ARTICLE EIGHT

DEFAULT AND REMEDIES THEREFOR
AND
RIGHTS OF ACTION HEREUNDER

Section 8.01. Upon the occurrence of any one or more of the following events (which for the purposes of this Indenture are herein defined as "completed defaults" and are herein sometimes called "completed defaults"), viz:

(a) Default continued for thirty (30) days in the payment of interest due on any outstanding bond secured hereby according to the tenor of said bond and the interest coupons appertaining thereto;

(b) Default in the payment of the principal of any bonds hereby secured when the same shall have become due and payable, whether at maturity as therein expressed, or pursuant to call thereof for redemption or otherwise; or

(c) Default continued for sixty (60) days after written notice given by the Trustee to the Corporations of the alleged default in the due observance or performance of any other covenant, obligation, condition or requirement imposed upon the Corporations by this Indenture or by the bonds or coupons; (except that the waiver, deferment or reduction of any Sinking Fund payment by the Trustee made with the consent and authority of the holders of a majority in principal amount of Bonds shall not be regarded as a default);

then and in any such case the Trustee may, and upon the written request of the holders of not less than one-quarter in principal amount of the bonds secured hereby and then outstanding the Trustee shall, by notice in writing delivered to any officer of the Corporations or deposited in the mails addressed to the Corporations at Baker University, Baldwin City, Kansas, declare the principal of all of the bonds hereby secured then outstanding and the interest accrued thereon, to be due and payable immediately, and upon such declaration the same shall become due and payable immediately; anything in this Indenture or in said bonds to the

contrary, notwithstanding. This provision, however, is subject to the condition that at any time after the principal of said bonds shall be so declared due and payable and prior to any foreclosure sale of the mortgaged property, if all matters of default shall have been made good other than payment of the principal of said bonds which have been declared due and payable pursuant to the right and authority hereinbefore given, the holders of a majority in principal amount of the bonds hereby secured and then outstanding, by written notice to the Corporations and to the Trustee shall have the right, if the reasonable compensation and expenses of the Trustee, including the costs of litigation, if any, shall first be paid, to waive on behalf of all the bondholders any such default and its consequences, and to rescind such declaration as aforesaid, and to abandon any proceedings taken on account of such default, and in case of any such waiver, or in case any proceedings taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and thereupon the Trustee and the bondholders shall be restored to their former respective positions and rights hereunder, and any previous declarations as aforesaid shall be deemed rescinded and of no effect, but no such recission or annulment shall effect any subsequent default or impair any right consequent thereon.

Section 8.02. Upon the occurrence of one or more completed defaults, then and in every such case the whole amount of said principal sum remaining unpaid with interest and all sums paid by the Trustee for taxes, assessments, insurance, costs and expenses may at the option of the Trustee and shall at the written request of the holders of twenty-five per cent. (25%) of the