

## **AHRD Joint Ventures Policy**

### **1. Overview of Joint Ventures**

The Executive Committee and the Board will evaluate the participation of AHRD in joint venture arrangements under Federal tax law and take steps to safeguard AHRD'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.

### **2. Joint ventures or similar arrangements with taxable entities.**

For purposes of this policy, a joint venture or similar 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 AHRD 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. There are specific restrictions related to tax purposes and AHRD should seek legal counsel before embarking on any joint ventures or similar arrangements.

### **3. Safeguards to ensure exempt status protection.**

AHRD will:

- (a) negotiate in its transactions and arrangements with other members of the venture or arrangement such terms and safeguards adequate to ensure that AHRD's exempt status is protected; and
- (b) take steps to safeguard AHRD's exempt status with respect to the venture or arrangement.

Approved 1/31/13