



CHARTER OF THE GOVERNANCE AND

NOMINATING 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 a Governance and Nominating Committee (the “Committee”) to discharge the Board’s responsibilities relating to identifying individuals qualified to become members of the Board and to ensure that the Trustees effectively meet their fiduciary obligations to the Trust and its shareholders. To accomplish this purpose, the Committee shall:

1. identify individuals qualified to become members of the Board of Trustees and recommend to the Board the Trustee nominees for the next annual meeting of shareholders;
2. assist the Board in determining whether Trustee candidates and current Board members meet the criteria for independence required by American Stock Exchange listing standards;
3. recommend to the Board the Trustee nominees for each Board committee and leading the Board in its annual review of its performance;
4. recommend to the Board for approval, any changes to the Trust’s governance guidelines; and

5. monitor and evaluate how effectively the Board and the Trust have implemented the policies and principles of the Trust's governance guidelines.

COMPOSITION AND TERM

The Committee shall be comprised of no fewer than three Trustees as appointed by the Board. No person shall serve as a member of the Committee who does not qualify as an "independent" Trustee in accordance with American Stock Exchange listing standards.

The Board will appoint the members of the Committee annually, and each member will serve until such member's successor is duly designated or until such member's earlier resignation or removal. The Board may remove any member of the Committee from the Committee, with or without cause, by a majority vote of the full Board. Unless the Board designates a Chairperson of the Committee, the members of the Committee will designate a Chairperson by a majority vote of the full Committee. The Chairperson will chair all regular sessions of the Committee and will set the agendas for Committee meetings.

DUTIES AND RESPONSIBILITIES

It is the overriding responsibilities of the Committee to identify and recommend Trustee nominees to the Board and to ensure that the Trustees effectively meet their fiduciary obligations to the Trust and its shareholders.

The following functions shall be common recurring activities of the Committee in carrying out its purposes set forth in this Charter. These functions should serve as a guide, with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal and other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee set forth in this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern within the purposes of the Committee set forth in this Charter that the Committee deems appropriate or necessary, and the Committee shall have the authority to retain and terminate outside counsel or other experts for this purpose, including the authority to approve fees payable to such counsel and experts and any other terms of retention.

To fulfill its responsibilities and duties set forth in this Charter, the Committee shall do the following:

1. Review Board Composition and Evaluate Nominees by:

- a. establishing criteria for the selection of new Trustees to serve on the Board;
 - b. identify individuals believed to be qualified as candidates to serve on the Board and recommend that the Board select the candidates for Trustee to be filled by the Board or by the shareholders at an annual or special meeting;
 - c. reviewing and making recommendations to the Board about whether current members of the Board should stand for re-election at an annual meeting;
 - d. conducting all necessary and appropriate inquiries into the backgrounds and qualifications of possible Trustee candidates, including, if necessary, retaining a search firm to be used in assisting with the identification of candidates and approving fees payable to such search firm;
 - e. review and making recommendations regarding the composition and size of the Board in order to ensure the Board has the requisite expertise and its membership consists of persons with sufficiently diverse and independent backgrounds; and
 - f. overseeing the evaluation of the Board, which shall occur at least annually.
2. Review and Recommend Committee Membership by:
- a. recommending members of the Board to serve on each Board committee, giving consideration to the criteria for service on each committee as set forth in each committee's charter; and
 - b. periodically reviewing the charter and composition of each Board committee and make recommendations to the Board for the adoption of or revisions to the committee charters.
3. Annually Evaluate Board, Committee and Director Performance by:
- a. administering Board, Board committee and Trustee evaluation processes; and
 - b. annually, providing written assessments:

- i. to the Board regarding Board performance;
- ii. to each Committee regarding of such Committee's performance; and
- iii. each Trustee regarding his or her performance.

In administering annual performance assessments, the Committee shall receive comments from all Trustees.

4. Monitor and Evaluate the Corporate Governance Guidelines by:

- a. annually reviewing the Trust's governance guidelines for the purposes of:
 - i. determining whether the governance guidelines are being effectively adhered to and implemented;
 - ii. ensuring that the governance guidelines are appropriate for the Trust and comply with applicable laws, regulations and listing standards; and
 - iii. recommending to the Board any desirable changes in the governance guidelines;
- b. considering any other governance issues that may arise, from time to time, and develop appropriate recommendations to the Board.

5. Coordinate Board Orientation and Trustee Continuing Education by:

- a. considering and making recommendations to the Board with respect to appropriate orientation for new Trustees and continuing education of Trustees with respect to the Trust's business and financial statements, corporate governance and other appropriate subjects.

6. Asserting Authority to Engage Advisors by:

- a. exercising sole authority to retain search firms to identify Trustee candidates and to terminate the services of any search firm so retained, and sole authority to approve such search firm's fees and other retention terms;
- b. obtaining advice and assistance from internal or external legal, accounting or other advisors; and
- c. if necessary, requesting any officer or employee of the Trust or the Trust's outside counsel to attend a meeting of the Committee or to meet with any member of, or consultants to, the Committee.

7. Prepare Reports and Minutes in order to:

- a. report regularly to the Board (i) following meetings of the Committee, (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities, and (iii) with respect to such recommendations as the Committee may deem appropriate; and
- b. maintain minutes and other records of meetings and activities of the Committee.

Any report to the Board may take the form of an oral report by the Chairperson or any other member of the Committee designated by the Committee to make such a report.

ADMINISTRATIVE MATTERS

1. A majority of the Committee members will serve as a quorum for the transaction of business. Committee meetings may be held by telephone or other means of communication whereby all meeting participants may actively participate.
2. The action of a majority of those present (in person or by telephone or other means of permitted communication) at a meeting at which a quorum is present will be an act of the Committee.
3. Any action which may be taken at a meeting of the Committee may be taken by written action signed by all Committee members, and such consent shall be filed with the Secretary of the Trust.
4. The Chief Financial Officer of the Trust will liaise between the Committee and the Trust.
5. The Chief Financial Officer shall keep minutes of Committee meetings.
6. The Committee will meet at least twice a year and at such other times as may be requested by its Chairperson and will routinely meet in executive session to review such matters as the Committee, in its discretion, determines to be appropriate.