general obligations of the Borrower, additionally secured equally and ratably by: (1) a first mortgage on the Project and the sites thereof; (2) a first lien on and pledge of the net revenues to be derived from the operation of the Project, exclusive of the Dining Hall to be located in the Student Union Building; (3) a pledge of an annual Student Union fee from each full-time enrolled student which shall be sufficient together with other pledged revenues to provide for debt service and the reserves required by the Indenture; and (4) a lien on and pledge of the net revenues derived from the operations of existing New Hall and Jolliffe Hall, and the Dining Hall to be located in the Student Union Building subject only to the existing lien thereon to secure the Dormitory Bonds, Series 1956, of the Borrower.

It is hereby declared and represented in issuing this Bond and the series of which it is a part that while any part of the principal or interest of said issue of Bonds is outstanding and unpaid the Borrower has covenanted and agreed to operate and maintain continuously the Project and the other facilities the net revenues of which are pledged to the payment of the Bonds; to establish and continuously maintain rental, use, occupancy and other service charges and Student Union fees and to make other payments sufficient to pay the reasonable operation and maintenance expenses thereof, the principal of and interest on the Bonds as each Bond matures and as such interest falls due, and to establish and maintain a reserve for the payment of the principal of and interest on the Bonds as more fully provided in the Indenture; and that it has established and will maintain in force such parietal rules as shall be necessary to assure maximum use and occupancy of the Project and said other facilities.

In case an event of default, as defined in the Indenture, occurs, the principal of this Bond may become or may be declared due and payable prior to the stated maturity hereof



in the manner and with the effect and subject to the conditions provided in the Indenture.

With the consent of the Borrower and to the extent permitted by and as provided in the Indenture, the terms and provisions of the Indenture or of any instrument supplemental thereto may be modified or altered by the assent or authority of the holders of at least sixty-five per cent (65%) in aggregate principal amount of the Bonds then outstanding thereunder; provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or interest on the Bonds outstanding thereunder, or (b) authorize the creation of any other lien upon any of the mortgaged or pledged property, or (c) give to any Bond or Bonds secured thereby any preference over any other Bond or Bonds secured thereby.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuance of this Bond and the series of which it is a part have been done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Kansas and the proceedings herein mentioned, that this series of Bonds does not exceed any constitutional, statutory or corporate limitation, and that provision has been made for the payment of principal of and interest on this Bond and the series of which it is a part as provided in the Indenture.

This Bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, TRUSTEES OF THE BAKER UNIVERSITY and KANSAS EDUCATIONAL ASSOCIATION OF THE METHODIST EPISCOPAL CHURCH have caused this Bond to be signed in their names by the President of the Board of Trustees and by the President of the