

(i) 30% of annual gross room income which exceeds \$535,000.00, and, (ii) 3% of annual gross restaurant and lounge income which exceeds \$400,000.00 derived from the operation of the leasehold improvements. Further, upon maturity of the Leasehold Mortgage loan or at such time as the debt is paid in full, whichever occurs first, Jefferson Standard is to receive, in lieu of the additional ground rent set forth above, 6-1/2% of all annual gross income derived from the operation of the security property. The overage rentals payable to Jefferson Standard Life Insurance Company, at its home office in Greensboro, North Carolina, shall be made within 90 days of the close of each fiscal year and shall be accompanied by an annual fully audited balance sheet and operating statement prepared by an independent Certified Public Accountant as required under the terms of the aforesaid Mortgage. These statements shall be accompanied by an explanation of the method used in computing and computation of the additional ground rent. For the first fractional year, the aforesaid additional ground rent due Jefferson Standard Life Insurance Company shall be on a pro rata basis, which means that the appropriate income figures would be replaced by the figures obtained by multiplying the appropriate income figures by a fraction which has the number of days in the fractional year as the numerator and has 365 as its denominator. For the last fractional year occurring during the life of this Lease the above pro rata calculation will be based on the previous fiscal year audits. It is specifically understood that the participation by Jefferson Standard Life Insurance Company in the income as herein described shall not have the effect of constituting the Jefferson Standard Life Insurance Company a partner with the makers hereof in the management and operation of the security property. It is expressly agreed that no payment shall be made, and that there shall be no obligation to make any payment, pursuant to this lease and agreement which would be in violation of the usury laws of the State of South Carolina. All such rental payments shall be paid to the Lessor at its address as follows:

Jefferson Standard Life Insurance Company  
Securities Service Division  
P. O. Box 21008  
Greensboro, North Carolina 27420

All rental payments shall be forwarded by Lessee in time to reach Lessor at the above address by the date on which they are due without notice from Lessor.

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