

State of South Carolina,
County of Greenville.

SS

This Agreement made this 31st day of March, 1939, by and between Judson Mills, a corporation created and existing under the laws of the State of South Carolina and having its principal place of business near the City of Greenville in the County and State aforesaid, hereinafter referred to as the Lessor, and Gaylord Container Corporation, a corporation created and existing under the laws of the State of Maryland, and having its principal place of business at St. Louis, Missouri, hereinafter referred to as the Lessee.

W I T N E S S E T H:

The Lessor, for itself, its successors and assigns, does hereby lease unto the Lessee, its successors and assigns, and the Lessee does hereby accept from Lessor the following described premises, to-wit:

All that certain lot of land in the County of Greenville, State of South Carolina, on which is now located the mill buildings known as Judson Mills Plant No. 2, said lot of land being enclosed by a cyclone wire fence and having the following metes and bounds as shown by survey and plat made by R. E. Dalton, March 15, 1939:-

COMMENCING at an iron fence post at the northeast corner of Gordan Street and 8th Avenue; thence along the north side of Gordan Street N. 71-13 E. 236 ft. to an iron fence post; thence with cyclone fence N. 8-26 E. 133.6 ft. to an iron fence post; thence with fence N. 61-23 E. crossing P. & N. siding 18.4 ft. to an iron fence post; thence with fence N. 16-51 W. 75 ft. to an iron fence post; thence N. 41-11 W. 328.5 ft. to an iron fence post on the south side of 20th street; thence with fence S. 79-51 W. 71.7 ft. to an iron fence post; thence S. 50-43 W. 284.9 ft. to an iron fence post on the east side of 8th Avenue; thence continuing with fence east of the east line of 8th Avenue S. 38-08 E. 436.5 ft. to the beginning, together with brick building and all other structures and improvements thereon and all appurtenances thereto belonging.

To Have and to hold the above described premises and buildings unto the Lessee for and during the term of five years beginning on June 1st, 1939, and ending on May 31st, 1944, yielding and paying unto the Lessor the rent hereinafter provided.

The Lessee does hereby agree to pay unto the Lessor for and during said term a rental of Eight Thousand (\$8,000.00) Dollars per year to be paid in twelve (12) equal instalments, each payable monthly in advance, on the first day of each and every calendar month beginning on June 1st, 1939, and continuing to the end of the term.

Simultaneously with the execution of this instrument the Lessee has paid to the Lessor (receipt of which is hereby acknowledged) the sum of Four Thousand (\$4,000.00) Dollars, in full settlement of the rent payable for the last six months period of the term of this lease, that is, for the period from December 1, 1943 to May 31, 1944. In consideration of such advance payment the Lessor agrees to pay unto the Lessee interest on said sum of Four Thousand (\$4,000.00) Dollars at the rate of three (3%) per cent per annum to be computed and paid semi-annually to the dates when the rental covered by such advance payment would otherwise become due and payable; provided, however, the Lessor at its option at any time may return said sum to the Lessee and discontinue the payment of interest thereon, in which event the rental for said last six months shall become due and payable monthly in advance as hereinabove provided.

In addition to the rental hereinabove reserved, the Lessee shall pay all State and County (including school district and sewer district) taxes levied and assessed against said leased premises for and during the term of this lease; provided, however, that the taxes for the year 1939 and for the year 1944 shall be prorated between the Lessor and Lessee in proportion to the periods during each of said years when the premises shall be held by the Lessor and by the Lessee respectively. If the said property is returned for taxation in the name of, and assessed against, the Lessor, then and in such event, when such taxes shall have become payable, the Lessee shall pay to the Lessor the amount due by the Lessee, which amount so paid shall be received by the Lessor in trust and shall by it be immediately applied to the payment and discharge of the taxes.

The Lessee shall have the option to renew or extend this lease for a period of five years, beginning June 1, 1944, and ending May 31, 1949, at a rental of Eleven Thousand (\$11,000.00) Dollars per year to be paid each year in twelve equal instalments, each payable monthly in advance on the 1st day of each and every calendar month during such extended or renewed term; and in addition thereto, the Lessee shall pay taxes assessed for or during such extended term on the same basis as hereinabove provided for the payment of taxes during the original term of five years, the taxes for the calendar year 1949, in the event of such renewal or extension, being prorated as hereinabove provided with reference to the taxes for the year 1944 in the event of no extension or renewal. Provided, however, that in order to avail itself of the right to such renewal or extension the Lessee shall give to the Lessor on or before December 1, 1943, notice in writing of its election to exercise its option for such renewal or extension. Such notice being given within the time limited, both parties hereto shall be and become bound by the provisions of this lease for and during such extended term. Should the Lessee fail to give such notice on or