

SECTION 8.10. Tax Indemnification. (1) As used in this Section 8.10, the following terms shall have the following meanings:

(a) **"Event of Taxability"** means the earlier of (i) the issuance of a statutory notice of deficiency by the Internal Revenue Service which holds in effect that the interest paid or payable on all of the Bonds held by a holder or a former holder thereof is wholly includable in the gross income of such holder or former holder (other than a holder who is a "substantial user" of the Project or "related person" as such terms are defined in the Code), or (ii) the Lessee shall file with the Trustee and concurrently mail or cause to be mailed to each holder of outstanding registered Bonds a certificate of the president or any vice president that the Lessee has made or will make capital expenditures which have caused or will cause the interest on the Bonds to become subject to Federal Income Taxes pursuant to the provisions of Section 103(b) (6) (D) of the Code and setting forth the date as of which such interest became or will become so subject to Federal Income Taxes, which certificate shall be accompanied by an affirming opinion of counsel selected by the Lessee and reasonably satisfactory to the Trustee.

(b) **"Taxable Date"** means the earliest effective date as of which the interest payable on the Bonds is includable in the gross income of the holders or former holders of the Bonds (other than any holder who is a "substantial user" of the Project or "related person", as such terms are defined in the Code) as a result of the occurrence of any circumstances giving rise to an Event of Taxability.

(c) **"Inclusion Period"** with respect to any Bonds means the period beginning on the Taxable Date and ending on the redemption date or maturity (whichever occurs first) of such Bonds, both dates inclusive.

(2) If the Lessee shall become obligated to purchase the Project under the provisions of Section 12.2 hereof because of the occurrence of any Event of Taxability, then in that event the outstanding Bonds are required to be redeemed pursuant to Section 301 of the Indenture and the Lessee will pay to the Trustee for the benefit of the holder or holders of the Bonds so to be redeemed, as part of the purchase price