

**BYLAWS
OF
Sedona Lodging Council, Inc.
(An Arizona Non-Profit corporation)**

Revised July 18, 2006

ARTICLE I

OFFICES, CORPORATE SEAL, AND CORPORATE ARTICLES

Section 1. Principal Place of Business. The Corporation's known place of business shall be c/o Elizabeth A. McFarland, 60 Bell Rock Plaza, Sedona, Arizona 86351

Section 2. Other Offices. The Corporation may also maintain offices at such other place or places, either within or without the State of Arizona, as may be designated from time to time by the board of directors, and the business of the Corporation may be transacted at such other offices with the same effect as that conducted at the principal office.

Section 3. Corporate Seal. A corporate seal shall not be requisite to the validity of any instrument executed by or on behalf of the Corporation, but nevertheless if in any instance a corporate seal be used, the same shall be, at the pleasure of the officer affixing the same, either (a) a circle having on the circumference thereof the name of the Corporation and the year of incorporation and in the center "Corporate Seal Arizona," or (b) a circle containing the words "Corporate Seal" on the circumference thereof.

Section 4. References to Articles. Any reference herein made to the Corporation's Articles will be deemed to refer to its Articles of Incorporation and all amendments thereto as at any given time on file with the Arizona Corporation Commission, together with any and all certificates theretofore filed by the Corporation with the Arizona Corporation Commission.

Section 5. Seniority of Articles. The statutes of the State of Arizona will in all respects be considered superior to the Articles, with any inconsistency resolved in favor of said statutes. The statutes and Articles will in all respects be considered senior and superior to these Bylaws, with any inconsistency to be resolved in favor

of the statutes and Articles, and with these Bylaws to be deemed automatically amended from time to time to eliminate any such inconsistency which may then exist.

ARTICLE II **MEMBERS AND MEMBERSHIP**

Section 1. Members' Meetings. All meetings of members shall be held at such place as may be fixed from time to time by the board of directors, or, in the absence of direction by the board of directors, by the president or secretary/treasurer of the Corporation, either within or without the State of Arizona, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual Meetings. Annual meetings of members shall be held during July, the first such meeting to be held in calendar year 2004, at such date and time as shall be designated from time to time by the board of directors and stated in the Notice of the Meeting. At the annual meeting, members shall elect a board of directors and transact such other business as may properly be brought before the meeting.

Section 3. Notice of Annual Meeting. Written notice of the annual meeting stating the place, date, and hour of the meeting shall be given to each member of record entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting. Members entitled to vote at the meeting shall be determined as of four o'clock in the afternoon on the day before notice of the meeting is sent.

Section 4. List of Members. The officer who has charge of the membership roster of the Corporation shall prepare and make, no more than two days after notice of a meeting of members is sent, and a complete list of the members entitled to vote at the meeting, arranged in alphabetical order showing the address of each member. Such list shall be open to examination and copying by any member, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the area where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any member present.

Section 5. Special Meetings of Members. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute or by the

articles of incorporation, may be called by the president and shall be called by the president or secretary/treasurer at the request in writing of a majority of the board of directors, or at the request in writing of ten percent of the members. Such request shall state the purpose or purposes of the proposed meeting.

Section 6. Notice of Special Meeting. Special meetings of the board may be called by the president or any three directors on two day's notice to each director, either personally, by mail, by telegram, by telephone, or by email.

Section 7. Quorum and Adjournment. The majority of members entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum at all meetings of the members for the transaction of business except as otherwise provided by statute or by the articles of incorporation. If, however, such a quorum shall not be present or represented at any meeting of the members, a majority of the members entitled to vote at the meeting, who are then present in person or represented by proxy, shall have power to adjourn the meeting to another time or place without notice other than announcement at the meeting at which adjournment is taken, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted at the meeting as originally notified. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each member of record entitled to vote at the meeting.

Section 8. Majority Required. When a quorum is present at any meeting, the vote of a majority, whether in person or represented by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the statutes or of the Articles of Incorporation, a different vote is required, in which case such express provision shall govern and control the decision of such question. If the meeting commenced with a quorum, business may continue until adjournment of the meeting notwithstanding the withdrawal or temporary absence of sufficient members to reduce the number present to less than a quorum; provided that the affirmative vote must be such as would constitute a majority if a quorum were present.

Section 9. Voting. Except as may otherwise be required by the Articles or by statute, each member represented at any meeting of the members in person or by a proxy given as provided in these Bylaws, will be entitled to one vote. Unless otherwise required by the Articles or by statute, any question submitted to the members will be resolved by a majority of the votes cast thereon. The voting will be by ballot on any question as to which a ballot vote is demanded, prior to the time

the voting begins or immediately after the president's ruling on a voice vote, by any person entitled to vote on such question; otherwise a voice vote will suffice. No changed ballot will be accepted after the polls have been declared closed following the ending of the announced time for voting.

Section 10. Proxies. Any member entitled to vote thereat may vote by proxy at any meeting of the members (and at any adjournment thereof), provided that the member's proxy is executed in writing (or by the member's duly authorized attorney-in-fact). A.R.S. §10-3724 shall govern the use of proxies.

Section 11. Organization and Conduct of Meetings. Each member's meeting will be called to order by the president. The Corporation's secretary/treasurer will act as secretary of each members' meeting; in the secretary/treasurer's absence the president of the meeting may appoint any person (whether a member or not) to act as secretary thereat. After calling a meeting to order, the president thereof may require the filing of all proxies with the secretary of the meeting. The chairman of a meeting will, among other things, have absolute authority to fix the period of time allowed for the filing of proxies, to determine the order of business to be conducted at such meeting and to establish reasonable rules for expediting the business of the meeting (including any informal, or question and answer, portions thereof).

ARTICLE III DIRECTORS

Section 1. Number and Classification. The number of persons to serve on the board of directors shall be not less than three and not more than fifteen. At the initial meeting of members, the members shall elect six persons to serve as directors. Thereafter, three members of the Board of Directors shall be elected at each annual members meeting to serve for terms of three years, or until their successors be elected and qualified. Directors must be members. If the president of the Board of Directors does not run for re-election to the Board, he/she will hold office as an ex-officio member of the Board of Directors for one year. The ex-officio member will be a non voting member of the Board of Directors.

Section 2. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by the affirmative vote of a majority of the remaining directors then in office, though not less than a quorum and the directors so chosen shall hold office until the end of the term of the vacant Board position, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute.

Section 3. Powers. The business and affairs of the Corporation shall be managed by its board of directors, which may exercise all such powers of the Corporation and do all such lawful acts as are not by statute, the Articles of Incorporation, or these Bylaws directed or required to be exercised or done by the members. The board of directors shall act only as a board, and no individual director shall have the power or ability to bind the corporation to any act.

Section 4. Place of Meetings. The board of directors of the Corporation may hold meetings, both regular and special, either within or without the State of Arizona, and may be held by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Section 5. Annual Meetings. The regular annual meeting of each newly elected board of directors shall be held immediately following the annual meeting of members and in the same place as the annual meeting of members, and no notice to the newly elected directors of such meeting shall be necessary in order legally to hold the meeting, providing all such directors were present at the annual members' meeting and a quorum shall be present. In the event such meeting is not held, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the board of directors, or as shall be specified in a written waiver by all of the directors.

Section 6. Regular Meetings. Regular meetings of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by the board.

Section 7. Special Meetings. Special meetings of the board may be called by the president or any three directors on two day's notice to each director, either personally, by mail, by telegram, by telephone, or by email.

Section 8. Quorum. A majority of the membership of the board of directors shall constitute a quorum and the concurrence of a majority of those present shall be sufficient to conduct the business of the board, except as may be otherwise specifically provided by statute or by the Articles of Incorporation. If a quorum shall not be present at any meeting of the board of directors, the directors then present may adjourn the meeting to another time or place, without notice other than announcement at the meeting, until a quorum be present.

Section 9. Action without Meeting. Unless otherwise restricted by the

Articles of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting, if all members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board or committee.

Section 10. Executive Committee. Upon adoption of a resolution creating the same by the board of directors, there may be an executive committee consisting of not less than three directors who shall be elected by the board. Members of the executive committee shall serve at the pleasure of the board of directors and each member of the executive committee may be removed with or without cause at any time by the board of directors acting at a meeting or by unanimous written consent. Any vacancy shall be filled by the board of directors. The executive committee shall have and may exercise the powers of the board of directors in the management of the business and affairs of the Corporation, but shall not possess any authority of the board of directors prohibited by law. The president shall a member of, and shall be chairman of, the executive committee.

Section 11. Compensation. No director shall receive a salary or any form of compensation for serving on the board of directors; however the directors shall be reimbursed from Corporation funds for any actual expenses incurred in performing their duties.

Section 12. Waiver of Notice. Attendance of a director at a meeting shall constitute waiver of notice of such meeting, except when the person attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any director may waive notice of any annual, regular, or special meeting of directors by executing a written notice of waiver either before or after the time of the meeting.

Section 13. Standards of Performance and Removal. Any officer or board member may be removed from office by a majority vote of the board members at any meeting. Any board member or officer to be removed shall be entitled to five days written notice of the meeting at which such removal is to be considered. Said board member or officer is entitled to attend the meeting and be heard. Whenever a board member is not present for three consecutive meetings, or misses three meetings in a continuous six months, the board may declare the position vacant, and the board shall have the power, by majority vote, to select a new member to serve the remaining term of the vacated board position.

ARTICLE IV

OFFICERS

Section 1. Designation of Titles. The officers of the Corporation shall be chosen by the board of directors and shall include a president, a vice president, and a secretary/treasurer. Any number of offices may be held by the same person, unless the Articles of Incorporation otherwise provide.

Section 2. Appointment of Officers. The board of directors at its first meeting after each annual meeting of members shall choose the officers of the Corporation, each of whom shall serve at the pleasure of the board of directors. The board of directors at any time may appoint such other officers and agents as it shall deem necessary to hold offices at the pleasure of the board of directors and to exercise such powers and perform such duties as shall be determined from time to time by the board.

Section 3. Salaries. No officer shall receive a salary or any form of compensation for serving as an officer; however the officers shall be reimbursed from Corporation funds for any actual expenses incurred in performing their duties.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the board of directors at any time.

Section 5. President. The President shall preside at all meetings of members and all meetings of the board of directors. The President shall serve as chief executive officer of the Corporation. He or she shall sign all conveyances, all contracts and agreements, and all other instruments requiring execution on behalf of the Corporation, and shall act as operating and directing head of the Corporation, subject to policies established by the board of directors.

Section 6. Vice President. The vice president shall perform such duties as from time to time may be assigned to him or her and shall have all the powers and perform all the duties of the president in case of the temporary absence of the President or in case of his or her temporary inability to act. In case of the permanent absence or inability of the President to act, the office shall be declared vacant by the board of directors and a successor chosen by the board.

Section 7. Secretary/Treasurer. The secretary/treasurer shall see that the minutes of all meetings of members, of the board of directors, and of any standing committees are kept. The secretary/treasurer shall have charge of all of the books and records of the Corporation, shall render financial statements to the president,

directors, and members at proper times, shall have general custody of all the funds and securities of the Corporation except such as may be required by law to be deposited with any state official, shall have charge of the preparation and filing of such reports, financial statements, and returns as may be required by law and in general shall perform all the duties incident to the office of secretary or treasurer of a Corporation and such other duties as may be assigned.

Section 8. Annual Report. The President, after the close of the fiscal year, shall submit a report as to the condition of the Corporation and its property, and shall submit also an account of the financial transaction of the past year. In addition, the President shall also submit to the members of the Corporation a preliminary estimate of the revenues and the expenses for the upcoming year.

Section 9. Authority. Notwithstanding any other provision herein, no officer shall be authorized to incur any expense, liability or indebtedness on behalf of the Corporation in excess of One Hundred Dollars (\$100.00) except on approval of the board of directors.

ARTICLE V MEMBERSHIP

Section 1. Membership Dues. The board of directors from time to time shall assess and set the amount of membership dues and any initiation fees. The board of directors shall establish such initiation fees, late fees and penalties as it determines to be appropriate.

Section 2. Membership Rights. Any person, club or organization may become a member of the Corporation by ascribing to the purposes and goals of the Corporation and paying the member's annual dues. No person shall claim any membership rights, including right of attendance at members meetings, or right of voting at members meetings unless that person is paid in full and current on their membership dues.

ARTICLE VI NON PROFIT OPERATION

Section 1. Interest or Dividends on Capital Prohibited. The Corporation shall at all times be operated on a non-profit basis for the mutual benefit of its members. No distribution shall be paid or be payable by the Corporation on any capital furnished by its members. No part of the net earning of the corporation shall inure to the benefit of, or be distributable to its members, directors, officers, or

other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 2.

Section 2. Surplus. In the event that dues or other income to the Corporation create a surplus, that surplus must be used for the benefit of the Corporation, or donated to any appropriate non-profit corporation, and may not be distributed to any of the members, officers or directors for any reason other than to reimburse them for actual expenses incurred in performing duties for the Corporation.

ARTICLE VII **MISCELLANEOUS PROVISIONS**

Section 1. Repeal, Alteration and Amendment. These Bylaws may be repealed, altered or amended or substitute Bylaws may be adopted at any time by a majority of the board of directors or by a majority vote of the members entitled to vote thereon.

CERTIFICATE

The undersigned hereby certifies that the foregoing Bylaws have been duly adopted by the board of directors, that they include all amendments adopted through this date, and that they have not been further amended, rescinded or repealed, and are currently in effect.

Dated this 1st day of July, 2004.

1. Brad Baer, Director

2. Gary Dawson, Director

3. John Tolliver, Director

4. Joel Gilgoff, Director

5. Rob Holeman, Director

6. Lonnie Lillie, Director

7. Lori LoDuca, Director

8. Ralph Woellmer, Director

9. Lynn Ericksen, Director

10. Michael Steinhart, Ex-Officio Director

Attest:

Ralph Woellmer
Secretary/Treasurer of the Corporation