equal installments. Calculation of future net revenues of the then existing System shall be based on actual net income for the fiscal year next preceding the issuance of additional parity Bonds, as adjusted, if necessary, to reflect the schedule of rates and charges to become effective in the succeeding fiscal year, and after giving recognition to any anticipated changes in current expenses of the System. Calculation of the estimated net revenues of the facility or facilities to be constructed or acquired shall be predicated upon an assumed utilization rate of not more than ninety per cent (90%). The computation of estimates shall be made by the chief financial officer of the University and approved by its President and by the Board of Trustees of TRUSTEES OF THE BAKER UNIVERSITY and the Board of Directors of KANSAS EDUCATIONAL ASSOCIATION OF THE METHODIST EPISCOPAL CHURCH.

In the event additional bonds are issued on a parity with the issue of Bonds herein authorized as herein provided, the Supplemental Trust Indenture authorizing such additional bonds shall provide for an identical Flow of Funds as hereinbefore prescribed, that payments of principal be payable on October 1 of the appropriate year or years, that interest payments be payable

on April 1 and October 1, and shall specify that all revenues deposited into the Funds and Accounts already established shall be commingled. It shall also provide for the payment into the System Bond Fund, as an additional reserve, such sums equal to not less than two times average annual debt service requirements of such subsequently issued bonds either in cash at the time of delivery of such bonds or to be accumulated in not more than five years beginning at the end of the first school year in which the Borrower has had use of the facility or facilities constructed or acquired with the proceeds of such additional parity bonds, and provide that such annual payments shall not be in an amount less than one-fifth of the total sum required. The System Bond Fund reserve, including the additional reserves provided for in this paragraph should additional parity bonds be issued, shall, in compliance with provisions herein contained, ultimately be maintained in cash and/or admissible securities in an amount equivalent to two years' debt service on all Bonds outstanding against the System. Said Indenture shall also require that, as soon as the System Bond Fund reserve has been established at the required level, additional payments shall be made into the Student Housing System Repair and Replacement Reserve Account sufficient, at least, to replace, if necessary, all movable equipment and furnishings in the new facility or facilities so