

HOT SPRINGS TOURISM ASSOCIATION BYLAWS

ARTICLE I, NAME OF ORGANIZATION

The name of the corporation is Hot Springs Tourism Association, Inc. hereinafter known as "HSTA".

ARTICLE II, CORPORATE PURPOSE

This corporation is organized under section 501(c)(6) of the Internal Revenue Code. HSTA is a democratic association of businesses, professional and volunteer individuals governed by a Board of Directors and an Executive Committee. The HSTA's mission statement is:

"to create a thriving economic environment in Hot Springs, NC by promoting the Hot Springs region as a principal destination for potential visitors and by serving as a catalyst to enhance our member's tourism and business marketing efforts."

1. Specific Purpose. The purpose of the Hot Springs Tourism Association, Inc. , HSTA, is to enhance and strengthen public knowledge and awareness of the Hot Springs, NC region as a four-season tourist destination. HSTA is a membership tourism marketing organization.

- a. Timely Information. To furnish timely information to any person engaged in the tourist and commerce industries and to the general public with respect to any and all matters vital to the maintenance, preservation and development of the tourist industry of this area.
- b. Goodwill. To foster a spirit of good will among persons engaged in the tourist and commerce industries. To promote ethical practices in their relationships with each other, their employees, association and the general public to the end that all interests may be served fairly.
- c. Funding to complete the programs within HSTA comes from membership dues, grant monies, and other sources.

ARTICLE III, MEMBERSHIP

Membership in HSTA will be offered to businesses, government agencies, charitable groups and individuals who have an interest in promoting tourism in the town of Hot Springs. HSTA members pay yearly dues and in exchange are listed on the HSTA website. In addition, members are offered the opportunity to buy quarterly banner ads on the website and in co-op advertising in outside publications offered by the organization.

1. Membership Year. HSTA membership year begins April 1 and ends at the end of the following March.
2. Dues and Payments. Membership dues are invoiced via paper invoices by postal mail, and are payable upon receipt of invoice by April 30th. New members must send in payment of dues with their application materials. Dues are prorated for new members. Contributions, gifts or membership dues paid to the Hot Springs Tourism Association are not deductible as charitable contributions for federal income tax purposes.
3. Attendance at Board Meetings. All Board Meetings, or portions of Board meetings at which the official action is taken shall be open to HSTA members. Members shall receive sufficient notice as to the time and location of all Board meetings and shall be encouraged to attend.
4. Membership Votes on Issues. At the discretion of the Board, issues may be voted on by the membership. The Board shall place these issues before the membership for vote at the Annual Meeting, a regularly scheduled meeting, or a special meeting, with at least ten days' notice (five days for a special meeting). A simple majority of the members present shall decide the issue.
5. Voting Restriction. Each member of the Hot Springs Tourism Association receives one vote, which may be cast by one person. If a person owns more than one business and pays dues for more than one membership, the person will still have one vote.
6. Expulsion of Members. Any member may be expelled by the Board of Directors for non-payment of dues after ninety (90) days from the date due, unless otherwise extended for good cause. Any member may be expelled – following proper grievance procedures – by a quorum of the Board of Directors at a regularly scheduled or special meeting for conduct prejudicial to the aims or repute of HSTA or its members.

ARTICLE IV, BOARD OF DIRECTORS and EXECUTIVE COMMITTEE

The affairs of HSTA shall be vested in a Board of Directors composed of seven (7) to nine (9) members. The Board may form action Committees as necessary and desirable to conduct the affairs of HSTA with the goal of harnessing the energies and abilities of the membership and other volunteers.

1. The Board of Directors shall be responsible for supervising the financial operations of HSTA.

2. Committees are responsible to the Board of Directors and report to the Board of Directors through their respective chairs.

3. Executive Committee of the Board of Directors. Shall consist of four officers, being President, Vice President, Treasurer, and Secretary. Ideally there will be one person to serve for each office but officer duties may be shared if deemed necessary by the Board.

a. President: The President shall preside at all HSTA meetings and shall have the duties normally conferred by parliamentary usage of such officers.

b. Vice-President: The Vice –President shall act for the President in his/her absence and shall succeed the President in Term of Office, upon majority vote of the Board of Directors.

c. Treasurer: The Treasurer shall work with the bookkeeper and present the Financial Reports at the Board of Director Meetings. The Board will designate who shall have the authority to sign checks and what limitations check signers shall have. There shall be an annual review of the organizations finances by an outside certified accountant .

d. Secretary: The Secretary shall be responsible to take adequate minutes of every meeting. Minutes shall include time, location and names of those Board Members present and absent. They should include who makes motions, who seconds and votes recorded. Minutes shall be brief, yet reflect accurately all actions taken by the Board of Directors. They shall also include the approval of the minutes of the previous meeting via e-mail.

ARTICLE V, BOARD OF DIRECTORS MEETINGS

Only the Board of Directors will be able to make and vote on motions at the regularly scheduled Board Meetings. The Board of Directors shall meet no less than bi-monthly, and optimally monthly at a time and place determined by the Board. Board of Directors meetings will be open to the membership of HSTA.

A. Quorum. Motions shall be passed if a quorum of the Board of Directors are present. Five (5) out of nine (9) or five out of (7) board members, shall constitute a quorum. The number of votes necessary to transact business shall be by simple majority of the quorum. Motions can be passed if a majority of the members are present in a quorum vote for the motion.

1. If decisions need to be made in between scheduled meetings, the Board of Directors may discuss issues via email. The same rules will be used to pass motions via email as are used in regularly scheduled meetings.
1. Special Meetings. Special meetings of the Board of Directors may be called by the Executive Committee or when requested to do so by a majority of Board members. Members shall be notified by email not less than five days in advance of such special meetings
2. Closed Session. The Board of Directors may meet in closed session for the purpose of discussing personnel, litigation, or other sensitive or privileged matters.
3. Parliamentary Procedure. Unless otherwise specified by the Board, Robert's Rule of Order shall govern the proceedings at the Board and Member meetings of HSTA.

ARTICLE VI, ELECTION OF BOARD OF DIRECTORS and OFFICERS

1. The Board of Directors shall be elected at the annual meeting to be held after adequate notice to the members.

2. The Officers of the Board shall be elected from among the Board Members annually at the first Board Meeting after the election of Board Members.
3. Terms of Office for Board Members. Each Board Member shall be elected for a three (3) year term. If there are 7 Board Members, each year two Board Members who have served their full term, shall rotate off the Board and their seats offered to the membership. If there are 9 Board Members, each year three Board Members who have served their full term, shall rotate off the Board and their seats offered to the membership. The intent is to achieve staggered terms, so that only part of the Board is subject to change each year. The Board members who give up their seats may run for Board election again in the same year. There are no term limits to serving on the Board.
4. Nominations for Board Members. No less than 30 days prior to the Annual Meeting the Board of Directors shall notify the membership of the number of Board of Directors seats open for election and allow the membership to nominate candidates. A member may nominate him/herself for a position. Members shall have 14 days to nominate themselves for the open seats. Nominations shall be given to the HSTA Administrator. The Administrator shall compile and present the nominated slate of directors up for election to the Board of Directors no less than 15 days prior to the Annual Meeting. The Board of Directors shall review and the Administrator will present the slate to the membership at least 10 days prior to the Annual Meeting via email.
5. Voting. Voting for the Board of Directors shall take place at the annual meeting and shall include proxy votes sent to the Board of Directors prior to the Annual Meeting. The top vote getters for the number of open seats in the election shall be elected as Directors.
6. Vacancies. A member of the Board of Directors shall serve until his successor takes office. Vacancies shall be filled immediately, through appointment by the Board of Directors, till the term of the departing Board Member expires.
7. Removal. Any Board Member may be removed for cause, including incapacity to act, either by vote of the Members, or by vote of the Board of Directors. Such person will be given written notice of the proposed Board action and a reasonable opportunity to be heard.

ARTICLE VII, Employees/Contractors

Within the limits imposed by the funds available for its use, HSTA may employ such staff and/or contractors as it sees fit to aid in its Mission Statement. Staff shall be hired by the Board of Directors. HSTA staff works with the Executive Committee and standing committees to implement the activities of HSTA.

ARTICLE VIII, AMMENDMENTS of BYLAWS

These bylaws may be amended by a two-thirds vote of the entire Board of Directors. Notice shall be given no less than ten days prior to the meeting to consider changes in by-laws.

ARTICLE IX, Complaint or GRIEVANCE

If any HSTA member has a complaint or grievance the long-term interest of HSTA dictates that the concern should be brought forward immediately and resolved on an internal basis. The following steps are the grievance procedures.

1. An attempt shall be made to resolve the complaint in informal discussion between the complainant and HSTA President or other appropriate Executive Committee member.
2. If the Complaint or grievance cannot be resolved satisfactorily, the complainant may file a written complaint with the Executive Committee. The Board of Director's shall meet with the complainant to try and resolve the issue.

ARTICLE X, Conflict of Interest Policy

1. Purpose. The purpose of the conflict of interest policy is to protect the interests of this tax-exempt corporation (the "Corporation") when it is contemplating

entering into a transaction or arrangement that might benefit the interest of an officer of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

2. Definition.

- A. Interested Person: Any director, principle officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
- B. Financial Interest: A person has a financial interest if the person has, directly, or indirectly, through business, investment, or family:
 - i. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement.
 - ii. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement,
 - iii. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

3. Procedures

- A. Duty to Disclose: In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
- B. Determining Whether a Conflict of Interest Exists: After disclosure of the financial interests and all material facts, and after any discussions with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and

voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

C. Procedures for Addressing the Conflict of Interest:

- i. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- ii. The chairperson of the governing board or committee shall, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- iii. After exercising due diligence, the governing board or committee shall determine whether the Corporation can obtain with reasonable efforts to a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- iv. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall its decision as to whether to enter into the transaction or arrangement.

CI. Violations of the Conflicts of Interest Policy

- i. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflict of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the failure to disclose.
- ii. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action.

4. Record of Proceedings. The minutes of the governing board and all committees with board delegated powers shall contain:

- A. The names of the persons who disclosed or otherwise were found to have financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- B. The names of the persons who were present for the discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

5. Compensation

- A. A voting member of the governing board or any member of a committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

6. Annual Statements

- A. Each director, principle officer and member of a committee with governing board delegated powers shall sign a statement that affirms such person:
 - i. Has read and understands the policy,
 - ii. Has agreed to comply with the policy, and
 - iii. Understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Certification of Secretary

I hereby Certify that the above "Conflict of Interest Policy" was adopted by the Board of Directors of this Corporation at a properly called meeting with a quorum present.

Secretary