Borrower to finance in part the construction of additions to existing student union building enlarging present facilities, under and pursuant to an Indenture dated as of April 1, 1962, (herein referred to as the "Indenture"), duly executed and delivered by the Borrower, pursuant to a resolution duly adopted by the Board of Trustees of TRUSTEES OF THE BAKER UNIVERSITY and a resolution duly adopted by the Board of Directors of KANSAS EDUCATIONAL ASSOCIATION OF THE METHODIST EPISCOPAL CHURCH (said resolutions collectively being herein sometimes called the "Resolution"), to the Trustee to which Indenture, and all indentures supplemental thereto, reference is hereby made for a description of the funds, revenues, fees and charges pledged thereunder, the nature and extent of the security thereby created, and the rights, limitation of rights, duties and immunities of the Trustee, the Borrower, and the registered owner of this Bond. An executed counterpart of the Indenture is on file at the office of the Trustee, and an executed counterpart has been recorded at the office of the Register of Deeds of the County of Douglas, State of Kansas, as provided by law for recording of mortgages on real estate.

As provided in the Indenture, this Bond is exchangeable at the sole expense of the Borrower at any time, upon ninety days' notice, at the request of the registered owner hereof and upon surrender of this Bond to the Borrower at the office of the Trustee in the City of Topeka, Kansas, for negotiable coupon bonds, payable to bearer, registrable as to principal only, of the denomination of One

Thousand Dollars ($1,000) each, in an aggregate principal amount equal to the unpaid principal amount of this Bond, and in the form of such coupon Bond as provided for in the Indenture.

In addition to the installments of principal required to be paid by the Borrower as hereinabove set forth, the Borrower shall have the right, under the circumstances prescribed in Section 6.14 of Part Two of the Indenture, to prepay the installments of principal through the application of the proceeds of insurance, and shall also have the right to prepay on any interest payment date the principal installments due after April 1, 1987, or any portion thereof as it may determine upon in 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, 1972, the entire principal amount hereof then remaining unpaid, or such lesser portion thereof as it may determine upon in 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, 1975, 102 1/2% if paid after April 1, 1975, but on or prior to April 1, 1978, 102% if paid after April 1, 1978, but on or prior to April 1, 1981, 101 1/2% if paid after April 1, 1981, but on or prior to April 1, 1984, 101% if paid after