

In addition to the installments of principal required to be paid by the Borrower as hereinabove set forth, the Borrower shall have the right to prepay on any interest payment date the principal installments becoming due after April 1, 1993 or any portion thereof as it may determine upon an inverse chronological order and in multiples of One Thousand Dollars, at the principal amount thereof plus accrued interest to the date of prepayment. After payment of the aforesaid installments the Borrower shall have the right to prepay on any interest payment date after April 1, 1988 the entire principal amount thereof then remaining unpaid, or such lesser portion thereof as it may determine upon an inverse chronological order of said installments, and in multiples of One Thousand Dollars, at the following prices (expressed in terms of a percentage of the principal amount of such prepayment) plus accrued interest to the date of prepayment:

- 103% if paid on or prior to April 1, 1973,
- 102 1/2% if paid after April 1, 1973 but on or prior to April 1, 1978,
- 102% if paid after April 1, 1978 but on or prior to April 1, 1983,
- 101 1/2% if paid after April 1, 1983 but on or prior to April 1, 1988,
- 101% if paid after April 1, 1988 and prior to maturity.

Provided, however, that so long as the registered owner hereof shall be the Payee, the Borrower may prepay on any interest payment date the entire unpaid principal amount hereof, or, from time to time in the inverse chronological order of the said installments, such lesser portion thereof in multiples of One Thousand Dollars as the Borrower may determine, at the principal amount thereof plus accrued interest to the date of such prepayment.

Notice of any such optional prepayment shall be given not more than sixty (60) days nor less than thirty (30) days prior to the prepayment date by mailing to the registered owner

-46-

of this Bond a notice fixing such prepayment date, the amount of principal and the premium, if any, to be prepaid.

This Bond may be assigned and upon such assignment the assignor shall promptly notify the Borrower at the office of the Trustee by registered mail and the Trustee may require submission of legal evidence of assignment and substitution of this Bond for verification of the Payment Record or at the option of the Borrower an exchange for a new Bond in the amount of the unpaid principal hereof.

In case an event of default, as defined in the Indenture, shall occur, the principal of this Bond may be declared or may become due and payable in the manner and with the effect provided in the Indenture.

No recourse shall be had for the payment of the principal of or interest on this Bond against any officer, director, trustee, or member of the Borrower, as such, all such liability (if any) being hereby expressly waived and released by every registered holder or transferee hereof by the acceptance hereof, and as a part of the consideration hereof, as provided in the Indenture.

It is hereby certified that all of the conditions, acts and things required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in regular form, time and manner.

This Bond shall not be entitled to any benefit under the Indenture nor be valid nor become obligatory unless it shall have been authenticated by the Trustee, or its successor in the trust, by completing the Certificate of Trustee appearing hereon.

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

-47-