

RESTATED
ARTICLES OF ASSOCIATION
HOTEL ASSOCIATION
OF THE
NORTHERN MARIANA ISLANDS
(2009)

In order to further common purposes and goals of the hotels of the Northern Mariana Islands, the undersigned hotels formed an Association and organized said Association pursuant to Articles of Association adopted on August 29, 1985.

Amendments to the Articles of Association were adopted by an affirmative majority vote of all the members of the Association at the October 2003 general membership meeting and were incorporated into the Restated Articles of Association (2003);

Amendments to the Restated Articles of Association (2003) were adopted by an affirmative majority vote of all the members of the Association at the December 2005 and the July 2009 general membership meetings and are incorporated into the Restated Articles of Association (2009) as follows:

ARTICLE 1: NAME

The name of this Association shall be “Hotel Association of the Northern Mariana Islands.”

ARTICLE 2: PRINCIPAL OFFICE OF THE ASSOCIATION

The principal office of the Association shall be on the island of Saipan, Commonwealth of the Northern Mariana Islands. The Association may have such other offices as may from time to time be designated by its Council.

ARTICLE 3: PURPOSES

This Association is formed for the following purposes:

- a. To promote the interests of its members and act for their mutual benefit.
- b. To promote efficiency in the conduct of their businesses and to discourage unwise and unfair business practices.
- c. To represent its members against unfair taxes and legislative enactments.
- d. To advise and assist members in the conduct of their businesses, and to promote standards of ethical business practices.
- e. To promote the interest of the hotel industry in the Commonwealth of the Northern Mariana Islands.
- f. To encourage legislation pursuant thereto.
- g. To oppose the enactment of laws, regulations, and ordinances prejudicial to hotel's interest in the Commonwealth.
- h. To collect and distribute information of mutual interest among the persons engaged in the hotel industry.
- i. To do any and all things necessary or incident thereto.
- j. This Association is organized and operated exclusively for the above stated purposes, and for other nonprofit purposes, and no part of any earnings shall inure to the benefit of any private member.

ARTICLE 4: POWERS

In furtherance of the objects described in Article 3, but not in limitation thereof, the Association shall have power to collect and disseminate statistics and other information, to conduct investigations, and to hold such property as is necessary to effectuate its purposes.

ARTICLE 5: GOVERNMENT

a. **The Council of the Association.** The government of the association shall be vested in a Council comprised of at least six (6) members to be known as the Council of the Association. The Council shall include the Chairman, the Senior Vice Chairman (if any), the Representative - Allied Industries, and four additional Council Members.

1. **Qualification and Term of Office of Council Members.** All Council Members, except for the Representative - Allied Industries, shall be the designated representative of an Active member (Hotelier). The term of office for each of the members of the Council shall be for two years.

2. **Election of Council Members.** The Active Members (Hoteliers) shall elect the Chairman of the Association and four additional Council Members. The Allied Members shall elect the Representative - Allied Industries. The election of the Council Members shall be on a staggered term basis, with the Chairman and two Council Members being elected one year, and the Representative - Allied Industries and two Council members being elected the following year.

b. **Officers.** The offices of this Association shall be a Chairman, Senior Vice Chairman, two (2) Vice Chairmen, the Representative - Allied Industries, a Secretary, and a Treasurer. Other offices may be established by the act of members of the Council.

1. Qualifications and Term of the Chairman. The Chairman of this Association shall have been a Council Member of the Association in good standing for at least one (1) year and shall hold a term of office for two years.

2. Qualifications and Term of the Senior Vice Chairman. The outgoing Chairman shall serve as Senior Vice Chairman for a two (2) year term following his or her term as Chairman.

3. Qualification and Term of the Representative - Allied Industries. The Representative - Allied Industries shall have been the representative of an Allied Member in good standing for one year and shall hold a term of office for two years.

4. Qualification and Term of the Vice Chairman, Secretary, and Treasurer. The Vice Chairman, Secretary, and Treasurer shall be members of the Council and shall hold their respective terms of office for one (1) year.

c. Committees. Committees may be authorized by the Council of the Association from time to time, the chair thereof to be appointed by the Chairman, and to serve at the pleasure of the Council of the Association.

ARTICLE 6: MEMBERSHIP

a. Classes of Membership

1. Active Members (Hoteliers). Licensed hotels, which shall include motels and inns, within the CNMI that have met the requirements of HANMI and have been approved by HANMI. They shall be represented by a person designated by the management of the hotel. Such representatives shall have the right to hold office in the Association and vote at all meetings of the membership.

2. Associate Members. Non-voting members of the Association shall be admitted to one of the following classes:

3. Allied Member. Companies or persons interested in the improvement of the hotel industry in the CNMI, to include golf courses and clubs, national and international chair restaurants, casinos, and certain other business groups deemed by the council to be qualified, and which have met the requirements for admission to the Association and have been approved by the Officers. Each allied member shall have the right to run for and hold the office of Representative-Allied Industries, and shall have one (1) vote in all elections for said office. Members will not be eligible to run for and hold the office of Representative until one year of membership has been completed. (Representative - Allied Industries shall represent and be the chief spokesperson for allied members in the Officers' deliberations. He/she shall have such other powers and perform such other duties as may be prescribed by the Officers.)

4. Affiliate Member. The Officers shall, from time to time, identify governmental and other non-profit agencies which can render a service to the Association and may invite said organizations to become an affiliate member of the Association. Such membership shall remain in effect at the Officer's discretion and the agency's representative shall be recognized for as long as he/she remains employed in the position for which he/she was chosen.

5. Emeritus Member. An emeritus member shall be any past president of the Association who has retired but wishes to remain in the Association. Emeritus members shall be elected for life and shall not be required to pay annual dues.

6. Honorary Member. The Officers may elect by a two-thirds (2/3) vote of the membership one person per year who, in the opinion of the Officers, has made a significant

and lasting contribution to HANMI. Honorary members shall be elected for life and shall not be required to pay annual dues.

b. **Application and Admission**

The following requirements must be met before the Committee recommends a prospective member for admission into the general membership:

1. Must be in good standing in the community; must strive to comply with all applicable Commonwealth and federal laws; and must have met at least a Grade B of its facilities as certified by the Division of Public Health, Sanitation Division;

2. Must have fully paid its initial entrance fee (non refundable) as assessed by the HANMI membership and first year's due prevailing at that time of admittance into HANMI. The initial entrance fee shall be two hundred fifty (\$250.00) dollars and is separate from the regular fee.

3. A hotel applicant must pass a minimum standard inspection conducted by one member of HANMI appointed by the Governing Council or the Membership Committee.

4. Applicant hotel must be physically and aesthetically acceptable and must be a 24 hour operation. Applicant hotel must have at a minimum, a night time safety or security officer, back up emergency water and power systems and a consistent rack rate. There shall be no requirement as to the number of rooms for the hotel to apply for membership.

5. A franchise hotel applying for membership shall apply separately if there are more than one franchises existing in the Commonwealth bearing the same name, i.e., if there are two Holiday Inns, each shall be a separate member and pay a separate fee.

6. A planned hotel under construction may apply for membership.

Conditional acceptance may be made after review of the plans of the hotel and voted by the

committee and the general membership. Under no circumstances shall a planned hotel NOT under construction yet be allowed to apply except by a special waiver by the committee. A planned hotel satisfying the committee and the provisions of this requirements may be admitted as a full pledged member prior to its official opening provided the committee waived some or all of its requirements, if in the opinion of the committee, the requirements are likely to be met or exceeded. A simple majority vote is required of the committee and the general membership for this provision only. A prospective member under this category shall pay the membership fees in the same manner a new applicant is subjected to the fee requirements.

c. **Voting**

Each active member shall be entitled to one vote in the affairs of the Association. Proxy voting is permitted, with such conditions as the council may prescribe from time to time.

d. **Membership Fee Structure**

A basic fee of six hundred (\$600.00) dollars and a one time non-refundable application fee in the amount of two hundred fifty (\$250.00) dollars for first time applicants shall be the standard fee for membership into HANMI. In addition to the basic fee, the sum of five (\$5.00) dollars shall be assessed for each room of the applicant hotel on top of the basic fee and first time application fees.

For purposes of assessing fees on a per room basis, HANMI defines rooms as:

1. standard hotel rooms (studio like);
2. suite consisting of more than one room shall be counted as one room for each bedroom in the same unit, i.e., a two or three bedroom suite shall constitute as two or three rooms for purposes of fee structuring of \$5.00 per room;
3. presidential, royal, and equivalent suites are counted as one room.

e. **Special Projects**

Projects of HANMI require the general membership to contribute to, and shall be apportioned according to size of the member hotel after a basic fee amount has been agreed to by the general membership.

Special projects to be undertaken by HANMI shall first be approved by a simple majority vote of all members present and voting at any general membership meeting. For purposes of this section however, all members are bound by the decision of the majority and shall automatically be deemed to have pledged such amount for special project HANMI undertakes.

f. **Expulsion of Member**

Any member may be expelled from the association if there is a violation of one of the following:

1. violation of any wage and hour law or abuse of its employees as declared by a court;
2. non payment of annual dues and other agreed upon fees payable pursuant to special project undertakings;
3. violation of Commonwealth laws and regulations during pre and post construction periods;
4. five consecutive absences without notice to the officers of the association;
5. failure to pass minimum sanitation requirements as set forth by the Division of Public Health;
6. violation of HANMI's Code of Standards.

A member shall be expelled only after the council of the association conduct a hearing as to the charges alleged or violated. The council shall make its recommendation for expulsion if so inclined, to the membership. Any decision to expel or suspend shall be voted by a majority of the association members prior to its becoming final.

A member may return to the association after one year or after serving the time of the suspension whichever is the case, by re-applying for membership again and by approval of the association. The new application shall be reviewed in the same manner a new member is subjected to the general review and requirements for admittance.

ARTICLE 7: DUES

The annual dues required for membership in the Association shall be determined by the Council of the Association. The amount of dues may be changed from year to year. Dues for Associate members shall be determined by a vote of the active membership, on recommendation of, and classifications suggested by, the Council.

ARTICLE 8: MEETINGS

a. **General Membership Regular Meeting.** There shall be regular meetings of the general membership, including Active and Associate Members, as determined by the Council of the Association on an annual basis.

b. **Active Membership Regular Meetings.** There shall be regular meetings of the Active Members, as determined by the Council of the Association on an annual basis.

c. **Special Meetings.** Special meetings of the Association may be called by the Chairman whenever they may deem such call expedient or proper and they shall call such meetings when requested to do so in writing by at least two (2) Active Members of this Association.

d. **Quorum**. A majority of the Active Members of the Association when present at any meeting shall constitute a quorum.

ARTICLE 9: AMENDMENTS

These Articles of Association may be amended by a majority affirmative vote of all the members of the Association expressed orally or in writing at a monthly, or special meeting of the Association, provided that a notice setting forth the proposed amendment or amendments with the reasons therefore and setting forth any known objections thereto shall have been sent to each member at least twenty (20) days prior to the next meeting.

ARTICLE 10: BY-LAWS

By-Laws will be hereafter adopted by the members. Such by-laws may be amended or repealed, in whole or in part, in the manner provided therein, and the amendments to the by-laws shall be binding on all members, including those who might have voted against them.

ARTICLE 11: REPRESENTATION OF PROXY

In the event that a member cannot attend a meeting, said member may send a representative from the Executive Staff of the hotel.

ARTICLE 12: LIABILITY INSURANCE

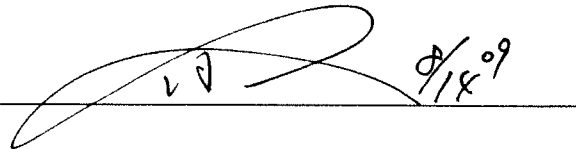
The Association will acquire a liability insurance policy in an amount to be agreed upon by the Association to protect its members who, when acting in their official capacity as officers of the Association in performance of their duties, may become subject to suit in a Court of law or equity and be required thereby to defend said suit.

The president and secretary of the Association hereby certify that the foregoing are the Restated Articles of Association 2009, incorporating all amendments to the Articles of Association.

CHAIRMAN

SECRETARY

 8/14/09

 8/18/09