

ARTICLE V  
CHANGES IN PROJECT

Section 5.1. Removal, Disposition and Substitution of Furnishings and Equipment. In any instance where Grantor in its sound discretion determines that any items of Furnishings and Equipment which constitute a part of the Facilities have become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, Grantor may, provided it is not in default under this Agreement, remove such items of Furnishings and Equipment from the Project and sell, trade-in, exchange or otherwise dispose of them, free and clear of the lien hereof, provided that in the event any of the Bonds are outstanding at the time of such removal, Grantor shall either:

(a) Purchase with its own funds (as defined in clause (b) below) within a reasonable time and install within a reasonable time thereafter anywhere in the Project other Furnishings and Equipment having equal or greater fair market value and utility (but not necessarily having the same function) in the operation of the Project as a long-term mental health hospital facility having 44 beds, all of which substituted Furnishings and Equipment shall be free of all liens and encumbrances (other than Permitted Encumbrances) and shall become a part of the Facilities, and therefore subject to the lien hereof, provided, however, that Grantor may not proceed under this clause (a) if such removal and substitution would impair operating unity or otherwise adversely affect the fair market value of the Facilities; or

(b) Not make any such substitution and installation, provided that Grantor shall promptly deposit into the Redemption Account cash in an amount equal to the proceeds of the sale or scrapping of the Furnishings and Equipment so removed or the credit received for the trade-in thereof, or the fair market value thereof, whichever is higher. Grantor shall not be required to replace any Furnishings and Equipment which constitutes a part of the Facilities and which are removed from the Project after compliance by Grantor with the provision of this subsection and so long as Grantor complies with the provisions of this subsection with respect to the removal from the Project of any Furnishings and Equipment constituting a part of the Facilities, any furnishings and equipment which Grantor purchases and installs in or on the

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