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February 1, 2017

Quality One Group  
5649 J General Washington Drive  
Alexandria, Va 22312

**Re: Rebate Agreement (“Agreement”)**

Dear Susan:

Ferguson Enterprises, Inc. (“Ferguson”) strives to deliver superior levels of customer service at competitive prices to Quality One Group (“Company”). We appreciate your business, and we are pleased to offer you an opportunity to participate in our **Preferred Distributor Rebate Program (“Program”)**.

The Program is available to customers that identify Ferguson as its Preferred Distributor of HVAC equipment, accessories and other mutually agreed upon items or services (collectively "Products"). In consideration and as an incentive for this designation, Ferguson offers rebates on Qualifying Purchases during the specified period. Below are the terms and conditions of rebates under the Program offered to Company for Qualifying Purchases made from 1/1/17 through 12/31/17 (“Program Year”).

- 1. Upon request, Ferguson will provide a monthly report in a mutually agreeable Excel format for all Products purchased from Ferguson locations. The amount of the rebate will be based on (please select):

Thresholds shown in the following table: The Rebate percentages will be applied incrementally. For example, Qualifying Purchases during the period of \$2,500,000 would yield a total Rebate of \$75,000. Total purchases by Company from Ferguson must exceed \$1,000,000 during the Program Year as a prerequisite to receiving any Rebate.

Qualifying Purchases		Rebate
Threshold	Cap	Percentage
\$1,000,000	\$1,500,000	0.50%
\$1,500,001	\$2,000,000	1.00%
\$2,000,001	\$3,000,000	2.00%
OVER	\$3,000,001	3.00%

Percentage of sales: The amount of the Rebate will be 2.00% of Qualifying Purchases. For example, Qualifying Purchases during the period of \$1,000,000 would yield a total Rebate of \$20,000.

Sale of Specific Product(s): The amount of the Rebate will be \$1.00 per unit of the sale of the Product(s) defined as a Qualifying Purchase. For example, Qualifying Purchases of 10,000 units during the Program Year would yield a Rebate of \$10,000.

- 2. “Qualifying Purchases” means all Product purchases, except those excluded in accordance with Section 3, net of returns, taxes, and other cash discounts. Contractors performing services for

Company must identify the specific job account for affiliation with the Program to be included in Qualifying Purchases.

- 3. Ferguson reserves the right to exclude from Qualifying Purchases specifically identified Products, such as HVAC equipment and refrigerant gas, or specific transactions if special pricing is extended to meet highly competitive situations. Unless the parties agree otherwise, purchases from other Wolseley plc subsidiaries or affiliates are also excluded.
- 4. Ferguson will issue the Rebate to Company in the form of credit payable to Quality One Group no later than forty-five (45) days after expiration of the Program Year or termination of the Program, whichever is applicable. Ferguson is entitled to offset the rebate amount with any past due account receivables of Company.
- 5. The Program does not automatically renew, but is subject to annual renewal by mutual agreement of the parties. Either party may terminate its participation in the Program, with or without cause, upon thirty (30) days written notice to the other party.
- 6. Ferguson’s standard Terms and Conditions of Sale shall govern all purchases by Company. Such terms are incorporated by reference and are available upon request. Standard forms may be used to define products, quantities, and prices. No other terms and conditions will apply to transactions between the parties, unless signed by duly authorized representatives of each party.
- 7. The terms of the Program are strictly confidential. Company shall not disclose any information contained herein without the express written consent of an authorized representative of Ferguson. Company agrees that details of the offer and the Program will only be disclosed on a need to know basis to Company employees responsible for implementing Ferguson’s Preferred Distributor status.

To accept the terms of this offer, please sign in the space below as an authorized representative of Company and return to me via email at Sean.Sylvester@ferguson.com. If you have questions, feel free to contact me at 215-237-1734 or contact your Account representative.

Thank you again for the opportunity you have afforded Ferguson as your Preferred Distributor.

Sincerely,

FERGUSON ENTERPRISES, INC.

Sean Sylvester  
Area Sales Manager  
Ferguson HVAC - Mid Atlantic

<b>Accepted By:</b> _____	<b>Date:</b> _____
BY SIGNING ABOVE, I ACKNOWLEDGE THAT I HAVE READ, UNDERSTOOD AND AGREED TO THE TERMS ABOVE.	