

by reason of the execution of the Mortgage, by reason of the performance of any act required of it by this Agreement, or by reason of the performance of any act requested of it by the Lessee, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing, nevertheless, if the County should incur any such pecuniary liability, then in such event the Lessee shall indemnify and hold harmless the County against all claims by or on behalf of any person, firm or corporation, arising out of the same, and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from the County, the Lessee shall defend the County in any such action or proceeding.

SECTION 8.8. COVENANTS OF LESSEE WITH RESPECT TO CAPITAL EXPENDITURES. The County is issuing the Note pursuant to an election made by the County at the request of the Lessee under Section 103 (c) (6) (D) of the Internal Revenue Code of 1954. In order to insure that interest on the Note will not become subject to Federal Income Taxes as a result of a violation of the capital expenditures limitation prescribed in said Section 103 (c) (6) (D), the Lessee covenants with the County, the Mortgagee, and with each of the future holders of the Note as follows:

(1) That all rights and privileges granted to the Lessee hereunder shall be exercised in such manner that the covenants made by this Section 8.8 shall be observed, and if any conflict between Section 8.8 and any other provision of this Agreement shall arise, then in such case, Section 8.8 shall control;

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