

V. Directors

§1. Board of Directors.

The property, business, and affairs of the Corporation shall be managed by a Board of Directors composed of nine members.

§4. Powers and Duties.

The Board of Directors shall direct the affairs of the Corporation and make necessary rules and regulations not inconsistent with the law, these Bylaws, or the decisions of the membership meetings. The Board may delegate duties to officers, committees, or other personnel, but it shall be responsible to the membership for their proper performance. It shall be the duty of the directors of the Corporation to attend Board meetings, to perform such tasks as may reasonably be assigned to them by the Board, to study the problems and work of the Corporation, to report thereon to the membership, and to make every effort to assist the Corporation to achieve its purpose. Specifically, the Board shall:

- a. Monitor the finances of the Corporation and operating results of its business, and take such action as is required to keep these in a healthy condition.
- b. Appoint, assign the duties of, and determine the salary of a general manager, who shall assume administrative control of the business of the Corporation. Employment or removal of the general manager must be voted by a majority of the entire Board of Directors. The general manager shall have the authority to employ or discharge all other employees of the Corporation.
- c. After consultation with the Audit Committee, annually appoint an auditor or auditing agency and define the scope of the audit.
- d. Provide adequate insurance of the property of the Corporation and adequate insurance against liabilities.
- e. Establish equitable personnel policies.
- f. Have power to borrow money and make financial commitments for the conduct of the affairs of the Corporation. However, the Board shall not be empowered to enter into new fields of business enterprise, to mortgage or sell corporate real property, or to sell subsidiary corporations without the prior approval of the membership as provided for in Article VIII, Section 8.
- g. At all times keep the membership fully informed of the facts pertaining to the operation of the affairs of the Corporation and fully advise the membership of matters which have an important bearing upon the future operation of the affairs of the Corporation.
- h. Distribute a comprehensive written report, including audited financial statements, and a summary budget to all members at least one week in advance of the annual meeting of the Corporation. The audited financial statements shall consist of statements of income and expenses for the preceding two years. The summary budget shall itemize the major categories of revenue and expense for the current year. Prepare a detailed budget for the current year. The detailed budget shall segregate labor and material costs from other

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costs. A copy of the audited financial statements, summary budget and the detailed budget shall be made available to members upon request.

- i. Authorize expenditures subject to the provisions of these Bylaws.

VII. Committees

§2. Audit Committee.

- a. The Audit Committee shall consist of three Corporation members who shall serve a one-year term. Terms begin and end upon certification of the election by the Nominations and Elections Committee. The Audit Committee shall elect a chair. No officer, employee, or director of the Corporation shall be eligible to serve on this Committee.
- b. The functions of the Audit Committee shall be to review and evaluate: (a) the financial statements and audit reports of the Corporation and its subsidiaries; (b) its accounting system, accounting procedures, operating budget, and allocation of costs under the provisions of the Mutual Ownership Contracts; (c) policies and practices followed with respect to funded and other reserves; (d) the investment and other financial policies and practices; and (e) pursuant to the policies established by the Board and the Bylaws, the various operations of the Corporation, including maintenance, sales, and sales financing programs in order to determine management's effectiveness in administering the affairs of the Corporation economically and efficiently.
- c. The Audit Committee may make such reports and recommendations to the Board of Directors and to the membership of the Corporation as it may deem appropriate, and shall make an annual report to the membership of the Corporation concerning its findings, and its operations throughout the year, and such report shall contain an accounting of all Audit Committee expenditures throughout the year. Majority recommendations or reports made to the Board shall be placed on the Agenda for an upcoming Board meeting within three (3) months. Reports to the membership other than at the regular annual meeting of the members of the Corporation shall be mailed or delivered no later than thirty days after presentation to the secretary or to the business office of the Corporation. Vacancies on the Committee shall be filled by the remaining membership of the Committee, after notice of the vacancies is publicized by the Audit Committee and a two week period is provided for submission of suggested names of candidates to the Committee.

Members of the Audit Committee shall have the right to attend all regular and special meetings of the Board of Directors of GHI and all subsidiary corporations, including executive sessions, and shall be furnished with copies of all minutes. They shall also be given access to all books and records of the Corporation. The Audit Committee shall have the right to consult with the Corporation attorneys and auditors and shall be furnished with available clerical assistance. An annual appropriation for the Audit Committee in the amount of \$7,500 shall be included in the operating budget of the Corporation and the Audit Committee shall be authorized to engage legal, accounting, tax, or other consultants or clerical assistants as may be required to facilitate the work of the Committee up to the total amount of the appropriation. The appropriation shall also cover the reimbursement to members of the Committee for the actual expenses incurred by them in behalf of or for the benefit of the Corporation, provided that prior authorization is given by the Committee for such expenditure. Should additional funds be found necessary, the Audit Committee may request, and the Board of Directors may grant, additional funds.

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The members of the Audit Committee shall be compensated in such amount as the members of the Corporation shall direct.