

for the additions, betterments, replacements or alterations of fixed assets which extend the life of the property, increases its value, or makes it adaptable to a different use, and the cost of such items is recoverable by periodic charges to depreciation expenses; as distinguished from repairs and maintenance which maintains the property in an ordinarily efficient operating condition, and from operating equipment, that is, linens, silver, china, glassware and uniforms, where the cost of the amount used is determined by annual physical inventories.

8. Inspection. So long as any part of the Note remains unpaid, Greenville will permit any authorized representatives designated by the holder of the Note in writing to visit and inspect the property including the affairs, finances and accounts of Osias Hotels at such reasonable times as holder may request.

9. Financial Statements.

(a) Balance Sheet, etc. Greenville will file with Reserve, within four months after the close of each fiscal year, an income statement, surplus statement and a balance sheet as of the end of such year, of Greenville, certified by a firm of independent public or certified accountants selected by Greenville (who may be the accountants who regularly audit the books of Osias Jack Tar Hotels, Inc.) accompanied by any report of comments by said accountants made in connection with the certification of such statements and signed copy of Reserve's Federal Income Tax Return filed for such year with Internal Revenue Service.

(b) Accountants' Certificate. Greenville will, concurrently with the filing of the financial statements provided for in sub-section 6(a) above, file with Reserve the written statement of the firm of independent public accountants selected by Greenville, who have reviewed Greenville accounts for said year, to the effect that such independent public accountants in making