

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into as of the ___ day of _____, 2014, by and between WOODSTOCK INVESTORS LIMITED PARTNERSHIP, a South Carolina limited partnership ("Landlord"), and FERGUSON ENTERPRISES, INC., a Virginia corporation ("Tenant").

WITNESSETH

1. PREMISES

1.1. In consideration of the rents and covenants herein contained, and upon the terms and conditions herein set forth, Landlord demises and leases to Tenant, and Tenant takes and leases from Landlord, approximately 16,250 square feet of that certain 32,500 square foot building known as building 17 (the "Building") situated on that certain parcel of improved real property (the "Property") having a mailing address of 4301 Dorchester Road, Building 17, located in the City of North Charleston, Charleston County, South Carolina, and comprising a portion of the Woodstock Industrial Park Redevelopment – Phase 2 (the "Industrial Park"), all as more particularly described on Exhibit A-1 and shown and depicted on Exhibit A-2 attached hereto and made a part hereof, and together with all rights, privileges, tenements, hereditaments, easements and appurtenances thereunto belonging or in anywise appertaining being hereinafter referred to as the "Premises."

1.2. In addition to the exclusive use of the Premises, Tenant shall have the non-exclusive right and easement during the Lease term to the use and enjoyment of all common areas, parking, driveways, entranceways, sidewalks, elevators, loading docks and other areas in or around the Building designated for the common use of the tenants, occupants and invitees of the Building (collectively, the "Common Areas"). For purposes of this Lease, "Tenant's Share" shall be a fraction, the numerator of which is the rentable area of the Premises and the denominator of which is the rentable area of the Building, as applicable to the Realty Taxes (as defined in Section 10.1) and Property Insurance (as defined in Section 12.1), and additionally as applicable to the CAM Charges (as defined in Section 4.3) shall be a fraction, the numerator of which is the rentable area of the Premises and the denominator of which is the rentable area of the Industrial Park, as existing from time to time.

2. **TERM**

2.1. The term of this Lease shall commence on the date that Landlord delivers possession of the Premises to Tenant in the condition listed on Exhibit B attached hereto and made a part hereof (the "Commencement Date"). Landlord shall deliver written notice to Tenant at least seven (7) days prior to the anticipated Commencement Date and the parties shall schedule a walk-through of the Premises to verify that all of the pre-Commencement Date work is completed and to transfer possession of the Premises to Tenant.

2.2. Tenant's obligation to pay Base Rent and other monetary sums due in accordance with this Lease shall commence five (5) months after the Commencement Date (the "Rent Commencement Date").

2.3. The initial term of this Lease will expire at 11:59 p.m. on the last day of the fifth (5th) full Lease Year (the "Initial Period"). The term "Lease Year" as used herein will mean a period of twelve (12) consecutive full calendar months following the Rent Commencement Date. If the Rent Commencement Date is not the first day of a calendar month, then the first Lease Year will begin on the first day of the calendar month following the Rent Commencement Date. Each succeeding Lease Year will begin upon the anniversary date of the first Lease Year.

2.4. Provided no uncured Event of Default (as hereinafter defined) has occurred and is continuing, Tenant shall have the option to extend this Lease for three (3) additional periods of three (3) years each (the "Extension Periods") upon the same terms and conditions as provided herein, saving and excepting the increase in Base Rent provided for herein. The phrases "term of this Lease" or "Lease term" as used herein shall include all properly exercised Extension Periods. An Extension Period shall be exercised by Tenant giving written notice to Landlord not more than two hundred seventy (270) days and not less than one hundred twenty (120) days prior to the expiration of the then current lease term.

3. **RENT**

3.1. Commencing with the Rent Commencement Date and continuing throughout the Initial Period of this Lease, Tenant covenants and agrees to pay to Landlord a monthly base rent ("Base Rent") of EIGHT THOUSAND ONE HUNDRED NINETY-TWO AND

71/100 DOLLARS (\$8,192.71), payable in advance on the first day of each calendar month thereof, prorated for partial lease months.

3.2. At the commencement of each duly executed Extension Period, the Base Rent during the Initial Period or immediately preceding Extension Period, as applicable, shall be increased by one hundred percent (100%) of the cumulative percentage increase in the CPI during the Initial Period or immediately preceding Extension Period, as applicable. As used herein, the term "CPI" shall refer to the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index, United States City Average for Urban Wage Earners and Clerical Workers, Major Group Indexes, (1982-1984=100) All Items. If CPI shall be discontinued, Landlord and Tenant shall agree upon a substitute index or a substitute formula. In the absence of such agreement, the matter shall be referred to arbitration under the rules of the American Arbitration Association then in effect.

3.3. All payments of Base Rent hereunder shall be made by electronic funds transfer to Landlord's designated bank account, without demand, or to such other party or account as may be designated by written notice from Landlord to Tenant.

3.4. Tenant shall pay a service charge equal to six percent (6.0%) of the Base Rent due if not received within ten (10) days after its due date. In addition to such service charge, any Base Rent paid more than thirty (30) days after due shall accrue interest at the rate of ten percent (10.0%) per annum, if permissible, but in no event exceeding the maximum rate allowed by law, from the due date until paid. Such service charge and interest payments shall not be deemed consent by Landlord to late payments, nor a waiver of Landlord's right to insist upon timely payments at any time, nor a waiver of any remedies to which Landlord is entitled as a result of the late payment of Base Rent.

4. **ADDITIONAL RENT**

4.1. Throughout the term of this Lease, Tenant covenants and agrees to pay to Landlord as additional rent Tenant's Share of any increases over the entire 2014 calendar year (the "Base Year") in (i) the Realty Taxes (as defined in Section 10.1), (ii) Property Insurance (as defined in Section 12.1), and (iii) CAM Charges (as defined in Section 4.3) (collectively, the "Additional Rent").

4.2. Within two (2) months following the close of each calendar year, Landlord shall provide Tenant an accounting showing in reasonable detail all computations of the

Realty Taxes, Property Insurance premiums and CAM Charges for the immediately preceding calendar year. Commencing in calendar year 2016, any Additional Rent due by Tenant hereunder shall be paid by Tenant within thirty (30) days after receipt of the Landlord's calculation. Tenant shall have the right to conduct an audit of all of Landlord's books and records relating to the calculation of Additional Rent. Such audit shall be conducted at a location agreed upon by the parties, provided, however, if the parties are unable to agree upon a location, then the audit shall be conducted at the Premises.

4.3. The term "CAM Charges" as used herein shall mean all normal and customary costs and expenses incurred by Landlord for the routine maintenance, repair and operation of the Building and Common Areas, excluding only the following: (1) any insured casualties; (2) lease negotiation expenses (including attorney's fees), leasing commissions, advertising expenses and tenant fit-out expenses; (3) management fees, administrative fees, labor expenses, overhead or other similar costs totaling, in the aggregate, in excess of five percent (5%) of the annual Additional Rent obligation; (4) interest or principal payments on any Mortgage (as defined in Section 23.1); (5) any depreciation allowance or expense; (6) any common area maintenance reserve payments; (7) any costs and expenses for the replacement (excluding routine maintenance and repair costs which are allowable CAM Charges) of any Building Systems (as defined in Section 9.1) and exterior paving; and (8) any costs and expenses associated with the maintenance, repair or replacement of the roof, foundation, structure, exterior walls and floor (excluding floor coverings such as carpeting and linoleum) of the Building. Except to the extent excluded from CAM Charges pursuant to the preceding sentence, any capital expenditures associated with the maintenance, repair or replacement of the Building or the Common Areas which are typically required to be capitalized in accordance generally accepted accounting principles (GAAP) shall be amortized over the useful life of the subject Building or Common Areas element(s) or system(s).

5. **USE OF PREMISES**

5.1. The Premises may be used for wholesale distribution and ancillary retail sales of plumbing, lighting, appliances, heating, ventilation, air conditioning, waterworks, PVE, fire suppression and related building materials, equipment, products, fixtures, parts

and supplies (the "Exclusive Products"), together with related offices, administrative uses and outdoor storage of materials (collectively, the "Tenant's Use"), and all other legally permitted uses; provided, however, Tenant shall have the right to store material outside of the Building only in certain areas designated and approved by Landlord (such approval not to be unreasonably withheld, conditioned or delayed). Tenant, at its sole cost and expense, shall maintain the outdoor storage area in a clean, orderly and professional manner, free of refuse and debris and no material of any nature may be stored so as to come into contact with and causing damage to the Building's siding. Failure to comply with these conditions will result in a written notice by Landlord to Tenant, and Tenant shall have ten (10) business days to remedy the violation after receipt of such notice. If Tenant fails to cure the violation within such ten (10) business day period, Tenant will be subject to a penalty equal to \$50.00 per day for each day of non-compliance after the cure period. In the event that Tenant violates this outdoor storage policy more than two (2) times in any twenty-four (24) month period, Landlord reserves the right to terminate Tenant's outdoor storage rights under this Lease.

5.2. Landlord covenants and warrants that Tenant shall have the exclusive right to sell the Exclusive Products in the Building, excluding only ancillary sales of the Exclusive Products by other tenants in the Building accounting for not more than ten percent (10%) of such tenant's annual gross sales at the Building. Landlord and Tenant acknowledge that the foregoing exclusive use provision is a material inducement to Tenant's entering into this Lease. In the event Landlord violates or permits the violation of the exclusive use warranted hereby, Tenant shall have all rights as are available to Tenant at law or in equity to redress such violation, including without limitation the right to seek an injunction of such violation or to terminate this Lease, without being deemed to have made an election of remedies.

6. UTILITIES

6.1. Tenant shall pay all utility charges for electricity, potable water, storm sewer, sanitary sewer, telephone, trash removal and natural gas service to the Premises (collectively, the "Utilities"). All separately metered, non-shared Utilities shall be placed in Tenant's name promptly following delivery of the Premises to Tenant. All non-separately metered, shared Utilities shall be kept in Landlord's name during the term of this Lease and

Tenant shall pay to Landlord the Tenant's Share of such Utilities within thirty (30) days of written request, accompanied by a copy of the subject utility bill. Landlord represents and warrants that the Premises are connected to the municipal potable water and sanitary sewer systems, that all initial connection charges, hook-up and tap fees for such Utilities (excluding usual and customary security deposits) have been paid or will be fully paid by Landlord on or before the Commencement Date and that all Utilities are adequate to support the Tenant's Use of the Premises.

7. **ALTERATIONS**

7.1. During the term of this Lease, Tenant shall have the right at any time, and from time to time, to make non-structural changes or alterations to the Premises and, upon Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed, to make structural changes or alterations to the Premises, provided that any such changes or alterations shall be made by Tenant at Tenant's sole cost and expense, in a good and workmanlike manner pursuant to valid building permits, if required, and in accordance with all Applicable Laws (as defined in Section 24.1). Landlord, to the extent required, hereby consents to those proposed tenant improvements shown on Exhibit C attached hereto and made a part hereof (the "Tenant's Improvements").

8. **LIENS**

8.1. Tenant shall keep the Premises free and clear of mechanics', materialmen's and other liens, and all charges, claims and encumbrances caused by Tenant, its agents, employees or invitees. If Tenant, its agents, employees or invitees shall cause any such mechanics', materialmen's or other liens to be filed against the Premises, Tenant shall either cause the same to be discharged of record within thirty (30) days after the date of filing or, if Tenant shall desire to contest any such lien, Tenant shall furnish to Landlord a security deposit in the amount of the claim, plus costs and interest, or shall procure a bond of a reputable bonding company in such amount.

9. **MAINTENANCE**

9.1. Landlord, at its sole cost and expense, shall be responsible for the maintenance, repair and, as necessary, replacement of: (i) the roof, foundation, structure, exterior walls and floor (excluding floor coverings such as carpeting and linoleum) of the Building (including the Premises); (ii) the exterior Utility lines to the point of entry into the

Premises; and (iii) all exterior pavement and Common Areas. In addition, Landlord shall be responsible for replacement of the plumbing, electrical and mechanical (including HVAC) systems or any major components thereof (collectively, the "Building Systems") whenever the cost to repair the said system or component exceeds forty percent (40%) of the replacement cost of such system or component.

9.2. Tenant, at its sole cost and expense, shall be responsible for the maintenance, repair and, as necessary, replacement of: (i) the interior, non-structural portions of the Premises, (ii) all Building Systems (excluding replacement) and (iii) all other portions of the Premises which are not the responsibility of Landlord under the terms of this Lease in like condition and repair as when received at the Commencement Date, reasonable wear and tear excepted.

10. TAXES.

10.1. In accordance with Section 4.1, Tenant covenants and agrees to reimburse Landlord for the Tenant's Share of any increase over the Base Year of all general real estate taxes levied on the Building during the term of this Lease (collectively, "Realty Taxes"), subject to all early payment credits or other tax relief offered by the applicable taxing authority. Realty Taxes during the first and last Lease Years shall be annualized and prorated. All penalties, interest payments, additional assessments or delinquency charges resulting from late payment of Realty Taxes and all special real estate assessments levied on the Premises or the Building, including any increases in Realty Taxes attributable to a change in ownership of the Premises or the Building, shall be Landlord's responsibility.

10.2. Tenant further agrees to pay all franchise taxes, business taxes, personal property taxes or other similar rates and taxes which may be levied or imposed upon Tenant's business and personal property located on or about the Premises. Landlord, however, shall remain solely responsible for all sales taxes due on the Base Rent payable herein and for its own income taxes, franchise taxes, business taxes and other similar rates and taxes peculiar to Landlord.

11. LIABILITY INSURANCE

11.1. Tenant shall obtain and maintain, at its expense, during the term of this Lease Commercial General Liability insurance against (i) liability for injury to or death of any person and (ii) liability for third party property damage resulting from Tenant's operations

upon the Premises in an amount not less than \$2,000,000 per occurrence and \$4,000,000 in the aggregate. Landlord shall be named as an additional insured on such insurance policy and certificates of insurance shall be provided to Landlord at the Commencement Date and annually upon renewal of the subject policy.

12. **PROPERTY INSURANCE**

12.1. Landlord shall obtain and maintain, at its expense, during the term of this Lease ISO Special Form (Causes of Loss) or equivalent (commonly known as "all risk" insurance) property insurance coverage in an amount that will provide for payment of one hundred percent (100%) of replacement cost of the Building and other insurable improvements upon the Premises (the "Property Insurance"). In accordance with Section 4.1, Tenant shall reimburse Landlord for the Tenant's Share of any increase in the cost of such insurance coverage over the Base Year, unless such increase is directly caused by another tenant's occupancy or use of the Building.

12.2. Tenant shall obtain and maintain, at its expense, during the term of this Lease personal property insurance coverage in such amount as Tenant shall deem necessary to fully insure Tenant's furniture, fixtures, machinery, equipment, inventory and other personal property located on or about the Premises.

13. **MUTUAL RELEASE AND SUBROGATION**

13.1. Anything in this Lease to the contrary notwithstanding, Landlord and Tenant hereby release each other and each other's agents, officers and employees of liability and responsibility, and each hereby waives any and every claim which arises or may arise in its favor against the other party hereto during the term of this Lease, for any loss or damage that may occur to the Premises or any improvements thereto or any personal property located thereon, arising from any cause that (i) would be insured against under the terms of any property insurance required to be carried hereunder, or (ii) is insured against under the terms of any property insurance actually carried by Landlord or Tenant, regardless of whether it is required hereunder. The foregoing waiver shall apply regardless of the cause or origin of the claim, including but not limited to the negligence of Landlord or Tenant or their agents, officers and employees, and shall apply regardless of the extent of the actual coverage (for example, each party shall be responsible for any deductible, co-insurance or self-insurance with respect to the insurance maintained by that party). Landlord and Tenant

hereby agree to give to each insurance company which has issued property insurance covering the Premises written notice of the terms of such mutual waivers, if required by the terms of such policies, and to cause such insurance policies to be properly endorsed, if necessary, to prevent the invalidation of such insurance coverages by reason of such mutual waivers.

14. **INDEMNIFICATION**

14.1. Subject to Section 13.1, Tenant will indemnify, defend and save Landlord harmless from and against any and all claims, damages, causes of action, liability, costs and expenses in connection with loss of life, bodily injury and/or damage to personal property to the extent arising directly from or out of Tenant's Use or occupancy of the Premises, any breach by Tenant of any provision of this Lease, or otherwise occasioned by any negligent act or willful misconduct of Tenant, its agents, employees, or invitees. Notwithstanding anything herein to the contrary, Landlord shall remain solely liable for Landlord's and its employees', agents' and contractors' own gross negligence and willful misconduct.

14.2. Subject to Section 13.1, Landlord will indemnify, defend and save Tenant harmless from and against any and all claims, damages, causes of action, liability, costs and expenses in connection with loss of life, bodily injury and/or damage to personal property to the extent arising directly from or out of Landlord's ownership of the Property, any breach by Landlord of any provision of this Lease, or otherwise occasioned by any negligent act or willful misconduct of Landlord, its agents, employees, or invitees. Notwithstanding anything herein to the contrary, Tenant shall remain solely liable for Tenant's and its employees', agents' and contractors' own gross negligence and willful misconduct.

15. **FIRE AND CASUALTY DAMAGE**

15.1. If the Building is damaged or destroyed by fire, flood, wind, earthquake, vandalism or other insured casualty (collectively, "Casualty Damage") such that restoration cannot reasonably be completed within one hundred and twenty (120) days of the date of the Casualty Damage (the "Restoration Date"), Landlord or Tenant, at its option, may terminate this Lease by giving the other party written notice within thirty (30) days of the date of the Casualty Damage, whereupon all rights and obligations hereunder shall cease

effective as of the date of the Casualty Damage and all Base Rent and other expenses paid or payable hereunder shall be apportioned and paid as of such date.

15.2. Unless this Lease is terminated as provided above, Landlord shall proceed promptly, at its sole cost and risk, to restore the Building to its pre-Casualty Damage condition, provided that if the Casualty Damage occurs during the final six (6) months of the term of this Lease, Landlord shall not be required to restore such damage unless Tenant shall exercise its next Extension Period, if any, contained herein within fifteen (15) days after Landlord's written request for such commitment. In such event, if Tenant does not exercise its next Extension Period, this Lease shall terminate whereupon all rights and obligations hereunder shall cease, effective as of the date of the Casualty Damage and all Base Rent and other expenses paid or payable hereunder shall be apportioned and paid as of such date. If the Building is to be restored, Base Rent and other charges payable hereunder shall be abated equitably in proportion to the extent to which the loss of use of the Building affects Tenant's business operations during restoration.

15.3. The Restoration Date shall be extended for the combined duration of any one or more unforeseen and unavoidable casualties, Acts of God, severe weather delays, strikes, material shortages, insurance claim delays, terrorism or other causes beyond Landlord's reasonable control, not to exceed ninety (90) days in total, provided Landlord acts diligently and with sufficient resources to overcome the cause or causes of the delay as soon as possible. **TIME IS OF THE ESSENCE WITH RESPECT TO THE RESTORATION DATE.** If restoration is not completed by the Restoration Date, as extended, Tenant, at its option, may terminate this Lease by written notice to Landlord.

16. **CONDEMNATION**

16.1. If more than twenty-five percent (25%) of the Building or other improvements on or about the Property are taken by condemnation or like proceeding, or purchased under threat of condemnation (collectively, a "Taking"), Landlord or Tenant, at its option, may terminate this Lease by giving the other party written notice within thirty (30) days of the date of such Taking, whereupon all rights and obligations hereunder shall cease effective as of the date of such taking or conveyance and all Base Rent and other expenses paid or payable hereunder shall be apportioned and paid as of the date of such Taking.

16.2. Landlord shall be entitled to receive the entire award in any Taking, including any award for the value of any unexpired term of this Lease, and Tenant shall have no claim against Landlord or against the proceeds of the Taking, except that Tenant shall have the right to claim and recover from the Taking authority compensation for Tenant's moving expenses, business interruption, increased rental costs or taking of Tenant's personal property (not including Tenant's leasehold interest); provided that such damages may be claimed only if they are separately awarded and do not reduce the damages recoverable by Landlord.

16.3. Unless this Lease is terminated as provided above, Landlord will restore the remainder of the Building and other improvements on or about the Property as promptly as practicable to a satisfactory condition so that Tenant may continue its operations as nearly as possible in the same manner as before such Taking. Base Rent and other charges payable hereunder shall be temporarily abated in proportion to the percentage of the Premises rendered untenable during restoration and permanently abated thereafter in proportion to the percentage of the Premises subject to such Taking.

17. **DEFAULT**

17.1. Each of the following events, hereinafter called an "Event of Default," shall be a default hereunder by Tenant and a breach of this Lease:

a) If Tenant shall violate any covenant or agreement providing for the payment of Base Rent or other charges payable hereunder and such violation shall continue for ten (10) days after written notice to Tenant from Landlord.

b) If Tenant shall be adjudicated bankrupt, whether voluntarily or involuntarily, or make any general assignment for the benefit of creditors or take or attempt to take the benefit of any insolvency or bankruptcy act.

c) If a receiver, trustee or other person acting in a similar capacity shall be appointed for or take possession of all or a substantial part of Tenant's assets.

d) The attachment, writ of execution or other judicial seizure of all or a substantial part of Tenant's assets, where such an attachment, writ of execution or seizure is not discharged within thirty (30) days.

e) If Tenant shall be in default in fulfilling any non-monetary covenants and conditions of this Lease and such default shall continue for thirty (30) days after written

notice thereof from Landlord to Tenant, provided, however, such time period shall be extended if the subject default is not reasonably capable of being cured in such thirty (30) day period and Tenant commences to cure in such thirty (30) day period and thereafter diligently prosecutes such cure to completion.

17.2. Upon the occurrence of an Event of Default, Landlord, with or without terminating this Lease, may reenter and take possession of the Premises and expel or remove Tenant therefrom, relet the Premises and receive the rent therefrom. Tenant agrees to pay to Landlord on demand (i) any deficiency in Base Rent and other payments then due under this Lease that may arise by reason of such reletting, (ii) all reasonable attorney's fees incurred in obtaining possession of the Premises, (iii) all reasonable costs of reletting the Premises, including a reasonable broker's commission prorated through the expiration date of this Lease, and (iv) all costs of repairing any damage to the Premises caused by Tenant. Landlord shall use good faith and diligent effort to relet the Premises and to mitigate potential damages due from Tenant. Tenant shall have no liability for any Base Rent or other obligation pursuant to this Lease in respect of any Extension Period not exercised by Tenant prior to the Event of Default.

17.3. In addition to and without limiting Landlord's remedies set forth above, in the event either Landlord or Tenant shall fail to perform their respective obligations hereunder (other than the payment of Base Rent by Tenant), then after written notice and allowance of a reasonable time period to perform such obligation, but in no event greater than thirty (30) days, the non-responsible party shall have the right (but not the obligation) to perform such obligation on the other party's behalf and add any out-of-pocket costs to, or offset any out-of-pocket costs against, any Base Rent thereafter due hereunder until said party shall recover its full expenditures in this regard.

18. COVENANT OF QUIET ENJOYMENT

18.1. Landlord represents and warrants (i) that it is the fee simple owner of the Premises and that it has full right, authority and power to execute and perform this Lease and to grant the estate demised herein, (ii) that the person signing this Lease on behalf of Landlord has authority to bind Landlord to the terms hereof, (iii) that the execution of this Lease by Landlord will not contravene the terms of any financing or other agreement to which Landlord is a party, and (iv) that the use of the Premises for the Tenant's Use is

permissible under all Applicable Laws and deed restrictions applicable to the Building and/or the Premises at the Commencement Date without the necessity of any special or conditional use permit, variance, rezoning or other governmental or private party approval, nor any improvements, upgrades or renovations to the Building and/or the Premises. Provided no uncured Event of Default has occurred, Landlord covenants and warrants that Tenant will have quiet and peaceable possession and enjoyment of the Premises free and clear of all prior tenancies or other parties in possession for the full term of this Lease without hindrance or molestation by Landlord or any third party, including without limitation parties claiming by, through or under Landlord.

18.2. If Landlord is unable to give Tenant possession of the Premises by reason of any cause beyond the control of Landlord, Landlord shall not be liable to Tenant for any damages caused thereby. During the period that Landlord is unable to give possession, all obligations of Tenant hereunder shall be suspended. If Landlord is unable for any reason to give possession of the Premises to Tenant within sixty (60) days of the full execution and delivery of this lease, Tenant, at its sole option, may terminate this Lease by written notice to Landlord and receive a return of all pre-paid Base Rent or other sums paid to Landlord, if any.

19. **LANDLORD'S RIGHT OF ENTRY**

19.1. Landlord and its authorized agents shall have the right to enter the Premises during normal working hours and upon such prior notice as shall be reasonable under the circumstances (but no more than 48 hours notice shall be required) for the purposes of inspecting the general conditions and state of repair of the Premises or the making of repairs required of Landlord herein, showing the Premises to prospective purchasers or mortgagees, and, after expiration of any renewal notice period, for the purpose of showing the Premises to prospective tenants, provided such entrance shall not unreasonably interfere with Tenant's operations. The foregoing notwithstanding, Landlord shall have the right to enter the Premises at any time in the case of an emergency threatening damage to, or destruction of, life or property, such as, for example, in the event of a fire in the Building.

20. **SURRENDER OF POSSESSION**

20.1. Upon the expiration or earlier termination of this Lease, Tenant shall peaceably leave and surrender the Premises to Landlord. Except for ordinary wear and tear, casualty,

condemnation and permitted improvements, Tenant shall return the Premises in substantially the same condition in which they were originally received at the Commencement Date.

20.2. All changes or alterations to the Premises made by Tenant pursuant to the terms of this Lease and all permanently affixed Building Systems (excluding Tenant's racking, trade fixtures and sales display fixtures) installed by Tenant in the Premises shall become the property of Landlord at the expiration or earlier termination of this Lease. Tenant shall repair any damage to the Premises or the Building caused by removal of its racking, trade fixtures, signs and sales display fixtures.

21. **HOLDING OVER**

21.1. Unless otherwise agreed in writing, should Tenant, or any of its successors in interest, remain in possession of the Premises or any part thereof at the expiration of the Lease term, such holding over shall constitute and be construed as tenancy from month to month only, terminable by either party upon one month's prior written notice, at a rental equal to one hundred twenty-five percent (125%) of the Base Rent payable during the last month of the immediately preceding Lease term. Inclusion of this section shall not be construed as Landlord's consent for Tenant to hold over nor shall there be an extension of this Lease by operation of law.

22. **MEMORANDUM OF LEASE**

22.1. Upon request of Landlord or Tenant, the parties hereto shall execute a Memorandum of Lease, have it properly acknowledged for the purpose of recording, and record such in the proper office in the City or County where the Premises are located. Such Memorandum of Lease shall have included therein such of the provisions hereof as may be requested by either of the parties, but shall not include the amount of Base Rent payable hereunder. The cost of recording shall be borne by the requesting party.

23. **SALE, TRANSFER OR CONVEYANCE; SUBORDINATION; ESTOPPELS**

23.1. Landlord covenants and agrees to make the purchaser in any sale of the Premises or the Building expressly aware of this Lease and agrees that any sale, transfer, or conveyance of the Premises or the Building shall be subject to the leasehold estate created herein. It shall be deemed and construed without further agreement between the parties to

this Lease and the purchaser at any such sale, or the transferee or conveyee, as the case may be, that such purchaser, transferee, or conveyee has assumed and agreed to carry out all of Landlord's covenants and obligations under this Lease, and Landlord shall be released from all further liability and obligations under this Lease arising or accruing after the effective date of the transfer.

23.2. Landlord and Tenant agree that this Lease and Tenant's rights in and to the Premises shall be subject and subordinate to the lien of any mortgage, hypothecation, deed of trust or other security instrument (a "Mortgage") now or hereafter secured by title to the Property; provided, however, that the tenancy of Tenant shall not be disturbed by the holder or beneficiary of any such Mortgage provided Tenant is not in default under the terms of this Lease beyond any applicable notice and cure period provided for herein. Tenant agrees that, within fifteen (15) days of written request from Landlord, Tenant shall execute from time to time a subordination, non-disturbance and attornment agreement, in form and substance reasonably acceptable to Landlord and Tenant, with the holder of any Mortgage now or hereafter placed upon the Premises.

23.3. Tenant also agrees that, within fifteen (15) days of written request from Landlord, Tenant shall execute an estoppel certificate stating, among other things, the effective dates of this Lease, the Base Rent payable hereunder, whether any Base Rent has been prepaid, whether, to the best of Tenant's knowledge, Landlord and Tenant are currently in compliance with the terms of the Lease, and such other provisions as Landlord may reasonably request.

24. **COMPLIANCE WITH LAW**

24.1. Tenant shall comply with all applicable federal, state and local laws, regulations, ordinances, rules, orders, building codes and zoning (collectively, "Applicable Laws") relating to Tenant's use and occupancy of the Premises, provided that Tenant shall not be required to modify or otherwise improve the Premises unless required as a result of and specifically related to any leasehold improvements performed by Tenant. Landlord shall comply with all Applicable Laws requiring modifications or improvements to the Premises to permit the full and beneficial use thereof, including Applicable Laws relating to fire suppression, high piled warehouse storage of Class III and Class IV Commodities

(as defined by the National Fire Protection Association) to within two feet (2') of ceiling clear height, seismic disturbance and handicapped accessibility.

24.2. Tenant, at its option, at anytime during the Lease term, may terminate this Lease by providing Landlord written notice if any Applicable Laws: (i) prohibit the use of the Premises, in whole or in part, for the Tenant's Use; or (ii) restrict, impair or render substantially more costly Tenant's ability to obtain all necessary business licenses, certificates of occupancy or other governmental approvals required for the Tenant's Use and all necessary building permits for the Tenant's Improvements (if any).

25. **HAZARDOUS MATERIAL**

25.1. In the event the Premises are contaminated by Hazardous Materials (as hereinafter defined) brought thereon by Tenant, its officers, employees, or agents (hereinafter called a "Tenant's Release"), Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, investigation, remediation or other response costs, liabilities, losses or other expenses (including without limitation, reasonable attorneys' fees, consultant fees and expert fees) to the extent resulting from a Tenant's Release. The foregoing indemnity shall survive the expiration or earlier termination of this Lease. Tenant shall have no liability or obligation in connection with any investigation, clean-up, remedial, removal, restoration or other response costs related to any Hazardous Materials on, under, in or about the Premises, except to the extent resulting from a Tenant's Release, and Landlord hereby releases Tenant from all liability and obligations in connection with such matters.

25.2. Landlord hereby represents and warrants, to the best of Landlord's actual knowledge, that no Hazardous Materials exist on, under, in or about the Premises as of the Commencement Date. Landlord shall indemnify, defend and hold Tenant harmless from all claims, judgments, damages, penalties, fines, investigation, remediation or other response costs, liabilities, losses or other expenses (including, without limitation, reasonable attorneys' fees, consultant fees, and expert fees) which arise from or in connection with the presence of Hazardous Materials on, under, in or about the Premises, except to the extent resulting from a Tenant's Release. The foregoing indemnity shall survive the expiration or earlier termination of this Lease.

25.3. "Hazardous Materials" as used herein shall mean any pollutant, toxic or regulated substance or material, hazardous waste, hazardous material, hazardous substance, asbestos, methane, underground storage tanks, petroleum product or oil as defined in or regulated by any Applicable Laws for the preservation of public health, safety or the environment, whether existing as of the Commencement Date or subsequently enacted.

26. **SIGNS**

26.1. Subject to Applicable Laws and Landlord's prior written consent, not to be unreasonably withheld, conditioned or delayed, Tenant shall have the right, at its sole cost and expense, to erect signage upon the Building and/or otherwise about the Premises, including temporary "coming soon" signage. Tenant shall not erect any signs other than customary trade signs identifying its business and products, and may not erect a sign or signs on the roof of the Building unless approved in writing by Landlord. At the expiration or earlier termination of this Lease, Tenant shall remove its signage and repair any damage to the Premises or the Building caused thereby.

27. **NOTICES**

27.1. All notices required or permitted herein shall be in writing and shall be sufficiently given if delivered personally, sent by prepaid courier, certified or registered mail. Inclusion of phone and facsimile numbers and e-mail addresses set out below shall be for convenience only, and shall not be used for formal notice pursuant to the terms of this Lease. The first (1st) day following receipt of such notice shall be the start date for all time periods stated herein. Any time period provided for herein which shall end on a Saturday, Sunday, federal or statutory holiday shall automatically be extended through the next full business day. All notices shall be addressed to Landlord or Tenant, respectively, at the following addresses, or to such other address as either party may designate in writing from time to time:

LANDLORD:

Woodstock Investors Limited Partnership
4142 Dorchester Road
North Charleston, SC 29405-7462
Attn: R. G. Darby
(843)554-1030
(843) 556-9952 (fax)
e-mail: _____

TENANT:

Ferguson Enterprises, Inc.
12500 Jefferson Avenue
Newport News, VA 23602
Attn: Legal – Real Estate
(757) 874-7795
(757) 989-2613 (fax)
Legal.RealEstate@Ferguson.com

28. **WAIVER OF TRIAL BY JURY**

28.1. Landlord and Tenant hereby agree to and do hereby waive trial by jury in any action, proceeding or counterclaim brought by either of the parties against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of said Premises and/or any claim of injury or damage, and any statutory remedy.

29. **GOVERNING LAW**

29.1. This Lease shall be construed and governed by the laws of the State in which the Premises is located. Each term and provision of this Lease shall be enforced to the fullest extent permitted by law. Should any provisions of this Lease be held to be wholly invalid, illegal or not enforceable under such laws, it or they shall be considered severable and the Lease, its remaining terms and conditions, shall remain in full force and be binding upon Landlord and Tenant as though such severed provisions had never been included.

30. **ATTORNEY'S FEES**

30.1. In the event a suit is filed by either Landlord or Tenant in order to enforce the terms, conditions and covenants of this Lease, the prevailing party shall be entitled to reasonable attorney's fees and costs incurred in connection therewith at both the trial and appellate levels.

31. **ASSIGNMENT AND SUBLETTING**

31.1. Provided Tenant is not in default hereunder, Tenant shall have the right, upon prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed, to sublease the Premises or assign its rights under this Lease in whole or in part. Notwithstanding the foregoing, Tenant may, without consent, assign this Lease or sublet the Premises, in whole or in part, to any entity owned by, owning or under common ownership or control with Tenant (an "Affiliate"). In the event of a permitted assignment of this Lease or sublease of the Premises, in whole or in part, including any such assignment or sublease to an Affiliate, Landlord and Tenant acknowledge and agree that Tenant (or any successor by merger with Tenant) shall remain fully liable for the payment of all Base Rent and the performance of all other Tenant obligations hereunder.

32. **INTERPRETIVE PROVISIONS**

32.1. The captions are inserted only as a matter of convenience and reference and in no way define, limit or describe the scope of this Lease, or the intent of any provision hereof. The neuter singular pronoun shall be deemed to include the masculine, the feminine, and the plural. The term "include" and "including" shall mean without limitation by way of enumeration. Unless otherwise expressly provided herein, the words "herein", "hereof", "hereunder" and similar words refer to this Lease as a whole and not to any particular provision of this Lease.

33. **SUCCESSORS AND ASSIGNS**

33.1. All of the covenants, agreements, terms, conditions and undertakings in this Lease shall extend and inure to and be binding upon the successors in interest, transferees, heirs, legal representatives, successors and assigns of Landlord and Tenant.

34. **ENTIRE AGREEMENT**

34.1. This Lease constitutes the sole and entire agreement of Landlord and Tenant and supersedes any prior understandings or written or oral agreement between the parties respecting the within subject matter. No amendment, modification, or alteration of the covenants and terms of this Lease shall be binding unless the same are in writing, dated subsequent to the date hereof and duly executed by Landlord and Tenant. This Lease may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Lease. Delivery of an executed counterpart of this Lease by facsimile or electronically in portable document format shall be equally as effective as delivery of an original executed counterpart of this Lease and shall not affect the validity, enforceability or binding effect of this Lease.

35. **WAIVERS**

35.1. No waiver of any default or breach of any term, covenant or condition of this Lease shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent default or breach of the same or any other term, covenant or condition hereof. Landlord's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's consent to or approval of any subsequent or similar act by Tenant. In no event, however, shall any claim for unpaid Base Rent or other sums due hereunder first be asserted more than twelve (12) months after the accrual thereof. Further, Landlord

hereby waives any right of distraint or other common law or statutory lien it may have, if any, on Tenant's personal property located on or about the Premises.

36. **FORCE MAJEURE**

36.1. Notwithstanding anything in this Lease to the contrary, in the event Landlord or Tenant are delayed, hindered or prevented from the performance of any act or obligation required under this Lease, excluding only Tenant's obligation to pay Base Rent and other monetary sums due hereunder, by reason of any uncontrollable circumstance or unavoidable delay, including without limitation, strikes, lockouts, unavailability of materials, terrorism, civil strife, inclement weather, acts of God or any other cause beyond its reasonable care and control acting diligently and with sufficient resources to overcome the cause or causes of the delay as soon as possible, then failure to perform such act or obligation shall not be deemed to be a default hereunder and performance of such act or obligation shall be extended for a period of time equivalent to the time lost by reason of such delay.

37. **BROKERS**

37.1. Landlord and Tenant represent and warrant, each to the other, that neither has engaged or used the services of a real estate broker, salesman, agent or other finder in connection with this transaction other than Lincoln Harris, on behalf of Landlord, and Lee & Associates, on behalf of Tenant (hereinafter, the "Brokers"). Landlord agrees to pay the Brokers a commission with respect to this Lease of the Premises in accordance with the terms of a separate listing agreement, if any, or if no separate listing agreement exists, a usual and customary real estate commission. Landlord and Tenant shall indemnify, defend and hold harmless the other from any and all claims of real estate brokers, salesmen, agents or finders other than the Brokers arising through such parties' actions in connection with this Lease.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease by their respective authorized signatories as of the date first above written.

WITNESS

Doris Edmonds

LANDLORD:

WOODSTOCK INVESTORS LIMITED PARTNERSHIP

By: [Signature]
Name: R.G. Darby
Title: General Partner

WITNESS

Andrea J. Vi

TENANT:

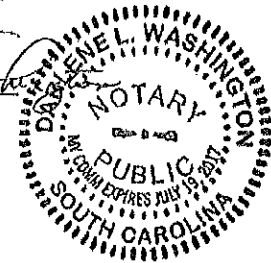
FERGUSON ENTERPRISES, INC.

By: [Signature]
Name: Kirk D. Wall
Title: Senior Director - Facilities

STATE OF South Carolina
CITY/COUNTY OF Charleston, to wit:

I, Darlene L. Washington, a Notary Public in and for the City/County and State aforesaid, do hereby certify that R.G. Darby, as General Partner of Woodstock Investors Limited Partnership, a South Carolina limited liability company, whose name is signed to the foregoing writing dated as of the 3rd day of March, 2014, has appeared before me this 3rd of March, 2014, and has acknowledged the same before me in the City/County and State aforesaid on behalf of said entity.

Darlene L. Washington
Notary Public

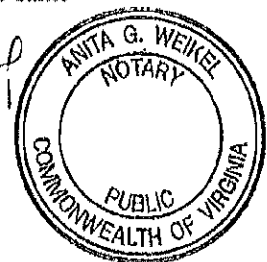


My Commission Expires: 7-19-2017

COMMONWEALTH OF VIRGINIA
CITY OF NEWPORT NEWS, to wit:

I, Anita G. Weikel, a Notary Public in and for the City and Commonwealth aforesaid, do hereby certify that Kirk D. Wall, as Senior Director - Facilities of FERGUSON ENTERPRISES, INC., a Virginia corporation, whose name is signed to the foregoing writing dated as of the 10th day of March, 2014, has appeared before me this 10th day of March, 2014, and has acknowledged the same before me in the City and State aforesaid on behalf of said corporation.

Anita G. Weikel
Notary Public # 209351



My Commission Expires: 9/30/17

EXHIBIT A

Legal Description of the Property

[To Be Attached]

EXHIBIT A-2

Site Plan

[To Be Attached]

EXHIBIT B

Landlord's Work

1. Entire Premises, including Building, parking areas, landscaping and storage yard (if any) to be cleared of debris and placed in broom swept condition.
2. All concrete floor slabs, sidewalks and exterior paved areas to be in good condition and free from defects, including any cracks, holes, gouges or height differentials in excess of 1" in depth or width.
3. All exterior and interior lights to be in good working order.
4. All roofs, roof drains, skylights, gutters and down spouts to be free of debris and in good working condition.
5. All windows, doors and related hardware to be secure and in good working order.
6. All previous tenant's/owner's signs, equipment, furniture and materials to be removed.
7. All interior ceilings to be in good condition, warehouse insulation to be secured, any damaged drywall and/or insulation to be replaced, and all office and other ceiling tiles not stained, broken or missing
8. All interior and exterior paint to be in good condition.
9. All fences and gates to be secure and in good working order.
10. All office carpet to be cleaned or replaced, entry, lobby and restroom tile to be cleaned or replaced.
11. All utilities to be separately metered or submetered (if possible).
12. All Building Systems to be in good working order, condition and repair.
13. Landlord (with Tenant's Contribution as set forth below) to segregate and demise the Premises from the remainder of the Building in accordance with all Applicable Laws, including without limitation, constructing a fire rated demising wall between the Premises and the adjoining space (the "Demising Wall"), and separating Utilities and Building Systems, as necessary. Tenant agrees that it shall reimburse Landlord for one-half of the cost of construction and installation of the Demising Wall, not to exceed \$21,500.00 (the "Tenant's Contribution"), within fifteen (15) days following the completion and installation of the Demising Wall. Landlord shall provide Tenant with reasonable documentation evidencing the costs of same as may be reasonably requested by Tenant.

EXHIBIT C

Tenant's Improvements

Tenant's Improvement Plans are not complete at this time. Tenant's Improvement Plans will be submitted to Landlord for approval is required pursuant to Section 7.1 of the Lease.