

Section 5. Disposition of Residual Funds in Revenue Fund Account. Subject to making the foregoing maximum annual deposits and payments, the Borrower may use the balance of excess funds in the Dormitory Revenue Fund Account at the close of each fiscal year (1) to redeem outstanding Bonds on the next interest payment date, in inverse numerical order, or (2) 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 (3) for any other lawful purpose, up to but not exceeding 12% per annum of any such additional funds.

ARTICLE VI.

SPECIAL COVENANTS

Section 1. Written Requisitions. The Written Requisitions referred to in Section 6.14 of Part Two of the Trust Indenture shall be executed by the President of Furman University.

Section 2. Conditions of Loan Agreement. In the event that the Government shall be the purchaser of the Bonds, it is intended by these presents that this Indenture shall in all respects fully implement each and every covenant and condition agreed to by the Borrower in a certain Revised Loan Agreement heretofore made as of April 1st, 1966, between the Borrower and the United States of America designated Project No. CH-SC-46(D) (REV.), Contract No. H-302-2772, a copy of which is on file at the office of the Borrower, near Greenville, South Carolina.

Section 3. Covenants as to Rates and Charges for Use of Project. The Borrower covenants and agrees to establish initially