

CASH REWARDS FOR REFERRALS GUIDELINES

Non-Leasing and Non-Operations Personnel

Effective: 7/1/21

Cummings Properties (Company) created the All-Star Program in October 2002 to recognize and reward the superior performance of employees who, through personal effort, initiative, and diligence outside of their professional duties, help the Company secure new business. The program has evolved and been meaningfully enhanced over time. Now known as “Cash Rewards for Referrals,” the program has been enhanced again for the upcoming year, effective July 1, 2021.

All RFTEs and RPTEs of the Company, Cummings Foundation, Atlantic Boston Construction, and the New Horizons communities are eligible for this program except for Executive Committee members, sales managers, and sales personnel in the Leasing and Operations departments.

Lease Referral Cash Bonus (Non-Leasing/Operations)

As a reward for making a successful lease referral, employees will now be paid a much larger cash referral bonus. Effective July 1, 2021, instead of an additional week’s vacation, the cash bonus payments have been *tripled*. The schedule for these payments (provided the referred lease meets the minimum Net Revenue Gain of \$5,000, as defined below) is as follows:

Leases of fewer than 1,000 SF	\$500	up to \$1,500
Leases of 1,000 SF – 2,499 SF	\$1,000	up to \$3,000
Leases of 2,500 SF – 4,999 SF	\$2,500	up to \$7,500
Leases of 5,000 SF or more	\$5,000	up to \$15,000

These cash referral bonuses will be paid upon (i) acceptance of the lease by the Company; (ii) receipt of all upfront monies required in the lease; and (iii) the expiration of any cancellation options or other contingencies. Typically, only a lease for inside space qualifies for a referral bonus. Land leases or licenses may sometimes be eligible, however, if the Executive Committee in its sole discretion so elects.

Bonuses will be paid in three equal annual installments, beginning on the commencement date of the lease and then again on or about the first day of the calendar quarter following the client’s first and second anniversaries, provided the client is still leasing space with Cummings Properties for at least the same amount of square footage and is not otherwise in default of its lease.

- For example, if an employee makes a referral that results in a qualified transaction of 5,000 SF or more, that colleague will be eligible to receive up to \$15,000. Of this total, \$5,000 will be paid upon full execution of the lease and receipt of all upfront payments due from the incoming client. If the lease term is greater than one year, additional payments of \$5,000 each will be made shortly following the anniversary of lease commencement at the beginning of year two of the lease term and, if applicable, year three of the lease term, provided the client is then in good standing and is leasing at least the same amount of space as initially leased.

Requirements/Definitions

Eligible Employees: To be eligible to receive any award under this program, an employee must be employed by the Company at the time of lease/license signing and bonus disbursement(s). Sales personnel in the Leasing and Operations departments are not eligible to participate in this program. Members of the Executive Committee and managers of the Leasing and Operations groups are not eligible.

Net Revenue Gain (NRG): “Net Revenue Gain” is the total contracted revenue over the initial term of the lease (that is not otherwise subject to a cancellation option) less any discounts, brokerage commissions, options to relinquish space, utility allowances, special construction costs advanced by the Company, and free rent. Rent that a client pays by providing the Company with goods or services that the Company would otherwise purchase in its ordinary course of business would typically be *included* in any Net Revenue Gain calculation if such trade-for-service agreement is specifically provided for in the lease.

Qualified Prospects: A “qualified prospect” is an entity or individual who has had no contact with the Company (other than the referring RFTE/RPTE) in the preceding six months and who has not engaged a fee-seeking third party, such as a broker. Eligible employees need only register the prospect with the Company prior to the prospect’s first contact with the Company. The prospect referral form is available online at Cumplings.com/referral, at the Woburn and Beverly offices and shops, and on the Company library. Paper forms must be submitted to management of the Leasing Department in Woburn or Beverly. Employees may also opt to simply call management of either Leasing Department and provide the prospect’s information. If a prospect is a federal, state, city, or town entity, or any other entity requiring a public bidding process, there shall be a presumption against the referring employee qualifying for lease referral bonus payments.

Qualified Transactions: After a qualified prospect is properly registered, any lease transaction fully executed within 12 months will qualify the employee for Cash Rewards for Referrals bonuses.

While most Cash Rewards for Referrals qualifying leases are signed within 12 months of an employee’s initial introduction of the prospect to the Company, some take longer to develop. **To reinvigorate and reconfirm a referral, the referring employee must resubmit the referral within 12 months of the initial referral.** Together, the employee and leasing staff will then determine if the prospect is still “active” or has become “cold.”

Cold prospects have no reasonable likelihood of consummating a lease transaction within the next 12 months despite the persistent follow-up of the Leasing Department. Examples include prospects that purchased buildings, commenced bankruptcy or liquidation proceedings, entered long-term leases elsewhere, or appear to have relocated out of the area.

If within 12 months of the initial referral the employee does not resubmit a referral form, then the prospect will be released into the general prospect database for potential follow-up at a later date. If such a cold prospect eventually consummates a qualifying lease transaction, the initial referring employee will receive a one-time \$250 bonus, but will not be eligible to participate in the Cash Rewards for Referrals bonus program.

Additionally, if a broker is retained by or otherwise begins representing a potential client after a referring employee has registered the prospect with the Company, the employee shall be entitled to one-half of the Cash Rewards for Referrals bonus payment noted above.

Special Referral Opportunity Award: The Cash Rewards for Referrals program is intended to reward independent and personal outreach that connects the Company with an employee's family, friends, neighbors, and associates. In contrast, a referral opportunity may arise during and/or in conjunction with employment duties. For example, a visitor may ask for directions to the leasing office, ask about an existing client, or simply inquire about space available in the area. Another example is the "reverse sell," such as when a potential vendor calls to inquire about working with the Company and is "sold" on the idea of leasing space. In either case, employees are encouraged to be helpful and friendly in answering inquiries and gathering whatever details they are comfortable collecting. The Leasing Department will need a name and phone number at a minimum, but any additional information will be appreciated. If possible, the employee should immediately connect the prospect directly with someone in the Leasing Department (or a member of the Executive Committee) by walking him/her to the office or transferring the call, depending on the situation.

As these types of efforts are considered part of one's job rather than independent outreach, the referral would not qualify for a Cash Rewards for Referrals bonus. They are, however, efforts the Company wants to recognize. For employees outside the Leasing and Operations departments, if any such information results in the prospect leasing space, the employee involved will receive a one-time \$250 bonus. To qualify, the employee must either put the prospective client directly in touch with the Leasing Department or complete a referral form.

General: The Executive Committee may make exceptions on a case-by-case basis, create limited-time promotions, or make changes to the program that may vary from what is described herein.