

Project with its own funds (i.e. funds other than (i) the Construction Fund, (ii) the Insurance and Condemnation Proceeds Fund, (iii) any similar funds or accounts established in connection with the issuance of any Additional Bonds) shall not, unless such furnishings and equipment are necessary for the Project to remain fully licensed for operation as a long-term mental health hospital facility having 44 beds eligible to participate in all Governmental Programs, be deemed to be part of the Facilities or subject to the lien of this Agreement even though such furnishings and equipment might "replace" Furnishings and Equipment so removed.

Not later than sixty (60) days following the end of each fiscal year of Grantor, Grantor shall furnish to Grantee a certificate, summarizing the actions taken by Grantor pursuant to this Section during the preceding twelve (12) months, but the establishment of said dates shall not limit the provisions herein for substitution and installation of other Furnishings and Equipment within a reasonable time.

Grantor shall pay all the costs and expenses of any such removal and shall immediately repair at its own expense all damage to the Project caused thereby.

The removal from the Project of any portion of the Furnishings and Equipment pursuant to the provisions of this Section shall not entitle Grantor to any abatement or diminution of the Loan Payments or Additional Payments payable under the Loan Agreement or any reimbursement from Grantee.

Grantor will cause, at its sole cost and expense, any items of Furnishings and Equipment that under the provisions of this Section are to become a part of the Facilities to be subjected to the lien of this Agreement and the security interests of Grantee therein to be perfected.

Grantor will not remove, or permit the removal of, any of the Furnishings and Equipment from the Project except in accordance with the provisions of this Section or Section 5.2 hereof.

Grantor's rights under this Section to remove from the Project Furnishings and Equipment constituting a part of the Facilities is intended only to permit Grantor to maintain a long-term mental health hospital facility having 44 beds which is fully licensed and eligible to participate in all Governmental Programs by the removal of such Furnishings and Equipment no longer suitable to Grantor's use of the Project for any of the reasons set

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