

**THIS AGREEMENT IS SUBJECT TO THE SOUTH CAROLINA UNIFORM  
ARBITRATION ACT, § 15-48-10, ET. SEQ., CODE OF LAWS OF SOUTH CAROLINA  
(1976), AS AMENDED**

**GROUND LEASE AGREEMENT**

THIS GROUND LEASE (the "***Lease***") is made and entered into this 1<sup>st</sup> day of February, 2017 (the "***Effective Date***"), by and between **DORRIS PROPERTIES, LLC**, a South Carolina limited liability company ("***Lessor***") and **ELK TRADING COMPANY, LLC**, a South Carolina limited liability company ("***Lessee***").

**W I T N E S S E T H:**

1. **Premises.** In consideration of the obligation of Lessee to pay rent as hereinafter provided and in consideration of the other terms, provisions and covenants hereof, Lessor hereby demises and leases to Lessee that certain tract or parcel of real property located in Greenville County, South Carolina, as more particularly described on the attached **Exhibit A**, and plotted as "Tract One" on that certain Plan attached hereto as **Exhibit A-1** (the "***Plan***"), together with all improvements located on the real property from time to time and all permanent attachments thereto and all replacements and substitutions for the foregoing (collectively the "***Improvements***") located thereon from time to time and all and singular the appurtenances, rights, privileges, rights-of-way and/or easements thereto (the "***Premises***").

2. **Term.** The lease term shall commence on the Effective Date, as first set forth above, and shall continue for a period of ninety-nine (99) years thereafter (the "***Term***").

3. **Rent.**

(a) Lessee, in consideration of the leasing of the Premises to Lessee by Lessor, hereby covenants and agrees to pay to Lessor annual ground rent in the amount of One Dollar (\$1.00) (the "***Ground Rent***").

(b) All Ground Rent shall be payable in annual installments in advance on the anniversary of the Effective Date.

(c) All payments of Ground Rent or any other sums due hereunder shall be made to Lessor at the same address provided herein for notices to Lessor or to such other address as Lessor may direct by written notice to Lessee.

(d) The Ground Rent prescribed in this Article shall be net to Lessor, with Lessee to be responsible for all costs, expenses and obligations of every kind related to the Premises, unless Lessor is expressly made responsible for such cost, expense or obligation under this Lease.

4. Construction of New Facility on the Premises; Easements.

(a) Lessee, at its sole cost and expense, may construct in accordance with the Option (as defined in Section 24) a building and related improvements (collectively, the "**New Facility**") on the Premises. Lessee shall supervise all construction work and do all things necessary to complete construction of the New Facility and related improvements with due diligence in accordance with all applicable laws, governmental regulations and permits. Notwithstanding any term to the contrary contained herein, no consent from Lessor is required in order for the construction of the New Facility.

(b) Upon Lessee's written request, Lessor shall promptly grant to Lessee, in Lessee's sole discretion, any recordable stand-alone commercially reasonable easements in form and substance acceptable to Lessee, over adjacent land owned by Lessor (shown as "Tract Two" on the Plan) necessary to (i) accommodate any business operations on the Premises of Lessee or its tenants, (ii) connect "Tract Two" to the New Facility, and (iii) accomplish any other reasonably necessary request made by Lessee.

(c) Lessor shall not convey any other easements encumbering the Premises without first obtaining Lessee's written consent.

5. Permitted Uses

The Premises may be used for any lawful purpose subject to the limitations set forth in that certain Voluntary Cleanup Contract between the South Carolina Department of Health and Environmental Control and Lessor as of June 29, 2006 (the "**VCC**").

6. Utilities/Permits.

Lessee shall be responsible for and shall pay all charges (including tap, transformer, connection, availability, and impact charges) incurred for the connection to and use of any and all utility services at the Premises and for any permits, approvals or consents necessary to construct any improvements contemplated hereby on the Premises. Lessor shall cooperate in connection with the efforts of Lessee to obtain any such permits, approvals or consents.

7. Taxes.

(a) Lessee shall pay directly to the appropriate taxing authority prior to delinquency, all taxes, including, without limitation, all real and personal property taxes, general or special assessments, impositions, fees, levies and charges or surcharges, whether general or special, ordinary or extraordinary, foreseen or unforeseen (including "in-lieu" taxes), which are directly or indirectly levied, charged, assessed or imposed on or against the Premises during the Term, or which shall or may become a lien on any part of the Premises or personal property situated thereon and all fees and assessments for governmental service(s) to the Premises, including service payments in lieu of taxes, together with any and all interest or other penalties on any of the foregoing (collectively, "**Taxes**"), and submit evidence of the discharge of such Taxes to Lessor promptly following such payment or discharge.

(b) Lessee shall have the right to contest, at Lessee's expense, the amount of Taxes, provided that Lessee promptly notifies Lessor of any such protest and makes such payments and filings as necessary to avoid any exposure of the Premises (or other property of Lessor) to sale for delinquent taxes. Lessee shall immediately pay or discharge any Taxes, together with all costs, charges, interest and penalties incidental thereto, determined to be due as a result of any such final proceeding or contest. If Lessee fails to make all payments required by this Article, Lessor shall have the right to make such payments, and Lessee shall promptly reimburse Lessor for all such payments and any related costs or expenses incurred by Lessor, including reasonable attorneys' fees. If any portion of the Premises, or other property of Lessor should be sold for delinquent taxes due to nonpayment by Lessee, Lessee shall be liable to Lessor for actual costs and expenses incurred to restore ownership to Lessor, including reasonable attorneys' fees.

8. Insurance and Indemnity.

(a) Lessee shall, throughout the Term, at its sole cost and expense, maintain liability insurance insuring Lessee against any and all claims and demands made by any person or persons whomsoever for injuries received or damages incurred in connection with the construction, operation or maintenance of the Premises or for any other risks normally and customarily insured against by such policies, with such policies to have combined single limits of not less than \$5,000,000.00 for damages incurred or claimed by one or more persons for bodily injury and not less than \$1,000,000.00 for damages to property. The amount of such required coverages may be increased by Lessor in its reasonable discretion during the Term of this Lease as may be appropriate to reflect CPI increases or amounts customarily required in similar commercial leases in the Greer South Carolina market.

(b) Except as otherwise provided in this Lease, Lessee covenants and agrees with Lessor that from the date hereof and continuing during the Term, Lessee will indemnify and save Lessor harmless from and against any and all claims, actions, demands, damages, liabilities or expenses which may be made against Lessor or Lessor's title in the Premises, arising by reason of, or in connection with, any negligent act or omission by Lessee or other person claiming under, by or through Lessee in connection with any negligent act or omission in connection with this Lease, except to the extent caused by Lessor's or Lessor's agents gross negligence or willful misconduct; and if it becomes necessary for the Lessor to defend any action seeking to impose any such liability, then unless Lessee disputes Lessee's obligation to pay such sums, the Lessee shall pay to Lessor as additional rent all court costs and reasonable attorneys' fees incurred by Lessor in such defense, in addition to any other sums which Lessor may be called upon to pay by reason of the entry of a judgment against Lessor in the litigation in which such claim is asserted, and if Lessee disputes Lessee's obligations to pay such sums, and such dispute remains unresolved for fifteen (15) days from the Lessee's first, then either party hereto will have a right to seek resolution via the arbitration provisions set forth in Section 23 of this Lease.

(c) Throughout the Term of this Lease, Lessee at its expense shall keep all Improvements on the Premises insured against loss or damage by fire or other casualty

customarily included within the term "extended coverage" in an amount not less than the full insurable value thereof.

(d) All insurance policies required under this Article shall be issued by an insurance company licensed to do business in the State of South Carolina and having a rating by Best Insurance Reports of A/10 or higher (or if such rating is no longer published or is modified, then such rating or qualification as Lessor shall determine in its reasonable discretion to be generally equivalent thereto) and shall name Lessor as an additional insured thereunder. Lessee agrees to furnish to Lessor certificates of insurance to the effect that the above policies of insurance are in force and that the same will not be canceled without fifteen (15) days advance written notice to Lessor.

9. Maintenance.

During the Term, Lessee shall, at Lessee's sole cost and expense, maintain the Premises in first class condition and repair consistent, ordinary wear and tear excepted, and in accordance with all applicable laws, and the requirements of all insurance companies insuring all or any part of the Premises. All repairs, alterations, replacements and additions to any improvements made during the Term shall, unless otherwise approved by Lessor, be at least equal to the value and quality of the improvements. At the end of the Term or other termination of this Lease, Lessee shall deliver to Lessor the Premises in good repair and condition, ordinary wear and tear, depreciation, obsolescence and casualty and condemnation loss being excepted.

10. Improvements/Alterations.

(a) Subject to Section 4 hereof, with the written consent of Lessor, not to be unreasonably withheld, conditioned or delayed, and at Lessee's expense, Lessee may from time to time make further alterations, additions or improvements to the Premises in addition to the New Facility.

(b) In connection with the alteration, construction, repair or maintenance of any improvements, Lessee covenants and agrees with Lessor that Lessee will not permit or suffer to be filed or claimed against Lessor or against the Premises or any building or improvement constructed thereon any mechanics', materialmen's or similar lien. In the event any such lien shall be filed, Lessee shall, at its own expense, cause the same to be canceled or bonded and discharged of record within thirty (30) days after the filing thereof, provided that Lessee shall have the right to contest the validity or amount thereof so long as such lien is discharged of record by bonding or any other method permitted by law. In the event Lessee fails to timely discharge any such liens by payment or bond, Lessor may (but shall not be obligated to) pay the amount of such lien or discharge the same by bonding, and the amount so paid or the costs of such bond shall be deemed to be additional rent due hereunder and shall be due and payable with the next installment of rent thereafter becoming due. Lessee hereby indemnifies and agrees to hold Lessor harmless from any loss, liability or expense (including reasonable attorneys' fees) incurred or suffered by Lessor as a result of any such lien.

(c) Lessor is not responsible to third parties for improvements or repairs made by or for Lessee, regardless of any approval given to Lessee to have the improvements or repairs made. In no event shall the terms of the Lease, or any consent given hereunder by Lessor, be construed as consent of Lessor that would entitle a person furnishing labor or materials to be paid by Lessor or to place a lien against the Premises or the property of Lessor under the South Carolina Mechanic's Lien Statute, S. C. Code Ann. §29-5-10, *et seq.*, or under any similar or related provisions.

11. Condemnation.

(a) Condemnation.

(i) If all the Premises (or if less than all but the remaining portion cannot be feasibly operated as then used or intended to be used) shall be acquired by the right of condemnation or eminent domain for any public or quasi-public use or purpose, or be sold to a condemning authority under threat of condemnation, then the Lease shall be terminated as of the effective date of the condemnation, and all rental shall be paid up to that date.

(ii) Lessor and Lessee each covenant and agree to seek separate awards in all such condemnation proceedings and to use their respective best efforts to see that such separate awards are made at all stages of all proceedings.

12. Assignment; Sublease.

(a) Lessee may not assign this Lease or sublease the Premises at any time without Lessor's consent, not to be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Lessee may assign the Lease or sublease the Premises, without Lessor's consent, to Kapstone Container Corporation ("**KapStone**").

(b) Lessee, without Lessor's consent, may conditionally assign this Lease to a lender or lenders providing financing to Lessee.

(c) Lessor will not assign or transfer this Lease at any time without obtaining Lessee's consent, not to be unreasonably withheld.

13. Lessee Default.

(a) The following events shall be "Events of Default" under this Lease:

(i) Lessee shall fail to pay any installment of Ground Rent or any other monetary payment required to be paid under this Lease as and when the same shall become due and shall not cure such default within ten (10) days after receipt of written notice from Lessor; or

(ii) Lessee shall fail to comply with any term, provision or covenant of this Lease (other than a monetary default) and shall not cure such failure within thirty

(30) days after written notice thereof is given by Lessor to Lessee; provided, however, with respect to a non-monetary default not susceptible of being cured within thirty (30) days, Lessee shall not be in default unless it fails to commence all work required to cure such default within said thirty (30)-day period or fails to diligently prosecute the same to effect such cure within a reasonable time thereafter.

(b) Upon the occurrence of an Event of Default and compliance with any subordination nondisturbance agreement or comparable agreement and leasehold mortgage with Lessee's Lender, Lessor shall have the option to pursue any one or more of the following remedies:

(i) Terminate this Lease, in which event Lessee and anyone claiming through Lessee shall immediately surrender the Premises to Lessor; and if Lessee or anyone claiming through Lessee fails to do so, Lessor may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Lessee and any other person who may be occupying the Premises, or any part thereof, with or without process of law and without being liable to prosecution or for any claim for damages.

(ii) Enter upon and take possession of the Premises and expel or remove Lessee and any other persons who may be occupying the Premises, or any part thereof, with or without process of law and without being liable to prosecution or for any claim for damages, and terminate Lessee's right of possession, without such reentry being deemed a termination of the Lease or an acceptance by Lessor of a surrender thereof, in which event Lessor shall use reasonable efforts to relet the Premises, or any part thereof, as the agent and for the account of Lessee, upon reasonable terms and conditions, with the rents received on such reletting being applied (x) first to the reasonable and actual expenses of such reletting and collection, including without limitation necessary renovation and alteration of the Premises, reasonable and actual attorneys' fees, and any reasonable and actual real estate commissions paid, and (y) thereafter toward payment of all sums due or to become due to Lessor hereunder. If a sufficient sum to pay such expenses and sums shall not be realized or secured, then Lessee shall pay Lessor any such deficiency monthly, and Lessor may bring an action therefor as such monthly deficiency shall arise. Lessor shall not, in any event, be required to pay Lessee any sums received by Lessor on a reletting of the Premises in excess of the rent provided in this Lease, but any such excess shall reduce any accrued present or future obligations of Lessee hereunder. Lessor's reentry and reletting of the Premises without termination of this Lease shall not preclude Lessor from subsequently terminating this Lease as set forth above.

(iii) Recover all rent as it becomes due under the Lease, from time to time, without terminating this Lease.

(iv) Enter upon the Premises, without being liable to prosecution or for any claim of damages, and do whatever Lessee is obligated to do under the terms of this Lease; and Lessee agrees to reimburse Lessor on demand for any reasonable expenses

which Lessor may incur in thus effecting compliance with Lessee's obligations hereunder, including reasonable attorney's fees.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law or in equity, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Lessor hereunder or of any damage accruing to Lessor by reason of the violation of any of the terms, provisions and covenants herein contained. Forbearance by Lessor to enforce one or more of the remedies herein provided upon the occurrence of an Event of Default shall not be deemed or construed to constitute a waiver of such default.

(c) Either party may recover from the other party its actual costs incurred in enforcing its rights under this Lease, including reasonable attorneys' fees, whether or not litigation is commenced.

(d) Notwithstanding any term to the contrary contained herein, during the Option Period (as defined in Section 24), as a precondition to exercising any rights or remedies as a result of any alleged default by Lessee, Lessor shall give written notice of the default to KapStone concurrently with delivery of such notice to Lessee, as applicable, specifying in detail the alleged Event of Default; provided however that KapStone shall have provided Lessor with its current address. During the Option Period, in the event the Lessor gives such a written notice of default, KapStone shall have the same period after receipt of notice of default to remedy the default, or cause the same to be remedied, as is given to Lessee.

#### 14. Lessor Default.

(a) If Lessor fails to perform any of its obligations under this Lease, and said failure shall continue for a period of thirty (30) days after written notice thereof from Lessee, Lessor shall be deemed to be in default; provided, however, that if the nature of the Lessor's nonperformance is such that more than thirty (30) days are reasonably required for its cure, then Lessor shall not be deemed to be in default if Lessor commences such cure within said thirty (30) day period and diligently pursues such cure thereby completing as soon as possible the curing of such default. In the event of a Lessor default hereunder, Lessee shall be entitled to all rights and remedies afforded Lessee hereunder, or by law or equity, on a cumulative and non-exclusive basis.

(b) During the Option Period, as a precondition to exercising any rights or remedies as a result of any alleged default by Lessor, including but not limited to the prompt completion of the Subdivision (as defined below), Lessee shall give written notice of the default to KapStone concurrently with delivery of such notice to Lessor, as applicable, specifying in detail the alleged default; provided however that KapStone shall have provided Lessee with its current address. In the event the Lessee gives such a written notice of default, KapStone shall have the same period after receipt of notice of default to remedy the default, or cause the same to be remedied, as is given to Lessor.

15. Representations, Covenants and Warranties of Lessor. Lessor hereby warrants, represents and covenants as follows.

(a) Lessor represents and warrants that (i) it is the owner in fee simple of the Premises subject to the easements, restrictions, covenants and other matters of record as of the date hereof or as would be disclosed by a current survey and inspection of the Premises, (ii) it has full right to lease the Premises for the term set out herein and for the purposes set forth herein, and (iii) it has no knowledge of any condemnation or threat of condemnation affecting any portion of the Premises.

(b) Lessor further covenants and warrants that so long as Lessee keeps and performs all of the agreements, covenants and conditions by the Lessee to be kept and performed, Lessee shall have quiet, undisturbed and continued possession of the Premises, free from any claims of Lessor and all persons claiming by, through or under Lessor, except with respect of such portion of the Premises as may be taken under the power of eminent domain.

(c) Lessor further represents and warrants that no consent or approval of any third party is required in connection with Lessor's lease of the Premises hereunder, including but not limited to, any approvals related to the Lessor's pending subdivision (the "**Subdivision**") of the tax lot of which the Premises is a portion of.

(d) Lessor further covenants and warrants that Subsequent to the execution of this Lease, Lessor shall use best efforts to complete the Subdivision, in accordance with the specifications set forth on the Plan, as soon as possible.

(e) Lessor further represents and warrants that, other than those matters addressed in the VCC, (i) to the best of its knowledge and belief, neither the Premises nor any portion thereof has ever been used to generate, manufacture, refine, transport, treat, store, handle, or dispose of any Hazardous Substance (as that term is defined below), and (ii) to the best of its knowledge and belief, there has been no release of any Hazardous Substances in or around the Premises. Lessor further represents and warrants that there are no actions, claims, suits or proceedings pending or threatened against Lessor or the Premises or any portion thereof which relate to any violation or alleged violation of any environmental laws applicable to the Premises or surrounding areas. So long as Lessor retains an interest in the Premises or any portion thereof, Lessor shall not (i) cause any Hazardous Substances to be generated, manufactured, refined, transported, treated, stored, handled, or disposed of on the Premises, and (ii) shall notify the Lessee immediately and in writing of any actions, claims, suits or proceedings pending or threatened against Lessor or the Premises or any portion thereof which relate to any violation or alleged violation of any environmental laws applicable to the Premises or surrounding areas. For purposes hereof, "**Hazardous Substances**" shall mean and include those elements or compounds which are contained in any list of hazardous substances adopted by the United States Environmental Protection Agency (EPA) or any list of toxic pollutants designated by Congress or the EPA, or which are defined as hazardous, toxic, pollutant, infectious or radioactive by any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability (including, without limitation, strict liability) or



standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereinafter in effect (collectively "*Environmental Laws*").

(f) To the extent permitted by applicable law, Lessor agrees to fully and promptly pay, perform, defend, indemnify and hold harmless Lessee, its agents and employees from any and all claims, orders, demands, causes of action, proceedings, judgments, or suits and all liabilities, losses, costs or expenses (including without limitation, technical consultant fees, court costs, expenses paid to third parties and reasonable attorney fees) and damages arising out of, or as a result of any Hazardous Substances present on, near or within the Premises prior to the Effective Date.

16. Holding Over By Lessee. Should Lessee holdover the Premises or any part thereof after the expiration or termination of this Lease, such holdover shall not constitute a renewal of this Lease and shall constitute and be construed as a tenancy from month-to-month only, at 110% of the Ground Rent payable immediately before the expiration or termination of the Lease unless the parties agree in writing to a different Ground Rent, and otherwise subject to all of the conditions, provisions and obligations of this Lease insofar as the same are applicable to a month-to-month tenancy.

17. Hazardous Materials.

(a) Lessee agrees that its operations on the Premises will not violate any Environmental Laws, including but not limited to the following: Federal Clean Air Act, 42 U.S.C. § 1857, et seq.; Federal Clean Water Act, 33 U.S.C. § 1151, et seq.; Resource Conservation and Recovery Act, 42 U.S.C. §§ 6903, 6921, et seq.; Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA" or "SUPERFUND"), 42 U.S.C. § 1901, et seq.; National Environmental Protection Agency (40 C.F.R., Chapters 373, 380 and 403); and The South Carolina Hazardous Substance Act, S.C. Code § 23-39-10, et seq.

(b) Lessee shall not cause, permit, or permit to continue any release of Hazardous Substances on the Premises. Should Lessee cause or permit any release of Hazardous Substances onto the surface or into the subsurface of the Premises resulting in damage to soil, surface water, groundwater, flora or fauna on the Premises, within waters of the state or the United States, or on adjacent properties, Lessee shall notify Lessor and the appropriate jurisdictional government agencies.

(c) Lessee shall indemnify and save Lessor harmless from any fines, suits, claims, demands, losses and actions (including attorneys' fees) that (i) arise from any violation by Lessee of the foregoing provisions of this Article, or (ii) are based upon any violation by Lessee of any federal, state or local laws, rules or ordinances for environmental protection, including but not limited to those itemized above in this Article, or upon the existence of Hazardous Substances in the possession or control of Lessee, or upon any other actual damage to the environment by Lessee or its employees, agents, guests or invitees; provided that such indemnification shall not extend to any independent acts or omissions of Lessor.

18. Waiver of Subrogation. Lessor and Lessee severally waive any and every claim which arises or may arise in its favor and against the other during the Term for any and all loss of, or damage to, any of its property located within or upon, or constituting a part of, the Premises, which loss or damage is covered by valid and collectible insurance policies to the extent that such loss or damage is recoverable thereunder. Inasmuch as the above mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation (or otherwise) to an insurance company (or any other person), Lessor and Lessee severally agree immediately to give each insurance company which has issued its policies of insurance, written notice of the terms of said mutual waivers, and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverages by reason of said waivers.

19. Notices. Any notice or document required or permitted to be delivered hereunder or by law shall be deemed to be delivered, whether actually received or not, when mailed by certified mail, return receipt requested, addressed to the parties hereto at the respective addresses below, or at such other address as theretofore specified by written notice delivered in accordance herewith:

Lessor: Dorris Properties, LLC  
Attn.: William C. Dorris  
4461 Hawkins Road  
Greer, SC 29651

Lessee: Elk Trading Company, LLC  
Attn.: Scott Dorris  
306 S. Buncombe Road  
Greer, SC 29650

KapStone: Kapstone Container Corporation  
Attn.: President  
1101 Skokie Boulevard, Suite 300  
Northbrook, Illinois 60062

with a copy to:

KapStone: KapStone Container Corporation  
Attn.: General Counsel  
1101 Skokie Boulevard, Suite 300  
Northbrook, Illinois 60062

20. Signage. Lessee may place or install signage on the Premises provided that such placement and installation is in compliance with all applicable laws.

21. Mortgages and Title.

(a) By executing this Lease, Lessor represents and warrants that no existing mortgages or liens encumber the Premises as of the Effective Date.

(b) Lessee agrees that, if requested by Lessor, this Lease shall be subject and subordinate to any mortgages or deeds of trust now or hereafter placed upon the Premises and to all modifications thereto, and to all present and future advances made with respect to any such mortgage or deed of trust, provided that Lessor first delivers to Lessee a Subordination and Non-Disturbance Agreement (defined below) from the holder of such lien or mortgage, and Lessor shall obtain the same from the holder of such lien or mortgage. Lessor agrees that any right, title or interest created by Lessor from and after the date hereof in favor of or granted to any third party shall be subject to (i) this Lease and all of Lessee's rights, title and interests created in this Lease, and (ii) any and all documents executed or to be executed by and between Lessee and Lessor in connection with this Lease. A "*Subordination and Non-Disturbance Agreement*" shall mean an agreement, in form reasonably acceptable to Lessee, between Lessee, Lessor and the holder of a lien or a mortgage that provides that the holder of such lien or a mortgage (i) agrees not to disturb Lessee's possession or rights under this Lease, (ii) agrees to provide notice of defaults under the lien or a mortgage documents to Lessee and agrees to allow Lessee and its lenders a reasonable period of time following such notice to cure such defaults on behalf of Lessor, and (iii) agrees to comply with such other requirements as may be reasonably required by Lessee or its lenders to ensure the interests of Lessee or its lenders are not interfered with. Notwithstanding any term to the contrary contained herein, in the event the Option is exercised by KapStone, KapStone shall be afforded the same rights as Lessee as set forth in this Section 21, including but not limited to, the non-disturbance rights in any Subordination and Non-Disturbance Agreement.

(c) Lessor agrees that Lessee shall have the right at any time and from time to time, to grant one or more mortgages of its interests in the Premises to lenders and, in connection therewith, to collaterally assign this Lease and all of Lessee's rights hereunder to such lenders (any such mortgage so granted by Lessee shall be hereinafter referred to as a "Leasehold Mortgage"). Lessor further agrees to, within fifteen (15) business days of request therefor, execute any additional documents or further assurances as may be reasonably requested by Lessee or any lenders of Lessee in connection with any Leasehold Mortgage or other related documents, including recognition and consent agreements, estoppel certificates, and agreements to give such parties notice and an opportunity to cure in the event of a default by Lessee under this Lease (individually, a "Mortgagee Document" and collectively, the "Mortgagee Documents"). By executing this Lease, Lessor represents and warrants that an officer of Lessor is authorized to deliver and perform or cause to be executed, delivered and performed, without further action by Lessor or consent of its governing body, any Mortgagee Document, Title Document (as defined below) and such other notices, directions, consents, approvals, orders, applications, agreements, instruments, certificates, supplements, amendments, further assurance or other communications of any kind, in the name of and on behalf of the Lessor, as such officer may deem necessary, advisable or appropriate to effect the intent of or to comply with the requirements of this Section and the other provisions of this Lease, such execution, delivery and performance or taking of any action or actions by such officer shall constitute conclusive evidence of their determination and approval of such necessity, advisability or appropriateness.

(d) Lessee or any leasehold mortgagee of Lessee shall have the right to obtain a policy or policies of title insurance in a form satisfactory to such party. In connection with any

such title insurance policy, Lessor agrees to reasonably cooperate in causing the title company to issue such title insurance policy, including without limitation, by providing the title insurance company with an owner's affidavit, documentation evidencing Lessor's due organization and authority to enter into this Lease, and such other documentation as may be reasonably required by the title company (individually, a "Title Document" and collectively, the "Title Documents").

22. Arbitration. Except as otherwise provided below, any claim, dispute or controversy arising under, out of or in connection with this Lease, at the request of either party by written notice to the other party, shall be resolved by binding arbitration, and judgment upon the award of the arbitrator may be entered in any court of competent jurisdiction. The claims, disputes and controversies covered by this provision include, but are not limited to: contractual violations and other statutory and common law claims and disputes. The arbitrator will be agreed upon by the parties within ten (10) days after receipt of the written request for arbitration referred to above. If the parties cannot agree upon a single arbitrator, then each party shall designate one arbitrator, and the two arbitrators so designated shall select a third arbitrator. The decision of the arbitrator or arbitrators will be binding and conclusive upon the parties. The arbitration will be conducted in Greenville, South Carolina. Each party will pay its own attorney's fees and expenses (including the fees and expenses of its witnesses) in connection with such arbitration, and the parties will share equally in the administrative fees, the arbitrator's fees and expenses and any other expenses of the arbitration.

23. Third Party Beneficiary. During the Option Period, KapStone is and shall be an express third party beneficiary of the provisions of this Lease, and shall be entitled to compel the performance of the obligations of Lessee and Lessor under this Lease.

24. Option to Lease and License Agreement. During the Option Period, Lessor hereby acknowledges and expressly approves and consents, without condition, to all of the terms contained within the Option to Lease and License Agreement by and between Lessee and KapStone, dated on the Effective Date, and attached hereto as Exhibit C (the "*Option*"). As used herein "*Option Period*" shall mean: that period of time prior to the four (4) year anniversary of the Effective Date; provided, however, if Kapstone exercises the Option, said period of time is extended for the entire duration of the term of that certain to-be-executed Lease Agreement by and between Lessee and Kapstone in connection with the Premises.

25. Miscellaneous.

(a) This Lease contains the entire agreement of the parties hereto with respect to the subject matter hereof and can be altered, terminated, amended or modified only by written instrument executed by all such parties and KapStone.

(b) This Lease shall be governed by and construed in accordance with the laws of the State of South Carolina.

(c) Time is of the essence with respect to each of the provisions of this Lease.

(d) This Lease shall be binding upon and shall inure to the benefit of the undersigned parties and their respective successors and assigns.

(e) Words of any gender used in this Lease shall be construed to include any other gender, and words in the singular shall include the plural and vice versa, unless the context requires otherwise.

(f) The captions used in this Lease are for convenience only and shall not be deemed to amplify, modify or limit the provisions hereof.

(g) The relationship between Lessor and Lessee at all times shall remain solely that of Lessor and Lessee and shall not be deemed a partnership or joint venture.

(h) In case any one or more of the provisions contained in this Lease shall for any reason be held invalid, illegal or unenforceable in any respects, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Lease shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

(i) The rights and remedies provided by this Lease are cumulative and the use of any one right or remedy by either party shall not preclude or waive its right to use any or all other available remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

(j) This Lease shall not be recorded unless required by applicable law. The parties hereto shall (i) execute a short form memorandum of this Lease in form set forth on Exhibit B, and (ii) record the same in the Registry of Deeds Office for Greenville County. Upon termination or cancellation of this Lease, Lessee agrees to execute a termination of the short form memorandum of lease in recordable form. Lessee shall execute and deliver to Lessor on the expiration or termination of this Lease immediately on Lessor's request a quitclaim deed to the Premises, in recordable form, designating Lessor or such other Person as Lessor may designate, as grantee.

(k) If both Lessor's and Lessee's estates in the Premises have both become vested in the same owner, this Lease shall nevertheless not be terminated by application of a doctrine of merger unless agreed in writing by Lessor, Lessee and KapStone.

(l) Lessor and Lessee each warrants and represents to the other party that it has not dealt with any real estate broker, agent or finder in connection with this transaction. Lessor and Lessee agree to hold each other harmless from and against any and all claims for brokerage commissions arising by virtue of this lease and claimed by any broker, agent or finder claiming under and through the indemnitor.

(m) Lessor and Lessee agree to execute and deliver to each other, within twenty (20) business days after requested by the other party, a certificate evidencing:

(i) whether or not this Lease is in full force and effect;

- (ii) whether or not this Lease has been modified or amended in any respect, and submitting copies of such modifications or amendments, if any;
- (iii) whether or not there are existing defaults hereunder to the knowledge of the party executing such certificate, and specifying the nature of such defaults, if any; and
- (iv) such other matters as may be reasonably requested by the other party.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Lease under seal as of the day and year first above written.

Signed, sealed and delivered  
in the presence of:

LESSOR:

DORRIS PROPERTIES, LLC

Sammy Frady  
Witness

By: William C. Dorris (SEAL)  
WILLIAM C. DORRIS  
Its: MANAGING PARTNER

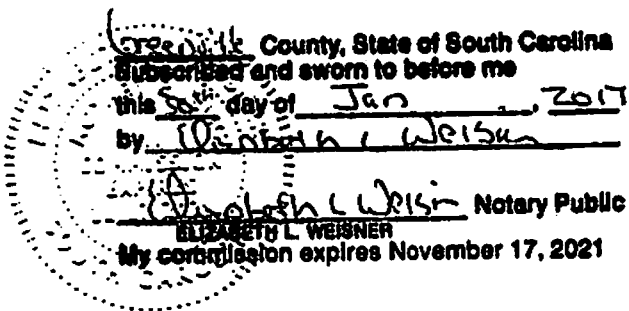
Signed, sealed and delivered  
in the presence of:

LESSEE:

ELK TRADING COMPANY, LLC

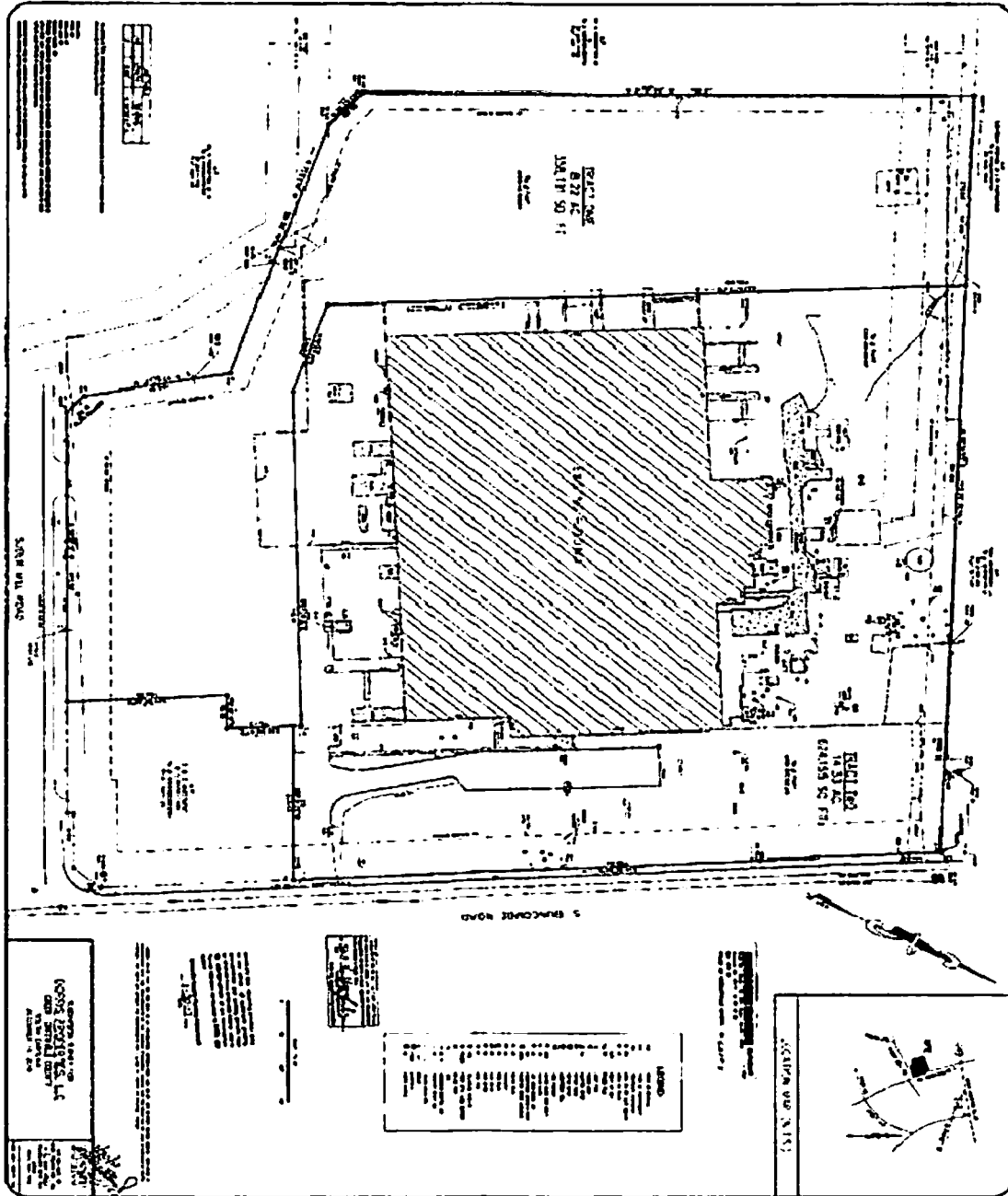
Michael All  
Witness

By: William S Dorris (SEAL)  
Its: MEMBER



# EXHIBIT B

## The Plan





## **EXHIBIT C**

### **Premises Legal Description**

All that piece, parcel and tract of land in Greenville County, South Carolina, on the north side of Suber Mill Road and shown as "Tract One, 8.22 acres" (358,191 Sq. Feet) on that certain plat entitled "Subdivision Survey for Dorris Properties, LLC" prepared by W.R. Williams, Jr., dated January 30, 2017 and recorded in the Registry of Deeds Office for Greenville County in Plat Book 1261, at Page 0060, more particularly described as follows.

To Find the Point of Beginning, begin at a 5/8" rebar on the southwestern side of S. Buncombe Road at the joint northeastern corner of Tract Two and southeastern corner of property now or formerly of Todd Enterprises, LLC (TM#G006000300101) thence S 60-35-55 W 831.66 feet to a point on the eastern line of Tract One at the joint corner of Tract One and Tract Two being the POINT OF BEGINNING, thence along the common line of Tracts One and Two the following courses and distances: S 33-41-24 E 730.54 feet to a point; N 75-23-32 E 132.03 feet to a point; N 57-24-20 E 715.01 feet to a point and S 34-29-47 E 8.99 feet to a point on the property now or formerly of D & D Investment & Construction (TM #G006000300204), thence along the line of D & D Investment & Construction the following courses and distances: S 34-29-47 E 75.13 feet to a point, S 58-29-19 W 50.06 feet to a point and S 34-30-20 E 182.59 feet to a point on the north side of Suber Mill Road; thence along the northern side of Suber Mill Road S 58-28-15 W 423.59 feet to a 1/2" rebar at the corner of property now or formerly of Delta Properties of SC (TM#G006000300203); thence leaving Suber Mill Road and along the line of Delta Properties of SC the following courses and distances: N 80-09-02 W 31.58 feet a nail; N 42-41-13 W 169.31 feet to a spike; S 75-23-32 W 381.02 to a 5/8" rebar; N 82-42-35 W 60.98 feet to a 5/8" rebar bent and N 31-01-29 W 700.21 feet to a point on the line of property now or formerly of Suburban Propane LP Ltd Partnership; thence along the line of Suburban Propane LP Ltd Partnership N 60-35-55 E 278.54 feet to the point of beginning.