

SECOND AMENDED AND RESTATED BYLAWS
OF
SANTA YNEZ VALLEY AIRPORT AUTHORITY, INC.

A California non-profit public benefit corporation

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SECOND AMENDED AND RESTATED BYLAWS
OF
SANTA YNEZ VALLEY AIRPORT AUTHORITY, INC.

A California non-profit public benefit corporation

ARTICLE 1. NAME

The name of this corporation is SANTA YNEZ VALLEY AIRPORT AUTHORITY, INC.

ARTICLE 2. OFFICES OF THE CORPORATION

Section 2.1 Principal Office

The principal office for the transaction of the activities and affairs of the corporation is located at 900 Airport Road, Santa Ynez, California. The board of directors may change the principal office. Any such change of location must be noted by the secretary on these bylaws opposite this section, or this section may be amended to state the new location.

Section 2.2 Other Offices

The board may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to conduct its activities.

ARTICLE 3. PURPOSES AND LIMITATIONS

This corporation is a non-profit public benefit corporation and is not organized for the private gain of any person. It is organized under the Non-profit Public Benefit Corporation Law for charitable purposes. The specific purpose for which this corporation is formed is to lease or otherwise acquire from the County of Santa Barbara, a political subdivision of the State of California, all real and personal property of whatever nature, as designated in the lease, and used in connection with the management, development, operation, and maintenance of the Santa Ynez Airport, located in the unincorporated area of the County of Santa Barbara, State of California, commonly known as the Santa Ynez Valley, and to manage, develop, operate and maintain the Santa Ynez Airport for the benefit of the County of Santa Barbara, the Santa Ynez Valley, and residents and users thereof.

ARTICLE 4. MEMBERS

Section 4.1 Qualifications and Rights of Membership

4.1.1 Classes and Qualifications

This corporation shall have one (1) class of members, designated general members. Any person dedicated to the purposes of this corporation and who is a bona fide resident within the boundaries of the Santa Ynez Valley Union High School District shall be eligible for membership on approval of the membership application by the board.

Notwithstanding the foregoing, otherwise qualified persons may be non-residents of such Santa Ynez Valley Union High School District, provided they were elected as charter members prior to June 30, 1993.

4.1.2 Users and Non-Users

Members shall be designated as either “Users” or “Non-Users”.

(1) A “User” is defined as any person who (i) is a tenant, occupant of land or of a building on the Santa Ynez Airport, or a person who has a real property interest in the Santa Ynez Airport or has been granted contract rights to use the Santa Ynez Airport; (ii) owns, leases, or flies often or regularly one (1) or more aircraft stored or hangared at the Santa Ynez Airport; or (iii) is an agent, associate, employee, parent, spouse, or child of a person described in items (i) or (ii) in this subsection 4.1.2.

(2) A “Non-User” is any person who does not otherwise qualify as a “User”.

4.1.3 Voting Members

Members shall have the right to vote, as set forth in these bylaws, on the election of directors, on the disposition of all or substantially all of the corporation’s assets, on any merger and its principal terms, and any amendment of those terms, and on any election to dissolve the corporation. In addition, those members shall have all rights afforded members under the California Nonprofit Public Benefit Corporation Law.

Section 4.2. Admission to Membership - Membership Committee

The procedure for admission to membership shall be as follows:

4.2.1 Written Application

Any person who wishes to become a member shall submit an application for membership to the chairman of the Membership Committee or to any member of the board of directors who shall forward the application to the chairman of the Membership Committee.

4.2.2 Recommendation by Existing Member

If a member of the corporation in good standing desires to recommend for membership in the corporation a qualified person who is not then a member, such member shall present the name of such proposed member to the chairman of the Membership Committee.

4.2.3 Membership Committee

(a) Selection

The Membership Committee is a committee which screens the applications for membership, submits nominations to the board of directors, and undertakes such other tasks

which the board of directors delegates to the Membership Committee. The Membership Committee shall consist of five (5) members chosen by the board of directors and shall include a Chairperson and four (4) other members. The members of the Membership Committee shall serve for one (1) year or until their successors are appointed.

(b) Preparation of Slate of Nominees

The Membership Committee shall consider all proposed candidates for membership. The Membership Committee shall advise the board of any proposed rejections. The board shall have final concurrence on applications and action on rejections. The Membership Committee shall maintain a complete listing of membership in the corporation qualified in accordance with the foregoing provisions.

4.2.4 Election of Membership

During the first years of this corporation's existence, membership has been approved by the board of directors. Subsequent to the 1995 annual meeting, all new membership listings will be acted upon by the board of directors, subject to ratification by the membership at the subsequent annual meeting. Member voting rights are granted upon the acceptance of membership by the board of directors.

4.2.5 Notification to the County of Santa Barbara of Persons Refused Membership

The board shall notify the County of Santa Barbara of the name of any person refused membership in the corporation and the reasons for such refusal, in a timely manner.

Section 4.3 Committee Appointments; Attendance at Meetings

A member shall be committed to accept committee appointments bestowed upon the member and to make every reasonable effort to attend meetings of members and those committees of which the member is a part.

Section 4.4 Good Standing

Those members who are not suspended or expelled shall be members in good standing.

Section 4.5 Termination and Suspension of Membership

4.5.1 Causes of Termination

The membership of any member shall terminate upon occurrence of any of the following events: (a) the death or incapacity of a member; (b) the resignation of a member; (c) if a person elected to membership as a "nonuser" becomes a "user" during such member's term of membership, and such change from "user" to "nonuser" shall cause the percentage of "users" to exceed forty percent (40%), then such membership shall automatically be terminated, except that such person shall be entitled to membership as a "user" upon the next vacancy of "user" member; (d) failure of the member to vote, in person or by proxy, for two consecutive years at

the annual meeting as defined in sections 4.7.2 and 4.10.1; (e) termination by the board, or a committee of persons authorized by the board as provided by subsection 4.5.2 below.

4.5.2 Termination or Suspension of Membership

(a) A member may be expelled or suspended, under this subsection 4.5.2 of these bylaws, based on the good faith determination by the board, or a committee or person authorized by the board to make such a determination, that the member has failed in material and serious degree to observe the corporation's rules of conduct, or has engaged in conduct materially and seriously prejudicial to the purposes and interest of the corporation.

(b) A person whose membership is suspended shall not be a member during the period of suspension.

4.5.3 Procedure for Expulsion or Suspension

If grounds appear to exist for expulsion or suspension of a member under subsection 4.5.2 of these bylaws, the procedures set forth below shall be followed:

(a) The member shall be given fifteen (15) days' prior notice of the proposed expulsion or suspension and the reasons for the proposed expulsion or suspension. Notice shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail shall be sent by First Class or registered Mail to the member's last address as shown on the corporation's records. Notice shall be deemed given (i) on the date of receipt if hand delivered or (ii) three (3) days after deposit in the US Mail, if sent by First Class or registered mail.

(b) The member shall be given an opportunity to be heard, either orally or in writing, at least five (5) days before the effective date of the proposed expulsion or suspension. The hearing shall be held, or the written statement considered, by the board or by a committee or person authorized by the board to determine whether the expulsion or suspension should take place.

(c) The board, committee, or person shall decide whether the member should be suspended, expelled, or sanctioned in any way. The decision of the board, committee, or person shall be final.

(d) Any action challenging an expulsion, suspension or termination of membership, including a claim alleging defective notice, must be commenced within one (1) year after the date of expulsion, suspension or termination.

Section 4.6 Transfer of Membership

No membership or right arising from membership shall be transferred. Subject to section 4.10 of these bylaws, all membership rights cease upon the member's death or dissolution.

Section 4.7 Meeting of Members

4.7.1 Place of Meeting

(a) Physical Location

Meetings of the members shall be held at any place within Santa Barbara County designated by the board or by the written consent of all members entitled to vote at the meeting, given before or after the meeting. In the absence of any such designation, members' meetings shall be held at the corporation's principal office. The board may authorize members who are not present in person to participate by electronic transmission or electronic video communication.

(b) Authority for Electronic Meetings

If authorized by the board in its sole discretion, and subject to the requirements of consent in Corporations Code §20(b) and guidelines and procedures the board may adopt, members not physically present in person (or, if proxies are allowed, by proxy) at a meeting of members may, by electronic transmission by and to the corporation or by electronic video screen communication, participate in a meeting of members, be deemed present in person (or, if proxies are allowed, by proxy), and vote at a meeting of members whether that meeting is to be held at a designated place or in whole or in part by means of electronic transmission by and to the corporation or by electronic video screen communication, subject to the requirements of these bylaws.

(c) Requirements for Electronic Meetings

A meeting of the members may be conducted, in whole or in part, by electronic transmission by and to the corporation or by electronic video screen communication (1) if the corporation implements reasonable measures to provide members in person (or, if proxies are allowed, by proxy) a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with those proceedings, and (2) if any member votes or takes other action at the meeting by means of electronic transmission to the corporation or electronic video screen communication, a record of that vote or action is maintained by the corporation. Any request by a corporation to a member pursuant to Corporations Code §20(b) for consent to conduct a meeting of members by electronic transmission by and to the corporation shall include a notice that absent consent of the member pursuant to Corporations Code §20(b), the meeting shall be held at a physical location in accordance with section 4.7.1., subsection (a) of these bylaws.

4.7.2 Annual Meeting

(a) Date and Time

An annual meeting of members shall be held prior to the regularly scheduled board of director's meeting for October of each year at 6:00 PM., unless the board fixes another

date or time and so notifies members as provided in subsection 4.7.5 of these bylaws. If the scheduled date falls on a legal holiday, the meeting shall be held the next full business day. At this meeting, directors shall be elected and any other proper business may be transacted.

(b) Order of Business

The following shall be the order of business at all annual meetings of the members:

(1) All persons claiming to hold proxies shall present them to a duly appointed Proxy and Quorum Committee. All proxies received by the board by mail shall be presented to the Proxy and Quorum Committee.

(2) Determination of quorum shall be made by the Proxy and Quorum Committee.

(3) Reading of the minutes of the preceding meeting and action(s) thereof.

(4) Reports of officers.

(5) Reports of Committees.

(6) Election of directors.

(7) Unfinished business.

(8) New business.

4.7.3 Special Meetings

(a) Persons Authorized to Call

A special meeting of the members may be called at any time and for any lawful purpose by (i) the board; (ii) the chairman of the board; (iii) the president; or (iv) five percent (5%) or more of the members.

(b) Special Meetings Called by Members

If a special meeting of the members is called by any person other than the board, the request shall be submitted by such persons in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by Registered mail or by telegraphic or other facsimile transmission to the chairman of the board, the president, any vice president or the secretary of the corporation. The officer receiving the request shall cause notice to be promptly given to the members entitled to vote, in accordance with the provisions of subsections 4.7.3(d) and (e) below, that a meeting will be held, the general nature of the meeting and the date for such meeting, which date shall not be less than thirty-five (35) or more than ninety (90) days following the receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the persons requesting the meeting may give the notice.

(c) Proper Business of Meeting

No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

(d) Notice of Meeting of the Members

(1) General Notice Requirement

Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given, in accordance with the provisions of subsection 4.7.3(e) of these bylaws, to each member entitled to vote at that meeting. The notice shall specify the place, date, and hour of the meeting, and the means of electronic transmission by and to the corporation or electronic video screen communication, if any, by which members may participate in the meeting. For the annual meeting, the notice shall state the matters that the board, at the time notice is given, intends to present for action by the members. For a special meeting, the notice shall state the general nature of the business to be transacted and shall state that no other business may be transacted. The notice of any meeting at which directors are to be elected shall include the names of all persons who are nominees when notice is given.

(2) Notice of Certain Agenda Items

Approval by the members of any of the following proposals, other than by unanimous approval by those entitled to vote, is valid only if the notice or written waiver of notice states the general nature of the proposal or proposals:

- (i) Removing a director without cause;
- (ii) Filling vacancies on the board;
- (iii) Amending the articles of incorporation;
- (iv) Electing to wind up and dissolve the corporation; and
- (v) Approving a contract or transaction in which a director has a material

financial interest.

(e) Manner of Giving Notice

(1) General Notice Requirements

Notice of any meeting of members shall be in writing and shall be given at least ten (10) but no more than ninety (90) days before the meeting date. The notice shall be given either personally, by electronic transmission by the corporation, or by first class, registered or certified mail, or by other means of written communication, charges prepaid, and shall be addressed to each member entitled to vote, at that address of that member appearing on the books

of the corporation, for the purpose of notice; provided, however, that if notice is given by mail, and the notice is not mailed by first class, registered or certified mail, notice shall be given not less than twenty days before the meeting. If no address appears on the corporation's books and no address has been so given, notice shall be deemed to have been given if either (1) notice is sent to that member by first class mail or telegraphic or other written communication of the corporation's principal office or (2) notice is published at least once in a newspaper of general circulation in the county in which the principal office is located.

(2) Electronic Notice

Notice given by electronic transmission by the corporation shall be valid only if

(i) Delivered by (a) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, for that recipient on record with the corporation; (b) posting on an electronic message board or network that the corporation has designated for those communications, together with a separate notice to the recipient of the posting, which transmission shall be validly delivered on the later of the posting or delivery of the separate notice of it; or (c) other means of electronic communication;

(ii) To a recipient who has provided an unrevoked consent to the use of those means of transmission for communications; and

(iii) That creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

Notwithstanding the foregoing,

(i) An electronic transmission by this corporation to a member is not authorized unless, in addition to satisfying the requirements of this section, the consent to the transmission has been preceded by or includes a clear written statement to the recipient as to (a) any right of the recipient to have the record provided or made available on paper in nonelectronic form, (b) whether the consent applies only to that transmission, to specified categories of communications, or to all communications from the corporation, and (c) the procedures the recipient must use to withdraw consent.

(ii) Notice shall not be given by electronic transmission by the corporation after either of the following: (a) the corporation is unable to deliver two consecutive notices to the member by that means or (b) the inability so to deliver the notices to the member becomes known to the secretary, any assistant secretary, or any other person responsible for the giving of the notice.

(f) Affidavit of Mailing Notice

An affidavit of the mailing of any notice of any such special members' meeting, or of the giving of such notice by other means, may be executed by the secretary, assistant secretary, or any transfer agent of the corporation, and if so executed, shall be filed and maintained in the corporation's minute book.

(g) Notice to the County of Santa Barbara; Posting of Agenda

All notices of meetings of members shall also be given to the County of Santa Barbara (unless an emergency prevents the giving of such notice) and shall be given as otherwise set forth in subsections 4.7.3(d) and (e) hereof except that such notice shall be given at least seven (7) days before the meeting date. Such notice shall include a written agenda of the items to be discussed and acted upon by the membership. A copy of such agenda shall also be posted in a conspicuous public place at the principal office of the corporation at least seventy-two (72) hours in advance of any meeting of members.

4.7.4 Quorum

(a) Majority Required

A quorum for any meeting of the members, represented in person or by proxy, shall be a majority of said members.

(b) Loss of Quorum

Except as otherwise required by law, the articles, or these bylaws, the members present at a duly called or duly held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

4.7.5 Adjournment and Notice of Adjourned Meetings

Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the members represented at the meeting, either in person or by proxy. No meeting may be adjourned for more than forty-five (45) days. When a members' meeting is adjourned to another time or place, notice need not be given at the adjourned meeting if the time and place to which the meeting is adjourned (or the means of electronic transmission by and to the corporation or electronic video screen communication, if any, by which members may participate) are announced at the meeting at which the adjournment is taken. If after adjournment a new record date is fixed for notice of voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting.

4.7.6 Waiver of Notice or Consent by Absent Members

(a) Written Waiver or Consent

The transactions of any meeting of members, however called or noticed and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (1) a quorum is present either in person or by proxy, and (2) either before or after the

meeting, each member entitled to vote, not present in person or by proxy, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice, consent or approval need not specify either the business to be transacted or the purpose of any meeting of the members, except that if action is taken or proposed to be taken for approval of any of those matters specified in subsection 4.7.3(d)(2), the waiver of notice, consent or approval shall state the general nature of the proposal. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

(b) Waiver by Attendance

A member's attendance at a meeting shall also constitute a waiver of notice of and presence at that meeting unless the member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Also attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

4.7.7 Action Without Meeting

(a) Action by Written Consent

Any action required or permitted to be taken by the members may be taken without a meeting if all members consent in writing to the action. The written consent or consents shall be filed with the minutes of the proceedings of the members. The action by written consent shall have the same force and effect as a unanimous vote of the members.

(b) Action by Ballot Authorized

Any action that members may take at any meeting of members may also be taken by written ballot without a meeting by complying with this section 4.7.7, subsection (b), of these bylaws.

(1) Manner of Solicitations

(a) This corporation shall distribute one written ballot to each member entitled to vote on the matter. The ballot and any related material may be mailed or delivered in the manner provided in subsection 4.7.3(d) of these bylaws or may be sent by electronic transmission by the corporation, and responses may be returned to the corporation by electronic transmission that meets the requirements of Section 21 of the California Corporations Code. All solicitations of votes by written ballot shall (1) state the number of responses needed to meet the quorum requirement; (2) state, with respect to ballots other than for election of directors, the percentage of approvals necessary to pass the measure or measures; and (3) specify the time by which the ballot must be received in order to be counted. Each ballot so distributed shall (1) set forth the proposed action; (2) give the members an opportunity to specify approval or disapproval of each proposal; and (3) provide a reasonable time in which to return the ballot to the corporation. If the corporation has 100 or more members, any written ballot distributed to ten or more members shall provide that, subject to reasonable specified conditions, if the person

solicited specifies a choice in any such matter, the vote shall be cast according to that specification.

(b) In any election of directors, a written ballot that a member marks “withhold”, or otherwise marks in a manner indicating that the authority to vote is withheld, shall not be voted either for or against the election of a director.

(2) Number of Votes and Approvals Required

Approvals by written ballot shall be valid only when (1) the number of votes cast by ballot (including those ballots that are marked “withhold” or otherwise indicate that authority to vote is withheld) within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and (2) the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of the votes cast was the same as the number of votes cast by written ballot without a meeting.

(3) Revocation

A written ballot may not be revoked.

(4) Filing

All written ballots shall be filed with the secretary of the corporation and maintained in the corporate records for at least three (3) years.

Section 4.8 Voting

4.8.1 Voting Rights

Each member entitled to vote may cast one vote on each matter submitted to a vote of the members.

4.8.2 Entitlement to Vote

Subject to the California Nonprofit Public Benefit Corporation Law, members in good standing on the record date as determined under section 4.9 of these bylaws shall be entitled to vote at any meeting of members.

4.8.3 Manner of Casting Votes

Voting may be by voice or ballot, provided that any election of the directors must be by ballot if demanded by any member before the voting begins.

4.8.4 Only Majority of the Members Represented at Meeting Required, Unless Otherwise Specified

If a quorum is present, the affirmative vote of the majority of the members represented at the members’ meeting entitled to vote and voting on any matter shall be the act of

the members, except as otherwise provided in these bylaws or the Nonprofit Public Benefit Corporation Law.

Section 4.9 Record Date for Member Notice; Voting and Giving Consents

4.9.1 To Be Determined by the Board

For purposes of establishing the members entitled to receive notice of any meeting, entitled to vote at any meeting, entitled to vote by written ballot, or entitled to exercise any rights in any lawful action, the board of directors may, in advance, fix a record date. The record date for the Annual Meeting of the members pursuant to paragraph 4.7.2 shall be August 15. The record date so fixed for:

(1) sending notice of a meeting shall be no more than 90 nor less than 10 days before the date of the meeting;

(2) voting at a meeting shall be no more than 60 days before the date of the meeting;

(3) voting by written ballot shall be no more than 60 days before the day on which the first written ballot is mailed or solicited; and

(4) taking any other action shall be no more than 60 days before that action.

Only the members of record on the date so fixed are entitled to notice, to vote or to give consents, as the case may be, notwithstanding any transfer of any membership on the books of the corporation after their record date, except as otherwise provided in the articles of incorporation, by agreement or in the Nonprofit Public Benefit Corporation Law.

4.9.2 Failure of the Board to Determine Date

(a) Record Date for Notices or Voting

If not otherwise fixed by the board, the record date for determining members entitled to receive notice of a meeting of members shall be the next business day preceding the day on which notice is given or, if notice is waived, the next business day preceding the day on which the meeting is held. If not otherwise fixed by the board, the record date for determining members entitled to vote at the meeting shall be the day on which the meeting is held.

(b) Record Date for Action by Written Ballot

Unless fixed by the board, the record date for determining those members entitled to vote by written ballot on corporate action, shall be the day on which the first written ballot is mailed or solicited.

(c) Record Date for Exercising Rights With Respect to Other Lawful Actions

If not otherwise fixed by the board, the record date for determining members entitled to exercise any rights with respect to any other lawful action shall be the date on which the board adopts the resolution relating to that action, or the 60th day before the date of that action, whichever is later.

(c) “Record Date” Means as of Close of Business

For the purposes of this section, and unless the board specifies otherwise, a person holding membership as of the close of business on the record date shall be deemed a member of record.

Section 4.10 Proxies

4.10.1 Right of Members

Every member entitled to vote shall have the right to do so either in person or by one (1) or more agents authorized by a written proxy, signed by the person and filed with the secretary of the corporation. A proxy shall be deemed signed if the member’s name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission or otherwise) by the member or his attorney in fact.

4.10.2 Revocability

No proxy shall be valid after the expiration of 11 months from the date of the proxy, unless provided otherwise in the proxy, except that the maximum term of a proxy shall be 3 years after the date of execution. A validly executed proxy shall continue in full force and effect until either

(1) It is revoked by the member executing it, before the vote is cast under that proxy, (a) by a writing delivered to the corporation stating that the proxy is revoked, or (b) by a subsequent proxy executed by that member and presented to the meeting, or (c) as to any meeting, by that member’s personal attendance and voting at the meeting; or

(2) Written notice of the death or incapacity of the maker of the proxy is received by the corporation before the vote under that proxy is counted.

4.10.3 Form of Solicited Proxies

Any form of proxy distributed to members of the corporation shall offer an opportunity on the proxy to specify a choice between approval and disapproval of each matter or group of related matters intended at the time the proxy is distributed to be acted upon at the meeting for which the proxy is solicited and shall provide, subject to reasonable specified conditions, that where the person solicited specifies a choice with respect to any such matter, the vote shall be cast in accordance therewith. In an election of directors, any form of proxy that a member marks “withhold,” or otherwise marks in a manner indicating that authority to vote for the election of directors is withheld, shall not be voted either for or against the election of a director.

4.10.4 Requirement That General Nature of Subject of Proxy be Stated

Any proxy covering matters for which a vote of the members is required, including amendments of the articles of incorporation or bylaws changing proxy rights; certain other amendments of the articles of incorporation; removal of directors without cause; filling vacancies on the board; the sale, lease, exchange, conveyance, transfer or other disposition of all or substantially all of the corporate assets, unless the transaction is in the usual and regular course of the corporation's activities; the principal terms of a merger or the amendment of a merger agreement; or the election to dissolve the corporation, shall not be valid unless the proxy sets forth the general nature of the matter to be voted on or, with respect to an election of directors, the proxy lists those who have been nominated at the time the notice of the vote is given to the members.

4.10.5 Effect of a Member's Death or Incapacity

A proxy is not revoked by the death or incapacity of the maker or termination of a member as a result thereof unless, before the vote is counted, a written notice of the death or incapacity is received by the corporation.

Section 4.11 Liabilities of Members

4.11.1 Creditors of the Corporation

No person who is now, or later becomes a member of the corporation shall be personally liable to the creditors of the corporation for any indebtedness or liability, and any and all creditors of the corporation shall look only to the assets of the corporation for payment.

Section 4.12 Election of Directors

4.12.1 Nominations

The Membership Committee shall meet and determine its nominations for the board of directors and shall prepare a biography of each nominee no later than August 15. Nominations for the board of directors may also be made by written petitions, each signed by not less than eleven (11) members in good standing; provided, however, each such petition has attached to it a biography of the nominee; and provided further, that such petition is delivered to the chairman of the Membership Committee not later than August 21. If more people have been nominated for director than can be elected, no corporate funds may be expended to support a nominee without the board's authorization. No nominations to the board of directors shall be made except in conformity with this section.

4.12.2 Mailing of List of Nominees

The Membership Committee shall mail to each voting member in good standing, no later than September 10, along with the notice of the annual meeting, a list of nominees for director, together with a biography of each. In regard to nominees for directors, such list shall designate those nominees nominated by the Membership Committee and those nominees nominated by written petition of the members.

4.12.3 Duties of Membership Committee at Annual Meeting

The Membership Committee shall present to the annual meeting of members the names of those whom it nominates for election to the board of directors.

4.12.4 Ballots for Directors

The ballots for directors shall contain the names of the nominees nominated by the Committee and those nominated by written petition of the members.

4.12.5 Nominee's Right to Solicit Votes

The board shall formulate procedures that allow a reasonable opportunity for a nominee to communicate to members the nominee's qualifications and the reasons for the nominee's candidacy, a reasonable opportunity for the nominee to solicit votes, and a reasonable opportunity for all members to choose among the nominees.

ARTICLE 5. DIRECTORS

Section 5.1 Powers

5.1.1 General Corporate Powers

Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the articles of incorporation or bylaws regarding actions which require approval of the members, the corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the board.

5.1.2 Specific Powers

Without prejudice to the general powers set forth in subsection 5.1.1 of these bylaws, but subject to the same limitations, the directors shall have the power to:

(a) Appoint and remove, at the pleasure of the board, all the corporation's officers, agents and employees; prescribe powers and duties for them which are consistent with law, with the articles of incorporation, and with these bylaws; and fix their compensation and require from them security for faithful performance of their duties;

(b) Change the principal office or the principal business office within Santa Barbara County from one location to another;

(c) Adopt and use a corporate seal; prescribe the forms of membership certificates; and alter the forms of the seal and certificates; and

(d) Borrow money and incur indebtedness on behalf of the corporation and cause to be executed and delivered for the corporation's purposes, in the corporate name,

promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidence of debt and securities.

Section 5.2 Number and Qualification of Directors

5.2.1 Authorized Number and Qualifications

The board shall consist of nine (9) directors until changed by amendment to these bylaws and only members of the corporation shall be eligible to be directors.

5.2.2 Restriction on “User” Directors

No more than four (4) of the nine (9) members of the board of directors shall be “users” of the Santa Ynez Airport (as the term “user” is defined in subsection 4.1.2). Should a person elected to the board as a “Nonuser” become, during the term of his directorship, a “User”, and such change from “Nonuser” to “User” causes the number of “users” to exceed four (4), then such membership on the board of directors shall be terminated automatically, but membership in the corporation shall not be affected so long as such person remains otherwise qualified under section 4.1 above.

5.2.3 Restrictions on Interested Persons as Directors

No more than forty-nine percent (49%) of the persons serving on the board may be interested persons. An interested person is (a) any person compensated by the corporation for service rendered to it within the previous twelve (12) months whether as full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, daughter-in-law, son-in-law, mother-in-law or father-in-law of such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the corporation.

Section 5.3 Election, Designation and Term of Office

At the first organizational meeting of directors held immediately after the incorporation of this corporation, the nine (9) directors appointed by the incorporator shall hold office until the first annual meeting of directors after the incorporation of this corporation and until their successors are elected and qualified. Thereafter, at the first annual meeting of directors after the incorporation of this corporation, the board shall divide the nine (9) authorized positions into three (3) equal groups. Each group shall have at least one (1) “User” director. The initial term of one (1) group consisting of three (3) positions shall thereupon commence and continue until the annual meeting next following the meeting at which the board makes such divisions. The initial term of the second group shall continue until the second annual meeting next following the meeting at which the board makes such divisions. The initial term of the third group consisting of three (3) positions shall thereupon commence and shall continue until the

third annual meeting at which the board makes such divisions. The members in each group shall hold office until the annual meeting at which their terms expire, until their successors are elected and qualified, or until their respective death, resignation or removal from office. Thereafter, at each annual meeting of members held after such classification, directors chosen to succeed those whose term expires shall be elected to a term of three (3) years and until their respective successors are elected and qualified, or until their respective death, resignation or removal from office.

5.3.1 Resignations

Except as provided below, any director may resign by giving written notice to the chairman of the board, if any, or to the president or the secretary of the board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a director's resignation is effective at a later time, the board may elect a successor to take office as of the date when the resignation becomes effective. Except upon notice to the Attorney General of California, no director may resign if the corporation would be left without a duly elected director or directors.

5.3.2 Removal

The board may declare vacant the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under Article 3 (commencing with Section 5230) of the California Nonprofit Public Benefit Corporation Law. In addition, the board may declare vacant the office of a director who (a) is absent from two or more regular board meetings per fiscal year without being expressly excused by the chairman or president, or (b) is absent from more than five regular board meeting per fiscal year, whether or not excused by the chairman or president, except by reason of such director's illness.

5.3.3 Filling Vacancies

Except for a vacancy created by the removal of a director by the members, vacancies on the board may be filled by approval of the board or, if the number of directors then in office is less than a quorum, by (1) the unanimous written consent of the directors then in office, (2) the affirmative vote of a majority of the directors then in office at a meeting held according to notice or waivers of notice complying with Corporations Code §5211, or (3) a sole remaining director. One (1) or more nominees shall be suggested by the Membership Committee to fill each such vacancy. The members may fill any vacancy not filled by the directors.

5.3.4 No Vacancy on Reduction of Number of Directors

No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

Section 5.4 Directors' Meetings

5.4.1 Place of Meetings

Meetings of the board shall be held at any place within Santa Barbara County, California, that has been designated by resolution of the board or in the notice of the meeting, or, if not so designated, at the principal office of the corporation.

5.4.2 Meetings by Telephone or Other Telecommunications Equipment

Any board meeting may be held by conference telephone, video screen communication, or other communications equipment. Participation in a meeting under this section shall constitute presence in person at the meeting if both the following apply:

(1) Each member participating in the meeting can communicate concurrently with all other members.

(2) Each member is provided the means of participating in all matters before the board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation.

5.4.3 Annual Meeting

Immediately after each annual meeting of members, the board shall hold a regular meeting for the purposes of organization, election of officers and transaction of other business. Notice of this meeting is not required.

5.4.4 Other Regular Meetings

The board of directors shall hold a minimum of at least one (1) meeting per month at the principal office of the corporation, or at such other place in Santa Barbara County, California, on the first Thursday of each month, except when the first Thursday is a legal holiday, at the hour of 7:00 p.m. (or such other day of the month and such other hour as it may from time to time be designated by resolution). If the first Thursday of any month is a legal holiday, the board shall, by resolution, either waive the regular meeting for that month or require that it be held on another business day in such month. Except for such waiver or change in date occasioned by a legal holiday, no notice shall be required for such regular meetings.

5.4.5 Special Meetings

(a) Authority to Call

Special meetings of the board for any purpose may be called at any time by the chairman of the board, if any, the president or any vice president, or the secretary or any two directors.

(b) Notice

(1) Manner of Giving Notice

Notice of the time and place of special meetings shall be given to each director by one of the following methods: (a) by personal delivery of written notice; (b) by first-class mail, postage prepaid; (c) by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, or by electronic transmission, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; (d) by facsimile; (e) by electronic mail; or (f) by other electronic means. All such notices shall be given or sent to the director's address, telephone number, facsimile number or email address as shown on the records of the corporation.

(2) Time Requirements

Notices sent by first-class mail shall be deposited in the United States mail at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, facsimile, or electronic transmission shall be delivered, telephoned, faxed or sent, respectively, at least forty-eight (48) hours before the time set for the meeting.

(3) Notice Contents

The notice shall state the time of the meeting, and the place, if the place is other than the principal office of the corporation. It need not specify the purpose of the meeting.

5.4.6 Quorum

A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (1) approval of contracts or transactions in which a director has direct or indirect material financial interest, (2) approval of certain transactions between corporations having common directorships, (3) creation of and appointments to committees of the board, and (4) indemnification of the directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

5.4.7 Waiver of Notice

Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting or approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approvals shall be filed with the corporate records or made part of the minutes of the meeting. Notice of a meeting need not be given to any director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.

5.4.8 Adjournment

A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

5.4.9 Notice of Adjourned Meeting

Notice of time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than twenty-four (24) hours. If the original meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

5.4.10 Notice to the County of Santa Barbara; Posting of Agenda

All notices of meetings of directors shall also be given to the County of Santa Barbara (unless an emergency prevents the giving of such notice) and shall be given as otherwise set forth in section 4.7.3(g) hereof except that such notice shall be given at least seven (7) days before the meeting date, if the meeting is on other than the regular scheduled date. Such notice shall include a written agenda of the items to be discussed and acted upon by the board. A copy of such agenda shall also be posted in a conspicuous public place at the principal office of the corporation at least seventy-two (72) hours in advance of any meeting of the board.

Section 5.5 Action Without a Meeting

An action required or permitted to be taken by the board may be taken without a meeting if all directors individually or collectively consent in writing to that action and if, subject to Corporations Code §5224(a), the number of directors then in office constitutes a quorum. The written consent or consents shall be filed with the minutes of the proceedings of the board. The action by written consent shall have the same force and effect as an unanimous vote of the directors. For purposes of Corporations Code §5211(b) only, “all directors” does not include an “interested director” as defined in Corporations Code §5233(a) or a “common director” as described in Corporations Code §5234(b) who abstains in writing from providing consent, when (i) the facts described in Corporations Code §5233(d)(1) or (d)(2) are established or the provisions of Corporations Code §5233(a) are satisfied, as appropriate, at or before the execution of the written consent or consents; (ii) the establishment of those facts or satisfaction of those provisions is included in the written consent or consents executed by the noninterested or noncommon directors or in other records of the corporation; and (iii) the noninterested or noncommon directors approve the action by a vote that is sufficient without counting the votes of the interested directors or common directors.

Section 5.6 Committees

5.6.1 Committees of the Board

The board, by resolution adopted by a majority of the directors then in office, provided a quorum is present, may create one or more committees, each consisting of two or more directors and no persons who are not directors, to serve at the pleasure of the board. Appointments to committees of the board shall be by majority vote of the directors then in office. The board may appoint one or more directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee, to the extent provided in the board resolution, shall have all the authority of the board, except that no committee, regardless of the board resolution, may:

- (a) Take any final action on any matter that, under the California Nonprofit Public Benefit Corporation Law, also requires the approval of all of the members or approval of a majority of all members;
- (b) Fill vacancies on the board or any committee that has the authority of the board;
- (c) Fix compensation for the directors for serving on the board or any committee;
- (d) Amend or repeal bylaws or adopt new bylaws;
- (e) Amend or repeal any resolution of the board that by its express terms is not so amendable or repeatable;
- (f) Create any other committees of the board or appoint the members of committees of the board;
- (g) Expend corporate funds to support a nominee for director after more people have been nominated for director than can be elected; or
- (h) Approve any contract or transaction to which the corporation is a party and which one or more of its directors has material financial interest, except as special approval is provided for in Section 5233(d) of the California Nonprofit Public Benefit Corporation Law.

5.6.2 Meeting and Actions of Committees

Meetings and actions of committees of the board shall be governed by, held, and taken in accordance with the provisions of these bylaws concerning meetings and other board actions, except that the time for regular meetings of such committees and the calling of special meetings of such committees may be determined either by board resolution or, if there is none, by resolution of the committee of the board. Minutes of meetings of any committee of the board shall be kept and filed with the corporate records. The board may adopt rules for the governance of any committee as long as the rules are consistent with these bylaws. If the board has not adopted rules, the committee may do so. This subsection 5.6.2 shall not apply to meetings and actions of committees which are not “committees of the board”.

5.6.3 Other Committees

Nothing herein contained shall limit or restrict the board from appointing other committees composed of persons who are and / or persons who are not members of the board; provided, however, that such committees are not “committees of the board” as defined in subsection 5.6.1.; may not exercise any authority of the board; and may serve only in an advisory capacity to the board, all of the actions of which are subject to board approval, confirmation and ratification.

(a) Advisory Committee

The advisory committees shall be as follows: (i) Membership; (ii) Finance; (iii) Facilities and Grounds; (iv) Real Estate; (v) Insurance; (vi) Personnel; (vii) Public relations and (viii) such other committees as otherwise determined by the approval of the board. Such appointments shall be subject to approval by the board of directors. The chairman of the board and president shall be entitled to attend and participate in meetings of all such advisory committees and to receive notice of all such meetings. However, unless expressly designated by the board as a voting member of a particular committee, neither shall have a vote at any advisory committee meeting.

Section 5.7 Ex Officio Member

A retiring president of the corporation, if such president has not been elected as a member of the board, shall be entitled to attend meetings of the board of directors and participate in all discussions at such meetings, but as such ex officio member shall have no vote upon questions coming before the board.

Section 5.8 Restrictions on Self-Dealing Transactions

No director shall engage in a transaction to which the corporation is a party and in which the director has a material financial interest and which is otherwise prohibited as a “self-dealing transaction” in Section 5233 of the California Nonprofit Public Benefit Corporation Law.

ARTICLE 6. OFFICERS

Section 6.1 Officers of the Corporation

The officers of the corporation shall be a president, a secretary and a chief financial officer. The corporation may also have, at the board’s discretion, a chairman of the board, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with section 6.3 of these bylaws. Any number of the offices may be held by the same person, except that the secretary, the chief financial officer, and the treasurer (if applicable) may not serve concurrently as either the president or chairman of the board.

Section 6.2 Election of Officers

The officers of the corporation, except those appointed under section 6.3 of these bylaws, shall be chosen annually by the board, subject to the rights, if any, of any officer under any contract of employment. The Membership Committee shall submit to the chairman of the board, or in the absence of the chairman, to the president, prior to the annual board meeting, a list of nominees for all offices to be filled by election. Such nominees shall be placed in nomination. Additional nominations may be made by any director at the annual meeting of the board of directors.

Section 6.3 Other Officers

The board may appoint and may authorize the chairman of the board, the president, or other officer, to appoint any other officers that the corporation may require. Each officer so appointed shall have the title, hold the office for the period, have the authority, and perform the duties specified in the bylaws or determined by the board.

Section 6.4 Removal of Officers

Without prejudice to the rights of any officer under an employment contract, the board may remove any officer with or without cause. An officer who was not chosen by the board may be removed by any other officer on whom the board confers the power of removal.

Section 6.5 Resignation of Officers

Any officer may resign at any time by giving written notice to the board. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be accepted without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

Section 6.6 Vacancies in Office

A vacancy in office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these bylaws under section 5.3.3 and/or 6.2. The matter of a vacancy shall be placed on the agenda of the next meeting of the board of directors to determine the manner and timing of filling the vacancy. The board may fill the vacancy on the board or allow the position to remain vacant and be filled at the annual membership meeting.

Section 6.7 Responsibilities of Officers

6.7.1 Chairman of the Board

If a chairman of the board is elected, he or she shall preside at meetings of the members and the board, appoint members of standing and special committees and represent the interests of the board of directors when it is not in session. The chairman shall also exercise and perform such other powers and duties as the board may assign from time to time.

6.7.2 President

Subject to such supervisory powers as the board may give to the chairman of the board, if any, and subject to the control of the board, the president shall be the general manager of the corporation and shall supervise and direct the corporation activities, affairs and officers. The president shall, in the absence of the chairman, assume all of the duties and responsibilities of the chairman, and shall also have such other powers and duties as the board or the bylaws may prescribe.

6.7.3 Vice Presidents

If the chairman and president are absent or disabled, the vice presidents, if any, in order of their rank as fixed by the board, or, if not ranked, a vice president designated by the board, shall perform all of the duties of the president. When so acting, a vice president shall have all powers of and be subject to all restrictions on the chairman / president. The vice president shall have such other powers and perform such other duties as the board or bylaws may prescribe.

6.7.4 Secretary

(a) Book of Minutes

The secretary shall keep or cause to be kept, at the corporation's principal office or such other place as the board may direct, a book of minutes of all meetings, proceedings and actions of the board, of committees of the board, and of member's meetings. The minutes of the meetings shall include the time and place that the meeting was held, whether the meeting was annual, regular, or special, and, if special, how authorized, and notice given, the names of those present at board and committee meetings, and the number of members present or represented at members meetings. The secretary shall keep or cause to be kept, at the principal office in California, a copy of the articles of incorporation and bylaws, as amended to date.

(b) Membership Records

The secretary shall keep or cause to be kept, at the corporation's principal office or at a place determined by resolution of the board, a record of the corporation's members, showing each member's name, address, and class of membership.

(c) Notices, Seal and Other Duties

The secretary shall give, or cause to be given, notice of all meetings of members, of the board and of committees of the board required by these bylaws to be given. The secretary shall keep the corporate seal in safe custody and shall have such other powers and perform such other duties as the board or the bylaws may prescribe.

6.7.5 Chief Financial Officer

(a) Books of Accounts

The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the corporation's properties and transactions. The chief financial officer shall send or cause to be given to the members and directors such financial statements and reports as are required to be given by law, by these bylaws, or by the board. The books of account shall be open to inspection by any director at all reasonable times.

(b) Deposit and Disbursement of Money and Valuables

The chief financial officer, or his designate, shall deposit, or cause to be deposited, all money and other valuables in the name of and to the credit of the corporation with such depositories as the board may designate, shall disburse the corporation's funds as the board may order, shall render to the president, chairman of the board, if any, and the board, when requested, an account of all transactions as chief financial officer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as the board or the bylaws may prescribe.

(c) Bond

If required by the board, the chief financial officer shall give the corporation a bond in the amount and with the surety or sureties specified by the board for faithful performance of the duties of the office and for restoration to the corporation of all its books, papers, vouchers, money and other property of every kind in the possession or under the control of the chief financial officer on his or her death, resignation, retirement or removal from office.

ARTICLE 7. INDEMNIFICATION

Section 7.1 Right of Indemnity

To the fullest extent permitted by law, this corporation shall indemnify its directors, officers, employees and other persons described in Section 5238(a) of the California Nonprofit Public Benefit Corporation Law, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding", as that term is used in that Section, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that section. "Expenses", as used in this bylaw, shall have the same meaning as in Section 5238(a) of the California Nonprofit Public Benefit Corporation Law.

Section 7.2 Approval of Indemnity

On written request to the board by any person seeking indemnification under Section 5238(b) or Section 5238(c) of the California Nonprofit Public Benefit Corporation Law, the board shall promptly determine under Section 5238(e) of the California Nonprofit Public Benefit

Corporation Law whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met and, if so, the board shall authorize indemnification. If the board cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to that proceeding, the board shall promptly call a meeting of members. At that meeting, the members shall determine under Section 5238(e) of the California Nonprofit Public Benefit Corporation Law whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met and, if so, the members present at the meeting in person or by proxy shall authorize indemnification.

Section 7.3 Advancement of Expenses

To the fullest extent permitted by law and except as otherwise determined by the board in a specific instance, expenses incurred by a person seeking indemnification under sections 7.1 and 7.2 of these bylaws in defending any proceeding covered by those sections shall be advanced by the corporation before the final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the corporation for those expenses.

ARTICLE 8. INSURANCE

The corporation shall have the right, and shall use its best efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees and other agents, to cover any liability asserted against or incurred by any officer, director, employee or agent in such capacity or arising out of the officer's, director's, employee's or agent's status as such.

ARTICLE 9. RECORDS AND REPORTS

Section 9.1 Maintenance of Corporate Records

The corporation shall keep (1) adequate and correct books and records of account, (2) written minutes of the proceedings of its members, board, and committees of the board, and (3) a record of each member's name, address and class of membership. The minutes and other books and records shall be kept either in written form or in any other form capable of being converted into clearly legible tangible form or in any combination of the two.

Section 9.2 Members' Inspection Rights

9.2.1 Membership Records

(a) Unless the corporation provides a reasonable alternative as provided below, any member may do either or both of the following for a purpose reasonably related to the member's interest as a member:

(1) Inspect and copy the records containing members' names, addresses, and voting rights during usual business hours on 5 days' prior written demand on the corporation, which must state the purpose for which the inspection rights are requested; or

(2) Obtain from the secretary of the corporation, on written demand and tender of a reasonable charge, a list of names, addresses, and voting rights of members who are entitled to vote for directors as of the most recent record date for which that list has been compiled, or as of the date, after the date of demand, specified by the member. The demand shall state the purpose for which the list is requested. The secretary shall make this list available to the member on or before the later of 10 days after (i) the demand is received or (ii) the date specified in the demand as the date as of which the list is to be compiled.

(b) The corporation may, within 10 business days after receiving a demand under this section, make a written offer of an alternative method of reasonable and timely achievement of the proper purpose specified in the demand without providing access to or a copy of the membership list. Any rejection of this offer must be in writing and must state the reasons the proposed alternative does not meet the proper purpose of the demand.

(c) If the corporation reasonably believes that the information will be used for a purpose other than one reasonably related to a person's interest as a member, or if it provides a reasonable alternative under this section, it may deny the member access to the membership list.

(d) Any inspection and copying under this section may be made in person or by the member's agent or attorney. The right of inspection includes the right to copy and make extracts. Any right of inspection extends to the records of any subsidiary of the corporation.

9.2.2 Accounting Records and Minutes

On written demand on the corporation, any member may inspect, copy and make extracts of the accounting books and records and the minutes of the proceedings of the members, the board and committees of the board at any reasonable time for a purpose reasonably related to the member's interest as a member. Any such inspection and copying may be made in person or by the member's agent or attorney. The right of inspection extends to the records of any subsidiary of the corporation.

Section 9.3 Maintenance and Inspection of Articles of Incorporation and Bylaws

The corporation shall keep at its principal California office the original or a copy of the articles of incorporation and bylaws, as amended to the current date, that shall be open to inspection by the members at all reasonable times during office hours.

Section 9.4 Inspection by Directors

Every director shall have the absolute right at any reasonable time to inspect the corporation's books, records, documents of every kind, physical properties, and the records of each of its subsidiaries. The inspection may be made in person or by the director's agent or attorney. The right of inspection includes the right to copy and make extracts of books, records, and documents of every kind.

Section 9.5 Annual Report

9.5.1 The board shall cause an annual report to be sent to the members and directors within one hundred twenty (120) days after the end of the corporation's fiscal year. That report shall contain the following information, in appropriate detail, for the fiscal year.

- (a) the assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
- (b) the principal changes in assets and liabilities, including trust funds;
- (c) the revenue or receipts of the corporation, both unrestricted and restricted to particular purposes;
- (d) the expenses or disbursements of the corporation for both general and restricted purposes; and
- (e) any information required by section 9.6 of these bylaws.

9.5.2 The annual report shall be accompanied by a report by an independent accountant or, if there is no such report, by the certificate of an authorized officer of the corporation that such statements were prepared without audit from the corporation's books and records.

9.5.3 This requirement of an annual report shall not apply if the corporation received less than Twenty-five Thousand Dollars (\$25,000.00) in gross receipts during the fiscal year; provided, however, that the information specified above for inclusion in an annual report must be furnished annually in writing to all directors and to any member who requests it in writing. If the board approves, the corporation may send the report and any accompanying material sent pursuant to this section by electronic transmission. If a report sent to the Attorney General in compliance with the requirements of Government Code §§12580–12599.7 includes the information required in the annual report, then the corporation may furnish a copy of its report to the Attorney General in lieu of the annual report whenever it is required to furnish an annual report.

Section 9.6 Annual Statement of Certain Transactions and Indemnifications

As part of the annual report to all members, or as a separate document if no annual report is issued, the corporation shall, within 120 days after the end of the corporation's fiscal year, annually prepare and mail, deliver, or send by electronic transmission to each member and furnish to each director a statement of any transaction or indemnification of the following kind:

9.6.1 Any transaction (i) in which the corporation, its parent, or its subsidiary was a party, (ii) in which an "interested person" had a direct or indirect material financial interest, and (iii) which involved more than Fifty Thousand Dollars (\$50,000.00), or was one of a number of transactions with the same interested person involving, in the aggregate, more than Fifty Thousand Dollars (\$50,000.00). For this purpose, and "interested party" is either of the following:

(a) Any director or officer of the corporation, its parent or subsidiary (but mere common directorship shall not be considered such an interest);

(b) Any holder of more than ten percent (10%) of the voting power of the corporation, its parent, or its subsidiary.

The statement shall include a brief description of the transaction, the name(s) of the interested person(s) involved, their relationship to the corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

9.6.2 Any indemnifications or advances aggregating more than Ten Thousand Dollars (\$10,000.00) paid during the fiscal year to any officer or director of the corporation under section 7.3 of these bylaws, unless that indemnification has been approved by members under Section 5238(e)(2) of the California Nonprofit Public Benefit Corporation Law.

ARTICLE 10. CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction and definitions of the California Nonprofit Public Benefit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term “person” includes both a legal entity and a natural person.

ARTICLE 11. AMENDMENTS

Section 11.1 Amendment by Board

11.1.1 Membership Rights Limitation

Subject to the rights of members under section 11.2 of these bylaws and the limitations set forth below, the board may adopt, amend or repeal bylaws unless the action would materially and adversely affect the members’ rights as to voting or transfer. The board may not extend the term of a director beyond that for which the director was elected.

11.1.2 Changes to the Number of Directors

Once members have been admitted to the corporation, the board may not, without approval of the members, specify or change any Bylaw provision that would:

- (a) fix or change the authorized number of directors,
- (b) fix or change the minimum or maximum number of directors, or
- (c) change from a fixed number of directors to a variable number of directors or vice versa.

11.1.3 High Vote Requirement

If any provision of these bylaws requires the vote of a larger proportion of the board than is otherwise required by law, that provision may not be altered, amended, or repealed except by the greater vote.

11.1.4 Members' Approval Required

Without the approval of the members, the board may not adopt, repeal, or amend any bylaws that would:

- (a) increase or extend the terms of directors;
- (b) allow any director to hold office by designation or selection rather than by election by the members;
- (c) increase the quorum for members' meetings;
- (d) repeal, restrict, create, expand, or otherwise change proxy rights; or
- (e) authorize cumulative voting.

Section 11.2 Amendment by Members

11.2.1 New bylaws may be adopted, or these bylaws may be amended or repealed, by approval of the members, provided, however, that if the corporation has more than one class of voting members, any amendment that would materially and adversely affect the rights of a class as to voting or transfer, in a manner different than the action affects another class, must be approved by the members of that adversely affected class. Any provision of these bylaws that requires the vote of a larger proportion of the members than otherwise is required by law may not be altered, amended or repealed, except by the vote of that greater number. No amendment may extend the term of a director beyond that for which the director was elected.

11.2.2 Any provision of these bylaws providing for the designation or selection, rather than election, of any director or directors may be adopted, amended or repealed only by approval of the members, subject to the consent of the person or persons entitled to designate or select any such directors.

Section 11.3 No Conflict with Management Agreement

Notwithstanding anything to the contrary contained in this Article 11, in no event shall any amendment to these bylaws conflict with or otherwise be contrary to provisions of that certain Management Agreement and Lease for Santa Ynez Airport dated May 1, 1993, by and between the corporation and the County of Santa Barbara, and any amendment thereto.

CERTIFICATE OF SECRETARY

I, the undersigned, the duly elected secretary of SANTA YNEZ VALLEY AIRPORT AUTHORITY, INC., a California nonprofit public benefit corporation, do hereby certify:

That the foregoing Bylaws consisting of 30 pages were adopted as the Bylaws of the Corporation by the directors of the Corporation on SEPT. 1, 2016, and the same do now constitute the Bylaws of said Corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name this SEPT. 1, 2016



Name: Foux L. Fischer, Secretary