

HOME BUILDERS ASSOCIATION OF METRO ORLANDO

BOARD OF DIRECTORS

APPROVED POLICIES

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**HBA OF METRO ORLANDO
POLICIES AND PROCEDURES SUMMARY FOR
COUNCILS AND COMMITTEES**

Only the Board of Directors of the Association can establish or make policy. Procedurally, all policy matters must be reviewed by the Executive Committee prior to consideration by the Board. Financial matters must be reviewed by the Finance Committee prior to consideration by the Executive Committee and Board of Directors.

Only the President of the Association is authorized to execute contracts or agreements on behalf of the Association or any of its committees, councils or clubs. Procedurally, all contracts or agreements should be reviewed by the Committee Chairman, Staff Liaison and Executive Director before presentation to the Association President for execution.

Modifications to event rules/requirements, council dues, etc. must be reviewed by the Board.

In order to facilitate sound business operation and fiscal accountability for the financial resources of the Association, the following policies have been established by the Board of Directors.

1. All committees/councils are required to submit a detailed budget to the Finance Committee prior to the beginning of the fiscal year and before encountering expenses or collecting revenues.
2. The proposed committee/council budget should identify all revenue sources and expenses anticipated.
3. Should major budget deviations be anticipated by the committee/council from the respective approved budget, the Committee Chairman is required to submit a revised budget to the Finance Committee for review.
4. Budgets are required for all association events. Once the annual budget is approved, the Finance Committee is empowered to review individual budgets for events included in the annual budget approved by the Board.
5. New or additional activities not included in the approved annual budget for the Association requires approval by the Finance Committee and may be subject to review by the Board of Directors.
6. Income for all events/activities must at a minimum be sufficient to offset hard costs (out of pocket expenses) for that activity.
7. A final accounting for all events is required to be submitted to the Finance Committee within 30 days after the event is over.

8. **No committee chairman or member may purchase or obligate to purchase any goods or services on behalf of the Association or its committee or council.**
9. A purchase order and/or check requisition is required for all association expenditures. POs or check requisitions may be initiated by the committee Chairman and must be approved by the committee staff liaison before authorization of the expenditure by the Executive Director.
10. Councils, special events and targeted activities are required to offset a minimum of 70% of their administrative cost (employee cost plus prorated share of overhead). This applicable minimum is identified in the association's annual budget under the heading of "Programs and Committees".
11. Councils and/or committees do not have the authority to spend or allocate excess income generated as a result of said committee and council activity(ies) without the expressed approval of the Finance Committee.

Home Builders Association of Metro Orlando

Adopted by the Board of Directors at their regular meeting March 2004.

Policy Statement #1-004

It is the policy of this Association that all advertising in the HBA News and sponsorships of HBA events be by a member of our local HBA. In addition, that a two level fee be established, one for members and one for non-members. The Non-member fee would include the cost of becoming a member.

Policy Statement #2-004

It is the policy of this Association that only HBA members may advertise in the HBA Directory.

Home Builders Association of Metro Orlando

Adopted by the Board of Directors at their regular meeting April 2004.

Policy Statement #3-004

It is the policy of this Association that only HBA Members in good standing may chair or be a member of any HBA committee/council.

Home Builders Association of Metro Orlando

Adopted by the Board of Directors at their regular meeting June 2004

Policy Statement #4-0004

The Association's official policy statement on Impact Fees states that residential builders and developers oppose impact fees because they are regressive, have the potential to price many first time homebuyers out of the market, and have demonstrated their inability to adequately finance infrastructure needs. Furthermore, the Association opposes impact fees solely on new construction on the basis that this does not reflect the true impact of population growth.

The Home Builders Association of Metro Orlando supports 1) a broad based funding source as a documentary stamp transfer fee that captures all real estate transfers in a given jurisdiction and 2) the adoption of a school concurrency ordinance similar to that which was enacted in Palm Beach county in 2002. In addition, the Association endorses the concept of a statewide, uniform methodology for calculation of infrastructure funding sources as well as the concept of time-payment of these fees, which makes these fees bondable.

**HBA OF METRO ORLANDO
OPERATIONAL POLICY**

APPROVED BY: Board of Directors

Date: July 19, 2004

SUBJECT: Statement of Investment Policy, Objectives, and Guidelines

APPROVED POLICY:

**STATEMENT OF INVESTMENT POLICY, OBJECTIVES, AND GUIDELINES
HBA OF METRO ORLANDO**

SCOPE OF THIS INVESTMENT POLICY

This statement of investment policy reflects the investment policy, objectives, and constraints of the entire Investment Strategy of the HBA of Metro Orlando and its subsidiary corporations as set forth and approved by the Board on July 19, 2004.

PURPOSE OF THIS INVESTMENT POLICY STATEMENT

- 1) This statement of investment policy is set forth by the Board of Directors of the HBA of Metro Orlando in order to:
- 2) Define and assign the responsibilities of all involved parties.
- 3) Establish a clear understanding for all involved parties of the investment goals and objectives of Plan assets.
- 4) Offer guidance and limitations to all responsible persons or entities regarding the investment of Plan assets.
- 5) Establish a basis for evaluating investment results.
- 6) Manage Plan assets according to prudent standards as established in common trust law.
- 7) Establish the relevant investment horizon for which the Plan assets will be managed.

In general, the purpose of this statement is to outline a philosophy and attitude that will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

DELEGATION OF AUTHORITY

The Board of Directors of the HBA of Metro Orlando is a fiduciary, and is responsible for directing and monitoring the investment management of Plan assets. As such, the Board of Directors is authorized to delegate certain responsibilities to appropriate committees and/or staff of the association who may retain the services of professional experts in various fields as needed. The respective responsibilities of the Finance Committee and certain professional experts are defined as follows:

- 1) Finance Committee. The Finance Committee shall have the responsibility to monitor plan investments, investment activity and performance, and to report to the Board of Directors from time to time, the status of all invested assets. The Finance Committee shall further be responsible to make recommendations for modifications to the investment strategy set forth herein.
- 2) Investment Management Consultant. The consultant may assist the Finance Committee or Board of Directors in: establishing investment policy, objectives, and guidelines; selecting investment managers; reviewing such managers over time; measuring and evaluating investment performance; and other tasks as deemed appropriate.
- 3) Investment Manager. The investment manager has discretion to purchase, sell, or hold the specific securities that will be used to meet the Plan's investment objectives.
- 4) Additional specialists such as attorneys, auditors, actuaries, retirement plan consultants, and others may be employed by the Board of Directors to assist in meeting its responsibilities and obligations to administer Plan assets prudently.

The Board of Directors will not reserve any control over investment decisions, with the exception of specific limitations described in these statements. Managers will be held responsible and accountable to achieve the objectives herein stated. While it is not believed that the limitations will hamper investment managers, each manager should request modifications that they deem appropriate.

If such experts employed are also deemed to be fiduciaries, they must acknowledge such in writing. All expenses for such experts must be customary and reasonable, and will be borne by the Plan as deemed appropriate and necessary.

DEFINITIONS

1. "Plan" shall mean the HBA of Metro Orlando Investment Strategy.
 2. "Board of Directors" shall refer to the governing board established to administer the Plan as specified by applicable ordinance.
 3. "Fiduciary" shall mean any individual or group of individuals that exercise discretionary authority or control over fund management or any authority or control over management, disposition or administration of the Plan assets.
 4. "Investment Manager" shall mean any individual, or group of individuals, employed to manage the investments of all or part of the Plan assets.
 5. "Investment Management Consultant" shall mean any individual or organization employed to provide advisory services, including advice on investment objectives and/or asset allocation, manager search, and performance monitoring.
 6. "Securities" shall refer to the marketable investment securities that are defined as acceptable in this statement.
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ASSIGNMENT OF RESPONSIBILITY

Responsibility of the Finance Committee for the HBA of Metro Orlando Investment Strategy

The Board of Directors being charged with the responsibility for the management of the assets of the Plan may exercise its authority to delegate that responsibility to the Finance Committee of the HBA of Metro Orlando. In so doing, the Board of Directors shall require the Finance Committee to discharge its duties solely in the interest of the Plan, with the care, skill, prudence and diligence under the circumstances then prevailing, that a prudent man, acting in a like capacity and familiar with such matters would use in the conduct of any enterprise of a like character with like aim. The specific responsibilities of the Finance Committee relating to the investment management of Plan assets include:

1. Projecting the Plan's financial needs, and communicating such needs to the Investment Managers on a timely basis.
2. Determining the Plan's risk tolerance and investment horizon, and communicating these to the appropriate parties.

3. Establishing reasonable and consistent investment objectives, policies, and guidelines that will direct the investment of the Plan's assets.
 4. Prudently and diligently selecting qualified investment professionals, including Investment Manager(s), Investment Consultant(s), and Custodian(s).
 5. Regularly evaluating the performance of the Investment Manager(s) to assure adherence to policy guidelines and monitor investment objective progress.
 6. Developing and enacting proper control procedures: For example, replacing Investment Manager(s) due to fundamental change in investment management process, or failure to comply with established guidelines.
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GENERAL INVESTMENT PRINCIPLES

1. Investments shall be made solely in the interest of the beneficiaries of the Plan.
 2. The Fund shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims.
 3. Investment of the Fund shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
 4. The Finance Committee or Board of Directors may employ one or more investment managers of varying styles and philosophies to attain the Fund's objectives.
 5. Cash is to be employed productively at all times, by investment in short-term cash equivalents to provide safety, liquidity, and return.
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INVESTMENT MANAGEMENT POLICY

1. Preservation of Capital - Consistent with their respective investment styles and philosophies, investment managers should make reasonable efforts to preserve capital, understanding that losses may occur in individual securities.
2. Risk Aversion - Understanding that risk is present in all types of securities and investment styles, the Board of Directors recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet the Plan's objectives. However, the investment managers are to make reasonable efforts to control risk, and will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.

INVESTMENT OBJECTIVES

In order to meet its needs, the investment strategy of the HBA of Metro Orlando is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income.

Specifically, the primary objectives in the investment management for Plan assets shall be:

1. Liquidity - To ensure the ability to meet all expected or unexpected cash flow needs by investing in securities that can be sold readily and efficiently.
2. Preservation of Capital - To minimize the probability of loss of principal over the investment horizon. Emphasis is placed on minimizing return volatility rather than maximizing total return.
3. Preservation of Purchasing Power - To achieve returns in excess of the rate of inflation over the investment horizon in order to preserve purchasing power of Plan assets. Risk control is an important element in the investment of Plan assets.
4. Income and Growth - To achieve a balanced return of current income and modest growth of principal.
5. Long-Term Growth of Capital - To emphasize long-term growth of principal while avoiding excessive risk. Short-term volatility will be tolerated in as much as it is consistent with the volatility of a comparable market index.

VOLATILITY OF RETURNS

The Board of Directors understands that in order to achieve its objectives for Plan assets, the Plan will experience volatility of returns and fluctuations of market value. It states that the Plan could tolerate a maximum loss of 5% over any one-year period, and a maximum loss of 10% over the investment horizon. Therefore, the Board of Directors supports an investment strategy that minimizes the probability of losses greater than stated above. However, it realizes the Plan's return objective is its primary concern. There is, of course, no guarantee that the Plan will not sustain losses greater than those stated herein.

LIQUIDITY

To minimize the possibility of a loss occasioned by the sale of a security forced by the need to meet a required payment, the Board of Directors will periodically provide investment counsel with an estimate of expected net cash flow. The Board of Directors will notify the investment consultant in a timely manner, to allow sufficient time to build up necessary liquid reserves.

Note: The Finance Committee should be charged with assessing at least once a year the needs for cash on hand. Their recommendation shall be forwarded to the Board of Directors for Board decision.

MARKETABILITY OF ASSETS

The Board of Directors requires that all of Plan assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the Plan, with minimal impact on market price.

INVESTMENT GUIDELINES

Allowable Assets

1. Cash Equivalents
 - Treasury Bills
 - Money Market Funds
 - Certificates of Deposit
2. Fixed Income Securities
 - U.S. Government and Agency Securities
 - Corporate Bonds
 - Mortgage Backed Bonds
 - Or, other fixed income securities based on market conditions
3. Mutual Funds
 - Mutual Funds that invest in securities as allowed in this statement.

Prohibited Assets

Prohibited investments include, but are not limited to the following:

1. Commodities and Future Contracts
2. Private Placements
3. Options

Prohibited Transactions

Prohibited transactions include, but are not limited to the following:

1. Short Selling
2. Margin Transactions

Asset Allocation Guidelines

Investment management of the assets of the HBA of Metro Orlando Investment Strategy shall be in accordance with the following asset allocation guidelines:

1. Aggregate Plan Asset Allocation Guidelines (at market value)
Based on the best asset allocation advice at the time.

2. The Board of Directors may employ investment managers whose investment disciplines require investment outside the established asset allocation guidelines. However, taken as a component of the aggregate Plan, such disciplines must fit within the overall asset allocation guidelines established in this statement. Such investment managers will receive written direction from the Board of Directors regarding specific objectives and guidelines.

Guidelines for Fixed Income Investments and Cash Equivalents

1. Money Market Funds selected shall contain securities whose credit rating at the absolute minimum would be rated investment grade by Standard and Poors, and/or Moody's or in accounts insured by the FDIC.
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REVIEW

The Finance Committee shall periodically review or cause to be reviewed the General Investment Principles, Investment Objectives and Investment Guidelines identified herein, said review being performed at least annually. Further, the Finance Committee shall make recommendations from time to time to the Board of Directors on modifications to this policy which it believes are in the best interest of the association.

Home Builders Association of Metro Orlando

Adopted by the Board of Directors at their regular meeting August 2004.

Policy Statement #6-004

It is the policy of this Association that no committee may change their budget to reflect a deficit without prior approval.

Home Builders Association of Metro Orlando

Adopted by the Board of Directors at their regular meeting February 2006

Policy Statement #1-006

It is the policy of this Association that the October Election General Membership Meeting be free to attend for all voting HBA members.

Home Builders Association of Metro Orlando

Adopted by the Board of Directors at their regular meeting April 2006

Policy Statement #2-006

It is the policy of this Association that trade-outs/bartering for sponsorships not be allowed unless approved by the Executive director and the Chairman of the Finance Committee.

Home Builders Association of Metro Orlando

Adopted by the Board of Directors at their regular meeting May 2006

Policy Statement #3-006

It is the policy of this Association that all Remodeler entries into the Parade of Homes be reviewed by the Chairman of the Remodelers Council for public access permission.

Home Builders Association of Metro Orlando

Adopted by the Board of Directors at their regular meeting August 2006

Policy Statement #4-006

It is the policy of this Association that the Osceola Chapter 2006 Guidelines be approved with the stipulation that charitable contributions raised by the Chapter be given through the HBA Foundation.

Home Builders Association of Metro Orlando

Adopted by the Board of Directors at their regular meeting February 2007

Policy Statement #1-007

The Association's position on workforce housing includes the definition of income as 140% of median income.

Home Builders Association of Metro Orlando

Adopted by the Board of Directors at their meeting March 20, 2007

Policy Statement #2-007

It is the Association's policy regarding Property Tax Reform:

Any certainty gained by property tax reform statewide should include the same considerations for the "Hidden Property Tax", i.e., impact fees. The state, through legislation, must clarify local government's ability to create, raise and impose these fees similar to the statutory provisions for ad valorem taxation. These fees/taxes are currently unregulated and continue to soar throughout the state.

Home Builders Association of Metro Orlando

Adopted by the Board of Directors at their meeting August 11, 2007

Policy Statement #3-007

It is the Association's policy that all Board Members execute a Code of Conduct at the first Board meeting after elections.

Document Retention and Destruction Policy

This Document Retention and Destruction Policy of the Home Builders Association of Metro Orlando, Inc. identifies the record retention responsibilities of staff, volunteers, members of the Board of Directors, and outsiders for maintaining and documenting the storage and destruction of the Organization's documents and records.

1. **Rules.** The Organization's staff, volunteers, members of the Board of Directors and outsiders (i.e., independent contractors via agreements with them) are required to honor these rules: (a) paper or electronic documents indicated under the terms for retention below will be transferred and maintained by the Human Resources, Legal or Administrative staffs/departments or their equivalents; (b) all other paper documents will be destroyed after three years; (c) all other electronic documents will be deleted from all individual computers, data bases, networks, and back-up storage after one year; and (d) **no paper or electronic documents will be destroyed or deleted if pertinent to any ongoing or anticipated government investigation or proceeding or private litigation.**
2. **Terms for retention.**
 - a. Retain permanently:
 - Governance records* – Charter and amendments, Bylaws, other organizational documents, governing board and board committee minutes.
 - Tax records* – Filed state and federal tax returns/reports and supporting records, tax exemption determination letter and related correspondence, files related to tax audits.
 - Intellectual property records* – Copyright and trademark registrations and samples of protected works.
 - Financial records* – Audited financial statements, attorney contingent liability letters.
 - b. Retain for ten years:
 - Pension and benefit records* – Pension (ERISA) plan participant/beneficiary records, actuarial reports, related correspondence with government agencies, and supporting records.
 - Government relations records* – State and federal lobbying and political contribution reports and supporting records.
 - c. Retain for three years:

Employee/employment records – Employee names, addresses, social security numbers, dates of birth, INS form I-9, resume/application materials, job descriptions, dates of hire and termination/separation, evaluations, compensation information, promotions, transfers, disciplinary matters, time/payroll records, leave/comp time/FMLA, engagement and discharge correspondence, documentation of basis for independent contractor status (retain for all current employees and independent contractors and for three years after departure of each individual).

Lease, insurance, and contract/license records – Software license agreements, vendor, hotel, and service agreements, independent contractor agreements, employment agreements, consultant agreements, and all other agreements (retain during the term of the agreement and for three years after the termination, expiration, non-renewal of each agreement).

d. Retain for one year:

All other electronic records, documents and files – Correspondence files, past budgets, bank statements, publications, employee manuals/policies and procedures, survey information.

3. **Exceptions.** Exceptions to these rules and terms for retention may be granted only by the Organization's chief staff executive or Chairman of the Board.

Adopted by the Board of Directors of the Home Builders Association of Metro Orlando on November 18, 2008.

Signed: _____

Jim Ope

PRESIDENT

Policy on the Process for Determining Compensation

This Policy on the Process for Determining Compensation of the Home Builders Association of Metro Orlando, Inc. applies to the compensation of the following persons employed by the Organization:

The Organization's **chief employed executive** (CHECK IF APPLICABLE)

Other **Officers or Key Employees** of the Organization by title: _____

(CHECK IF APPLICABLE; SUPPLY TITLES).

The process includes all of these elements: (1) review and approval by the board of directors or compensation committee of the Organization; (2) use of data as to comparable compensation; and (3) contemporaneous documentation and recordkeeping.

1. **Review and approval.** The compensation of the person is reviewed and approved by the board of directors or compensation committee of the Organization, provided that persons with conflicts of interest with respect to the compensation arrangement at issue are not involved in this review and approval.
2. **Use of data as to comparable compensation.** The compensation of the person is reviewed and approved using data as to comparable compensation for similarly qualified persons in functionally comparable positions at similarly situated organization.
3. **Contemporaneous documentation and recordkeeping.** There is contemporaneous documentation and recordkeeping with respect to the deliberations and decisions regarding the compensation arrangement.

¹**Chief employed executive** – The CEO (i.e. Chief Executive Officer), executive director, or top management official (i.e., a person who has ultimate responsibility for implementing the decisions of the Organization's governing body or for supervising the management, administration, or operations of the Organization).

²**Officer** – A person elected or appointed to manage the Organization’s daily operations, such as a president, vice-president, secretary or treasurer. The officers of the Organization are determined by reference to its organizing document, bylaws, or resolutions of its governing body, or as otherwise designated consistent with state law, but at a minimum include those officers required by applicable state law. Include as officers the Organization’s top management official and top financial official (the person who has ultimate responsibility for managing the Organization’s finances).

³**Key Employee** – An employee of the Organization who meets all three of the following tests: (a) \$150,000 Test: receives reportable compensation from the Organization and all related organizations in excess of \$150,000 for the year; (b) Responsibility Test: the employee: (i) has responsibility, powers, or influence over the Organization as a whole that is similar to those of officers, directors, or trustees; (ii) manages a discrete segment or activity of the Organization that represents 10% or more of the activities, assets, income, or expenses of the Organization, as compared to the Organization as a whole; or (iii) has or shares authority to control or determine 10% or more of the Organization’s capital expenditures, operating budget, or compensation for employees, and (c) Top 20 Test: is one of the 20 employees (that satisfy the \$150,000 Test and Responsibility Test) with the highest reportable compensation from the Organization and related organizations for the year.

Adopted by the Board of Directors of the Home Builders Association of Metro Orlando, Inc. on November 18, 2008.

Signed: _____

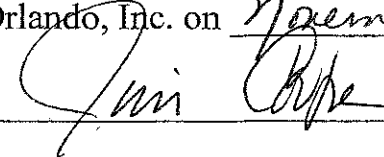
Print: Jim Cooper

Conflict of Interest Policy

This Conflict of Interest Policy of the Home Builders Association of Metro Orlando, Inc.: (1) defines conflicts of interest; (2) identifies classes of individuals within the Organization covered by this policy; (3) facilitates disclosure of information that may help identify conflicts of interest; and (4) specifies procedures to be followed in managing conflicts of interest.

1. **Definition of conflicts of interest.** A conflict of interest arises when a person in a position of authority over the Organization may benefit financially from a decision he or she could make in that capacity, including indirect benefits such as to family members or businesses with which the person is closely associated. This policy is focused upon material financial interest of, or benefit to, such persons.
2. **Individuals covered.** Persons covered by this policy are the Organization's officers, directors, chief employed executive and chief employed finance executive.
3. **Facilitation of disclosure.** Persons covered by this policy will annually disclose or update to the chairman of the Board of Directors on a form provided by the Organization their interests that could give rise to conflicts of interest, such as a list of family members, substantial business or investment holdings, and other transactions or affiliations with businesses and other organizations or those of family members.
4. **Procedures to manage conflicts.** For each interest disclosed to the Chairman of the Board of Directors, the Chairman will determine whether to: (a) take no action; (b) assure full disclosure to the Board of Directors and other individuals covered by this policy; (c) ask the person to recuse from participation in related discussions or decisions within the Organization; or (d) ask the person to resign from his or her position in the Organization or, if the person refuses to resign, become subject to possible removal in accordance with the Organization's removal procedures. The Organization's chief employed executive and chief employed finance executive will monitor proposed or ongoing transactions for conflicts of interest and disclose them to the Chairman of the Board of Directors in order to deal with potential or actual conflicts, whether discovered before or after the transaction has occurred.

Adopted by the Board of Directors of the Home Builders Association of Metro Orlando, Inc. on November 18, 2008.

Signed  PRESIDENT

Whistleblower Policy

This Whistleblower Policy of the Home Builders Association of Metro Orlando, Inc.: (1) encourages staff and volunteers to come forward with credible information on illegal practices or serious violations of adopted policies of the Organization; (2) specifies that the Organization will protect the person from retaliation; and (3) identifies where such information can be reported.

1. **Encouragement of reporting.** The Organization encourages complaints, reports or inquiries about illegal practices or serious violations of the Organization's policies, including illegal or improper conduct by the Organization itself, by its leadership, or by others on its behalf. Appropriate subjects to raise under this policy would include financial improprieties, accounting or audit matters, ethical violations, or other similar illegal or improper practices or policies. Other subjects on which the Organization has existing complaint mechanisms should be addressed under those mechanisms, such as raising matters of alleged discrimination or harassment via the Organization's human resources channels, unless those channels are themselves implicated in the wrongdoing. This policy is not intended to provide a means of appeal from outcomes in those other mechanisms.

2. **Protection from retaliation.** The Organization prohibits retaliation by or on behalf of the Organization against staff or volunteers for making good faith complaints, reports or inquiries under this policy or for participating in a review or investigation under this policy. This protection extends to those whose allegations are made in good faith but prove to be mistaken. The Organization reserves the right to discipline persons who make bad faith, knowingly false, or vexatious complaints, reports or inquiries or who otherwise abuse this policy.

3. **Where to report.** Complaints, reports or inquiries may be made under this policy on a confidential or anonymous basis. They should describe in detail the specific facts demonstrating the bases for the complaints, reports or inquiries. They should be directed to the Organization's chief employed executive or Chairman of the Board of Directors; if both of those persons are implicated in the complaint, report or inquiry, it should be directed to Secretary or Vice President. The Organization will conduct a prompt, discreet, and objective review or investigation. Staff or volunteers must recognize that the Organization may be unable to fully evaluate a vague or general complaint, report or inquiry that is made anonymously.

Adopted by the Board of Directors of the Home Builders Association of Metro Orlando, Inc. on November 18, 2008.

Signed: Jim Cooper

Print: Jim Cooper
PRESIDENT

Joint Venture Policy

This Joint Venture Policy of the Home Builders Association of Metro Orlando, Inc. requires that the Organization evaluate its participation in joint venture arrangements under Federal tax law and take steps to safeguard the Organization's exempt status with respect to such arrangements. It applies to any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity as further defined in this policy.

- A. Joint ventures or similar arrangements with taxable entities.** For purposes of this policy, a joint venture or similar arrangement (or a "venture or arrangement") means any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity without regard to: (1) whether the Organization controls the venture or arrangement; (2) the legal structure of the venture or arrangement; or (3) whether the venture or arrangement is taxed as a partnership or as an association or corporation for federal income tax purposes. A venture or arrangement is disregarded if it meets both of the following conditions:
- (a) 95% or more of the venture's or arrangement's income for its tax year ending within the Organization's tax year is excluded from unrelated business income taxation [including but not limited to: (i) dividends, interest, and annuities; (ii) royalties; (iii) rent from real property and incidental related personal property except to the extent of debt-financing; and (iv) gains or losses from the sale of property]; and
 - (b) the primary purpose of the Organization's contribution to, or investment or participation in, the venture or arrangement is the production of income or appreciation of property.
- B. Safeguards to ensure exempt status protection.** The Organization will: (a) negotiate in its transactions and arrangements with other members of the venture or arrangement such terms and safeguards adequate to ensure that the Organization's exempt status is protected; and (b) take steps to safeguard the Organization's exempt status with respect to the venture or arrangement. Some examples of safeguards include:
- (i) control over the venture or arrangement sufficient to ensure that it furthers the exempt purpose of the organization;
 - (ii) requirements that the venture or arrangement gives priority to exempt purposes over maximizing profits for the other participants;
 - (iii) that the venture or arrangement not engage in activities that would jeopardize the Organization's exemption; and
 - (iv) that all contracts entered into with the organization be on terms that are arm's length or more favorable to the Organization.

Adopted by the Board of Directors of the Home Builders Association of Metro Orlando, Inc. on November 18, 2008

Signed: _____

Print: _____

Home Builders Association of Metro Orlando

Adopted by the Board of Directors at their regular meeting April 20, 2010

Policy Statement #1-010

It is the policy of this Association that HBA does not allow use of the HBA logo and member list to solicit advertising unless a revenue sharing agreement or editorial space is provided.