

Kansas. Checks drawn against the Construction Account for the purpose of paying Project costs, as defined in Section 4.02 of said Part Two, or for reimbursements permitted by Section 4.03 of said Part Two, shall be signed by any two of the following: The President of Baker University, the Secretary of the Board of Trustees of TRUSTEES OF THE BAKER UNIVERSITY, the Treasurer of Baker University, or such other person or persons as may be designated by resolution of the Boards of the Borrower. A certified copy of any such resolution shall be filed promptly with the depository of the Construction Account.

ARTICLE V

THE STUDENT HOUSING SYSTEM, SYSTEM REVENUE FUND ACCOUNT, SYSTEM BOND FUND, AND SYSTEM REPAIR AND REPLACEMENT RESERVE ACCOUNT

Section 1. Student Housing System: The Project dormitory and the site thereof hereinbefore conveyed by the Borrower to the Trustee by Granting Clause I hereof, is by the Borrower hereby made a part of the Student Housing System (sometimes known as the "Housing System" or as the "System"), established in and by Section 1 of Article V, Part One, of the Indenture, so that said System shall include the following:

- (a) The Borrower's existing facilities popularly known and referred to as West Hall, Denious Hall, North Hall, Jolliffe Hall, and the Student Union Building and the Addition thereto, including, but not limited to, the dining hall, snack bar, bookstore, and

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1 1/2% if redeemed April 1, 1991 through October 1, 1995 inclusive,

1% if redeemed after October 1, 1995.

Bonds numbered 521 through 655 inclusive, maturing October 1, 2001 through October 1, 2005, inclusive, are callable at the option of the Borrower in whole or in part and in inverse numerical order on any interest payment date during the entire life of the loan, upon at least thirty days' prior notice, at par plus accrued interest to the date of redemption.

Priority as to call shall extend to Bonds numbered 521 through 655, inclusive, over Bonds numbered 81 through 520, inclusive.

Section 2. Notice to Trustee: The written notice to the Trustee regarding redemption of Bonds, referred to in Section 3.02 of Part Two of the Indenture, shall be signed by the Secretary of the Board of Trustees of TRUSTEES OF THE BAKER UNIVERSITY and by the Secretary of the Board of Directors of KANSAS EDUCATIONAL ASSOCIATION OF THE METHODIST EPISCOPAL CHURCH.

ARTICLE IV

BOND PROCEEDS AND CONSTRUCTION ACCOUNT

Section 1. Construction Account Operations: The designated depository for the Construction Account, established with the proceeds of the Bonds, Series 1965, referred to in Section 4.01 of Part Two of the Indenture, shall be The First National Bank of Topeka, Topeka,

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