

ARTICLE THREE

Subordination Provisions

Section 1. At the time of the recording of this Indenture of Trust the mortgaged premises will be subject to a lien created by a prior first mortgage in the principal amount not to exceed One Hundred Thirty-Five Thousand Dollars (\$135,000.00), which first mortgage shall bear interest at the rate of six per cent and be payable on a twenty-year amortization, with the principal remaining balance due fifteen years after the date thereof being due in full on that date. At any time during the existence of the lien created by this Indenture, the Trustees shall, upon the written notice of the Corporation signed by the President of its Board of Directors and attested by its Secretary, stating that the action requested has been duly approved by the Corporation's Board of Directors, execute and deliver to The Kansas University Endowment Association or any lending institution or title insurance company designated by the Corporation any and all duly executed recordable instruments or documents requested by the Endowment Association, the title insurance company, or lending institution, in its absolute discretion, as conditions precedent to the issuance of policy of title insurance insuring the priority and superiority of the lien and charge (over the lien and charge of the Corporation's second mortgage created by this Second Mortgage, hereinafter referred to as "inferior mortgage") of a standard form mortgage of realty ("superior mortgage"), subject to the terms and conditions of Section 2 of this Article Three.

Section 2. The standard form mortgage of realty referred to in Section 1:

(a) may contain provisions assigning rents and accelerating obligations in the event of reconveyance or further encumbering by the mortgagor thereof;

(b) shall be in the original principal amount of not less than Fifty Thousand Dollars (\$50,000) and not more than One Hundred Twenty-Five Thousand Dollars (\$125,000.00);