

construction shall be deposited in the Bond Fund and applied in accordance with the provisions of Article Four.

In the event that the Borrower shall not elect to repair or reconstruct the damaged or destroyed property as above provided, it shall forthwith retire all of the outstanding Bonds and apply the insurance proceeds for that purpose. In any such event all of the Bonds shall be subject to redemption, and such redemption shall be effected pursuant to the provisions of, in the manner, and with the effect provided in Article Seven.

Section 3.10. The Borrower shall, so long as funds and investments in the Bond Fund (created in Article Four hereof) are inadequate to meet the then current year's debt service on the Bonds plus a debt service reserve in the amount of Twenty-seven Thousand Dollars (\$27,000), purchase and maintain use and occupancy insurance on each building, the revenues of which are pledged to the payment of the Bonds, including Parmenter Commons Dining Hall or any replacement or substitute dining facilities therefor, in an amount sufficient to enable the Borrower to deposit in the Bond Fund, out of the proceeds of such insurance, an amount equal to the sum that would normally have been available from the revenues of the damaged building for deposit in such Fund during the time the damaged building is non-revenue producing as a result of loss of use caused by hazards covered by fire and extended coverage insurance. Policies of use and occupancy insurance shall be payable to the Borrower and the Trustee, and all money realized from collection under such policies shall be placed in the Bond Fund.

Section 3.11. It will within thirty (30) days following completion of the Project, and within thirty (30) days following the expiration of each fiscal year thereafter, file with the Trustee (1) an opinion of counsel, either stating that such action has been taken with respect to the execution and delivery to the Trustee of such indentures supplemental hereto and such further acts, deeds, conveyances, mortgages and transfers or other instruments, and the recording and/or filing of the same, and the