

the payment of any redemption premium required by Section 12.4 on account of previously paid First Series Bonds.

SECTION 12.3. Obligation of Lessee Further Defined.

The parties recognize that the First Series Bonds are being issued as tax free obligations by virtue of an election made under Section 103(c) (6) (D) of the Internal Revenue Code of 1954, and that circumstances (not now contemplated or anticipated) may hereafter result in a determination as provided in Section 12.2 (which may be disputed) that interest on the First Series Bonds is subject to Federal Income Tax by reason of a violation (actual or claimed) of the capital expenditures limitation prescribed in Section 103(c) (6) (D) of the Internal Revenue Code of 1954. It is the intention of the parties hereto that subject to the proviso in the paragraph following (b) of Section 12.2, the Lessee, in the event of such a determination, shall provide each person who is a holder of a First Series Bond on the occasion as of which interest on the First Series Bonds becomes (or is determined as provided in Section 12.2 to be) taxable, as a result of any actual or claimed violation of Section 103(c) (6) (D) of the Internal Revenue Code of 1954, with the relief prescribed in Section 12.2 and Section 12.4 hereof, without regard to the final outcome of any dispute, and such determination as prescribed in Section 12.2 shall be conclusive even though it might be thereafter determined by Court order, ruling or otherwise that interest on the First Series Bonds was, in fact, not subject to Federal Income Taxes.

SECTION 12.4. Computation of Additional Redemption

Premium. In the event the Lessee is required to purchase the Project by virtue of the provisions of Section 12.2, the redemption premium payable shall be the aggregate of the premiums computed on each First Series Bond outstanding on the date as of which interest on the First Series Bonds becomes taxable, (or is determined in accordance with Section 12.2 hereof, to be taxable) such date being hereafter referred to

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