TRUST INDENTURE

Part One

PARTIES, RECITALS AND GRANTING CLAUSES

THIS INDENTURE, consisting of two parts identified as Part One and Part Two (herein sometimes called the "Indenture"), dated as of October 1, 1961, by and between TRUSTEES OF THE BAKER UNIVERSITY and KANSAS EDUCATIONAL ASSOCIATION OF THE METHODIST EPISCOPAL CHURCH, private, nonprofit, educational corporations organized and existing under the laws of the State of Kansas, conducting an educational institution of higher learning located at Baldwin City, in the County of Douglas, in the State of Kansas, known as Baker University, jointly and severally, herein collectively called the "Borrower," said TRUSTEES OF THE BAKER UNIVERSITY acting by and through its Board of Trustees and said KANSAS EDUCATIONAL ASSOCIATION OF THE METHODIST EPISCOPAL CHURCH acting by and through its Board of Directors, and THE FIRST NATIONAL BANK OF TOPEKA, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, and having its main office and place of business in the City of Topeka, in Shawnee County, Kansas, hereinafter sometimes called the "Trustee," WITNESSETH:

WHEREAS, the Borrower is duly authorized by law to borrow money for its lawful corporate purposes and to issue and sell its bonds for money so borrowed and to mortgage and pledge its properties now owned or hereafter acquired in order to secure the payment of such obligations; and

WHEREAS, the Borrower has heretofore authorized and issued its "Trustees of the Baker University and Kansas Educational Association of the Methodist Episcopal Church Dormitory Bond, Series 1956" (hereinafter sometimes called "Series 1956 Outstanding Bond"), being a fully registered bond in the principal amount of Three Hundred Eighteen Thousand Dollars ($318,000), dated October 1, 1956, due in installments on October 1 in the years 1959 to 1996, inclusive, the unpaid principal balance of said bond bearing interest at the rate of 2 3/4% per annum, payable semiannually on April 1 and October 1 of each year, said bond being payable to The United States of America, Housing and Home Finance Administrator, or his successor, or his registered assigns, said bond having been issued by the Borrower for the purpose of providing funds to construct on land owned by the Borrower a new dormitory building designed to house and accommodate approximately 96 students and 2 housemothers, together with necessary appurtenant facilities, said dormitory now known as "Denious Hall," having since been con-