

Section 4. Repair and Replacement Reserve Account. As soon as the required reserve is accumulated in the Bond and Interest Sinking Fund/^{Account} the Borrower shall establish with the Trustee a separate account called the "Furman University Dormitory Bonds of 1966 Repair and Replacement Reserve Account" into which shall be deposited from the Dormitory Revenue/^{Fund}Account on or before the close of each fiscal year, the sum of \$5,400, or such portion thereof as is available for transfer annually, until the funds and/or investments in said Repair and Replacement Reserve Account shall aggregate \$54,000 and thereafter such sums, but not more than \$5,400 annually, as may be required to restore and maintain the balance of \$54,000. All monies in the Repair and Replacement Reserve Account may be drawn on 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 furniture and equipment not paid as part of the ordinary and normal expense of operating the Project. However, in the event the funds in the Bond and Interest Sinking Fund Account shall be reduced below the Debt Service Reserve of \$45,000, funds on deposit in the Repair and Replacement Reserve Account shall be transferred to the Bond and Interest Sinking Fund Account to the extent required to eliminate the deficiency in said Bond and Interest Sinking Fund Account.