



You are cordially invited to participate in the 14th annual National Homebuilders Compensation Survey. The participation form (Participation Form.pdf), data collection package (dcf_hb1.pdf), practices forms (Practices.pdf), Module A Forms (Module A Forms.pdf) and the Excel spreadsheet (excel_hb1.xls) are attached. These forms and files are also on our website - www.analyticalfmi.com.

Please take extra time completing the scope measures for 1st and 2nd Level positions and for the Practices Section. We continue to receive sketchy information from many companies and hope you will work with us this year to improve the quality of the data. It is especially important to provide sales and revenue numbers for 1st and 2nd level heads. Complete "scope" data will allow you to use the final report more effectively. The Participation, Practices and Module A forms are included on the Excel spreadsheet and are also interactive PDF's.

Payment for the survey is \$2,200 if you submit your data electronically or \$2,600 if you submit your data on paper. **You will be invoiced when you confirm your intention to participate by emailing or faxing the enclosed Participation Form to (602) 381-8228.** Please return the form promptly.

If you want to submit your data electronically, you can use the attached Excel spreadsheet or download it from our web site. Instructions for using the spreadsheet are in the instruction tab on the spreadsheet. It is helpful to print the data collection package that has the instructions, organization charts of reporting relationships, job descriptions and other survey forms. We can accept almost any form of electronic submission as long as it has all the requested information. If you want to submit the data using another format, please call so we can verify that it is compatible.

You are also invited to participate in our 11th annual survey of Executive Compensation. The Executive Compensation Survey (Module A) provides information on base compensation, short-term incentive plans, long-term incentive plans, perquisites and executive level benefits for all corporate level positions and 1st and 2nd Level Heads. Sections include cash, performance and stock-based plans. We also provide a breakout of your data from the other participants on the "pie chart" pages of the report and provide a section of proxy data for all publicly traded homebuilders.

If you also intend to participate in the 2011 Executive Compensation Survey, please check the appropriate box on the enclosed Participation Form. Data for Module A may be submitted electronically or on paper. You can enter the compensation data and plan descriptions on the Excel spreadsheet. If you prefer, the plan descriptions can be entered on the attached PDF interactive Module A Forms. The data collection forms for Module A are also in the Homebuilders data collection package. The cost to participate in Module A for 2011 remains at \$600.

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Your data and survey payment are due back to us by no later than **April 8th**. A prompt return ensures that survey results will be returned to you by mid-July. The information on the Sales and Design Center Survey will be sent to you the beginning of June. Please call Darren at (602) 772-3434 if you have any questions regarding the survey. We look forward to working with all of you again during 2011.

Sincerely,

Darren McMahon
Terry Hakala
Dot Crater
Analytical / FMI