

C. Lessee understands that Lessor will not treat said Security Deposit as income for Federal Income Tax purposes unless and until Lessor becomes entitled thereto under the terms hereof, and Lessee agrees that he will not attempt to claim a deduction therefor on his Federal Income Tax return until such time.

IV. COVENANTS OF LESSEE

THE LESSEE COVENANTS AND AGREES WITH THE LESSOR during the term of this lease and for such further time as the Lessee shall hold the demised premises or any part thereof:

1) to pay unto the Lessor said rent and other payments herein required to be made at the times and in the manner aforesaid;

2) to pay, when due, all charges for electricity and other utilities, including but not limited to water, sewer, gas, heat, and power, used in the demised premises;

3) to keep the demised premises, including all glass therein, in as good repair, order and condition as the same are in at the beginning of the term or may be put during the continuance thereof (reasonable wear and tear, and damage by fire or other insured against casualty only excepted), including but not limited to structural repairs, exterior repairs, all repairs to the elevators and heating, plumbing and electrical systems;

4) to keep the machinery and equipment leased hereunder in as good repair, order and condition as the same are in at the beginning of the term or may be put during the continuance thereof (reasonable damage by wear and tear and damage by fire or other insured against casualty only excepted). Any machinery and equipment substituted for or replacing any machinery and equipment leased hereunder shall be at Lessee's sole expense and Lessee can remove any such machinery or equipment upon the expiration or other termination of this Lease. Any machinery or equipment designated on Exhibit B which Lessee chooses to replace at its option, then and in that event notice shall be given Lessor as to what disposition is desired for such machinery or equipment by Lessor, and