

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 Tax Exemption of Notes. The County is issuing the Series 1980 Note pursuant to an election made under Section 103(b)(6)(D) of the Code. In order to insure that interest on the Series 1980 Note will not become subject to Federal Income Taxes as a result of failure of the Notes to qualify as an exempt small issue under Section 103(b)(6)(A) and (D) of the Code or as a result of a violation of the capital expenditures limitation prescribed in said Section 103(b)(6)(D), the Lessee covenants with the County, the Mortgagee, and with each of the future holders of any Notes 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 provisions in the Lease shall arise, then in such case, Section 8.8 shall control;

(2) That the Lessee will not (a) commit nor permit the commission of any act which (i) would