authority has no knowledge, and has not received any notice, that any party other than the Trustee, on behalf of the Registered Owners of the Notes, has or claims to have any security interest or other lien on all or any part of the Trust Estate; and (ii) no party, other than the Authority and the Trustee, on behalf of the Registered Owners of the Notes, has or claims to have any interest whatsoever in all or any part of the Trust Estate.

(h) The Authority hereby represents and warrants for the benefit of the Trustee and the Registered Owners as follows:

(i) This Indenture creates a valid and continuing security interest (as defined in the Uniform Commercial Code in effect in the State of Missouri 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 Authority.

(ii) The Higher Education Act deems the Financed Eligible Loans to constitute “accounts” within the meaning of the applicable Uniform Commercial Code for the purposes of perfecting a security interest in the Financed Eligible Loans.

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

(iv) For sale of loan participations, swaps and other “payment intangibles” (within the meaning of the applicable Uniform Commercial Code), the Authority has received all consents and approvals required by the terms of the Financed Eligible Loans for the pledge of the security interest in the Financed Eligible Loans hereunder to the Trustee.

(v) The Authority 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.

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

(vii) The Authority currently maintains control and shall continue to maintain control of all Eligible Loans financed by application of amounts in the Acquisition Fund that are E-loans as provided in Section 432.275 of the Uniform Electronic Transactions Act (“UETA”) as adopted in Missouri (Section 432.200 et seq. of the Revised Statutes of Missouri, as amended); such E-loans shall also be considered “transferable records” as defined in the UETA.

(viii) The Trustee shall file any continuation statements and the Authority covenants that it shall take any other actions which are necessary to maintain such first priority perfected security interest. For the purposes of this Indenture, any Financed Eligible Loans, including E-loans, in which the Trustee has a perfected security interest, either by possession by the Trustee or its agents or by filing, shall be accounted for in the Acquisition Fund.

(ix) The transactions described in this Indenture may be conducted and related documents may be stored by electronic means as provided in this Section. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. The Authority covenants that all E-loans that are or have been made pursuant to the Higher Education Act comply with the Department Standards for Electronic Signatures in Electronic Student Loan Transactions, dated as of April 30, 2001, as amended and revised.

**Section 4.18. Further Covenants of the Authority Regarding the Trustee’s Security Interest.** The Authority and the Trustee (with respect to paragraph (a) below) hereby covenant for the benefit of the Trustee and the Registered Owners as follows:

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

(b) The Authority shall take all steps necessary, and shall cause the Servicers and the Trustee 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 Business Days preceding a Quarterly Distribution Date, the Authority shall prepare and provide to the Trustee a report setting forth the information substantially in the form of Exhibit C hereto (the “Report to the Registered Owners”). The Authority shall post and provide electronic access to the Report to Registered Owners on the Authority’s web site. The Trustee shall direct any Noteholder who requests a copy of the Report to Registered Owners to the electronic form of Exhibit C posted on the Authority’s web site.

## 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 Registered Owners:

- (a) Acquisition Fund;
- (b) Capitalized Interest Fund;
- (c) Collection Fund;
- (d) Department Rebate Fund; and
- (e) Reserve Fund

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, moneys shall be deposited to the Acquisition Fund and used (i) to make the transfer to the 2008 Indenture Trustee as set forth in Section 2.12(a)(i) hereof, (ii) to finance Eligible Loans as set forth in Section 2.12(a)(ii) hereof and (iii) to pay costs of issuance of the Notes as set forth in Section 2.12(a)(v) hereof. In addition, there shall be credited to the Acquisition Fund the Eligible Loans (including accrued borrower interest thereon) set forth in Sections 2.12(b) and 2.12(c) hereof.

Moneys on deposit in the Acquisition Fund shall be used upon receipt by the Trustee of an Eligible Loan Acquisition Certificate in substantially the form of Exhibit E hereto to acquire Eligible Loans. No such amount shall be used for such purpose after the end of the Acquisition Period. Any Authority Order or Eligible Loan Acquisition Certificate, as applicable, described in this Section shall state that such proposed use of moneys in the Acquisition Fund is in compliance with the provisions of this Indenture.

Financed Eligible Loans evidenced by promissory notes shall be held by the Authority or its agent or bailee and shall be pledged to the Trust Estate as a part of the Acquisition Fund, and a list of such Eligible Loans shall be provided by the Authority to the Trustee on or before the

Date of Issuance (in the case of those Eligible Loans, if any, Financed on the Date of Issuance) and on each subsequent date of Financing (in the case of those Eligible Loans, if any, Financed after the Date of Issuance).

In addition, on each Monthly Servicing and Administration Payment Date or Quarterly Distribution Date, to the extent there are insufficient Available Funds in the Collection Fund to make one or more of the transfers required by Section 5.04(b) (other than transfers to repurchase Eligible Loans from a Servicer or any Guaranty Agency as described in clause (a)(i) of the definition of Available Funds) and Section 5.04(c)(i) through Section 5.04(c)(v) hereof and to the extent moneys are not available to make such transfers from the Capitalized Interest Fund pursuant to Section 5.03 hereof, the Trustee, upon receipt of an Authority Order directing the same, shall withdraw from the Acquisition Fund on such Monthly Servicing and Administration Payment Date or Quarterly Distribution Date, as the case may be, (but only from cash and Investment Securities and not from Financed Eligible Loans unless otherwise directed by the Authority in writing), an amount equal to such deficiency and deposit such amount in the Collection Fund. If any funds remain in the Acquisition Fund on the Determination Date for the December 2011 Quarterly Distribution Date, or on such earlier date as the Authority may select pursuant to an Authority Order, the Trustee shall, without direction from or notice to the Authority, transfer all such remaining moneys or funds to the Collection Fund on or prior to the December 2011 Quarterly Distribution Date (and such amounts shall be included in Available Funds to be applied on such Quarterly Distribution Date).

While the Authority will be the legal and beneficial owner of the Financed Eligible Loans, it is understood and agreed that the Trustee will have a security interest in the Financed Eligible Loans for and on behalf of the Registered Owners. In the case of a single Financed Eligible Loan evidenced by a separate promissory note, each such promissory note will be held by the Authority, on behalf of the Trustee, for the benefit of the Registered Owners. In the case of a Financed Eligible Loan evidenced by a Master Promissory Note, the Authority shall cause the holder of the original Master Promissory Note to indicate by book entry on its books and records that the Authority is the legal and beneficial owner of the Financed Eligible Loan.

Except (i) as provided in Sections 5.08, 10.03 and 10.04 hereof, (ii) for consolidation or serialization purposes, (iii) for transfers to a Guaranty Agency, (iv) for transfers to a Servicer pursuant to its repurchase obligation under the applicable Servicing Agreement or for transfers to a Servicer or third party, as applicable, pursuant to its repurchase obligation under the applicable Servicing Agreement and/or Origination Agreement, (v) for transfers to a Seller pursuant to its repurchase obligation under its Student Loan Purchase Agreement, (vi) for transfers to the Authority pursuant to its repurchase obligation pursuant to Section 3.02(a) hereof and Section 4.07(e) hereof, (vii) for sales of the Financed Eligible Loans required by law or (viii) as set forth in the following sentence, Financed Eligible Loans shall not be sold, transferred or otherwise disposed of by the Authority while any of the Notes are Outstanding. If necessary for administrative purposes, the Authority may sell Financed Eligible Loans free from the lien of this Indenture, so long as the sale price for any Financed Eligible Loan is not less than the Purchase Amount of such Financed Eligible Loan, the collective aggregate principal balance of all such sales does not exceed 5% of the Initial Pool Balance, the collective aggregate principal balance of all such sales in any calendar year does not exceed 1% of the Pool Balance (as of January 1 of that year) (or, with respect to the first calendar year, does not exceed 1% of the

Initial Pool Balance), and the Authority hereby certifies the same to the Trustee, upon which the Trustee may conclusively rely.

**Section 5.03. Capitalized Interest Fund.** On the Date of Issuance, moneys shall be deposited to the Capitalized Interest Fund as set forth in Section 2.12 hereof. On each Monthly Servicing and Administration Payment Date or Quarterly Distribution Date, to the extent there are insufficient Available Funds in the Collection Fund to make one or more of the transfers required by Section 5.04(b) (other than transfers to repurchase Eligible Loans from any Servicer or any Guaranty Agency as described in clause (a)(i) of the definition of Available Funds) and Section 5.04(c)(i) through Section 5.04(c)(v) hereof, the Trustee, upon receipt of an Authority Order directing the same, shall withdraw from the Capitalized Interest Fund on such Monthly Servicing and Administration Payment Date or Quarterly Distribution Date, as applicable, an amount equal to such deficiency and deposit such amount in the Collection Fund. On the June 2012 Quarterly Distribution Date, any amounts remaining in the Capitalized Interest Fund shall be transferred by the Trustee to the Collection Fund and shall constitute Available Funds on such June 2012 Quarterly Distribution Date.

**Section 5.04. Collection Fund.**

(a) *Deposits to Collection Fund.* There shall be deposited to the Collection Fund (i) 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 Acquisition Fund (as described in Section 5.02 hereof), the Reserve Fund (as described in Section 5.05 hereof) and the Department Rebate Fund (as described in Section 5.06 hereof), (ii) amounts deposited pursuant to Sections 10.03 and 10.04 hereof, (iii) amounts received under any Joint Sharing Agreement and (iv) any other amounts deposited thereto upon receipt of deposit instructions from the Authority. Moneys on deposit in the Collection Fund shall be used to make the payments described in this Section 5.04. The Trustee may conclusively rely on all written instructions of the Authority described in this Indenture with no further duty to examine or determine the information provided by the Authority for the Monthly Servicing and Administration Payment Date Certificate, the Quarterly Distribution Date Certificate, and any Authority Order.

(b) *Payments on Dates other than Quarterly Distribution Dates.*

(i) Servicing Fees. The Authority shall instruct the Trustee in writing no later than the Determination Date for the Monthly Servicing and Administration Payment Date (by delivering the information contained in a certificate of the Authority in substantially the form set forth as Exhibit B-1 hereto (the “Monthly Servicing and Administration Payment Date Certificate”)) to distribute to the Administrator on such Monthly Servicing and Administration Payment Date, from and to the extent of the Available Funds on deposit in the Collection Fund (including any amounts transferred from the Capitalized Interest Fund pursuant to Section 5.03 hereof, the Acquisition Fund pursuant to Section 5.02 hereof and the Reserve Fund pursuant to Section 5.05 hereof), the Servicing

Fees due with respect to the preceding calendar month, and the Trustee shall comply with such instructions.

(ii) Senior Administration Fees. The Authority shall instruct the Trustee in writing no later than the Determination Date for the Monthly Servicing and Administration Payment Date (by delivering the information contained in the Monthly Servicing and Administration Payment Date Certificate) to distribute to the Administrator on such Monthly Servicing and Administration Payment Date, from and to the extent of the Available Funds on deposit in the Collection Fund (including any amounts transferred from the Capitalized Interest Fund pursuant to Section 5.03 hereof, the Acquisition Fund pursuant to Section 5.02 hereof and the Reserve Fund pursuant to Section 5.05 hereof), the Senior Administration Fees due with respect to the preceding calendar month, and the Trustee shall comply with such instructions.

(iii) Transfers to Department Rebate Fund. In accordance with Section 5.06 hereof, the Authority shall instruct the Trustee in writing on a monthly basis not later than the 10th calendar day of each month to withdraw from the Collection Fund and deposit to the Department Rebate Fund the amount necessary to bring the balance of the Department Rebate Fund to the expected Department Rebate Interest Amount for such date, and the Trustee shall comply with such instructions.

(iv) Monthly Rebate Fees. Upon written direction from the Authority to the Trustee, moneys in the Collection Fund shall be used on any date to pay, when due, Monthly Rebate Fees.

(v) Other Fees, Expenses and Amounts. Upon written direction from the Authority to the Trustee, moneys in the Collection Fund shall be used on any date to pay, when due, any amounts required by the Higher Education Act to be paid to the Department or borrowers with respect to Financed Eligible Loans the payment of which is not otherwise provided for in this Section 5.04, including, without limitation, amounts described in clause (a)(ii) of the definition of Available Funds and amounts with respect to a claims recall or to be used to repurchase Eligible Loans as described in clause (a)(i) of the definition of Available Funds.

(c) *Payments on Quarterly Distribution Dates.* The Authority shall instruct the Trustee in writing no later than the Determination Date preceding each Quarterly Distribution Date (based on the information contained in a certificate of the Authority in the form set forth as Exhibit B-2-A 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, the Acquisition Fund pursuant to Section 5.02 hereof and the Reserve Fund pursuant to Section 5.05 hereof) to the Persons or to the account specified below on such Quarterly 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 (v) of this subsection (c), then, after any required transfers from the Capitalized Interest Fund pursuant to Section 5.03 hereof, the Acquisition Fund pursuant to Section 5.02 hereof and the Reserve Fund pursuant to Section 5.05 hereof, any other Available Funds on deposit in the Collection Fund, which the Authority 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 (v) of this subsection (c):

(i) to make any payments required under any applicable Joint Sharing Agreement or to otherwise pay to the appropriate Person, trust or other entity amounts deposited in the Collection Fund which represent amounts that are allocable to Eligible Loans which are not pledged as part of the Trust Estate hereunder;

(ii) to pay to the Trustee the Trustee Fee due on such Quarterly Distribution Date, together with such fees remaining unpaid from prior Quarterly Distribution Dates;

(iii) to pay to the Administrator the Servicing Fee (to the extent remaining unpaid following the Monthly Servicing and Administration Payment Date) on such Quarterly Distribution Date, together with Servicing Fees remaining unpaid from prior Monthly Servicing and Administration Payment Dates;

(iv) to pay to the Administrator the Senior Administration Fee (to the extent remaining unpaid following the Monthly Servicing and Administration Payment Date) on such Quarterly Distribution Date, together with Senior Administration Fees remaining unpaid from prior Monthly Servicing and Administration Payment Dates;

(v) to pay to the Noteholders the Noteholders' Interest Distribution Amount payable on such Quarterly Distribution Date;

(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 pay to the Noteholders the Principal Distribution Amount until the Notes have been paid in full;

(viii) to pay to the Administrator the Subordinate Administration Fee on such Quarterly Distribution Date, together with Subordinate Administration Fees remaining unpaid from prior Quarterly Distribution Dates;

(ix) to pay to the Administrator the aggregate unpaid amount of any Carryover Servicing Fees; and

(x) to pay as an additional payment of principal balance of the Notes then Outstanding, to the Noteholders until the principal amount of the Notes is paid in full.

The Authority shall, or shall direct the Trustee to, notify the Rating Agencies, by forwarding a copy of the Quarterly Distribution Date Information Form, 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 (v) of this subsection (c), after any required transfers from the Capitalized Interest Fund, the Acquisition 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.

The Administrator shall pay all Servicing Fees when due to the parties entitled thereto under any third party Servicing Agreement.

(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 Sections 10.03 or 10.04 hereof on any Quarterly Distribution Date, at a redemption price equal to the Outstanding Amount thereof, plus accrued interest, if any.

#### **Section 5.05. Reserve Fund.**

(a) On the Date of Issuance, moneys shall be deposited to the Reserve Fund as set forth in Section 2.12 hereof. 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 Servicing and Administration Payment Date or Quarterly Distribution Date, to the extent there are insufficient Available Funds in the Collection Fund to make one or more of the transfers required by Section 5.04(b) (other than transfers to repurchase Eligible Loans from any Servicer or any Guaranty Agency as described in clause (a)(i) of the definition of Available Funds) and Section 5.04(c)(i) through Section 5.04(c)(v) hereof and to the extent moneys are not available to make such transfers from the Capitalized Interest Fund pursuant to Section 5.03 hereof and the Acquisition Fund pursuant to Section 5.02 hereof, the Trustee shall, pursuant to an Authority Order directing the same, withdraw from the Reserve Fund on such Monthly Servicing and Administration Payment Date or Quarterly Distribution Date, an amount equal to such deficiency and deposit such amount in the Collection Fund. Additionally, if on the Note Final Maturity Date the principal amount of such Notes will not be reduced to zero after giving effect to the distribution of the Available Funds on such Note Final Maturity Date, the Authority shall instruct the Trustee, pursuant to an Authority Order, 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 Notes to zero and to deposit such amount in the Collection Fund for application to payment of the Outstanding Amount of such Notes.

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

(d) On the final Quarterly Distribution Date, following the payment in full of the Outstanding Amount of the Notes and all accrued and unpaid interest thereon and of all other amounts (other than unpaid Carryover Servicing Fees and unpaid Subordinate Administration Fees) owing or to be distributed hereunder to Noteholders, the Trustee, the Administrator, or the Authority, to the extent that Available Funds on such date are insufficient to make the following payments, amounts remaining in the Reserve Fund shall be first used to pay any unpaid Subordinate Administration Fees and any remaining balance shall be used to pay any unpaid Carryover Servicing Fees. Any amount remaining on deposit in the Reserve Fund after all amounts owing or to be distributed as set forth above shall have been made shall be distributed to the Authority. The Authority 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 Quarterly Distribution Date (after giving effect to all payments of principal made from the Collection Fund on such Quarterly Distribution Date) sufficient to pay the remaining principal amount of and interest accrued on the Notes, such amount will be so applied on such Quarterly Distribution Date, and the Authority shall instruct the Trustee in writing to make such payments.

**Section 5.06. Department Rebate Fund.** On or before the 10<sup>th</sup> calendar day of each month (or, if such date is not a Business Day, the next Business Day), the Authority shall instruct the Trustee to deposit into the Department Rebate Fund from the Collection Fund, pursuant to Section 5.04(b) hereof, the amount necessary to bring the balance of the Department Rebate Fund to the expected Department Rebate Interest Amount for such date. Upon written instructions from the Authority to the Trustee, the Trustee shall (a) pay to the Department an amount equal to the Department Rebate Interest Amount due on each Department Rebate Payment Date, *first*, from amounts on deposit in the Department Rebate Fund and, *second*, from the Collection Fund pursuant to Section 5.04(b) hereof, (b) if the Department has deducted the Department Rebate Interest Amount from Interest Benefit Payments or Special Allowance Payments due to the Authority, transfer amounts on deposit in the Department Rebate Fund to the Collection Fund in an amount sufficient to reimburse the Collection Fund for the amount so deducted or (c) if the Department has deducted the Department Rebate Interest Amount from Interest Benefit Payments or Special Allowance Payments due to the Authority (other than with respect to the Financed Eligible Loans) or another trust estate, transfer amounts on deposit in the Department Rebate Fund pursuant to any applicable Joint Sharing Agreement or otherwise transfer amounts on deposit in the Department Rebate Fund to the Authority to reimburse it for the amount so deducted.

**Section 5.07. Investment of Funds Held by Trustee.** The Trustee shall invest money held for the credit of any Fund or Account or Subaccount by the Trustee hereunder as directed in writing by an Authorized Representative of the Authority, to the fullest extent practicable and reasonable, in Investment Securities which shall mature or be redeemed at the option of the holder, without penalty, prior to the respective dates when the money held for the credit of such Fund or Account will be required for the purposes intended, but in no event later than the next Quarterly Distribution Date. 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 (i) 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 Authority; provided that, on the Determination Date preceding each Quarterly Distribution Date, 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 constitute a portion of the Available Funds for such Quarterly Distribution Date (and any interest and other investment income collected (net of losses and investment expenses) on funds on deposit in any Fund or Account or Subaccount after such Determination Date shall constitute a portion of the Available Funds for the next Quarterly Distribution Date). The Trustee and the Authority hereby agree that, unless an Event of Default shall have occurred hereunder, the Authority, acting by and through an Authorized Representative, shall provide written direction to the Trustee with respect to any discretionary acts required or permitted of the Trustee under any Investment Securities and the Trustee shall not take such discretionary acts without such written direction. Investment Securities may be purchased by or through the Trustee and its Affiliates.

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 Authority of the details of all such investments. Earnings with respect to the Capitalized Interest Fund, the Acquisition Fund, the Reserve Fund and the Department Rebate Fund, and any net gain on the disposition of, any such investments, shall be deposited into the Collection Fund as provided in Section 5.04(a) hereof. Upon direction in writing from an Authorized Representative of the Authority, the Trustee shall use its best efforts to sell at the best price obtainable, or present for redemption, any Investment Securities purchased by it as an investment whenever it shall be necessary to provide money to meet any payment from the applicable Fund. The Trustee shall advise the Authority in writing, on or before the fifteenth day of each calendar month (or such later date as reasonably consented to by the Authority), 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 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 Authority or its designee in a non-negligent manner.

The Authority acknowledges that, to the extent the regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Authority the right to receive brokerage confirmations of security transactions, the Authority waives receipt of such confirmations.

**Section 5.08. Release.**

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

(b) Subject to the payment of its fees and expenses pursuant to Sections 7.05 and 7.07 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 Outstanding Notes and all sums due the Trustee pursuant to Sections 7.05 and 7.07 hereof and all amounts payable to each Servicer and the Administrator 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 Authority or any other Person entitled thereto any funds then on deposit in the Funds and Accounts.

(d) Subject to the provisions of this Indenture, the Trustee shall release property from the lien of this Indenture only upon receipt of an Authority Order and an Opinion of Counsel (from counsel selected by the Authority) that such release is permitted hereunder.

(e) Each Registered Owner, 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 Registered Owner, 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;
- (b) default in the due and punctual payment of the principal of any Note when the same becomes due and payable on the 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 Authority 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 Authority; and
- (d) the occurrence of an Event of Bankruptcy.

Any notice herein provided to be given to the Authority 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 Authority in writing to 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 Registered Owners of at least a majority in aggregate principal amount of the Notes at the time Outstanding.

**Section 6.02. Remedy on Default; Possession of Trust Estate.** Subject to Section 6.08 hereof, upon the happening and continuance of any Event of Default, the Trustee, or the attorneys or agents of the Trustee, may (except with respect to an Event of Default under Section 6.01(c) hereof), and at the written direction of the Registered Owners representing not less than a majority in aggregate principal amount of the Outstanding Notes shall, 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; exclude the Authority and its agents, servants and employees wholly therefrom; have, hold, use, operate, manage, and control the same and each and every part thereof, in the name of the Authority 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 Authority 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, all other proper outlays herein authorized, and all payments which may be made as just and reasonable compensation for its own services and for the services of its attorneys, agents, and assistants, the Trustee shall apply the rest and residue of the money received by the Trustee as follows:

FIRST, to the Department, any Department Rebate Interest Amount and Monthly Rebate Fee due and owing thereto, to any Guaranty Agency amounts due and owing to such Guaranty Agency, and to make any payments required under any applicable Joint Sharing Agreement or to otherwise pay to the appropriate Person, trust or other entity, amounts deposited in the Collection Fund which represent amounts that are allocable to Eligible Loans which are not pledged as part of the Trust Estate hereunder;

SECOND, to the Trustee, any Trustee Fee and any costs and out-of-pocket expenses of the Trustee due and owing;

THIRD, to each Servicer and the Administrator, any Servicing Fees and Senior Administration Fees due and remaining unpaid;

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

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

SIXTH, to the Administrator, for any Subordinate Administration Fees due and remaining unpaid;

SEVENTH, to each Servicer, for any Servicing Fees unpaid by the Administrator as Servicing Fees constituting part of Carryover Servicing Fees; and

EIGHTH, to the Authority.

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

**Section 6.03. Remedies on Default; Advice of Counsel.** Upon the happening of any Event of Default, the Trustee may proceed to protect and enforce the rights of the Trustee and the Registered Owners in such manner as counsel for the Trustee may advise, whether for the specific performance of any covenant, condition, agreement or undertaking herein contained; 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, and if directed by the Registered Owners representing not less than a majority in aggregate principal amount of the Outstanding Notes shall, 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 Authority 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 Authority, 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 Authority, if so requested by the Trustee or the Registered Owners representing not less than a majority in aggregate principal amount of the Outstanding Notes, shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary, or in the judgment of the Trustee, proper for the purpose which may be designated in such request. In addition, the Trustee may proceed to protect and enforce the rights of the Trustee and the Registered Owners of the Notes in such manner as counsel for the Trustee may advise, whether for the specific performance of any covenant, condition, agreement or undertaking herein contained; in aid of the execution of any power herein granted; or for the enforcement of such other appropriate legal or equitable remedies as may, in the opinion of such counsel, be more effectual to protect and enforce the rights aforesaid. The Trustee shall take any such action or actions if requested to do so in writing by the Registered Owners of at least a majority of the principal amount of the Notes at the time Outstanding.

Notwithstanding the foregoing, the Trustee is prohibited from selling the Financed Eligible Loans following an Event of Default (whether or not the principal of all Outstanding Notes shall have been declared due and payable), other than a default in the payment of any principal or interest on any Note, unless:

- (a) The Registered Owners of all of the 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 Authority or the Administrator 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 Registered Owners of at least 66-2/3% in aggregate principal amount of the Notes at the time Outstanding.

**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 Registered Owners under this Indenture or otherwise, then, as a matter of right, the Trustee shall be entitled to the appointment of a receiver of the Trust Estate and of the earnings, income or revenue, rents, issues and profits thereof with such powers as the court making such appointments may confer.

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



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

**Section 6.07. 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 Authority 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 (except with respect to an Event of Default under Section 6.01(c) hereof) or the Registered Owners of Notes representing not less than a majority in aggregate principal amount of the Outstanding Notes may declare all the Outstanding Notes to be immediately due and payable, by a notice in writing to the Authority (and to the Trustee if given by the Registered Owners), and upon any such declaration, the unpaid principal amount of such Outstanding Notes, together with accrued and unpaid interest thereon through the date of acceleration, shall become immediately due and payable, subject, however, to Section 6.04 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 Registered Owners of Notes representing a majority in aggregate principal amount of the Notes then Outstanding, by written notice to the Authority and the Trustee, may rescind and annul such declaration and its consequences if:

- (a) the Authority has paid or deposited with the Trustee a sum sufficient to pay:
  - (i) all payments of principal of and interest on all Notes and all other amounts that would then be due hereunder or upon such Notes if the Event of Default giving rise to such acceleration had not occurred; and
  - (ii) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, 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 Registered Owners of Notes are not intended to be exclusive of any other remedy, but each remedy herein provided shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, and every power and remedy hereby given to the Trustee or to the Registered Owners of Notes, or any supplement hereto, may be exercised from time to time as often as may be deemed expedient. No delay or omission of

the Trustee or of any Registered Owner of Notes to exercise any power or right arising from any default hereunder shall impair any such right or power or shall be construed to be a waiver of any such default or to be acquiescence therein.

**Section 6.10. Collection of Indebtedness and Suits for Enforcement by Trustee.** The Authority 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 Authority will, upon demand of the Trustee, but solely from the Trust Estate per Section 9.14 hereof, pay to the Trustee, for the benefit of the Registered Owners, 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.

Subject to Section 9.14 hereof, if the Authority fails to pay such amounts forthwith upon such demand, the Trustee, in its own name may upon receiving 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 Authority or any other obligor upon such Notes and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Authority 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 and in its discretion, proceed to protect and enforce its rights and the rights of the Registered Owners of Notes 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 Registered Owners of a majority in aggregate principal amount of the 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. 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 Registered Owner of any Note shall have any right as such Registered Owner to institute any suit, action or proceedings for the enforcement of the provisions of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or for any other remedy hereunder, all rights of action hereunder being vested exclusively in the Trustee, unless and until such Registered Owner shall have previously given to the Trustee written notice of a default hereunder, and of the continuance thereof, and also unless the Registered Owners of the requisite principal amount of the Notes then Outstanding shall have made written request upon the Trustee and the Trustee shall have been afforded reasonable opportunity to institute such action, suit or proceeding in its own name, and unless the Trustee shall have been offered indemnity and security satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, which offer of indemnity shall be an express condition precedent hereunder to any obligation of the Trustee to take any such action hereunder, and the Trustee for 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 Registered Owners of the Notes shall have the right in any manner whatever by his or their action to affect, disturb or prejudice the lien of this Indenture or to enforce any right hereunder except in the manner herein provided and for the equal benefit of the Registered Owners of not less than a majority of the 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 Registered Owners of at least a majority in aggregate principal amount of the 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 arrears of interest or all arrears of payments of principal and all expenses of the Trustee, in connection with such default shall have been paid or provided for; or (b) any default in the payment of amounts set forth in Sections 7.05 and 7.07 hereof. In case of any such waiver or rescission, or in case any proceedings taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Authority, the Trustee and the Registered Owners of Notes shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to or affect any subsequent or other default, or impair any rights or remedies consequent thereon. The Trustee shall give written notice to each Rating Agency of any waiver of an Event of Default pursuant to this Section.

## 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 of reasonable care 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 Registered Owners, the Trustee may require that it be furnished an indemnity bond or other indemnity and security satisfactory to it by the Registered Owners, as applicable, for the reimbursement of all expenses to which it may be put and to protect it against all liability.

**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 Authority, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the title of the Authority 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 or as to the sufficiency or accuracy of the information provided in the preliminary offering memorandum, the offering memorandum or any other offering document (collectively, the “Offering Documents”) used in connection with the issuance of the Notes (except for information expressly supplied by the Trustee for inclusion in the Offering Documents), and the Trustee shall incur no responsibility in respect of such matters.

**Section 7.03. As to Filing of Indenture.** The Trustee shall be under no duty (a) to file or record, or cause to be filed or recorded, this Indenture or any instrument supplemental hereto, (b) 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 any 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 Authority to pay any tax or taxes in respect of such property, or any part thereof, or the income therefrom or otherwise, nor shall the Trustee be under any duty in respect of any tax which may be assessed against it or the Registered Owners in respect of such property or pledged to the Trust Estate. The Trustee agrees to prepare, request that the Authority execute (if such execution is necessary for any such filing) and file in a timely manner (if received from the Authority in a timely manner) with any necessary execution by the Authority, the continuation statements referred to herein; 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 Authority or other Authorized Representative, may 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 its attorneys, agents or employees, and it shall not be answerable or accountable for any default, neglect or misconduct of any such attorneys, agents or employees, if reasonable care has been exercised in the appointment. All reasonable costs incurred by the Trustee and all reasonable compensation to all such persons as may reasonably be employed in connection with the trusts hereof shall be paid by the Authority.

**Section 7.05. Indemnification of Trustee.** Other than with respect to its duties to make payment on the Notes 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 Registered Owners 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. The Trustee shall not be required to take notice, or be deemed to have knowledge, of any default or Event of Default of the Authority hereunder and may conclusively assume that there has been no such default or Event of Default (other than an Event of Default described in Section 6.01(a) or (b) hereof) unless and until it shall have been specifically notified in writing at the address in Section 9.01 hereof of such default or Event of Default by (a) the Registered Owners of the required percentages in principal amount of the Notes then Outstanding hereinabove specified or (b) an Authorized Representative. 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 Registered Owners requesting such action, if any, or the Authority in all other cases, for all reasonable and documented fees and expenses, liabilities, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith, unless such reasonable and documented fees, 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 Authority from, following any Authority Orders, instructions or other directions upon which the Trustee is authorized to rely pursuant to this Indenture or any other agreement to which it is a party. If the Authority or the Registered Owners, 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 Registered Owners 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 Authority agrees to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expenses incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder arising from the Trust Estate. The Authority agrees to indemnify and hold harmless the Trustee against any and all claims, demands, suits, actions or other proceedings and all liabilities, costs and 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.

**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, or document of the Authority 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 Authority, for the Trustee, or for a Registered Owner), and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered, and in respect of any determination made by it hereunder in good faith and in accordance with the opinion of such counsel.

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 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 Registered Owners evidencing the appropriate percentage of the aggregate principal amount of the Outstanding Notes relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture or any other transaction document.

**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 Authority. Subject to Section 9.14 hereof, 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 and the Authority shall agree to a Trustee Fee prior to the issuance of the Notes, which Trustee Fee shall be applicable so long as the Notes are Outstanding. In the event a successor Trustee is appointed hereunder, a Trustee Fee shall be agreed upon prior to the Trustee's succession and shall be applicable so long as the Notes are Outstanding; provided, however, the successor Trustee may not materially increase the Trustee Fee upon its appointment except pursuant to Article VIII hereof. If not paid by the Authority, the Trustee shall have a lien against all money held pursuant to this Indenture, subject only to the prior lien of the Notes against the money and investments in the Collection Fund for the payment of the principal thereof 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. 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 Authority 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 7.10 hereof (and is qualified to be the Trustee under the requirements of Section 7.10 hereof). If no successor Trustee has been appointed by the date specified or within a period of 90 days from the receipt of the notice by the Authority, whichever period is the longer, the Trustee may (a) appoint a temporary successor Trustee having the qualifications provided in Section 7.10 hereof or (b) request a court of competent jurisdiction to (i) require the Authority to appoint a successor, as provided in Section 7.10 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 7.10 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 Authority may remove such temporary successor Trustee and appoint a successor thereto pursuant to Section 7.10 hereof.

**Section 7.09. Removal of Trustee.** The Trustee or any successor Trustee may be removed (a) at any time by the Registered Owners of a majority in aggregate principal amount of the Notes then Outstanding, (b) by the Authority for cause or upon the sale or other disposition of the Trustee or its trust functions or (c) by the Authority without cause so long as no Event of Default exists or has existed within the last 30 days, upon payment to the Trustee so removed of all money then due to it hereunder and appointment of a successor thereto by the Authority and acceptance thereof by said successor. One copy of any such order of removal shall be filed with the Executive Director of the Authority and the other 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 Registered Owners, such Registered Owners by instrument or concurrent instruments in writing (signed and acknowledged by such Registered Owners or their attorneys-in-fact) filed with the Trustee removed have appointed a successor Trustee or otherwise the Authority shall have appointed a successor, and (b) the successor Trustee has accepted appointment as such.

**Section 7.10. Successor Trustee.** In case at any time the Trustee or any successor Trustee shall resign, be dissolved, or be removed pursuant to Section 7.09 hereof 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 Authority by an instrument in writing duly authorized by the Authority. In the case of any such appointment by the Authority of a successor to the Trustee, the Authority shall forthwith cause notice thereof to be mailed to the Registered Owners of the Notes at the address of each Registered Owner appearing on the note registration books maintained by the Trustee, as registrar.

Every successor Trustee appointed by the Registered Owners, by a court of competent jurisdiction, or by the Authority 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 in the State of Missouri, be subject to supervision or examination by a federal or state authority, and be an Eligible Lender so long as such designation is necessary to maintain guarantees and federal benefits under the Higher Education Act with respect to the Financed Eligible Loans.

**Section 7.11. Manner of Vesting Title in Trustee.** Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Authority, 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 Authority 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 Authority.

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 7.12. Additional Covenants by the Trustee to Conform to the Higher Education Act.** The Trustee covenants that it will at all times be an Eligible Lender under the Higher Education Act so long as such designation is necessary, as determined by the Authority, and that it will not finance, dispose of or deliver any Financed Eligible Loans originated under the Higher Education Act or any interest in any such Financed Eligible Loans to any party who is not an Eligible Lender so long as the Higher Education Act or Regulations adopted thereunder require an Eligible Lender to be the owner or holder of such Financed Eligible Loans; provided, however, that nothing above shall prevent the Trustee from delivering the Eligible Loans to a Servicer or a Guaranty Agency.

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

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

**Section 7.15. Additional Covenants of Trustee.** The Trustee, by the execution hereof, covenants, represents and agrees that:

(a) 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; and

(b) it will comply with the Higher Education Act and the Regulations and will, upon written notice from an Authorized Representative, the Secretary or a Guaranty

Agency, use its reasonable efforts to cause this Indenture to be amended (in accordance with Section 8.01 hereof) if the Higher Education Act or Regulations are hereafter amended so as to be contrary to the terms of this Indenture.

**Section 7.16. Notices to Rating Agencies.** It shall be the duty of the Trustee to notify each Rating Agency then rating any of the Notes of (a) any amendment, change, expiration, extension or renewal of this Indenture, (b) redemption, defeasance, or acceleration of any of the Notes, (c) any Event of Default, (d) any change in the Trustee, (e) the sale of Financed Eligible Loans or (f) any other information (not provided or otherwise required to be kept private) within its knowledge reasonably required to be reported to each Rating Agency under any Supplemental Indenture; provided, however, the provisions of this section do not apply when such documents have been previously supplied to such Rating Agency and the Trustee has received written evidence to such effect, all as required by this Indenture. It shall be the duty of the Authority to provide any information reasonably requested by Fitch in connection with a Rating Notification. On or about the time that any Event Notice is delivered to Fitch, the Authority shall provide such Event Notice to S&P. All notices required to be forwarded to the Rating Agencies under this Section shall be sent in writing at the following addresses:

Via electronic delivery to [Servicer\\_reports@sandp.com](mailto:Servicer_reports@sandp.com)  
For any information not available in electronic format:  
Standard & Poor's Ratings Services  
a Division of the McGraw-Hill Companies, Inc.  
55 Water Street, 42<sup>nd</sup> Floor  
New York, New York 10041-0003  
Attention: ABS Surveillance Group

Via electronic delivery to:

(for servicer reports): [surveillance-abs-consumer@fitchratings.com](mailto:surveillance-abs-consumer@fitchratings.com)  
(for all other electronic communications): [notifications.abs@fitchratings.com](mailto:notifications.abs@fitchratings.com)

For any information not available in electronic format:  
Fitch Ratings  
One State Street Plaza  
New York, New York 10004  
Attention: ABS Surveillance

The Trustee also acknowledges that each Rating Agency's periodic review for maintenance of a Rating on any Notes may involve discussions and/or meetings with representatives of the Trustee at mutually agreeable times and places.

**Section 7.17. Merger of the Trustee.** 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 of any further act on the part of any other parties hereto.

**Section 7.18. 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 7.19. Trustee 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 and be authorized to exercise trust powers in the State of Missouri. If such Trustee 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 Trustee 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 specified Section 7.08 hereof. Neither the Authority nor any Person directly or indirectly controlling or controlled by, or under common control with, the Authority shall serve as Trustee.

**Section 7.20. Trustee May File Proofs of Claim.** In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Authority, 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 Authority 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 Registered Owners allowed in such judicial proceeding; and

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

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

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

**Section 7.21. No Petition.** The Trustee will not at any time institute against the Authority any bankruptcy proceeding under any United States federal or state bankruptcy or similar law in connection with any obligations of the Authority under this Indenture.

## ARTICLE VIII

### SUPPLEMENTAL INDENTURES

**Section 8.01. Supplemental Indentures Not Requiring Consent of Registered Owners.** The Authority and the Trustee may, without the consent of or notice to any of the Registered Owners 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;
- (b) to grant to or confer upon the Trustee for the benefit of the Registered Owners any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Registered Owners or the Trustee;
- (c) to subject to this Indenture additional revenues, properties or collateral;
- (d) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 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 Guaranty Agency 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 in conformance with the Higher Education Act if along with such Supplemental Indenture there is filed a

Bond Counsel's opinion addressed to the Authority and the Trustee to the effect that the addition or amendment of such provisions will not materially impair the existing security of the Registered Owners 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, if along with such Supplemental Indenture there is filed a Bond Counsel's opinion addressed to the Authority and the Trustee to the effect that such changes will not materially adversely impact the existing security of the Registered Owners of any Outstanding 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 Higher Education Act or the Regulations;

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

(j) to amend the Indenture to provide for use of a surety bond or other financial guaranty instrument in lieu of cash and/or Investment Securities in all or any portion of the Reserve Fund, so long as such action shall not adversely affect the Ratings of any of the Notes; or

(k) to make any other change which, in the judgment of the Trustee, is not materially adverse to the Registered Owners 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 Registered Owners.**

Exclusive of Supplemental Indentures covered by Section 8.01 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Registered Owners of not less than a majority of the 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 Authority and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Authority 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 Registered Owners of all then Outstanding Notes (or in the case of (ii) below just of all affected Notes), (i) an extension of the maturity date of the principal of or the interest on any Note, or (ii) a reduction in the principal amount of any Note or the rate of interest thereon, or (iii) a privilege or priority of any Note or Notes over any other Note or Notes except as otherwise provided herein, 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 Authority shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be mailed by registered or certified mail to each Registered Owner of a Note at the address shown on the registration books. Such notice (which shall be prepared by the Authority) shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Registered Owners. If, within 60 days, or such longer period as shall be prescribed by the Authority, following the mailing of such notice, the Registered Owners of not less than a majority of the collective aggregate principal amount of the Outstanding Notes at the time of the execution of any such Supplemental Indenture shall have consented in writing to and approved the execution thereof as herein provided, no Registered Owner of any Note shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority 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. Additional Limitation on Modification of Indenture.** None of the provisions of this Indenture (including Sections 8.01 and 8.02 hereof) shall permit an amendment to the provisions of this Indenture which permits the transfer of all or part of the Financed Eligible Loans or the granting of an interest therein to any Person other than an Eligible Lender, a Servicer or a Guaranty Agency, unless the Higher Education Act or Regulations are hereafter modified so as to permit the same. The Trustee may request a Bond Counsel's opinion to the effect that an amendment or supplement to this Indenture was adopted in conformance with this Indenture and will not materially adversely impact the Registered Owner of any Note.

## **ARTICLE IX**

### **GENERAL PROVISIONS**

**Section 9.01. Notices.** Any notice, request, consent or other instrument required by this Indenture to be signed or executed by the Registered Owners of Notes may be executed by the execution of any number of concurrent instruments of similar tenor and may be signed or executed by such Registered Owners of Notes in person or by an 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 an affidavit of a witness to such execution sworn to before such officer.

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

All notices, requests and other communications to any party hereunder shall be in writing (including bank wire, telex, 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 Authority:

Higher Education Loan Authority  
of the State of Missouri  
Corporate Headquarters  
633 Spirit Drive  
Chesterfield, Missouri 63005-1243  
Attention: Executive Director and Chief Financial Officer  
Telephone: (636) 532-0600  
Facsimile: (636) 787-2780  
Email: rayb@mohela.com (Executive Director);  
scottg@mohela.com (Chief Financial Officer)

If intended for the Trustee:

U.S. Bank National Association  
425 Walnut Street  
CN-OH-W6CT  
Cincinnati, Ohio 45202  
Attention: MoHELA 2011-1  
Telephone: (513) 632-5578  
Facsimile: (513) 632-5511  
Email: brian.true@usbank.com

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 telex, email or 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 email, telex or facsimile or registered first-class mail, postage prepaid.

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

No extension of time of payment of any of the Notes shall operate to release or discharge the Authority, it being agreed that the liability of the Authority, 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 the Trust Estate 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 Authority, 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 Authority in fact had the right to pledge.

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

**Section 9.06. Nonliability of Persons; No General Obligation.** It is hereby expressly made a condition of this Indenture and any Notes issued pursuant hereto 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 past, present or future organizers, members, directors, officers, employees, agents or trustees of the Authority or any successor entity, or against the general credit of the Authority, 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 Authority shall arise therefrom. Nothing contained in this Section, however, shall relieve the Authority from the observance and performance of the several covenants and agreements on its part herein contained. This Section 9.06 shall survive termination of this Indenture.

**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 Registered Owners thereof, a sum of money sufficient to pay such Notes or interest checks when the same are presented by the Registered Owners thereof for payment. Such money shall not be required to be invested. All liability of the Authority to the Registered Owners of such Notes or interest checks and all rights of such Registered Owners against the Authority under the Notes or interest checks or under this Indenture shall thereupon cease and determine,



and the sole right of such Registered Owners 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 redemption date, the Trustee shall return to the Authority 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 Authority. The Trustee's responsibility for any such money shall cease upon remittance thereof to the Authority.

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

**Section 9.09. Laws Governing.** It is the intent of the parties hereto that this Indenture shall in all respects be governed by the laws of the State of Missouri, without regard to conflict of law principles.

**Section 9.10. 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 9.11. Exhibits.** The terms of the Exhibits attached to this Indenture are incorporated herein in all particulars.

**Section 9.12. Non-Business Days.** Except as may otherwise be provided herein, if the date for 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 9.13. Parties Interested Herein.** Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Trustee, any paying agent, and the Registered Owners of the Notes, 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 Authority shall be for the sole and exclusive benefit of the Trustee, any paying agent, and the Registered Owners of the Notes.

**Section 9.14. Notes Are Limited Obligations of the Authority and Not a Debt of the State of Missouri.** Notwithstanding anything herein to the contrary, the Notes and the obligations of the Authority contained in this Indenture shall not be deemed to constitute a debt or liability or obligation of the State of Missouri or of any agency or political subdivision of the State of Missouri, nor shall the Notes and the obligations of the Authority contained in this Indenture be deemed to constitute a pledge of the full faith and credit of the State of Missouri or of any agency or political subdivision of the State of Missouri. The Notes and the obligations of the Authority contained in this Indenture are special, limited obligations of the Authority, secured by and payable solely from the Trust Estate herein provided. The Authority 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. This Section 9.14 shall survive the termination of this Indenture.

**Section 9.15. Financed Eligible Loans.** The Authority expects to transfer 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 9.16. Counterparts; Electronic Copies.** This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. In addition, any transaction authorized herein or in a Supplemental Indenture may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original, executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Section 9.17. Consent of Registered Owners.** Anything in this Indenture to the contrary notwithstanding, whenever in this Indenture the requirements of a Rating Notification must be satisfied for any proposed actions, failures to act or other event, to the extent that the Notes no longer carry a Rating from Fitch, the proposed actions, failures to act or other event will require the written consent of the Registered Owners of not less than a majority of the collective aggregate principal amount of the Notes then Outstanding.

## 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) and all other payment obligations hereunder are fully paid or provision is made for its payment as provided in this Article.

**Section 10.02. Satisfaction of Indenture.**

(a) If the Authority shall pay, or cause to be paid, or there shall otherwise be paid (i) to the Registered Owners of the Notes, the principal of and interest on the Notes, at the times and in the manner stipulated in this Indenture and (ii) to all other Persons, all amounts payable or secured under this Indenture, then the pledge of the Trust Estate and all covenants, agreements and other obligations of the Authority to the Registered Owners of Notes shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction, and the

Trustee shall pay over or deliver all money held by it under this Indenture to the party entitled to receive the same under this Indenture. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Registered Owners of any Outstanding Notes the principal of and interest on such Notes and to all other Persons all amounts payable or secured under this Indenture, at the times and in the manner stipulated in this Indenture and such Notes, and such other agreement or instrument payments under which amounts are payable or secured under this Indenture, then such Notes and each such other Person shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of the Authority to the Registered Owners thereof and each such other Person 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 Section 10.02(a) hereof if money for the payment or redemption thereof has been set aside and is being held in trust by the Trustee at the Note Final Maturity Date or earlier redemption date thereof. Any Outstanding Note shall, prior to the Note Final Maturity Date or earlier redemption thereof, be deemed to have been paid within the meaning and with the effect expressed in Section 10.02(a) hereof if (i) such Note is to be redeemed on any date prior to its Note Final Maturity Date and (ii) the Authority shall have given notice of redemption 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 as defined below) 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 redemption date or Note Final Maturity Date thereof, as the case may be. Notwithstanding anything herein to the contrary, however, no such deposit shall have the effect specified in this Section 10.02(b) (A) if made during the existence of an Event of Default, unless made with respect to all of the Notes then Outstanding and (B) unless on the date of such deposit the interest rate on the Notes, to the date of any final payment or redemption shall be known and to the extent the defeasance is dependent upon interest earnings on Governmental Obligations there shall be provided to the Trustee a report of an Independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay in full the Outstanding Notes to be redeemed or to be deemed paid pursuant to this Section 10.02(b). Neither Governmental Obligations nor money deposited with the Trustee pursuant to this Section 10.02(b) nor principal or interest payments on any such Governmental Obligations shall be withdrawn or used for any purpose other than, and shall be held irrevocably in trust in an escrow account for, the payment of the principal of and interest on such Notes. Any cash received from such principal of and interest on such Governmental Obligations deposited with the Trustee, if not needed for such purpose, shall, to the extent practicable, be reinvested in Governmental Obligations maturing at times and in amounts sufficient to pay when due the principal of and interest on such Notes on and prior to such redemption date or Note Final Maturity Date thereof, as the case may be, and interest earned from such

reinvestments shall be paid over to the Authority, 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 obligations described in clause (a) of the definition of the Investment Securities herein (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 Authority shall certify to and notify the Trustee in writing, within 15 days after the last Business Day of each Collection Period in which the then outstanding Pool Balance is 12% or less of the Initial Pool Balance, of the percentage that the then outstanding Pool Balance bears to the Initial Pool Balance. The Authority shall have the option to purchase all of the Financed Eligible Loans on the date that is the tenth (10<sup>th</sup>) Business Day preceding the Quarterly Distribution Date next succeeding the last day of the Collection Period on which the then outstanding Pool Balance is 10% or less of the Initial Pool Balance and on the tenth (10<sup>th</sup>) Business Day preceding each Quarterly Distribution Date thereafter (each, an "Optional Purchase Date"). To exercise the option described in this Section, the Authority shall deposit in the Collection Fund on the Optional Purchase Date, an amount equal to the aggregate Purchase Amount for the Financed Eligible Loans as of the last Business Day of the preceding Collection Period and the related rights with respect thereto, plus the appraised value of any such other property held in the Trust Estate other than the Funds and Accounts, such value to be determined by an appraiser mutually agreed upon by the Authority and the Trustee; provided, however, that the Authority may not effect such purchase if such aggregate Purchase Amount and the appraised value of such other property do not equal or exceed the Minimum Purchase Amount, less any amounts on deposit in the Funds and Accounts.

**Section 10.04. Auction of Financed Eligible Loans.** If the Authority does not exercise its option to purchase Financed Eligible Loans pursuant to Section 10.03 hereof, the Trustee (or its designated agent) shall, promptly after the Business Day next succeeding the initial Optional Purchase Date, begin the process necessary to offer for sale Financed Eligible Loans in an amount sufficient to redeem all Outstanding Notes on the next succeeding Quarterly Distribution Date, and, if a purchaser is found based on the procedures described below, any such sale shall be consummated as soon as reasonably practicable and in any event on or before such next succeeding Quarterly Distribution Date (the "Trust Auction Date"). The Authority and unrelated third parties may bid to purchase the Financed Eligible Loans. The Trustee shall provide written notice to the Authority of any such offer for sale at least three Business Days in advance of the Trust Auction Date. If at least two independent bids are received, the Trustee (or its designated agent) shall solicit and resolicit new bids from all participating bidders until only one bid remains or the remaining bidders decline to resubmit bids. The Trustee shall accept the highest of the remaining bids if it is equal to or in excess of both (i) the Minimum Purchase Amount, less any amounts on deposit in the Funds and Accounts and (ii) the fair market value of such

Financed Eligible Loans as of the end of the Collection Period immediately preceding the Trust Auction Date. If at least two bids are not received or the highest bid after the resolicitation process is completed is not equal to or in excess of the higher of the amounts described in the preceding sentence, the Trustee shall not consummate such sale. The Trustee may consult, and, at the direction of the Authority, shall consult, with a financial advisor to determine if the fair market value of the Financed Eligible Loans has been offered. The proceeds of any such sale shall be deposited to the Collection Fund and applied to the redemption of all Outstanding Notes in accordance with Section 5.04(d) hereof. Unless requested by the Authority, if the sale is not completed, the Trustee may, but will not be obligated to, solicit bids for sale of the Financed Eligible Loans with respect to future Quarterly Distribution Dates upon terms similar to those described above. The Trustee shall be obligated to make such solicitations, however, if requested to do so in writing by the Authority. Notice of the prepayment of any Notes resulting from a purchase of the Financed Eligible Loans on the Optional Purchase Date or the auction of the Financed Eligible Loans on the Trust Auction Date shall be given by the Trustee to the Registered Owners by first class mail within five Business Days after such Optional Purchase Date or Trust Auction Date.

**Section 10.05. Cancellation of Paid Notes.** Any Notes which have been paid or purchased by the Authority, mutilated Notes replaced by new Notes, and any temporary Note for which definitive Notes have been delivered shall (unless otherwise directed by the Authority by Authority Order) forthwith be cancelled and destroyed by the Trustee pursuant to Section 2.06 hereof.

[Signature Page Follows]

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

HIGHER EDUCATION LOAN AUTHORITY  
OF THE STATE OF MISSOURI, as the  
Authority

By   
\_\_\_\_\_  
W. Thomas Reeves, Chairperson

U.S. BANK NATIONAL ASSOCIATION, as  
Trustee


By \_\_\_\_\_  
Brian True, Vice President

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

HIGHER EDUCATION LOAN AUTHORITY  
OF THE STATE OF MISSOURI, as the  
Authority

By \_\_\_\_\_  
W. Thomas Reeves, Chairperson

U.S. BANK NATIONAL ASSOCIATION, as  
Trustee

By  \_\_\_\_\_  
Brian True, Vice President

**EXHIBIT A**

**FORM OF NOTE**

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

THE PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OR OBLIGATION OF THE STATE OF MISSOURI OR OF ANY AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF MISSOURI, NOR SHALL THIS NOTE AND THE OBLIGATIONS OF THE AUTHORITY CONTAINED IN THE INDENTURE (DEFINED HEREIN) BE DEEMED TO CONSTITUTE A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OF MISSOURI OR OF ANY AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF MISSOURI. THE NOTES (DEFINED HEREIN) ARE SPECIAL, LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE SECURED BY AND PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED AS SECURITY THEREFOR AS PROVIDED IN THE INDENTURE (AS DEFINED HEREIN).

**HIGHER EDUCATION LOAN AUTHORITY OF THE STATE OF MISSOURI  
STUDENT LOAN ASSET-BACKED NOTES, SERIES 2011-1  
(LIBOR FLOATING RATE NOTES)**

REGISTERED NO. R-\_\_\_ REGISTERED \$\_\_\_\_\_

| <b>Date of Issuance</b> | <b>Maturity Date</b>                        | <b>CUSIP No.</b> | <b>ISIN No.</b> |
|-------------------------|---|------------------|-----------------|
| July 19, 2011           | June 2036<br>Quarterly Distribution<br>Date | 606072 KZ8       | US606072KZ87    |

PRINCIPAL SUM:           \*\* \_\_\_\_\_ DOLLARS\*\*  
REGISTERED OWNER:   \*\* \_\_\_\_\_\*\*

The Higher Education Loan Authority of the State of Missouri, a public instrumentality and body politic and corporate organized and existing under the laws of the State of Missouri (herein referred to as the “Authority”), for value received, hereby promises to pay to the



Registered Owner, or registered assigns, on each Quarterly Distribution Date the principal sum equal to the portion of the Principal Distribution Amount allocable to this Note for such Quarterly Distribution Date, as described in the Indenture of Trust, dated as of July 1, 2011 (the "Indenture"), between the Authority and U.S. Bank National Association a national banking association, as trustee (the "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 "Maturity Date").

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

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 Authority 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.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note.

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

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

HIGHER EDUCATION LOAN AUTHORITY  
OF THE STATE OF MISSOURI

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

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: \_\_\_\_\_, \_\_\_\_\_

This Note is one of a duly authorized issue of Notes of the Authority, designated as its Student Loan Asset-Backed Notes, Series 2011-1 (LIBOR Floating Rate Notes) (the “Notes”), which 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 Authority, the Trustee and the Registered Owners. The Notes are subject to all terms of the Indenture.

The Notes shall not be deemed to constitute a debt or liability or obligation of the State of Missouri or of any agency or political subdivision of the State of Missouri, nor shall the Notes and the obligations of the Authority contained in the Indenture be deemed to constitute a pledge of the full faith and credit of the State of Missouri or of any agency or political subdivision of the State of Missouri. The Notes are special, limited obligations of the Authority and are secured by and payable solely from the Trust Estate pledged as security therefor as provided in the Indenture.

Principal of the Notes shall be payable on each Quarterly Distribution Date in an amount equal to the portion of the Principal Distribution Amount allocable to this Note for such Quarterly Distribution Date. “Quarterly Distribution Date” means the twenty-fifth (25th) day of each March, June, September and December, or if any such date is not a Business Day, the immediately succeeding Business Day, commencing December 27, 2011.

As described on the face hereof, the entire unpaid principal amount of this Note shall be due and payable on the 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, provided certain conditions in the Indenture are satisfied, and (b) either the Trustee or the Registered Owners of Notes representing not less than a majority of the Outstanding Amount of the 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 or 10.04 of the Indenture on any Quarterly Distribution Date occurring after the end of a Collection Period on which the then outstanding 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 Quarterly Distribution Date.

Interest on the Notes shall be payable on each Quarterly Distribution Date on the principal amount outstanding of the Notes until the principal amount thereof is paid in full, at a rate per annum equal to the Note Rate. The “Note Rate” for each Interest Accrual Period, other than the first Interest Accrual Period, shall be equal to the applicable Three-Month LIBOR, plus 0.85%. The “Note Rate” for the first Interest Accrual Period shall be determined by reference to the following formula:

$x + [a/b * (y-x)]$  plus 0.85%, as calculated by the Trustee.

where:

x = Five-Month LIBOR;

y = Six-Month LIBOR;

a = 8 (the actual number of days from the maturity date of Five-Month LIBOR to the first Quarterly Distribution Date); and

b = 31 (the actual number of days from the maturity date of Five-Month LIBOR to the maturity date of Six-Month LIBOR).

Payments of interest on this Note on each Quarterly Distribution Date, together with the installment of principal, if any, to the extent not in full payment of this Note, shall be paid to the Person in whose name such 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 Quarterly 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 Quarterly Distribution Date on which the Authority expects that the final installment of principal of and interest on such Note will be paid. Such notice shall be mailed or transmitted by facsimile prior to such final Quarterly Distribution Date and shall specify that such final installment will be payable only upon presentation and surrender of such Note and shall specify the place where such Note may be presented and surrendered for payment of such installment.

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

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

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

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

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

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

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

**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 B-1**

**FORM OF MONTHLY SERVICING AND ADMINISTRATION PAYMENT DATE  
CERTIFICATE**

This Monthly Servicing and Administration Payment Date Certificate (the "Certificate") is being provided by the Higher Education Loan Authority of the State of Missouri (the "Authority") pursuant to Section 5.04(b)(i)-(ii) of the Indenture of Trust, dated as of July 1, 2011 (the "Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee"). All capitalized terms used in this Certificate and not otherwise defined shall have the meanings ascribed to such terms in the Indenture.

Pursuant to this Certificate, the Authority hereby directs the Trustee to:

(a) distribute to the Administrator, by 3:00 p.m. (New York City time) on \_\_\_\_\_, \_\_\_\_\_ (the "Monthly Servicing and Administration Payment Date"), from and to the extent of the Available Funds on deposit in the Collection Fund (including any amounts transferred from the Capitalized Interest Fund pursuant to Section 5.03 of the Indenture, the Acquisition Fund pursuant to Section 5.02 of the Indenture and the Reserve Fund pursuant to Section 5.05 of the Indenture), \$\_\_\_\_\_ in Servicing Fees due with respect to the preceding calendar month; and

(b) distribute to the Administrator, by 3:00 p.m. (New York City time) on \_\_\_\_\_, \_\_\_\_\_ (the "Monthly Servicing and Administration Payment Date"), from and to the extent of the Available Funds on deposit in the Collection Fund (including any amounts transferred from the Capitalized Interest Fund pursuant to Section 5.03 of the Indenture, the Acquisition Fund pursuant to Section 5.02 of the Indenture and the Reserve Fund pursuant to Section 5.05 of the Indenture), \$\_\_\_\_\_ in Senior Administration Fees due with respect to the preceding calendar month.

The Available Funds on this Monthly Servicing and Administration Payment Date are \$\_\_\_\_\_.

The Authority hereby certifies that the information herein is true and correct 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 Authority has caused this Certificate to be duly executed and delivered as of the date written below.

HIGHER EDUCATION LOAN AUTHORITY  
OF THE STATE OF MISSOURI, as the  
Authority

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

Date \_\_\_\_\_



**EXHIBIT B-2-A**

**FORM OF QUARTERLY DISTRIBUTION DATE CERTIFICATE**

This Quarterly Distribution Date Certificate (the “Certificate”) is being provided by the Higher Education Loan Authority of the State of Missouri (the “Authority”) pursuant to Section 5.04(c) of the Indenture of Trust, dated as of July 1, 2011 (the “Indenture”), between the Authority and U.S. Bank National Association, as trustee (the “Trustee”). All capitalized terms used in this Certificate and not otherwise defined shall have the same meanings as assigned to such terms in the Indenture.

Pursuant to this Certificate, the Authority hereby directs the Trustee to make the deposits and distributions specified in Section 5.04(c) of the Indenture to the Persons or to the account specified below by 3:00 p.m. (New York City time) on \_\_\_\_\_, \_\_\_\_ (the “Quarterly Distribution Date”), to the extent of (v) 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), (w) the amount transferred from the Department Rebate Fund pursuant to Section 5.06 of the Indenture, (x) the amount transferred from the Reserve Fund pursuant to Section 5.05 of the Indenture, (y) the amount transferred from the Capitalized Interest Fund pursuant to Section 5.03 of the Indenture, including any amounts remaining in the Capitalized Interest Fund on the June 2012 Quarterly Distribution Date (which amount, if any, shall constitute Available Funds on such Quarterly Distribution Date), and (z) the amount transferred from the Acquisition Fund pursuant to Section 5.02 of the Indenture.

To enable the Trustee to calculate the amount of certain of such deposits and distributions, the Authority provides the following information to the Trustee:

|       |  |             |
|-------|--|-------------|
| (i)   | Amounts required to be paid under any applicable Joint Sharing Agreement or amounts deposited in the Collection Fund which represent amounts that are allocable to Eligible Loans which are not pledged as part of the Trust Estate, | <u>\$ -</u> |
| (ii)  | (A) The Trustee Fee to the Trustee,  | <u>\$ -</u> |
|       | (B) Any unpaid Trustee Fee from prior Quarterly Distribution Dates;  | <u>\$ -</u> |
| (iii) | (A) The Servicing Fee to the Administrator (to the extent remaining unpaid following the Monthly Servicing and Administration Payment Date),   | <u>\$ -</u> |
|       | (B) Any unpaid Servicing Fees from prior Monthly Servicing and Administration Payment Dates;   | <u>\$ -</u> |

|      |  |                       |
|------|--|-----------------------|
| (iv) | (A) The Senior Administration Fee to the Administrator (to the extent remaining unpaid following the Monthly Servicing and Administration Payment Date), | \$ <u>          -</u> |
|      | (B) Any unpaid Senior Administration Fees from prior Monthly Servicing and Administration Payment Dates;   | \$ <u>          -</u> |
| (v)  | (A) The Subordinate Administration Fee to the Administrator,   | \$ <u>          -</u> |
|      | (B) Any unpaid Subordinate Administration Fee from prior Quarterly Distribution Dates;   | \$ <u>          -</u> |
| (vi) | To the Administrator, the aggregate unpaid amount of any Carryover Servicing Fees;   | \$ <u>          -</u> |
|      | The Parity Ratio as of the end of the Collection Period preceding the Quarterly Distribution Date.   | _____%                |
|      | Pool Balance for such Quarterly Distribution Date.   | \$ <u>          -</u> |

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

(a) the Acquisition Fund for deposit to the Collection Fund, (i) to the extent moneys are not available to make the transfers from the Capitalized Interest Fund, the remaining amount of insufficient Available Funds in the Collection Fund to make the transfers required by Section 5.04(b) (other than transfers to repurchase Eligible Loans from a Servicer or any Guaranty Agency) and Section 5.04(c)(i) through Section 5.04(c)(v) of the Indenture and (ii) the remaining amount on deposit in the Acquisition Fund on the Determination Date preceding the December 2011 Quarterly Distribution Date (or on such earlier date as the Trustee may be instructed by the Authority pursuant to an Authority Order); and

(b) the Capitalized Interest Fund for deposit to the Collection Fund (i) the amount of insufficient Available Funds in the Collection Fund to make the transfers required by Section 5.04(b) (other than transfers to repurchase Eligible Loans from a Servicer or any Guaranty Agency) and Section 5.04(c)(i) through Section 5.04(c)(v) of the Indenture, and (ii) an amount equal to the amount required to be transferred to the Collection Fund on such Quarterly Distribution Date, including any amounts remaining in the Capitalized Interest Fund on the June 2012 Quarterly Distribution Date (which amount, if any, shall constitute Available Funds on such Quarterly 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 and the Acquisition Fund, the amount of insufficient Available Funds in the Collection Fund to make the transfers required by Section 5.04(b) (other than transfers to repurchase Eligible Loans from a Servicer or any Guaranty Agency) and Section 5.04(c)(i) through Section

5.04(c)(v) of the Indenture, and (ii) the amount on deposit in the Reserve Fund in excess of the Specified Reserve Fund Balance.

The Authority hereby certifies that the information set forth in this Certificate 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 the same with no further duty to examine or determine the information contained herein.

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

HIGHER EDUCATION LOAN AUTHORITY  
OF THE STATE OF MISSOURI, as the  
Authority

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

Date \_\_\_\_\_

**EXHIBIT B-2-B**

**FORM OF QUARTERLY DISTRIBUTION DATE INFORMATION FORM**

This Quarterly Distribution Date Information Form (the “Information Form”) is being provided by U.S. Bank National Association, as trustee (the “Trustee”) pursuant to Section 5.04(c) of the Indenture of Trust, dated as of July 1, 2011 (the “Indenture”), between the Higher Education Loan Authority of the State of Missouri (the “Authority”) and the Trustee. All capitalized terms used in this Information Form and not otherwise defined shall have the same meanings as assigned to such terms in the Indenture.

The Authority has provided a Quarterly Distribution Date Certificate to the Trustee. In reliance upon the information and the Authority’s direction contained therein, the Trustee shall make the following deposits and distributions in the following order of priority, to the Persons or to the account specified below by 3:00 p.m. (New York City time) on \_\_\_\_\_, \_\_\_\_\_ (the “Quarterly Distribution Date”), to the extent of (v) 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) (viz., the sum of \$\_\_\_\_\_), (w) the amount transferred from the Department Rebate Fund pursuant to Section 5.06 of the Indenture (viz., the sum of \$\_\_\_\_\_), (x) the amount transferred from the Reserve Fund pursuant to Section 5.05 of the Indenture (viz., the sum of \$\_\_\_\_\_), (y) the amount transferred from the Capitalized Interest Fund pursuant to Section 5.03 of the Indenture (viz., the sum of \$\_\_\_\_\_), and (z) the amount transferred from the Acquisition Fund pursuant to Section 5.02 of the Indenture (viz., the sum of \$\_\_\_\_\_).

|       |  |                          |
|-------|--|--------------------------|
| (i)   | Amounts required to be paid under any applicable Joint Sharing Agreement or amounts deposited in the Collection Fund which represent amounts that are allocable to Eligible Loans which are not pledged as part of the Trust Estate,                                 | \$ _____ -               |
| (ii)  | (A) The Trustee Fee to the Trustee,<br>(B) Any unpaid Trustee Fee from prior Quarterly Distribution Dates;   | \$ _____ -<br>\$ _____ - |
| (iii) | (A) The Servicing Fee to the Administrator (to the extent remaining unpaid following the Monthly Servicing and Administration Payment Date),<br>(B) Any unpaid Servicing Fees from prior Monthly Servicing and Administration Payment Dates;                         | \$ _____ -<br>\$ _____ - |
| (iv)  | (A) The Senior Administration Fee to the Administrator (to the extent remaining unpaid following the Monthly Servicing and Administration Payment Date),<br>(B) Any unpaid Senior Administration Fees from prior Monthly Servicing and Administration Payment Dates; | \$ _____ -<br>\$ _____ - |

|        |  |             |
|--------|--|-------------|
| (v)    | The Noteholders' Interest Distribution Amount to the Noteholders;  | <u>\$ -</u> |
| (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; | <u>\$ -</u> |
| (vii)  | The Principal Distribution Amount to the Noteholders (until paid in full);   | <u>\$ -</u> |
| (viii) | (A) The Subordinate Administration Fee to the Administrator,   | <u>\$ -</u> |
|        | (B) Any unpaid Subordinate Administration Fee from prior Quarterly Distribution Dates;   | <u>\$ -</u> |
| (ix)   | To the Administrator, the aggregate unpaid amount of any Carryover Servicing Fees; and   | <u>\$ -</u> |
| (x)    | Payment of additional principal on the Notes pursuant to Section 5.04(c)(x) of the Indenture;  | <u>\$ -</u> |
|        | Total Distributions  | <u>\$ -</u> |
|        | The Available Funds from the immediately preceding Collection Period on this Quarterly Distribution Date.                                    | <u>\$ -</u> |
|        | If required, other Available Funds on deposit in the Collection Fund.  | <u>\$ -</u> |
|        | The Parity Ratio as of such Quarterly Distribution Date.   | ____%       |
|        | Specified Reserve Fund Balance for such Quarterly Distribution Date.   | <u>\$ -</u> |
|        | Pool Balance for such Quarterly Distribution Date.   | <u>\$ -</u> |

Dated this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

**U.S. BANK NATIONAL ASSOCIATION**, as  
the Trustee

By \_\_\_\_\_  
Authorized Signatory

**EXHIBIT C**  
**REPORT TO REGISTERED OWNERS**



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***I. Principal Parties to the Transaction***

|                       |  |
|-----------------------|--|
| <b>Issuing Entity</b> | Higher Education Loan Authority of the State of Missouri   |
| <b>Servicers</b>      | Higher Education Loan Authority of the State of Missouri and Pennsylvania Higher Education Assistance Agency |
| <b>Administrator</b>  | Higher Education Loan Authority of the State of Missouri   |
| <b>Trustee</b>        | U.S. Bank National Association   |

***II. Explanations / Definitions / Abbreviations***

Cash Flows  
Record Date  
Claim Write-Offs  
Principal Shortfall  
Parity Ratio  
Total Note Factor/  
Note Pool Factor

**III. Deal Parameters**

| A. Student Loan Portfolio Characteristics  | XX/XX/XXXX | Activity | XX/XX/XXXX |
|--|------------|----------|------------|
| i. Portfolio Principal Balance   |            |          |            |
| ii. Interest Expected to be Capitalized  |            |          |            |
| iii. <b>Pool Balance</b> (i + ii)  |            |          |            |
| iv. <b>Adjusted Pool Balance</b> (Pool Balance + Capitalized Interest Fund + Specified Reserve Fund Balance) |            |          |            |
| v. Other Accrued Interest  |            |          |            |
| vi. Weighted Average Coupon (WAC)  |            |          |            |
| vii. Weighted Average Remaining Months to Maturity (WARM)  |            |          |            |
| viii. Number of Loans  |            |          |            |
| ix. Number of Borrowers  |            |          |            |
| x. Average Borrower Indebtedness   |            |          |            |
| xi. Portfolio Yield ((Trust Income - Trust Expenses) / (Student Loans + Cash))                               |            |          |            |

| B. Notes | CUSIP     | Spread | Coupon Rate | XX/XX/XXXX | %     | Interest Due | XX/XX/XXXX | %     |
|----------|-----------|--------|-------------|------------|-------|--------------|------------|-------|
| Notes    | 606072KZ8 | 0.85%  |             | \$ -       | 0.00% | \$ -         | \$ -       | 0.00% |

| LIBOR Rate Notes:             | Collection Period:              | Record Date       |
|-------------------------------|---------------------------------|-------------------|
| LIBOR Rate for Accrual Period | First Date in Collection Period | Distribution Date |
| First Date in Accrual Period  | Last Date in Collection Period  |                   |
| Last Date in Accrual Period   |                                 |                   |
| Days in Accrual Period        |                                 |                   |

| C. Reserve Fund                                  | XX/XX/XXXX | XX/XX/XXXX |
|--|------------|------------|
| i. Required Reserve Fund Balance                 |            |            |
| ii. Specified Reserve Fund Balance               |            |            |
| iii. Reserve Fund Floor Balance                  |            |            |
| iv. Reserve Fund Balance after Distribution Date |            |            |

| D. Other Fund Balances   | XX/XX/XXXX | XX/XX/XXXX |
|--|------------|------------|
| i. Collection Fund*  |            |            |
| ii. Capitalized Interest Fund  |            |            |
| iii. Department Rebate Fund  |            |            |
| (* For further information regarding Fund detail, see Section VI - K, "Collection Fund Reconciliation".) |            |            |

|                            |      |      |
|----------------------------|------|------|
| <b>Total Fund Balances</b> | \$ - | \$ - |
|----------------------------|------|------|

IV. Transactions for the Time Period

XX/XX/XXXX - XX/XX/XXXX

|           |  |   |             |
|-----------|--|---|-------------|
| <b>A.</b> | <b>Student Loan Principal Collection Activity</b>              |   |             |
|           | i.   | Regular Principal Collections                                       |             |
|           | ii.  | Principal Collections from Guarantor                                |             |
|           | iii.   | Principal Repurchases/Reimbursements by Servicer                    |             |
|           | iv.  | Principal Repurchases/Reimbursements by Seller                      |             |
|           | v.   | Paydown due to Loan Consolidation                                   |             |
|           | vi.  | Other System Adjustments  |             |
|           | vii.   | <b>Total Principal Collections</b>                                  | \$ -        |
| <b>B.</b> | <b>Student Loan Non-Cash Principal Activity</b>                |   |             |
|           | i.   | Principal Realized Losses - Claim Write-Offs                        |             |
|           | ii.  | Principal Realized Losses - Other                                   |             |
|           | iii.   | Other Adjustments   |             |
|           | iv.  | Capitalized Interest  |             |
|           | v.   | <b>Total Non-Cash Principal Activity</b>                            | \$ -        |
| <b>C.</b> | <b>Student Loan Principal Additions</b>                        |   |             |
|           | i.   | New Loan Additions  |             |
|           | ii.  | <b>Total Principal Additions</b>                                    | \$ -        |
| <b>D.</b> | <b>Total Student Loan Principal Activity (Avii + Bv + Cii)</b> |   | <b>\$ -</b> |
| <b>E.</b> | <b>Student Loan Interest Activity</b>                          |   |             |
|           | i.   | Regular Interest Collections  |             |
|           | ii.  | Interest Claims Received from Guarantors                            |             |
|           | iii.   | Late Fees & Other   |             |
|           | iv.  | Interest Repurchases/Reimbursements by Servicer                     |             |
|           | v.   | Interest Repurchases/Reimbursements by Seller                       |             |
|           | vi.  | Interest due to Loan Consolidation                                  |             |
|           | vii.   | Other System Adjustments  |             |
|           | viii.  | Special Allowance Payments  |             |
|           | ix.  | Interest Benefit Payments   |             |
|           | x.   | <b>Total Interest Collections</b>                                   | \$ -        |
| <b>F.</b> | <b>Student Loan Non-Cash Interest Activity</b>                 |   |             |
|           | i.   | Interest Losses - Claim Write-offs                                  |             |
|           | ii.  | Interest Losses - Other   |             |
|           | iii.   | Other Adjustments   |             |
|           | iv.  | Capitalized Interest  |             |
|           | v.   | <b>Total Non-Cash Interest Adjustments</b>                          | \$ -        |
| <b>G.</b> | <b>Student Loan Interest Additions</b>                         |   |             |
|           | i.   | New Loan Additions  |             |
|           | ii.  | <b>Total Interest Additions</b>                                     | \$ -        |
| <b>H.</b> | <b>Total Student Loan Interest Activity (Ex + Fv + Gii)</b>    |   | <b>\$ -</b> |
| <b>I.</b> | <b>Defaults Paid this Quarter (Aii + Eii)</b>                  |   | <b>\$ -</b> |
| <b>J.</b> | <b>Cumulative Defaults Paid to Date</b>                        |   | <b>\$ -</b> |
| <b>K.</b> | <b>Interest Expected to be Capitalized</b>                     |   |             |
|           |  | Interest Expected to be Capitalized - Beginning (III - A-ii)        | XX/XX/XXXX  |
|           |  | Interest Capitalized into Principal During Collection Period (B-iv) |             |
|           |  | Change in Interest Expected to be Capitalized                       |             |
|           |  | Interest Expected to be Capitalized - Ending (III - A-ii)           | XX/XX/XXXX  |
|           |  |   | \$ -        |

V. Cash Receipts for the Time Period

XX/XX/XXXX - XX/XX/XXXX

|           |   |  |             |
|-----------|---|--|-------------|
| <b>A.</b> | <b>Principal Collections</b>                        |  |             |
|           | i.  | Principal Payments Received - Cash   | \$ -        |
|           | ii.   | Principal Received from Loans Consolidated                                   | -           |
|           | iii.  | Principal Payments Received - Servicer Repurchases/Reimbursements            | -           |
|           | iv.   | Principal Payments Received - Seller Repurchases/Reimbursements              | -           |
|           | v.  | <b>Total Principal Collections</b>   | <b>\$ -</b> |
| <b>B.</b> | <b>Interest Collections</b>                         |  |             |
|           | i.  | Interest Payments Received - Cash  | \$ -        |
|           | ii.   | Interest Received from Loans Consolidated                                    | -           |
|           | iii.  | Interest Payments Received - Special Allowance and Interest Benefit Payments | -           |
|           | iv.   | Interest Payments Received - Servicer Repurchases/Reimbursements             | -           |
|           | v.  | Interest Payments Received - Seller Repurchases/Reimbursements               | -           |
|           | vi.   | Late Fees & Other  | -           |
|           | vii.  | <b>Total Interest Collections</b>  | <b>\$ -</b> |
| <b>C.</b> | <b>Other Reimbursements</b>                         |  |             |
| <b>D.</b> | <b>Investment Earnings</b>                          |  |             |
| <b>E.</b> | <b>Total Cash Receipts during Collection Period</b> |  | <b>\$ -</b> |

|  |  |             |
|--|--|-------------|
| <b>Funds Previously Remitted: Collection Account</b> |  |             |
| A.   | Joint Sharing Agreement Payments   |             |
| B.   | Trustee Fees   |             |
| C.   | Servicing Fees   |             |
| D.   | Senior Administration Fees and Subordinate Administration Fees   |             |
| E.   | Transfer to Department Rebate Fund   |             |
| F.   | Monthly Rebate Fees  |             |
| G.   | Interest Payments on Notes   |             |
| H.   | Principal Payments on Notes, including Principal Distribution Amount and any additional principal payments |             |
| I.   | Transfer to Reserve Fund   |             |
| J.   | Carryover Servicing Fees   |             |
| <b>K. Collection Fund Reconciliation</b>             |  |             |
| i.   | Beginning Balance:   | XX/XX/XXXX  |
| ii.  | Principal Paid During Collection Period (H)  |             |
| iii.   | Interest Paid During Collection Period (G)   |             |
| iv.  | Deposits During Collection Period (V-A-v + V-B-vii + V-C)  |             |
| v.   | Payments out During Collection Period (A + B + C + D + E + F + I + J)                                      |             |
| vi.  | Total Investment Income Received for Quarter (V-D)   |             |
| vii.   | Funds transferred from the Acquisition Fund  |             |
| viii.  | Funds transferred from the Capitalized Interest Fund   |             |
| ix.  | Funds transferred from the Department Rebate Fund  |             |
| x.   | Funds transferred from the Reserve Fund  |             |
| <b>xi.</b>   | <b>Funds Available for Distribution</b>  | <b>\$ -</b> |

**VII. Waterfall for Distribution**

|    |  | <u>Distributions</u> | <u>Remaining<br/>Funds Balance</u> |
|----|--|----------------------|------------------------------------|
| A. | Total Available Funds for Distribution | \$ -                 |                                    |
| B. | Joint Sharing Agreement Payments       | \$ -                 |                                    |
| C. | Trustee Fee                            | \$ -                 |                                    |
| D. | Servicing Fee                          | \$ -                 |                                    |
| E. | Senior Administration Fee              | \$ -                 |                                    |
| F. | Department Rebate Fund                 | \$ -                 |                                    |
| G. | Monthly Rebate Fees                    | \$ -                 |                                    |
| H. | Interest Payments on Notes             | \$ -                 |                                    |
| I. | Reserve Fund Deposits                  | \$ -                 |                                    |
| J. | Principal Distribution Amount          | \$ -                 |                                    |
| K. | Subordinate Administration Fee         | \$ -                 |                                    |
| L. | Carryover Servicing Fees               | \$ -                 |                                    |
| M. | Additional Principal                   | \$ -                 |                                    |

**VIII. Distributions**

**A.**

| Distribution Amounts                   | Notes       |
|--|-------------|
| i. Quarterly Interest Due              | \$ -        |
| ii. Quarterly Interest Paid            | -           |
| <b>iii. Interest Shortfall</b>         | <b>\$ -</b> |
| iv. Interest Carryover Due             | \$ -        |
| v. Interest Carryover Paid             | -           |
| <b>vi. Interest Carryover</b>          | <b>\$ -</b> |
| vii. Quarterly Principal Paid          | \$ -        |
| <b>viii. Total Distribution Amount</b> | <b>\$ -</b> |

**B.**

| Principal Distribution Amount Reconciliation                                |            |           |          |
|---|------------|-----------|----------|
| i. Adjusted Pool Balance as of  | XX/XX/XXXX | \$        | -        |
| ii. Adjusted Pool Balance as of   | XX/XX/XXXX | \$        | -        |
| iii. Excess   |            | \$        | -        |
| iv. Amount Due on a Note Final Maturity Date                                |            | \$        | -        |
| v. Total Principal Distribution Amount as defined by Indenture              |            | \$        | -        |
| vi. Total Principal Distribution Amount based on amounts in Collection Fund |            | \$        | -        |
| vii. Principal Distribution Amount Shortfall                                |            | \$        | -        |
| <b>Total Principal Distribution Amount Paid</b>                             |            | <b>\$</b> | <b>-</b> |

**C.**

| Additional Principal Paid |      |
|---------------------------|------|
| Additional Principal Paid | \$ - |

**D.**

| Reserve Fund Reconciliation                             |            |    |   |
|---|------------|----|---|
| i. Beginning of Period Balance                          | XX/XX/XXXX | \$ | - |
| ii. Amounts, if any, necessary to reinstate the balance |            | -  | - |
| iii. Total Reserve Fund Balance Available               |            | \$ | - |
| iv. Required Reserve Fund Balance                       |            | -  | - |
| v. Excess Reserve - Apply to Collection Fund            |            | \$ | - |
| vi. Ending Reserve Fund Balance                         |            | \$ | - |

**E.**

| Note Balances    | XX/XX/XXXX   | Paydown Factors | XX/XX/XXXX   |
|------------------|--------------|-----------------|--------------|
| Note Balance     | \$ -         |                 | \$ -         |
| Note Pool Factor | 0.0000000000 | 0.0000000000    | 0.0000000000 |



| <b>IX. Portfolio Characteristics</b> |            |            |                 |            |            |            |                  |               |              |              |
|--------------------------------------|------------|------------|-----------------|------------|------------|------------|------------------|---------------|--------------|--------------|
| Status                               | WAC        |            | Number of Loans |            | WARM       |            | Principal Amount |               | %            |              |
|                                      | XX/XX/XXXX | XX/XX/XXXX | XX/XX/XXXX      | XX/XX/XXXX | XX/XX/XXXX | XX/XX/XXXX | XX/XX/XXXX       | XX/XX/XXXX    | XX/XX/XXXX   | XX/XX/XXXX   |
| <b>Interim:</b>                      |            |            |                 |            |            |            |                  |               |              |              |
| <b>In School</b>                     |            |            |                 |            |            |            |                  |               |              |              |
| Subsidized Loans                     |            |            |                 |            |            |            |                  |               |              |              |
| Unsubsidized Loans                   |            |            |                 |            |            |            |                  |               |              |              |
| <b>Grace</b>                         |            |            |                 |            |            |            |                  |               |              |              |
| Subsidized Loans                     |            |            |                 |            |            |            |                  |               |              |              |
| Unsubsidized Loans                   |            |            |                 |            |            |            |                  |               |              |              |
| <b>Total Interim</b>                 |            |            |                 |            |            |            |                  |               |              |              |
| <b>Repayment</b>                     |            |            |                 |            |            |            |                  |               |              |              |
| <b>Active</b>                        |            |            |                 |            |            |            |                  |               |              |              |
| 0-30 Days Delinquent                 |            |            |                 |            |            |            |                  |               |              |              |
| 31-60 Days Delinquent                |            |            |                 |            |            |            |                  |               |              |              |
| 61-90 Days Delinquent                |            |            |                 |            |            |            |                  |               |              |              |
| 91-120 Days Delinquent               |            |            |                 |            |            |            |                  |               |              |              |
| 121-150 Days Delinquent              |            |            |                 |            |            |            |                  |               |              |              |
| 151-180 Days Delinquent              |            |            |                 |            |            |            |                  |               |              |              |
| 181-210 Days Delinquent              |            |            |                 |            |            |            |                  |               |              |              |
| 211-240 Days Delinquent              |            |            |                 |            |            |            |                  |               |              |              |
| 241-270 Days Delinquent              |            |            |                 |            |            |            |                  |               |              |              |
| 271-300 Days Delinquent              |            |            |                 |            |            |            |                  |               |              |              |
| >300 Days Delinquent                 |            |            |                 |            |            |            |                  |               |              |              |
| <b>Deferment</b>                     |            |            |                 |            |            |            |                  |               |              |              |
| Subsidized Loans                     |            |            |                 |            |            |            |                  |               |              |              |
| Unsubsidized Loans                   |            |            |                 |            |            |            |                  |               |              |              |
| <b>Forbearance</b>                   |            |            |                 |            |            |            |                  |               |              |              |
| Subsidized Loans                     |            |            |                 |            |            |            |                  |               |              |              |
| Unsubsidized Loans                   |            |            |                 |            |            |            |                  |               |              |              |
| <b>Total Repayment</b>               |            |            |                 |            |            |            |                  |               |              |              |
| Claims In Process                    |            |            |                 |            |            |            |                  |               |              |              |
| Aged Claims Rejected                 |            |            |                 |            |            |            |                  |               |              |              |
| <b>Grand Total</b>                   |            |            | <b>0</b>        | <b>0</b>   |            |            | <b>\$0.00</b>    | <b>\$0.00</b> | <b>0.00%</b> | <b>0.00%</b> |

| <b>X. Portfolio Characteristics by School and Program as of XX/XX/XXXX</b> |     |      |                 |                  |   |
|--|-----|------|-----------------|------------------|---|
| Loan Type  | WAC | WARM | Number of Loans | Principal Amount | % |
| PLUS   |     |      |                 |                  |   |
| SLS  |     |      |                 |                  |   |
| Consolidation - Subsidized   |     |      |                 |                  |   |
| Consolidation - Unsubsidized   |     |      |                 |                  |   |
| Stafford Subsidized  |     |      |                 |                  |   |
| Stafford Unsubsidized  |     |      |                 |                  |   |
| <b>Total</b>   |     |      |                 |                  |   |
| <b>School Type</b>   |     |      |                 |                  |   |
| 4 Year   |     |      |                 |                  |   |
| 2 Year   |     |      |                 |                  |   |
| Prop Voc/ Tech / Other   |     |      |                 |                  |   |
| Unknown  |     |      |                 |                  |   |
| Graduate   |     |      |                 |                  |   |
| <b>Total</b>   |     |      |                 |                  |   |

|                            |                   |
|----------------------------|-------------------|
| <b>XI. Servicer Totals</b> | <b>XX/XX/XXXX</b> |
|----------------------------|-------------------|

| Distribution of the Student Loans by Geographic Location * |                 |                   |                      |
|--|-----------------|-------------------|----------------------|
| Location   | Number of Loans | Principal Balance | Percent by Principal |
|  |                 |                   |                      |
|  |                 | 0                 | 0.00%                |

| Distribution of the Student Loans by Guaranty Agency |                 |                   |                      |
|--|-----------------|-------------------|----------------------|
| Guarantee Agency                                     | Number of Loans | Principal Balance | Percent by Principal |
|  |                 |                   |                      |
|  |                 | 0                 | 0.00%                |

| Distribution of the Student Loans by # of Months Remaining Until Scheduled Maturity |                 |                   |                      |
|---|-----------------|-------------------|----------------------|
| Number of Months  | Number of Loans | Principal Balance | Percent by Principal |
|   |                 |                   |                      |
|   |                 | 0                 | 0.00%                |

\*Based on billing addresses of borrowers shown on servicer's records.



**Distribution of the Student Loans by Date of Disbursement (Dates Correspond to Changes in Guaranty Percentages)**

| <u>Disbursement Date</u>         | <u>Number of Loans</u> | <u>Principal Balance</u> | <u>Percent by Principal</u> |
|----------------------------------|------------------------|--------------------------|-----------------------------|
| Prior to October 1, 1993         |                        |                          |                             |
| October 1, 1993 -- June 30, 2006 |                        |                          |                             |
| July 1, 2006 -- Present          |                        |                          |                             |
| Total                            | 0                      | \$0.00                   | 0.00%                       |

**XIII. Interest Rates for Next Distribution Date**

| <u>Notes</u> | <u>CUSIP</u> | <u>Spread</u> | <u>Coupon Rate</u> |
|--------------|--------------|---------------|--------------------|
| Notes        | 606072KZ8    | 0.85%         |                    |

*LIBOR Rate for Accrual Period*  
*First Date in Accrual Period*  
*Last Date in Accrual Period*  
*Days in Accrual Period*

**XIV. Items to Note**

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|  |
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## **EXHIBIT D**

### **BORROWER BENEFITS**

#### **Borrower Benefits Summary**

- All Stafford/PLUS loans originated after July 1, 2008 were ineligible for any of the below benefits. The only benefits those loans are eligible for are 0.25% interest rate reduction for ACH, which are available and only if the student is attending or attended a MO school.
- Any borrower that is not involved in the Rate Relief Program (described below) or the Public Service Reward Program (described below) on January 1, 2010 will only be eligible for the 0.25% interest rate reduction if such borrower signs up for ACH. Furthermore, any borrower who had been participating in the Rate Relief Program prior to January 1, 2010, is subsequently disqualified for any reason, and re-enrolls in the program after January 1, 2010 will only be eligible for the 0.25% interest rate reduction upon re-enrollment. No borrowers may enroll (or re-enroll after disqualification) in the Public Service Reward Program on or after January 1, 2010.

#### **Name: Sharp Loan Consolidation**

Type of Borrower Benefit: Interest Rate Reduction

Description: Rate reduction of 0.25% is available as soon as a borrower elects ACH

Qualify: All Consolidation Loans disbursed prior to 4/1/08 - Once a consolidation loan enters repayment

When: Once borrower enters repayment

Disqualification: 1 non-sufficient funds alert or they cancel auto-debit (The benefit stops on the 2<sup>nd</sup> non-sufficient funds alert)

#### **Name: Rate Relief Program – Disbursements prior to 4/1/08**

Type of Borrower Benefit: Interest Rate Reduction

Description:

a. 2.00% IR Reduction

b. 2.50% IR Reduction

c. 3.00% IR Reduction

Qualify: All Stafford and Plus Borrowers

a. Participants enroll in MOHELA's Rate Relief program to make their payments via auto debit

b. a. and you choose the Missouri Guarantee on their loan provided by the Missouri Department of Higher Education

c. a. and b. and attend a Missouri college or university

When: Once borrower enters repayment

Disqualification: 2 non-sufficient funds alerts or they cancel auto-debit

#### **Name: Rate Relief Program – Disbursements on or after to 4/1/08 and prior to 7/1/08**

Type of Borrower Benefit: Interest Rate Reduction

Description:

a. 2.00% IR Reduction

b. 3.00% IR Reduction

Qualify: All Stafford and Plus Borrowers

a. Participants enroll in MOHELA's Rate Relief program to make their payments via auto debit and attend a Missouri college or university

b. a. and you choose the Missouri Guarantee on their loan provided by the Missouri Department of Higher Education

When: Once borrower enters repayment

Disqualification: 2 non-sufficient funds alerts or they cancel auto-debit

The above Rate Relief benefits were limited to loans on ACH as of 12/31/2009. Any loans in the above categories for which an ACH application is received on or after 1/1/2010 will only receive a .25% reduction. Any loans on ACH as of 12/31/2009 which were receiving a higher benefit will remain eligible for that higher benefit as long as the loan remains active on ACH (i.e., any borrower who had previously been participating in the Rate Relief Program prior to January 1, 2010 and was disqualified for any reason will only be eligible for the 0.25% interest rate reduction upon re-enrollment).

**Name: Missouri Public Service Reward Program**

Type of Borrower Benefit: Interest Rate Reduction

Description: Borrower Rate goes to 3.25%

Qualify:

a. Must be employed full-time by a MO employer providing services in one of the eligible professions

b. Complete an annual application

c. Loan(s) must be serviced and owned by MOHELA

d. Except for loans guaranteed prior to June 1, 2007, must have been a Missouri resident at the time the loan was made or the loan(s) must have been originated for a Missouri school

e. Loan(s) must be in repayment

f. Borrower must certify application form

g. Applicable authorizing official must complete and certify application form

h. A new form must be completed and received annually by July 1st to retain eligibility in the program.

i. Loan originated after July 1, 2005

When: Once borrower enters repayment and is employed full-time by a MO employer.

Disqualification: 15 days delinquent or greater, they cancel auto-debit, do not pass reapplication process

Effective January 1, 2010, no new participants are permitted in the PSRP program. However, existing participants as of December 31, 2009 remain eligible for the program as long as they continue to meet all program requirements including, but not limited to, an annual application process.

**Name: Arkansas Public Service Reward Program**

Type of Borrower Benefit: Interest Rate Reduction

Description: Interest rate reduced by 2.0%.

**Qualify:**

Effective for loans first disbursed on or after 4/1/08:

- the AR PSRP is not available

Loans first disbursed on or after 7/1/06 and before 4/1/08 will continue to be eligible for prior benefit based on the following requirements:

- 2% interest rate reduction on qualified loans
- Stafford, PLUS, and GradPLUS loans disbursed on or after 7/1/06
- must be in repayment
- must be working in the State of Arkansas in an eligible field
- must be properly certified by official
- must be owned and serviced by MOHELA
- must apply annually

Effective January 1, 2010, no new participants are permitted in the AR PSRP program. However, existing participants as of December 31, 2009 remain eligible for the program as long as they continue to meet all program requirements including, but not limited to, an annual application process.

**NAME: GradPLUS In-School Rate Reduction**

Type of Borrower Benefit: Interest Rate Reduction

Description: Interest Rate reduced to 6.9% to 7.9%

**Qualify:**

Effective for loans first disbursed on or after 7/1/08:

- no longer available

Loans first disbursed prior to 7/1/08 will continue to be eligible for prior benefit.

Effective for loans first disbursed on or after 4/1/08:

- all GradPLUS loans, regardless of originating lender
- must be originated for a MO school
- if in an in-school deferment status, the interest rate is reduced from 8.5% to 7.9%
- if in an in-school deferment and MO guarantor, the interest rate is reduced from 8.5% to 6.9%
- must be owned and serviced by MOHELA

Loans first disbursed prior to 4/1/08 will continue to be eligible for prior benefit based on the following criteria:

- all GradPLUS loans, regardless of originating lender
- if in an in-school deferment, the interest rate is reduced from 8.5% to 7.9%
- if in an in-school deferment and MO guarantor, the interest rate is reduced from 8.5% to 6.9%
- must be owned and serviced by MOHELA

Effective for loans first disbursed on or after July 1, 2008, the GradPLUS In-School Rate Reduction benefit will be suspended indefinitely. Loans first disbursed prior to 7/1/08 may continue to qualify for prior benefits.

**NAME: GradPLUS Repayment Balance Reduction**

Type of Borrower Benefit: Principal Reduction

Description: 2% principal reduction when first payment is made.

Qualify:

Effective for loans first disbursed on or after 4/1/08:

- no longer available

Loans first disbursed prior to 4/1/08 will continue to be eligible for prior benefit based on the following criteria:

- only MOHELA as originating lender id 828863 of GradPLUS loans
- 2% principal reduction when first payment is made on-time
- on-time is within 15 days of 1st payment due date
- if the 1st payment due is delayed as a result of an immediate forbearance or deferment granted, the borrower may still receive reduction if initial 1st payment due is made on-time.
- no nexus requirement

**NAME: MARIO Loan Forgiveness**

Type of Borrower Benefit: Loan Forgiveness

Description: \$2,500 loan forgiveness per year for up to 4 years.

Qualify:

Effective 4/15/08:

- no longer available for new participants submitting applications through the 4/15/08 deadline for the 2008 annual loan forgiveness. For the April 16, 2007 through April 15, 2008 award year, no annual loan forgiveness will be granted for first-time participants.

Current MARIO participants will continue to be eligible on an annual basis for the remainder of their eligibility, which requires:

- \$2,500 loan forgiveness per year, up to four years and \$10,000 maximum award
- Stafford and PLUS loan disbursed on or after 1/1/00
- loans must be owned by MOHELA and guaranteed by MDHE
- must have bachelor's degree in math or science field
- must be a MO resident and U.S. citizen or eligible non-citizen
- must work for a MO life science-related company
- must apply annually by April 15th



## EXHIBIT E

### ELIGIBLE LOAN ACQUISITION CERTIFICATE

This Eligible Loan Acquisition Certificate (the “Certificate”) is submitted pursuant to the provisions of Section 5.02 of the Indenture of Trust, dated as of July 1, 2011, as amended (the “Indenture”), between the Higher Education Loan Authority of the State of Missouri (the “Authority”) and U.S. Bank National Association, as 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. In your capacity as Trustee, you are hereby authorized and requested to disburse to \_\_\_\_\_ (the “Seller”) the sum of \$\_\_\_\_\_ for the acquisition of Eligible Loans. With respect to the Eligible Loans so to be acquired, the Authority 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. To the extent that the amount to be disbursed pursuant to this Certificate exceeds 100% of the outstanding principal balance of such Eligible Loans, plus accrued interest, the amount required to pay such premium has been deposited into the Acquisition Fund (including amounts deposited therein on the Date of Issuance) by the Authority from funds other than the proceeds of the Notes.

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

4. The following items have been received and are being retained by the Authority or a Servicer:

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

(b) with respect to each Acquired Eligible Loan that is Insured, the Certificate of Insurance relating thereto;

(c) with respect to each Acquired Eligible Loan that is Guaranteed, a certified copy of the Guarantee Agreement relating thereto; and

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

5. The Authority is not, on the date hereof, in default under the Indenture.

6. All of the representations and warranties required by the terms of the Indenture with respect to the Acquired Eligible Loans are true and correct as of the date hereof and all of

the conditions specified in the Indenture for the acquisition of the Acquired Eligible Loans and the disbursement hereby authorized and requested have been satisfied.

7. With respect to all Acquired Eligible Loans which are Insured, Insurance is in effect with respect thereto, and with respect to all Acquired Eligible Loans which are Guaranteed, the Guarantee Agreement is in effect with respect thereto.

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

9. The undersigned is authorized to sign and submit this Certificate on behalf of the Authority.

WITNESS my hand this \_\_\_ day of \_\_\_\_\_.

HIGHER EDUCATION LOAN AUTHORITY  
OF THE STATE OF MISSOURI

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

***[ATTACH SCHEDULE A HERETO PURSUANT TO PARAGRAPH 1 HEREOF]***

## **EXHIBIT F**

### **LIST OF INITIAL STUDENT LOAN PURCHASE AGREEMENTS**

1. Letter of Intent, dated May 6, 2011, between Wells Fargo Bank, N.A. (“Wells Fargo”) and the Higher Education Loan Authority of the State of Missouri (the “Issuer”) and the Bill of Sale from Wells Fargo to the Issuer.
2. Letter of Intent, dated May 9, 2011, between Trustmark National Bank (“Trustmark”) and the Issuer and the Bill of Sale from Trustmark to the Issuer.