EPISCOPAL CHURCH, corporations organized and existing under the laws of Kansas, and having their offices and post office addresses at Baldwin City, Kansas.

The term "Boards" shall mean the Board of Trustees of TRUSTEES OF THE BAKER UNIVERSITY and the Board of Directors of KANSAS EDUCATIONAL ASSOCIATION OF THE METHODIST EPISCOPAL CHURCH.

The term "Government" shall mean the United States of America.

The term "Loan Agreement" shall mean the Loan Agreement, dated as of May 1, 1962, entered into by the Borrower and the United States of America.

The term "trust estate" shall mean the property of the Borrower of every kind and nature, which at the time is or is intended to be subject to the lien of this Indenture.

Section 2. Fiscal Year, Project Facilities: The term "Fiscal Year" refers to the Borrower's fiscal year and shall mean the period commencing July 1 and ending June 30.

The term "Project" refers to facilities to be provided in part with the proceeds to be derived from the sale of the Bonds, consisting of additions to existing student union building enlarging present facilities.

Section 3. Part Two of the Indenture: The term "Part Two of the Indenture" means Part Two of this Indenture as changed by Article VII hereof.

ARTICLE II

FORM, EXECUTION AND REGISTRATION OF BONDS

Section 1. Form of Bonds: The Bonds, other than fully registered Bonds, shall be in coupon form, in the denomination of $1,000 each, numbered from 1 upwards; shall be designated "Trustees of the Baker University and Kansas Educational Association of the Methodist Episcopal Church Student Union Improvement Bonds, Series 1962," dated as of April 1, 1962, and shall bear interest at the rate of Three and three-eighths per centum (3 3/8%) per annum until payment of the principal amount, payable semiannually on April 1 and October 1 in each year commencing October 1, 1962, but until maturity of said Bonds only, upon presentation and surrender of the respective coupons for such interest. Both the principal of and interest on the Bonds shall be payable at the office of the Trustee, or, at the option of the holder thereof, at Morgan Guaranty Trust Company of New York, in the Borough of Manhattan, City and State of New York, in such coin or currency of the United States of America as may be on the respective dates of payment thereof, legal tender for the payment of debts due the United States of America. The Bonds to be issued and secured under this Indenture shall be in the aggregate principal amount of One Hundred Forty-seven Thousand Dollars ($147,000), and shall mature serially on April 1 in each of the years and in the amounts as follows: