

Gumenick Properties

THRESHOLD TERMS & GUIDELINES

1. Purpose of Threshold Program: To provide additional incentives for new and current Residents of Gumenick Properties' ("Gumenick") rental communities (The Estates at Horsepen, Malvern Manor, and The Village at Horsepen) to purchase "for sale" homes in Gumenick Properties' communities (The Neighborhood of Libbie Mill - Midtown).

2. Program Benefits:

2.1. Rental Credit.

(a) Gumenick will provide Residents with a credit worth twenty-five percent (25%) of the Resident's base rent paid each month towards the one-time closings costs at time of settlement for a new home in a Gumenick "for sale" community. Credit begins to accrue on the date the Resident registers with the program. Current Resident occupying an apartment in a Gumenick owned and managed rental community who register with the program will receive retroactive credit for base rent paid to Gumenick or a Gumenick affiliate for that unit up to 36 months.

(b) No more than one twenty-five percent (25%) rental credit shall apply to a home sale and may not exceed 2% of the base purchase price of the home.

2.2. Homebuilding Credit.

(a) Gumenick Homebuilding Group will provide an additional credit of two percent (2%) of the base purchase price of a home. The base purchase price does not include options, change orders or other modifications.

(b) No more than one Homebuilding Credit shall apply to a home sale.

(c) This Homebuilding Credit is valid as long as no other agent commissions and/or incentives are paid by seller.

2.3. Purchase Agreement Execution Deadline. In order to receive the credits, a Resident must execute a contract to purchase a home from Gumenick Homebuilding in a Gumenick community prior to the expiration of the Resident's current lease term for a rental unit within a Gumenick rental community. The lease term excludes any holdover period.

2.4. Maximum Credit. In no event shall the aggregate of the credits exceed 4% of the base purchase price (base purchase price does not include options, change orders or other modifications).

2.5 Usage of Credit. In no event shall a Resident receive cash back at closing from any Threshold Program benefit. The Maximum Available Threshold Credit shall only be applied to the Resident's one-time closing costs (e.g. title insurance, recordation costs, settlement agent fees, appraisal fees and discount points) that are due at the time of settlement. In no event shall the Maximum Available Threshold Credit be used to reduce the final sales price of the home. Any credit not applied to the Resident's one-time closings costs at the time of settlement shall be forfeited.

3. Eligibility Requirements:

3.1. New and Existing Residents. Both new and current Residents of Gumenick rental communities may participate in the program. A "Resident" is a person who has executed a lease for rental unit in a Gumenick rental community. Occupancy of a unit does not make the occupant eligible for participation in the program. Resident must fulfill a minimum one-year lease term to receive program benefits. A new resident may not be eligible for Threshold Program benefits if their home closes prior to the fulfillment of a one-year lease term.

3.2. Application. Eligible Residents interested in registering for the program must complete an application form after 6 months of Good Standing. Applications can be obtained, and must be submitted, at the Leasing Office. The application is deemed "received" by Gumenick once submitted and time stamped by the Leasing Staff. The submission of an application does not guarantee the Resident will be approved to receive Threshold Program Benefits.

3.3. Good Standing. Any event of default or act which would, with the passage of time or notice or both, constitute an event of default under the lease shall automatically disqualify a Resident from the program. Any credit accrued prior to disqualification shall be automatically forfeited.

3.4. Guarantors. No guarantor or co-signor shall be eligible to receive credit.

3.5. Not Assignable. Except as provided in Section 4 below, credit is not assignable or transferable.

3.6. Death. The credits are personal to the registered Resident. Credit shall be forfeited in the event of a Resident's death.

4. Allocation of Credit:

4.1. Sole Registered Resident. Credit shall be assigned to the Resident named in the lease. The credit will not accrue to guarantors or to co-signers.

4.2. Credit for Multiple Residents. If more than one Resident is named in the lease, each Resident must be registered in the program to qualify for the program benefits. Each Resident may be entitled to an equal portion Maximum Available Threshold Credit.

4.3. Binding Determination. Gumenick reserves the right in its sole discretion to make the final determination regarding assignment of the credit.

5. Effect of Transfer of Rental Community: If Gumenick transfers ownership of a rental community which has Residents registered with the program, the Residents shall be notified of the transfer. As a condition to the registered Resident continuing to receive the credits provided by the program, the Resident registered with the program must either execute a contract for the purchase of a Gumenick Homebuilding home within thirty (30) days of receipt of the notice of sale, or enter into a new lease for a rental unit in a Gumenick rental community. No credit shall be given for rent paid under a lease on property no longer owned by Gumenick or its affiliate.

6. Closing Services.

6.1. Approved Lender. Resident is encouraged to finance the purchase of the new home with a Gumenick-approved lender. Gumenick has no ownership interest in the approved lenders.

6.2. Approved Settlement Agent. Resident is encouraged to use a Gumenick-approved settlement agent for the closing on the purchase of the home. Gumenick has no ownership interest in the approved settlement agents.

7. Modifications: Gumenick reserves the right, in its sole discretion, to cancel the program at any time or modify the program from time to time without notice.

8. Notices: Except where otherwise clearly specified herein, whenever any notice or other communication is required or permitted to be given a Resident under the program, it shall be given in writing and shall be sent by United States mail, postage prepaid, addressed to such Resident's last known address on file with Gumenick. Any notice or other communication so sent shall be deemed to have been given and received on the third business day following the date of its deposit in the United States mail.

APPLICATION



Application Date: _____

Name: _____

Address: _____

City : _____

State: _____ Zip: _____

E-mail Address: _____

Home Phone: (_____) _____

Work Phone: (_____) _____

Cell Phone (_____) _____

Current Resident of: _____

Are you currently using a Realtor? _____

Interested in the following neighborhood(s): _____

_____ This agreement is governed by the **Terms & Guidelines** on the reverse side which are incorporate herein by reference.

SIGNATURE

INTERNAL USE ONLY

Date Forwarded to Gumenick Homebuilding Group: _____

By: _____

Date Received in Gumenick Homebuilding Group: _____

By: _____

Amount of Credit Due to Purchaser: _____

Purchased Home in: _____

Accounting: _____

