

**SECOND AMENDED AND RESTATED**  
**BYLAWS OF**  
**COMMUNITY BANKERS OF WASHINGTON**

*(Formerly Washington Independent Community Bankers Association)*

**ARTICLE 1: MEMBERS**

1.1 Classes of Membership. There shall be four classes of membership: “Active”, “Affiliate”, “Associate”, and “Non-Bank Partner”.

1.1.1 Active Membership. Any independent financial institution (national-or state-chartered bank or federal-or state-chartered savings bank), chartered in the state of Washington or whose holding company is chartered in the state of Washington and is actively engaged in the business of banking in the state of Washington, is eligible to become an Active member of the Community Bankers of Washington (the “CBW”) with full voting rights and privileges upon approval of the Board of Directors of the Community Bankers of Washington (the “Board”) and the payment of the annual dues. If any Active member ceases to carry on an active banking business in the state of Washington, or in the opinion of two-thirds (2/3) of the members of the Board, a banking institution shall cease to be an independent bank, that bank shall be removed as a member. Any banking institution which is removed as an Active member will forfeit all dues it has paid.

1.1.2 Affiliate Membership. Any financial institution (national-or state-chartered bank or federal-or state-chartered savings bank), regardless of the state in which chartered, that has less than \$20 billion in assets and at least one office located in the state of Washington that is actively engaged in the banking business, is eligible to become an Affiliate Member of this CBW upon payment of the annual dues. Affiliate members shall have no voting rights nor shall they be entitled to hold any elective or appointive office. If an Affiliate member ceases to carry on an active banking business within the State of Washington or exceeds \$20 billion in total assets, that bank shall be removed as an Affiliate member. Any banking institution which is removed as an Affiliate member will forfeit all dues it has paid. Affiliate members shall be entitled to enjoy all the other privileges and courtesies of CBW. The Board shall be entitled to terminate any Affiliate Membership at any time, and shall have the authority to waive one or more of the requirements for Affiliate Membership by the affirmative vote of two-thirds (2/3) or more of the members of the Board.

1.1.3 Associate Membership. Any person, firm or corporation in accord with the purposes of CBW may become an Associate member upon approval of two-thirds (2/3) of the members of the Board and upon payment of the annual dues. Associate members shall have no voting rights nor shall they be entitled to hold any elective or appointive office. Associate members shall be entitled to enjoy all the other privileges and courtesies of CBW. The Board shall be entitled to terminate any Associate membership at any time.

1.1.4 Non-Bank Partner Membership. Any person, firm, or corporation in accord with the purposes of CBW may become a Non-Bank Partner member upon approval of the Northwest Financial Associations Trust and upon payment of annual dues. Non-Bank Partner members shall have no voting rights nor shall they be entitled to hold any elective or appointive office. Non-Bank Partner members shall be entitled to a 10% discount on non-member prices for CBW created education, access to member communication pieces, opportunity to sponsor conventions/conferences at Non-Bank Partner pricing, and participate in the programs offered by the Northwest Financial Associations Trust. Non-Bank Partner members may apply to become Associate members by fulfilling those requirements.

1.2 Voting Rights. In the election of officers or the transaction of any CBW business wherein a vote is necessary to be taken, each Active member whose dues have been paid for the current year shall be entitled to have one vote to be cast by its delegate. There shall be no voting by proxy and no cumulative voting.

1.3 Dues and Fees. The dues for Active, Affiliate, and Associate membership shall be payable to CBW annually in advance on the first day of November. The Board may provide for proration of new members' dues. The dues for Non-Bank Partner membership shall be payable to CBW annually in advance on the first day of January and shall be pro-rated when requested by the Northwest Financial Associations Trust. The amounts of annual dues shall be fixed from time to time by the Board on a budgetary basis in order to carry out the purposes and defray the expenses of CBW.

1.4 Nonpayment of Dues. Any Active, Affiliate, Associate, or Non-Bank Partner member failing to pay its annual dues within ninety (90) days from their due date shall be considered as having withdrawn from the membership and shall thereupon forfeit all privileges of its membership. However, any former member whose membership was terminated for nonpayment of dues may thereafter be reinstated by the Secretary upon payment of all dues in arrears.

1.5 Transfers. No member may transfer or assign its membership or any right or rights arising therefrom.

1.6 Delegates. Each banking institution holding an Active membership in CBW shall select any one of its Directors, officers, or managers to be its delegate to CBW. No delegate shall represent more than one member. A banking institution may change its delegate at any time by giving written notice of such change to the Secretary of CBW, which notice will be effective when received by the Secretary.

## ARTICLE 2: MEETING OF MEMBERS

2.1 Annual Meeting. The annual meeting of the members for the election of officers and for the transaction of such other business as properly shall come before the meeting shall be held on a date set by the Board, provided the meeting is held within 18 months of the prior annual meeting.

2.2 Special Meetings. Special meetings of the members may be called for any

purpose or purposes at any time by the Secretary of CBW upon the request of the Chairman, the Board, or no less than a simple majority of the members.

2.3 Place of Meetings. All meetings of the members shall be held at such places, if any, within or out of the State of Washington, or by means of remote communication, as designated by the Board or the Chairman from time to time.

2.4 Notice of Meetings.

2.4.1 Notice, in the form of a record, in a tangible medium (writing, copy of a writing, facsimile or other reproduction, each on paper), or in an electronic transmission, stating the place, day and hour of the annual meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than fifty days before the date of the meeting, by or at the direction of the president, or the secretary, or the officers or persons calling the meeting, to each member entitled to vote at such meeting. Notice of regular meetings other than annual shall be made by providing each member with the adopted schedule of regular meetings for the ensuing year at any time after the annual meeting and ten days prior to the next succeeding regular meeting and at any time when requested by a member.

2.4.2 If notice is provided in a tangible medium, it may be transmitted by: Mail, private carrier or personal delivery; or telephone, wire or wireless equipment that transmits a facsimile of the notice. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his or her address as it appears on the records of the corporation, with postage thereon prepaid. Other forms of notice in a tangible medium described in this subsection are effective when received.

2.4.3 If notice is provided in an electronic transmission, it must satisfy the requirements of RCW 24.03.009.

2.5 Quorum. At all meetings of the members the presence in person of ten percent of the Active members shall be necessary and sufficient to constitute a quorum, and, except as otherwise provided by law or by the Bylaws, the act of a majority of the Active members present shall be the act of the members unless the law or the Bylaws require a greater proportion.

2.6 Voting. At all meetings of the members at which a quorum is present a majority of the votes entitled to be cast shall be necessary to be voted upon by the Active members present shall be necessary for the adoption thereof. Any member may participate in a meeting by means of a conference telephone or similar communications equipment. Participation by such means shall constitute presence in person at the meeting.

2.7 Meeting Not Required. Any action which is required or permitted to be taken at a meeting of the members may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all members who are entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote of the members. Such consent may be by facsimile or by electronic mail and shall have the same affect as a unanimous vote of the membership.

## ARTICLE 3: OFFICERS AND DUTIES

3.1 Officers. The officers of CBW shall be a Chairman, Chairman-Elect, Vice Chairman, Secretary and Treasurer. No person shall be eligible to hold the office of Chairman, Chairman-Elect, Vice Chairman, Secretary or Treasurer unless the person is an officer in an institution holding Active membership in CBW. The Board may define the powers and duties of each office. Officers shall be members of the Board and maintain active membership status. Any two offices may be combined, except the offices of Chairman and Secretary. An Officer of CBW may not be a director or officer of any other Washington state banking association.

3.2 Election of Officers. The officers shall be elected annually at each annual meeting of the members by a plurality of the votes cast. No officer, with the exception of the Treasurer, shall be elected for more than one consecutive term. Each person elected an officer shall continue in office until the next annual meeting after his election or until his successor shall have been duly elected and qualified or until his earlier death, resignation or removal in accordance with the Bylaws. Vacancies of officers caused by death, resignation, removal or increase in the number of officers may be filled by a majority vote of the Board at a special meeting called for that purpose or at any regular meeting of the Board.

3.3 Election Procedure. The Chairman, Chairman-Elect, Vice Chairman, Secretary and Treasurer shall be elected at the annual meeting of the members. Each year, if possible, the Chairman and Vice Chairman shall be from one side of the Cascade Mountains and the Chairman-Elect and Secretary shall be from the other side of the Cascade Mountains. The Treasurer may reside on either side of the Cascade Mountains. The Board shall elect a Nominating Committee for said offices in accordance with Section 5.15 hereof, and in addition, other nominations may be made to the Secretary in writing signed by any three member delegates two weeks prior to the annual meeting. If there is more than one candidate for a single office, the voting shall be by ballot; otherwise, by voice vote.

3.4 Removal of Officers. Any officer may be removed at any time with or without cause and with or without notice by a two-thirds (2/3) vote of the Board at any meeting of the Board.

3.5 Chairman. The Chairman shall be the chief executive officer of CBW and shall preside at all meetings of the members and of the Board and shall have such other powers and duties as may be assigned to him from time to time by the Board or as prescribed by these Bylaws. When authorized by the Board, the Chairman may execute in the name of CBW, deeds, mortgages, bonds, contracts or other instruments authorized by the Board, except in cases where the execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of CBW. The Chairman shall see that the Bylaws are duly observed and enforced, and shall have the authority to appoint committees, which committees shall report to the Board. He shall perform all acts incident to the office of Chairman.

3.6 Chairman-Elect. The Chairman-Elect shall perform all the duties of the Chairman in his absence or disability; and in the event of the Chairman's death, resignation or inability to discharge his duties, become the Chairman with all the powers and duties of that office, and be

subject to all the restrictions upon the Chairman. When authorized by the Board, the Chairman-Elect may also sign and execute, in the name of CBW, deeds, mortgages, bonds, contracts or other instruments authorized by the Board, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of CBW.

3.7 Vice Chairman. The Vice Chairman shall perform all the duties of the Chairman-Elect in his absence or disability; and in the event of the Chairman-Elect's death, resignation or inability to discharge his duties, become the Chairman-Elect with all the powers and duties of that office, and be subject to all the restrictions upon the Chairman-Elect. When authorized by the Board, the Vice Chairman may also sign and execute, in the name of CBW, deeds, mortgages, bonds, contracts or other instruments authorized by the Board, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of CBW.

3.8 Secretary. The Secretary shall give notices in accordance with the provisions of these Bylaws and as required by law shall be custodian of the records of CBW, shall keep a record of the names and addresses of all members, and, when authorized by the Board, may countersign in the name of CBW, any instruments signed by the Chairman, the Chairman-Elect or the Vice Chairman and authorized by the Board. He shall keep the minutes of all meetings of the Board and of the members; and whenever required by the Chairman, he shall perform like duties for any committee. In the absence of the Secretary, the Chairman, at any meeting of the members or Board, may designate any person to act as Secretary for such meeting. The Secretary shall see that all notices are duly given in accordance with these Bylaws and as required by law. The Secretary shall perform all the duties normally incident to the office and such other duties incident to the office of Secretary, and such other duties as may from time to time be assigned to the Secretary by the Board or by the Chairman.

3.9 Treasurer. The Treasurer shall act under the supervision of the Board and shall have oversight responsibility for the financial transactions, accounting records, and financial statements of CBW. All original financial records shall be maintained by the President at the principal office of CBW. The President shall forward to the Treasurer for review and approval copies of the following documents and records each month: bank reconciliations, bank statements, general ledger, and subsidiary ledgers. The President's expense report shall also be approved and the related check reimbursement signed by the Treasurer each month. The Treasurer shall generally document such approvals by initialing of the source documents reviewed. Quarterly and annual financial statements will be reviewed and approved by the Treasurer before submission to the Board. The Treasurer shall serve as the Board representative and liaison for CBW's independent auditors.

3.10 Executive Committee. The Executive Committee of CBW shall be composed of the President/Executive Director of CBW, the Chairman, Chairman-Elect, Vice-Chairman, Secretary, Treasurer, and past Chairman. The Executive Committee convenes at the call of the Chairman and possesses all of the powers of the Board during the interim period between the meetings of the Board except to amend the Bylaws. The Executive Committee shall keep regular minutes of its meetings and report the same to the full Board for its ratifications.

## ARTICLE 4: ADMINISTRATION

4.1 A President may be selected by the Board. The Board shall have the authority to establish a management contract and compensation for the President. The duties and responsibilities of the President will be determined by the Board and may be outlined in a President Job Description. He shall perform any other duties as may be assigned to him by the Board or by the Chairman. The Board at its discretion shall add, delete or modify the job description of the President. The Board shall annually appoint a committee which shall review the performance of the President/Executive Director.

4.2 The Board is authorized to approve the hiring and compensation of administrative personnel as deemed necessary to carry out the business of CBW.

## ARTICLE 5: BOARD OF DIRECTORS

5.1 General Powers. The business and affairs of CBW shall be managed by the Board. The Directors shall act only as a Board and individual Directors shall have no power as such.

5.2 Election of Directors. The full Board shall be composed of the Chairman, Chairman-Elect, Vice Chairman, Secretary, Treasurer, the immediate past Chairman of CBW and the State Director of the Independent Community Bankers of America, and a minimum of four (4) and a maximum of sixteen (16) additional Directors. The exact number of Board members shall be set by resolution of the Board from time to time. If possible, at least two of the Directors must reside west of the Cascade Mountains and at least two Directors must reside east of the Cascade Mountains. Each Active member shall be permitted to vote for each position. No bank or bank holding company (including all subsidiaries of such holding company) may have more than one person serve as either a Director and/or as an Officer, with the exception of an entity that has an ICBA director represented on the Board. A Director of CBW may not be a director or officer of any other Washington state banking association. No person shall be eligible to be a Director of CBW unless the person is an officer or a senior executive authorized to act on behalf of an institution holding Active membership in CBW.

5.3 Staggered Board. The members of the Board shall be elected by the members of CBW at its Annual Meeting. To the extent possible, to provide continuity, the Board will be divided into three (3) classes – Class 1, Class 2 and Class 3. Each Director will be elected to a three (3) year term to retain the stagger. However, if a Director position has been vacated, other than through expiration of a 3-year term, a Director will be elected to serve the balance of the uncompleted term. In addition to the above, the State Director of the Independent Community Bankers of America association shall serve as a member of the Board as long as such person serves as the State Director.

5.4 Resignation and Removal. Any Director may be removed from such office, with or without cause, by the effective voting of two-thirds of the remaining Directors (excluding the Director under consideration for removal) at any regular or special meeting of the Board. A Director may resign at any time by providing notice to the Chairman.

5.5 Vacancies. A vacancy or vacancies in the Board occurring for any reason,

including an increase in the number of Directors, may be filled by a majority vote of the Directors then in office. Each Director so elected shall hold office for the unexpired portion of the term such Director was elected to fill and until such Director's successor is elected and qualified or until such Director's death, resignation or removal.

5.6 Regular Meetings. Regular meetings of the Board for the transaction of such business as properly shall come before such meetings may be held with or without notice at such regular recurring time and place as the Board may designate.

5.7 Annual Meeting. The annual meeting of the Board for the transaction of such business as properly shall come before the meeting shall be held as soon as practicable following the annual meeting of members. In the event of failure, through oversight or otherwise, to hold the annual meeting of Directors in any year at the time herein provided therefore, the meeting, upon waiver of notice or upon due notice, may be held at a later date, and any election held or business transacted at such meeting shall be as valid and effectual as if held or transacted at the annual meeting during the time herein provided.

5.8 Special Meetings. Special meetings of the Board shall be called at any time by the Secretary upon the request of the Chairman or a majority of the Directors.

5.9 Place of Meetings. All meetings of the Board shall be held at such places, if any, within or out of the State of Washington, or by means of remote communication, as shall be designated by the Board or the Chairman from time to time.

5.10 Notice of Meetings. Notice of every annual meeting of the Board and of every special meeting shall be in writing and served personally or by mail on each Director not less than five (5) days before the meeting. Annual meetings of the Board shall be general meetings and open for the transaction of any business within the powers of the Board without special notice of such business except in any case where special notice is required by law, by the Articles of Incorporation or by the Bylaws. Notice of special meetings shall state the purpose or purposes for which the meeting is called, and the notice of any meeting shall state the time when and the place where it is to be held. If mailed, such notice shall be directed to each Director entitled to notice at his address as it appears on the books or records of CBW. No notice of the time, place or purpose of any meeting need be given to any Director who attends such meeting or to any Director who in writing, executed and filed with the records of CBW, either before or after the holding of such meeting, signs a waiver of such notice. All such waivers shall be filed with the minutes of the meeting. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

5.11 Quorum. At all meetings of the Board the presence of a simple majority of the Directors shall be necessary and sufficient to constitute a quorum, and, except as otherwise provided by law or by the Bylaws, the act of a simple majority of the Directors present shall be the act of the Board.

5.12 Voting. At all meetings of the Board, or of any committee thereof, all matters shall be decided by the vote of a majority of a quorum of the Board cast in person. Any Director

may participate in a meeting by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at the meeting.

5.13 Meeting Not Required. Any action which is required or permitted to be taken at a meeting of the Directors, or a committee, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the Directors, or members of the committee. Such consent may be by facsimile or by electronic mail and shall have the same effect as a unanimous vote. Such action shall be effective as of the date specified in the consent.

5.14 Compensation. The Directors shall not receive compensation for their service as such but the Board may authorize reimbursement for expenses incurred by Directors in connection with the performance of their duties; provided, however, that nothing herein contained shall be construed to preclude any Director from serving CBW in any other capacity or receiving compensation for any such services.

5.15 Additional Officers and Committees. The Board may provide for the appointment of additional officers that it deems necessary and proper to carry out the purposes of CBW. The Chairman or a majority of the Board from time to time by resolution may constitute such committees of Directors, officers, employees, members or non-members, with such functions, powers and duties as the Chairman or the Board shall determine.

## ARTICLE 6: MISCELLANEOUS PROVISIONS

6.1 Offices. The Board may establish, from time to time, one or more offices of CBW at any place or places within or out of the State of Washington and may maintain such office or offices for such period or periods of time as it may deem expedient.

6.2 Fiscal Year. The fiscal year of CBW shall end on December 31<sup>st</sup> in each year.

6.3 Loans. No loan shall be contracted on behalf of CBW unless authorized by the Board. No loan shall be made by CBW to any of its Directors or officers.

6.4 Gender. Any reference to gender herein shall be deemed to refer to any other gender more grammatically applicable.

## ARTICLE 7: AMENDMENT OF BYLAWS

The authority to make and to amend Bylaws for CBW is hereby expressly vested in the Board of CBW, subject to the power of the members to change or repeal such Bylaws.



ADOPTION OF BYLAWS

The foregoing Second Amended and Restated Bylaws have been duly adopted by the Board of CBW.

DATED: \_\_\_\_\_

COMMUNITY BANKERS OF WASHINGTON

BY: \_\_\_\_\_  
Chairman

BY: \_\_\_\_\_  
Secretary