

mortgaged premises; and, on the failure of the mortgagor to pay all taxes, insurance premiums and public assessments, the mortgagee may, at its option, pay said items and charge all advances therefor to the mortgage debt, which advances shall bear interest at the same rate as the principal indebtedness.

The mortgagor agrees that for each of its fiscal years during the term of this loan, it shall submit, not later than three months following the close of each such fiscal year, to the mortgagee, complete statements of income and expenses of the subject property prepared by an independent Certified Public Accountant chosen by the mortgagor. The submitted financial statements shall also include the following: balance sheet, income statement, a statement of sources and uses of funds, and a breakdown of the capitalization structure of World Indoor Sports, Inc. The income statement shall include a segregated or itemized listing of each category of income. The annual reports shall, in addition, be accompanied by a certificate of compliance by the President and Treasurer of the mortgagor that the conditions of the provisions of the next two succeeding paragraphs of this mortgage have not been violated.

The mortgagor agrees that expenditures by it for capital improvements will not exceed the sum of \$5,000.00 in any one year without the prior written approval of the mortgagee. This provision shall exclude the normal replacement of maintenance equipment, fixtures, and chattels used in operating the subject indoor tennis facility.

The mortgagor further covenants and agrees that at no time during the term of the loan which this Mortgage secures shall the aggregate total of its debt financing, exclusive of the indebtedness which this Mortgage secures, exceed Thirty Thousand and No/100ths (\$30,000.00) Dollars without receipt by it of the mortgagee's prior written approval to secure such loan or loans as shall cause the aggregate debt financing of the mortgagor to exceed Thirty Thousand and No/100ths (\$30,000.00) Dollars.