

for which it is intended, all of which substituted machinery, equipment or related property shall be free of all liens and encumbrances (other than Permitted Encumbrances) and shall become a part of the Project; or

(b) Not make any such substitution and installation, provided (i) that in the case of the sale of any such Equipment to anyone other than a related person. Cincinnati shall pay to the Recipient as prepayment of the amounts due under Section 4.01 hereof, the proceeds from such sale or the scrap value thereof, as the case may be, (ii) that in the case of the trade-in of such Equipment for other machinery, equipment or related property not to be installed in the Project, Cincinnati shall pay to the Recipient as prepayment of the amounts due under Section 4.01 hereof the amount of the credit received by it in such trade-in, or (iii) that in the case of the sale of any such Equipment to a related person or in the case of any other disposition thereof, Cincinnati shall pay to the Recipient, as prepayment of the amounts due under Section 4.01 hereof, an amount equal to the original cost thereof less depreciation at rates calculated in accordance with generally accepted accounting practice.

In the event any removal of machinery, equipment or related property under this section causes damage to existing buildings or structures included in the Project Cincinnati shall restore the same or repair such damage at its sole expense, subject to Section 5.01 hereof.

The removal from the Project of any portion of the Equipment pursuant to this section shall not entitle Cincinnati to any abatement or diminution of the amounts payable under Section 4.01 hereof except to the extent of any payments made hereunder.

(c) Cincinnati shall report annually on June 1 of each year to the Recipient each such removal, substitution, sale and other disposition required to be reported and shall pay to the Recipient upon filing such report such amounts as are required by the preceding provisions of this section to be paid to the Recipient in consequence of the sale, trade-in or other disposition requiring such payment; provided, that no such report and payment need be made in any year of this Agreement (June 1 through the following May 31) unless the amount to be so paid on account of all such sales, trade-ins or other dispositions aggregates at least \$50,000.

The Recipient agrees to execute and deliver such documents (if any), including releases from liens, as Cincinnati may properly request in connection with any

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