

Trustee shall not have any interest and may be modified, removed, replaced, pledged as security to other lenders or otherwise dealt with by the Company as the Company in its discretion may deem appropriate without notice to or consent of the Trustee and shall be appropriately labelled as not constituting part of the Project Equipment, provided that the Company agrees to repair at its own expense any damage to the Project occasioned by such modification or removal.

(c) The Company will not permit any mechanics' or other liens to be established or remain against the Project for labor or material furnished in connection with any additions, modifications, improvements, repairs, renewals or replacements so made by it; provided, that the Company may in good faith contest any mechanics' or other liens filed or established against the Project, and in such event may permit the item so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Trustee or any bondholder shall notify the Company that, in the opinion of counsel, by non-payment of any such items the lien hereof as to part of the Project will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture, in which event the Company agrees to promptly pay and cause to be satisfied and discharged all such unpaid items.

2. Removal of Project Equipment. The Company shall not be under any obligation to renew, repair or replace any inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary Project Equipment. In any instance where the Company in its sole discretion determines that any items of Project Equipment have become inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary, the Company may remove such items of Project Equipment and sell, trade-in, exchange or otherwise dispose of them (as a whole or in part) without any responsibility or accountability to the Trustee therefor, provided that the Company shall:

(a) Substitute and install other machinery or equipment having equal or greater utility (but not necessarily having the same function) in the operation of the Project (provided such removal and substitution shall not impair operating unity), all of which substituted