

(a) Substitute (either by direct payment of the cost thereof or by advancing to the County the funds necessary therefor) and install anywhere in the Building or on the Leased Land other machinery, equipment or related property (i) having equal or greater utility (but not necessarily having the same function) in the operation of the Project for the purpose for which it is intended, (ii) equal or greater market value, and (iii) an equal or greater remaining useful life than the replaced Leased Equipment, provided such removal and substitution shall not impair operating unity, all of which substituted machinery, equipment or related property shall be free of all liens and encumbrances (other than Permitted Encumbrances) and shall become part of the Leased Equipment; or

(b) Not make any such substitution and installation, provided (i) that in the case of the sale of any such Leased Equipment to anyone other than itself or a person under common control or, in the case of the scrapping thereof, the Lessee shall pay to the Mortgagee, to be applied forthwith to prepayment of rent hereunder, the proceeds of such sale or the scrap value thereof, as the case may be, (ii) that in the case of the trade-in of such Leased Equipment for other machinery, equipment or related property not to be installed in the Building or on the Leased Land the Lessee shall pay to the Mortgagee, to be forthwith applied to prepayment of rent hereunder, in cash, the amount of credit received on such trade-in, and (iii) that in the case of the sale of any such Leased Equipment to the Lessee or in the case of any other disposition thereof the Lessee shall pay to the Mortgagee, to be forthwith applied to prepayment of rent hereunder, an amount equal to the original cost thereof less depreciation on a straight-line basis calculated in accordance with generally accepted accounting practices.

If such removal causes damage to existing property not being removed, restoration and repair of such damage shall be made at the cost and expense of the Lessee.

The removal from the Project of any portion of the Leased Equipment pursuant to the provisions of this Section shall not entitle the Lessee to any abatement or diminution of the rents payable under Section 5.3 hereof or the amounts payable under Section 5.4 hereof.

The Lessee shall promptly report to the Mortgagee each such removal, substitution, sale, trade-in, exchange, and other disposition and shall pay to the Mortgagee such amounts as are required by the provisions of the preceding subsection (b) of this Section to be paid to the Mortgagee promptly after the sale, trade-in, or other disposition requiring such payment; provided, that no such report and payment

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