

BYLAWS OF THE ASSOCIATION OF INDEPENDENT HOSPITALITY PROFESSIONALS

ARTICLE I — NAME, PURPOSE, OFFICE AND FISCAL YEAR

Section 1 — Name: The name of the organization shall be the **Association of Independent Hospitality Professionals (the “Organization”)**. The Organization shall be a 501(c)(6) tax-exempt organization incorporated under the laws of the State of South Carolina.

Section 2 — Purpose: To promote and support the sustainability of small lodging hospitality establishments in a changing environment through networking, advocacy, professional development and progressive business practice.

Section 3 — Office: The Organization shall have its principal office in a location determined by the Board of Directors. The Organization may relocate the principal office, and may also establish such other offices, as the Board of Directors shall direct if the business of the Organization so requires.

Section 4 — Fiscal Year: The fiscal year shall be the calendar year.

ARTICLE II — MEMBERSHIP

Section 1 — Membership: Membership shall consist of independently owned lodging properties, individuals, organizations and companies engaged in doing business within and for the lodging industry. All members shall have equal privileges in the organization.

Section 2 — Member Dues: Member dues will be assessed in differentiated tiers: single entity, multi-location, multi-brand, organizations and allied partners. The Board of Directors shall review, adjust as needed, and approve the annual dues rate in the third quarter of each year to be applied at the start of the next fiscal year.

Multi-location properties are defined as one owner of multiple locations with different physical addresses. Multi-brand properties are defined as a single corporation who owns multiple locations with different names and identity, or one parent company with multiple brands in the same location.

Section 3 — Transparency: For the purpose of transparency, all in person meetings of the Board of Directors will be open to the membership with the exception of Executive Sessions. Official minutes of board proceedings will be available to members. All membership categories qualify for one vote per paid membership and all membership voting will be conducted electronically after formally structured and open discussions.

Section 4 — Annual Membership Meeting: In conjunction with an annual Knowledge Sharing Event, the Board of Directors shall hold an annual meeting of the membership where the members will be updated on the current status of the Organization and consulted on future developments in the industry.

ARTICLE III — BOARD OF DIRECTORS

Section 1 — Board Roles and Responsibilities: The Board of Directors shall govern the Organization, set strategic direction, advance the association and take action that assures the sustainability of the association. The Board of Directors may delegate authority for overall operations to a Chief Executive Officer (“CEO”).

Section 2 — Size and Terms: The Board of Directors shall have up to eleven (11), but not fewer than three (3) members representing the diversity of the industry. The Board of Directors shall determine the desirable number of directors for a given election.

All members of the Board of Directors shall serve three (3) year terms on staggered basis and are eligible to run for re-election for a second consecutive term. Directors who have reached their term limits are not eligible to run for office again for a period of one (1) year.

Section 3 — Meetings and Notice: The Board of Directors shall meet at least quarterly in person at an agreed upon time and place. The Board of Directors may choose to meet more frequently using electronic means where all directors can hear and participate in real time. An official meeting of the Board of Directors requires that each director have written or electronic notice at least two (2) weeks in advance.

Section 4 — Quorum: A quorum must be attended by at least two-thirds ($\frac{2}{3}$) of directors for business transactions to take place and motions to pass.

Section 5 — Unanimous Consent: An action may be taken by the Board of Directors by mailed or e-mailed ballot provided that the action was previously discussed in an official meeting of the Board of Directors and is approved unanimously by all members of the Board of Directors. Such action shall be submitted to the Secretary and shall be noted in the minutes of the following meeting.

Section 6 — Vacancies: When a vacancy on the Board of Directors exists, the Board of Directors may appoint a successor to complete the term of office. Appointees filling unexpired terms may run for election with two terms of office available to them. The Board of Directors may also choose not to appoint.

Section 7 — Resignation, Termination, and Absences: Resignation from the Board of Directors must be in writing and received by the Secretary. A director may be terminated from the Board of Directors due to excess absences, defined as missing more than two (2) scheduled meetings of the Board of Directors in one (1) year. A director may be removed for other reasons by a three-fourths ($\frac{3}{4}$) vote of the remaining directors.

Section 8 — Special Meetings: Special meetings of the Board of Directors may be called upon the request of the Chair or one-third ($\frac{1}{3}$) of the board. Notices of special meetings shall be sent out by the Chair or Secretary to each director.

Section 9 — Conflicts of Interest: The Board of Directors shall conduct its business in a manner that avoids conflicts of interest. As such, a director or his/her relative or close business associate may not apply for employment with the organization without first terminating board service. If a director has a conflict of interest where the director, a relative or close business associate has a financial gain at stake through a decision to be made by the Board of Directors or the CEO, the director must declare the conflict and absent him/herself from the discussion and vote.

Section 10—Antitrust Compliance: Because competitors are engaging in decision-making for the advancement of the industry, the Board of Directors shall observe its exposure to anti-competitive concerns. Consequently, the Board of Directors shall institute an antitrust compliance program to protect the Organization.

Section 11 — Executive Sessions: The Board of Directors may opt to go into closed session to discuss pending or anticipated lawsuits, real estate transactions and performance evaluation and compensation issues. The Board of Directors may invite relevant advisors to participate in the closed session. To discuss the CEO's performance evaluation or compensation, the Board of Directors will ask the CEO to absent him/herself from any discussion and vote due to the inherent conflict of interest.

ARTICLE IV – OFFICERS

Section 1 — Officers and Duties: The Board shall annually elect its officers. There shall be four (4) officers, consisting of a Chair, Vice-Chair, Secretary and Treasurer. Their duties are as follows:

1. *The Chair* shall be the responsible for the integrity of governance by the full Board of Directors and acting as the chief spokesperson of the Organization to external audiences. The Chair shall convene regularly

scheduled meetings of the Board of Directors and shall preside or arrange for other members of the Executive Committee to preside at each meeting in the following order: Vice-Chair, Secretary, Treasurer.

2. *The Vice-Chair* will assume the duties of the Chair in the Chair's absence. The Vice-Chair shall assure appropriate orientation of the Board of Directors to its governing role, champion the strategic plan development and implementation and will chair the Leadership Development Committee.
3. *The Secretary* shall be responsible for keeping accurate records of board actions, including the taking of minutes at all meetings of the Board of Directors, sending out meeting announcements, distributing copies of minutes and the agenda to each director, and assuring that corporate records are maintained and appropriately posted for membership access.
4. *The Treasurer* shall be responsible for all financial affairs of the Organization, serve as the chair of the Finance Committee, work with the CEO to ensure that appropriate financial reports are made available to the Board of Directors on a timely basis, present the annual operating budget to the Board of Directors for approval, review and answer Directors' questions regarding the annual audit, and oversee the Organization's cash management and investments and the filing of all necessary tax returns.

ARTICLE V - ELECTIONS

Section 1 — Board Elections: During the last quarter of each fiscal year of the corporation, the membership shall elect directors to replace those whose terms will expire at the end of the fiscal year. The first elected Board of Directors will begin its term on June 1, 2015 with the next election of the Board of Directors to be held the last quarter of 2016.

Section 2 — Election Procedures: New directors shall be elected from a slate created by a call to membership for nominations by the Leadership Development Committee (LDC). After review by the LDC, based on established criteria and qualifications, an election package, including desirable criteria for candidates as communicated by the Board of Directors and biographical information about each candidate that addresses the desirable criteria shall be presented to the full Board of Directors. The Board of Directors will then choose a slate and put forth that slate to the membership for ratification. The election package and an electronic ballot shall be distributed to all members in good standing. One ballot for voting shall be distributed to the official contacts identified for voting members in good standing. That slate will be so elected and will serve a term beginning on the first day of the next fiscal year.

ARTICLE VI — COMMITTEES

Section 1 — Committee Formation: The Board of Directors may create committees and task forces as needed. The Chair shall appoint all committee and task force chairs.

Section 2 — Executive Committee: The four, (4) officers serve the Board of Directors as voting members of the Executive Committee. Except for the power to amend the Articles of Incorporation and Bylaws, the Executive Committee shall have all the powers and authority of the Board of Directors in the intervals between meetings of the Board of Directors, and is subject to the direction and control of the full Board of Directors. The primary purpose of the Executive Committee is oversight of the operational organization, to act as a sounding board to the CEO, and to plan the agendas for meetings of the Board of Directors.

Section 3 — Finance Committee: The Finance Committee, chaired by the Treasurer, shall include two (2) other directors and two (2) non-directors. The Finance Committee is responsible for reviewing fiscal policy and procedures, reviewing annual budget prior to approval by the Board of Directors, and monitoring the financial condition of the Organization and reporting its findings to the Board of Directors.

Section 4 — Audit Committee: The Audit Committee is accountable for an annual audit function. This committee will determine the scope of the annual audit activity, selecting an auditor using an objective process within the established budget, and present the audit report and accepted by the Board of Directors. The committee shall be

composed of three (3) members at large who are financially literate and are appointed by the Chair. There will be a full audit every three (3) years.

Section 5 – Leadership Development Committee – The Leadership Development Committee will proactively promote leadership opportunities to the membership throughout the year as well as develop a slate of qualified candidates for election to the Board of Directors for review by the Board of Directors and election by the membership.

This committee shall be a standing committee composed of five (5), the Vice-Chair will serve as chair. Two (2) will be members of the Board of Directors and two (2) will be association members in good standing. The Vice-chair will name the committee members, subject to ratification by the full Board of Directors.

ARTICLE VII – CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1 – Contracts: The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Organization, and such authority may be general or confined to specific instances.

Section 2 – Loans: No loans shall be contracted on behalf of the Organization and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3 – Checks, Drafts, etc.: All checks, drafts or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Organization shall be signed by such officer or officers, agent or agents of the Organization and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4 – Deposits: All funds of the Organization not otherwise employed shall be deposited from time to time to the credit of the Organization in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VIII — AUTHORITY TO HIRE

Section 1 — Chief Executive Officer: The Board of Director as a whole has the authority to hire or fire a chief executive officer to manage the operational affairs of the Organization. The CEO shall be an ex officio, nonvoting member of the Board of Directors and of the Executive Committee.

The CEO is responsible for the hiring, direction, and development of additional staff members and is accountable for their actions.

ARTICLE VIII – REIMBURSEMENT, INDEMNIFICATION, INSURANCE, DISSOLUTION

Section 1 – Compensation: No director or officer shall receive any fee, salary or remuneration of any kind for services in such capacities. However, directors and officers may be reimbursed for reasonable expenses incurred as defined by the Board of Directors upon presentation of an invoice accompanied by receipts. Additionally, if a director or officer provides a service to the corporation beyond the scope of volunteer leader, a reasonable stipend may be paid on a fee for service basis, in alignment with those who provide a similar service.

Section 2 -- Indemnification of Officers and Directors: Expenses and liabilities in connection with any proceeding involving an officer or director because the agent is or was a corporate agent may be indemnified to the extent of the limitations provided in definition of the South Carolina law. If the circumstances are covered, the Organization shall indemnify each agent to the full extent permitted by law.

Section 3 – Insurance: The Board of Directors shall purchase Directors and Officers Liability Insurance to protect their personal liability exposure for governing decisions made in good faith. The Board of Directors shall purchase a bond that will protect the Organization from embezzlement.

Section 4 – Dissolution: In the event that the membership should vote to dissolve the Organization, the current assets will first pay off all debts, and the remaining assets of the Organizations shall be distributed to a tax-exempt organization whose mission aligns with the Organization’s mission.

ARTICLE IX — AMENDMENTS

Section 1 — Amendments: These Bylaws may be altered, amended when necessary, or repealed by the membership. Proposed amendments may be initiated by a member in good standing, but must be submitted with the rationale for the change to the Secretary. The Secretary shall first send any proposed amendments and their rationale to the Board of Directors for review and alignment with the direction of the Organization. Upon Board endorsement, the proposed Bylaws and rationale shall be sent to the members for ratification. Bylaws voting shall be conducted by electronic vote of the membership with direction determined by a majority of votes cast.

CERTIFICATION

These bylaws were approved at a meeting of the Board of Directors by a two-thirds (2/3) majority vote on June 2, 2015

Secretary

Date June 2, 2015

Heidi Lanford

Revision History: