

VNG Multifamily Incentive Program Terms and Conditions

- I. Program Overview: Virginia Natural Gas, Inc. (“VNG”) has established the Multifamily Incentive Program (the “Program”) to encourage the increased use of natural gas appliances in the important market segment of large multifamily housing. The Program terms and conditions are set forth below.
- II. Qualifications: To qualify for the Program, applicants must satisfy each of the following requirements:
1. Applicant must own or otherwise have the exclusive right to develop property located within the service territory of VNG on which a new multifamily housing complex with 100 or more residential units is being constructed (each, an “Eligible Multifamily Complex”). The Program is not available for pre-existing multifamily housing complexes being remodeled or renovated.
 2. Two (2) or more of the following natural gas appliances must be purchased and installed in each and every residential unit of the Eligible Multifamily Complex (each, an “Eligible Gas Appliance”): gas-fired furnace; gas water heater (tankless or tank-style); gas cooktop / range; gas-fired logs; gas clothing dryer.
 3. Installation of all Eligible Gas Appliances must be completed on or after January 1, 2017 and on or prior to December 31, 2017 in compliance with all applicable laws, regulations and building codes imposed by federal, state, and local authorities.
 4. Applicant must submit to VNG each of the following documents on or before the applicable deadlines set forth below:
 - a. No later than September 1, 2017, a completed Program application in the form provided by VNG that is signed by an authorized officer of applicant.
 - b. No later than sixty (60) calendar days after completion of installation of the final Eligible Gas Appliance, proof of purchase and proof of installation of the Eligible Gas Appliances. Proof would typically consist of receipts from the appliance manufacturer, distributor or retailer and invoices from the installation contractor that show the name, model number and quantity of appliances. Adequate proof shall be determined by VNG in its reasonable discretion. VNG reserves the right to request additional proof to verify installation.
- III. Application Review and Approval Process.
1. Upon receipt of a completed application, VNG will review the application and notify the applicant in writing of (a) VNG’s determination as to whether applicant has satisfied the pre-installation Program qualifications and (b) the amount of Program funds, if any, that VNG has set aside to issue a rebate to applicant upon verification of installation of the Eligible Gas Appliances. VNG will use commercially reasonable efforts to provide such notice to applicants within thirty (30) calendar days after receipt of a completed application.
 2. Rebates are subject to availability of Program funds, which will be set aside for applicants on a first-come, first-served basis. Any applicant who installs Eligible Gas Appliances prior to receiving written notice from VNG that Program funds have been set aside for such applicant shall do so at its sole risk and expense. If such applicant fails to satisfy the Program qualifications or Program funds have been exhausted, VNG shall not be liable to any such applicant for the rebate or any costs incurred to install Eligible Gas Appliances.
- IV. Rebates: Rebates are subject to availability of Program funds, which will be set aside for applicants on a first-come, first-served basis. Applicants who satisfy each of the Program qualifications will be eligible to receive from VNG a cash rebate for each installed Eligible Gas Appliance in accordance with the following schedule:
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| 1. Gas-fired furnace | \$500 |
| 2. Gas tankless water heater | \$500 |
| 3. Gas tank-style water heater | \$350 |
| 4. Gas cooktop / range | \$150 |
| 5. Gas-fired logs | \$100 |
| 6. Gas clothing dryer | \$100 |

In no event will the aggregate rebate paid to any applicant exceed \$300,000.

After VNG’s receipt of adequate proof of installation, VNG will make a site visit to the Eligible Multifamily Complex to physically inspect and verify installation of the Eligible Gas Appliances at a time mutually agreed upon by VNG and applicant. Within sixty (60) calendar days after such inspection, VNG will issue a rebate to applicant determined in accordance with the schedule above for each installed Eligible Gas Appliance, subject to the aggregate dollar cap set forth above.

V. Continued Use Condition: As a condition to payment of any rebate from VNG, applicant agrees to cause at least 95% of the installed Eligible Gas Appliances to remain in-service for a minimum of ten (10) years after the date on which VNG pays the rebate amount to applicant (the "Continued Use Condition"). If applicant or the successor owner of the property fails to maintain the Continued Use Condition, then within thirty (30) days after such failure applicant shall refund to VNG an amount equal to (a) the total rebate paid to applicant divided by 120 multiplied by (b) the number of months remaining in the ten-year use period. Upon reasonable notice to applicant, VNG shall have the right to physically inspect the Eligible Multifamily Complex to verify compliance with the Continued Use Condition.

VI. Other Terms:

VNG reserves the right to terminate or modify the Program at any time upon reasonable notice posted on its website at www.virginianaturalgas.com. These terms and conditions are governed by Virginia law without regard to conflicts of laws principles. Program offer is void where prohibited by law. Under no circumstances shall VNG be liable for any special, indirect or consequential damages hereunder or for any damages in excess of the rebate amount due to applicant.

VNG is not responsible for lost, late, damaged, incomplete or illegible applications. All applications become the property of VNG. Rebate applications may only be submitted by individuals above the age of majority in the Commonwealth of Virginia. By submitting an application, applicant consents to VNG's collection, use and disclosure of the information contained in the application, together with any information applicant may subsequently provide to VNG, to any person or entity for the purpose of processing the application or responding to applicant's requests and for internal business purposes. All notices or other communications permitted or required by these terms and conditions shall be delivered to the address set forth in the Program application.

VNG is in no way responsible for the installation, quality of installation or quality of natural gas appliances for which applicant submits a rebate claim. Applicant should direct any questions or concerns regarding the appliances or installation thereof to the manufacturer or the installation contractor.