and the payment of the Borrower's Student Housing System Bonds, Series 1961A, Series 1961B, and Series 1961D, herein referred to, and the issuance of said Bonds designated as Series 1961C, is for a lawful corporate purpose of the Borrower; and

WHEREAS, the holder of said Series 1958B Outstanding Bond of which the principal amount of Three Hundred Thirty Thousand Dollars ($330,000) will remain unpaid, has consented to the refunding of said Bond and has agreed to accept in exchange therefor an equal principal amount of the Borrower's said Student Housing System Bonds, Series 1961C; and

WHEREAS, the Borrower proposes to construct on the site hereinafter mentioned certain facilities consisting of a new dormitory for approximately 148 students and one supervisor together with necessary appurtenances (hereinafter sometimes called the "Project"); and

WHEREAS, said Project is a lawful corporate purpose of the Borrower; and

WHEREAS, the Borrower has deemed it advisable to borrow money for the aforesaid purpose and to issue its bonds therefor and to mortgage and pledge, in the form of this Indenture, certain of its property hereinafter described, to secure equally and ratably the payment of said bonds and the bonds of the Borrower hereinbefore referred to designated as Series 1961A,

Series 1961B, and Series 1961C, and to that end the Board of Trustees of TRUSTEES OF THE BAKER UNIVERSITY and the Board of Directors of KANSAS EDUCATIONAL ASSOCIATION OF THE METHODIST EPISCOPAL CHURCH have authorized and directed the issuance of the bonds of the Borrower in the aggregate principal amount of Five Hundred Eighty-two Thousand Dollars ($582,000), such bonds to be designated "Trustees of the Baker University and Kansas Educational Association of the Methodist Episcopal Church Student Housing System Bonds, Series 1961D," the Bonds of said four series, namely, Series 1961A, Series 1961B, Series 1961C, and Series 1961D, being herein sometimes called the "Bonds," the bonds of each of said series being coupon bonds registerable as to principal only or a fully registered bond or bonds as in this Indenture otherwise provided, all of the Bonds to stand on a parity and to be equally and ratably secured as hereinafter provided; and

WHEREAS, the proceeds of the Bonds designated as Series 1961D, together with any other available funds, will be used for the specific corporate purpose of providing funds for the aforesaid Project; and

WHEREAS, the execution and delivery of this Indenture and the issuance of the Bonds have been in all respects duly and validly authorized by the Borrower as evidenced by the