



AMENDED AND RESTATED

CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF TRUSTEES

(Adopted April 2004)

STATEMENT OF POLICY AND PURPOSE

The Board of Trustees of InnSuites Hospitality Trust (the "Trust") has appointed an Audit Committee (the "Committee") to oversee accounting and financial reporting processes and the audit of the Trust's financial statements. Specifically, the Committee shall be directly responsible for: (1) surveillance of internal accounting and financial controls, (2) the review of the independent auditors' qualifications and independence, (3) appointment, compensation, retention and oversight of the work of the independent auditors, (4) the performance of the Trust's internal audit functions, and (5) compliance with legal and regulatory requirements relating to accounting and financial reporting.

The Committee shall create and maintain an environment for internal control and for the integrity of the Trust's financial statements by:

1. assisting the Board of Trustees in its fiduciary responsibilities relating to the Trust's financial reporting standards and practices;
2. determining the adequacy of the Trust's financial reporting process and promoting the continuing emphasis on internal controls regarding finance and accounting;
3. monitoring the independence and performance of the Trust's independent auditors;
4. maintaining open, continuing and direct communication with the Trust's independent auditors and the Board of Trustees; and
5. reviewing management's monitoring of compliance with the Trust's Code of Conduct and Ethics and Code of Ethics, and with federal, state and local laws and regulations, in each case relating to accounting and financial reporting.

COMPOSITION AND TERM

The Committee is a committee of the Board of Trustees and shall have at least three independent members, with membership restricted to outside, independent directors who meet the independence standards specified in Section 121A of the American Stock Exchange listing standards and Rule 10A-3 of the Securities Exchange Act of 1934. In addition, such members of the Committee shall be free from any material relationship that, in the opinion of the Board of Trustees, would interfere with the exercise of his or her independent judgment as a member of the Committee.

All members of the Committee shall have a working familiarity with basic finance and accounting practices and shall be able to read and understand fundamental financial statements, including the Trust's balance sheet, income statement and cash flow statement. In addition, at least one member of the Committee shall be "financially sophisticated," in that he or she shall have past employment experience in finance or accounting, requisite professional certification in accounting or any other comparable experience or a background which results in financial sophistication, including, but not limited to, being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. A member of the Committee who qualifies as a "financial expert" under Item 401(h) of Regulation S-K promulgated under the Securities Exchange Act of 1934 is presumed to be "financially sophisticated" for purposes of satisfying these requirements.

The Chairman and all members of the Committee shall be appointed annually by the Board of Trustees at the Board of Trustees' meeting held immediately following the annual shareholders' meeting each year.

ADMINISTRATIVE MATTERS

The Committee shall hold such meetings as deemed necessary, but not less than once per fiscal quarter. The Chairman of the Committee shall prepare and/or approve an agenda in advance of each meeting. The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. At least annually, the Committee shall meet privately in executive session with management and the independent auditors, and as a committee, to discuss any matters that the Committee or each of these groups believe should be discussed. In addition, the Committee, or at least its Chairman, should communicate with management and the independent auditors quarterly to review the Trust's financial statements and significant findings based upon the auditors' limited review procedures.

AUTHORITY

The Trust's independent auditors shall report directly to the Committee.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and the Committee shall have direct access to the independent auditors as well as anyone in the Trust's organization. The Committee has the ability to engage and retain, at the Trust's expense, independent counsel and other advisors, including special accounting, legal or other consultants or experts, it deems necessary in the performance of the Committee's duties.

The Trust shall provide appropriate funding to the Committee, as determined by the Committee, for the payment of: (1) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Trust, (2) compensation to any counsel and advisors employed by the Committee it deems necessary in the performance of its duties, and (3) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

DUTIES AND RESPONSIBILITIES

The Committee's principal responsibility is to oversee accounting and financial reporting processes and the audit of the Trust's financial statements. The Trust's management is responsible for preparing the Trust's financial statements and the independent auditors are responsible for auditing and/or reviewing such financial statements. While the Committee has the powers and responsibilities set forth in this Charter, it is not the responsibility of the Committee to plan or conduct audits or to determine that the Trust's financial statements present fairly the financial position, the results of operations and the cash flows of the Trust, in compliance with accounting principles generally accepted in the United States of America. Those functions are the responsibility of the Trust's management and its internal auditors.

In carrying out its duties, the Committee shall:

- a. review and update the Committee's Charter annually and submit the Charter to the Board of Trustees for approval;
- b. have the Charter published at least once every three years in accordance with Securities and Exchange Commission regulations;
- c. appoint, retain, and, when appropriate, replace, the Trust's independent auditors and approve the fees and terms of each engagement;
- d. oversee the work of the Trust's independent auditors, who shall report directly to the Committee;

- e. annually confirm and assure the independence of the independent auditors, and receive from the independent auditors a formal written statement delineating all relationships between the independent auditors and the Trust, consistent with Independence Standards Board Standard 1, as amended;
- f. evaluate and discuss with the independent auditors their audit plans and scope for the coming year and any non-audit services performed or planned;
- g. review and approve in advance all services to be performed by the independent auditors, including pre-approval of all permissible non-audit services;
- h. direct the independent auditors to perform their review of quarterly unaudited financial information before it is filed with the Securities and Exchange Commission and to notify the Committee in a timely manner if there are any matters of concern;
- i. review the Trust's annual financial statements, including any report rendered by the independent auditors, and discuss with management and the independent auditors of significant issues regarding accounting principles, practices and judgments;
- j. prepare a written report annually for the Trust's proxy statement indicating review of the annual audited financial statements, communication with the auditors and independence;
- k. discuss with the independent auditors their audit report and their comments arising from the audit of the Trust's financial statements, including:
 - i. whether the auditors are satisfied with the financial statements and related disclosures;
 - ii. their knowledge of the existence of an material errors, fraud, illegal acts, sensitive or unsupported transactions or other irregularities;
 - iii. whether the auditors encountered any difficulties in the course of audit work or were restricted in performing their examination; and
 - iv. the nature and resolution of any significant disagreements with management on financial accounting and reporting matters;
- l. discuss the quality, and not just the acceptability, of the Trust's accounting principles;
- m. discuss past audit adjustments;

- n. discuss certain matters required to be communicated to Committees in accordance with Statement on Auditing Standards No. 61, as amended, including:
 - i. the auditor's responsibility under generally accepted auditing standards;
 - ii. significant accounting policies;
 - iii. management judgments and accounting estimates;
 - iv. significant audit adjustments;
 - v. other information in documents containing audited financial statements;
 - vi. disagreements with management, including accounting principles, the scope of the audit, and disclosures; and
 - vii. consultation with other accountants by management;
- o. approve with management any contemplated changes in the Trust's accounting and reporting policies, and any newly promulgated or proposed accounting and reporting standards that are anticipated to have a material effect on the financial statements;
- p. at least on an annual basis, review with the Trust's counsel major litigation risks being managed by the Trust, as well as compliance with applicable laws and regulations, and make arrangements to accommodate the potential effect on the Trust's financial statements;
- q. discuss with management, as appropriate, management's procedures for monitoring compliance with the Trust's Code of Conduct and take steps to ensure that the procedures are being performed;
- r. evaluate financial and accounting personnel succession planning within the Trust;
- s. review and approve in advance all related party transactions involving Trustees and officers, and review potential conflicts of interest;
- t. in consultation with management and the independent auditors, examine the integrity of the Trust's financial reporting processes and controls;
- u. at least on an annual basis, review and discuss the adequacy of the Trust's disclosure controls and procedures;
- v. discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures;
- w. meet privately and separately with the Chief Financial Officer and Chief Accounting Officer of the Trust to discuss any other matter that may assist the Committee in performing its duties;

- x. establish and implement procedures for the receipt, retention and treatment of complaints received by the Trust regarding accounting, internal accounting controls or auditing matters;
- y. establish and implement procedures for the confidential, anonymous submission by employees of the Trust of concerns regarding questionable accounting or auditing matters;
- z. periodically, but not less than annually, review the rules promulgated by the Securities and Exchange Commission and the American Stock Exchange relating to the qualifications, activities, responsibilities and duties of the Committee and take, or recommend that the Board of Trustees take, appropriate action to comply with such rules;
- aa. perform such other functions required by law, the Trust's Declaration of Trust and/or the Board of Trustees; and
- bb. maintain minutes of meetings and periodically report to the Board of Trustees on significant results of the foregoing activities.