Borrower's issue of Bonds herein authorized, consisting of four series, dated October 1, 1961, and all subsequently issued bonds of the Borrower issued in accordance with the provisions hereinafter contained in ARTICLE VI hereof and secured equally with said four series of Bonds as to which there would be a default if the money were not so used.

Section 5. Student Housing System Repair and Replacement Reserve Account: There is hereby created and ordered to be established and maintained so long as any of the Bonds are outstanding, with the Trustee designated in this Indenture, a separate account called the "Student Housing System Repair and Replacement Reserve Account" and the Borrower covenants and agrees that as soon as the reserve required by Section 4 of this ARTICLE V has been accumulated in the System Bond Fund, the Borrower will deposit in said Student Housing System Repair and Replacement Reserve Account from the System Revenue Fund, on or before the close of each fiscal year, the sum of Fifteen Thousand Dollars ($15,000) or such portion thereof as is available for transfer annually until the funds and/or investments in the account shall aggregate One Hundred Fifty Thousand Dollars ($150,000) and thereafter such sums, but not more than Fifteen Thousand Dollars ($15,000) annually, as may be required to restore and maintain the balance of One Hundred Fifty Thousand Dollars ($150,000) in said Account. The Borrower shall have the right to draw on and use the moneys in said System Repair and

Replacement Reserve Account for the purpose of paying the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, and the renovating or replacement of the furniture and equipment not paid as part of the ordinary and normal expense of System operations; PROVIDED, HOWEVER, in the event the funds in the System Bond Fund should be reduced below the debt service reserve of One Hundred Sixty-one Thousand Six Hundred Dollars ($161,600), funds on deposit in the System Repair and Replacement Reserve Account shall be transferred to the System Bond Fund to the extent required to eliminate the deficiency in that account.

Section 6. Disposition of Residual Funds in System Revenue Fund: Subject to the provisions hereinbefore contained in Sections 1, 2, 3, 4 and 5 of this ARTICLE V, the Borrower may use any excess funds in the System Revenue Fund at the close of each school term (a) to redeem outstanding Bonds on the next interest payment date, in inverse numerical order and in amounts of not less than Five Thousand Dollars ($5,000) par value at one time or (b) for any expenditures, including the payment of debt service, in improving or restoring any existing housing and dining facilities, or providing any such additional facilities, or (c) for any other lawful purpose.