

*Bond and Interest Sinking Fund Account.* On or before a date five banking days prior to April 1 and October 1 of each year while any Bonds remain outstanding, the Comptroller, after providing for the payment of current operating and maintenance expenses, shall transfer from the Revenue Fund, and deposit to the credit of the Bond and Interest Sinking Account Fund Account such amounts, together with any investment income transferred from the Debt Service Reserve Account and deposited to the Bond and Interest Sinking Fund Account for the purpose of paying maturing principal and interest, as will be sufficient to equal the principal and interest to become due the following April 1 or October 1 as the case may be on the Bonds.

*Debt Service Reserve Account.* At the time the Series 1985 Bonds are issued, an amount equal to the Maximum Annual Net Debt Service thereon is required to be deposited in the Debt Service Reserve Account. In connection with the issuance of any Parity Bonds, an amount shall be deposited in the Debt Service Reserve Account sufficient to increase the balance therein to the Maximum Annual Net Debt Service for all Bonds to be outstanding immediately after the issuance of such Parity Bonds.

If at any time the amount on deposit in the Debt Service Reserve Account is less than Maximum Annual Net Debt Service for all outstanding Bonds, the Comptroller shall deposit funds into the Debt Service Reserve Account not later than the end of the next succeeding Fiscal Year in an amount not less than that necessary to restore the Debt Service Reserve Account equal to Maximum Annual Net Debt Service.

The Debt Service Reserve Account is required to be maintained in an amount equal to the Maximum Annual Net Debt Service for all outstanding Bonds. Funds on deposit in the Debt Service Reserve Account shall be transferred by the Bond Registrar to the Bond and Interest Sinking Fund Account and used to pay debt service on the Bonds in the event funds on deposit in the Bond and Interest Sinking Fund Account are insufficient therefor. If at any time the amount on deposit in the Debt Service Reserve Account exceeds Maximum Annual Net Debt Service, the excess thereof may be withdrawn and used to pay debt service on the Bonds or to purchase or redeem Bonds.

*Repair and Replacement Reserve Account.* The Comptroller shall deposit in a bank or trust company designated by the Board from the funds remaining in the Revenue Fund in the Repair and Replacement Reserve Account on or before the close of each Fiscal Year, not less than 10% of Maximum Annual Debt Service for a repair and replacement reserve. The maximum amount which may be accumulated in such account, including investments thereof, shall not exceed five per cent (5%) of the replacement cost of Existing Facilities, as determined by the then current *Engineering News Record Building Cost Index* (or comparable index). All money and investments so held in said account shall be used and held for use to pay the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, and renovating or replacement of fixed equipment not paid as part of the ordinary maintenance and operation of the System. Moneys on deposit in the Repair and Replacement Reserve Account are not pledged as security for the payment of the Bonds.

*Non-Instructional Facilities (Development) Reserve Account.* The Comptroller shall deposit into the Non-Instructional Facilities (Development) Reserve Account such funds as have been approved by the Board for expenditure or planned for expenditure for new space or construction in, or an addition to, an existing facility consistent with the purpose and mission of that facility. Moneys on deposit in the Non-Instructional Facilities (Development) Reserve Account are not pledged as security for the payment of the Bonds.

*Equipment Reserve Account.* Prior to the close of each Fiscal Year, there shall be deposited to said Equipment Reserve Account such funds as have been approved by the Board for expenditure in connection with the acquisition of movable equipment to be installed in the Existing Facilities. The maximum amount which may be accumulated in such Account shall not exceed twenty percent (20%) of the book value of the movable equipment of the System. Moneys on deposit in the Equipment Reserve Account are not pledged as security for the payment of the Bonds.

*Surplus Revenues.* At the close of each Fiscal Year and after all transfers and maximum deposits shall have been made, and after any deficiencies in any such transfers and deposits which may exist from any previous Fiscal Year shall have been remedied, the balance of any excess funds in the Revenue Fund then remaining may be used by the Board: (i) to redeem, on the next interest