

the Bond and Interest Sinking Fund Account, the Borrower shall establish with the Trustee a separate account called the "Building Maintenance and Equipment Reserve Account" into which shall be transferred from the Dormitory Revenue Fund Account at least \$15,000 during each fiscal year until the funds and/or investments in said Account shall aggregate \$150,000, and thereafter such sum annually, but not more than \$15,000, as may be required to restore and maintain a balance of \$150,000. All monies in the Building Maintenance and Equipment Reserve Account may be withdrawn and used by the Borrower for the purpose of paying the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, and the renovating or replacement of equipment not paid as part of the ordinary and normal expense of Project operation. However, in the event the funds in the Bond and Interest Sinking Fund Account should be reduced below the amount required to pay the interest on the Bonds due on the next interest payment date and one-half the principal due within the succeeding twelve months, and to maintain the debt service reserve in the sum of \$210,000 funds on deposit in the Building Maintenance and Equipment Reserve Account shall be transferred to the Bond and Interest Sinking Fund Account to the extent required to eliminate the deficiency in that Account.

Section 5. Prior to filing any requisition for loan funds, the Borrower shall present satisfactory evidence that it has deposited in the Construction Account the sum of \$200,000, being the difference between the amount of the loan and the estimated development cost of the Project.

Section 6. Disposition of Residual Funds in Revenue Fund