

Amendments to the Bylaws of City Bank

Approved by the Board of Directors at a meeting held on January 11, 2006

ARTICLE I SHAREHOLDERS

Section 1. Annual Meeting. The annual meeting of the shareholders for the purpose of electing directors and for the transacting of such other business that may lawfully come before the meeting shall be held on that certain date in any month of each year as shall be determined each year by the board of directors. Notification of the annual meeting date shall be given by written notice signed by the president, vice-president, or chief financial officer, mailed or telegraphed, postage or telegraph prepaid, to the last known address of each shareholder as shown on the shareholder ledger (or equivalent) of the corporation, said notice to be given not less than ten (10) nor more than sixty (60) calendar days before the date of the meeting unless a purpose of the meeting is to act on an amendment to the Articles of Incorporation, a plan of merger or share exchange, a proposed sale of all or substantially all of the assets of the corporation, or the dissolution of the corporation, in which case notice will be delivered not less than twenty (20) nor more than sixty (60) days before the date of the meeting. Such notice shall state the time when such meeting is to be held and the place of the meeting.

Section 2. Special Meetings. Special meetings of shareholders may be held at any time pursuant to a resolution of the board of directors or to a call signed by shareholders holding ten percent of the voting stock of the corporation, or on call of the president or CEO. Calls for special meetings shall specify the time, place and objects of the meeting, and no other business than that specified in the call may be transacted at any such meeting. Written notice of any special meeting shall be mailed or telegraphed, postage or telegram prepaid, to each shareholder at the last known address of said shareholder shown on the shareholder ledger (or equivalent) of the corporation not less than ten (10) calendar days prior to the date fixed for said meeting unless a purpose of the meeting is to act on an amendment to the Articles of Incorporation, a plan of merger or share exchange, a proposed sale of all or substantially all of the assets of the corporation, or the dissolution of the corporation, in which case notice will be delivered not less than twenty (20) nor more than 60 days.

Section 9. Adjournment. Any meeting may be adjourned from time to time by a vote of a majority of a quorum present, but no business except adjournment shall be transacted in the absence of a quorum. No further notice need be given of the date, time or place of an adjourned meeting, provided that the new date, time or place of the adjourned meeting is announced at the meeting before the adjournment. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally stated in the notice of meeting.

Section 12. Business at Meetings/Shareholder Proposals. At an annual meeting of the shareholders, only such business will be conducted as will have been properly brought before the meeting. To be properly brought before an annual meeting, business must be: (A) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the board of directors, (B) otherwise properly brought before the meeting by or at the direction of the board of directors, or (C) otherwise properly brought before the meeting by a shareholder. For business to be properly brought before a shareholder meeting by a shareholder pursuant to clause (C) of the preceding sentence, the shareholder must have given timely notice thereof in writing to the Secretary of the bank and such other business must otherwise be a proper matter for action. To be timely for purposes of advance notice requirements, a shareholder's proposal must be delivered to the Secretary at the principal executive offices of the bank not less than one hundred twenty (120) calendar days in advance of the first anniversary of the date the bank's proxy statement was mailed to shareholders for the preceding year's annual meeting. In no event will the public announcement of an adjournment of a shareholder meeting commence a new time period for the giving of a shareholder's notice as described above. A shareholder's notice to the secretary must set forth as to each matter the shareholder proposes to bring before the annual meeting: (a) a brief description of the business desired to be brought before the meeting, (b) the name and address, as they appear on the bank's books, of the shareholder proposing such business, (c) the class and number of shares of the bank which are owned beneficially by such shareholder, (d) any material interest of the shareholder in such business, and (e) any other information that is required to be provided by the shareholder pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "1934 Act") (or any successor thereto) in such shareholder's capacity as a proponent of a proposal. Notwithstanding anything in these Bylaws to the contrary, no business will be conducted at any annual meeting except in accordance with the procedures set forth in this section. The Chairman of the annual meeting will, if the facts warrant, determine and declare at the meeting that business was not properly brought before the meeting and in accordance with the provisions of this section, and, if the Chairman should so determine, he will so declare at the meeting that any such business not properly brought before the meeting will not be transacted.

## ARTICLE II DIRECTORS

Section 1. Management of Corporation. All corporate powers shall be exercised by, or under authority of, and the business and affairs of the corporation shall be managed under the direction of the Board of Directors.

Section 5. Regular Meetings. Regular meetings of the board of directors may be held without notice of the date, time, place or purpose of the meeting. The Board may provide, by resolution, the time and place, either within or without the State of Washington, for the holding of regular meetings without other notice than such resolution.

Section 7. Notices and Waiver. Notices of both regular (if a change from the regularly scheduled date, time or place) and special meetings, save when held by unanimous consent or participation, shall be given by any one of the following methods:

Personal notice by word-of-mouth at least 2 hours before the meeting:

Personal notice by telephone to the director personally or to some person regularly present at his or her place of business or residence at least 4 hours before the meeting; or

By electronic or written notice transmitted by the secretary to each member of the board at his or her regular mailing address or place of business or residence, not less than two (2) calendar days before any such meeting, and notices of special meetings shall state the purposes thereof.

The secretary or designee shall make a written record as to the chosen method of giving notice.

Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened and such director states such objection to the secretary before the meeting is commenced. A waiver of notice signed by the director or directors, whether before or after the time stated for the meeting, shall be equivalent to the giving of notice.

Section 10. Officers of the Company. Officers of the company shall be elected by the board of directors at their first meeting after the election of directors each year. If any office becomes vacant during the year, the board of directors shall fill the same for the unexpired term. The board of directors, or such committee as designated by the board, shall fix the compensation of the officers and agents of the corporation.

Section 11. Order of Business. The order of business at any regular meeting of the board of directors shall be:

1. Reading and disposal of any unapproved minutes
2. Reports of officers and committees
3. Unfinished business
4. New business
5. Adjournment

### ARTICLE III OFFICERS

Section 1. Officers. The officers of this corporation may include a chief executive officer, president, vice-president, chief financial officer, secretary and such other officers as may be required from time to time for the prompt and orderly transaction of its business; and all officers, clerks and agents shall be elected and employed by the board of directors, or with the consent thereof, and their several duties may be prescribed by the board.

Section 2. Chief Executive Officer. The Chief Executive Officer, who may also hold the office of President, shall have general management of the business of the corporation. The Chief Executive Officer shall see that all orders and resolutions of the Board of Directors and the Executive Committee are carried into effect and shall have general supervision over the property, business, and affairs of the corporation and its several officers. The Chief Executive Officer shall be the person to whom the President (unless such person is one in the same), and all other officers designated by the Chief Executive Officer, shall report. The Chief Executive

officers of the corporation. The Chief Executive Officer may appoint agents or employees other than those appointed by the Board of Directors, and shall perform such other duties as may be prescribed from time to time by the Board of Directors or by the Bylaws.

Section 5. Chief Financial Officer. The Chief Financial Officer shall, subject to the direction of the Chief Executive Officer have general custody of all the property, funds and securities of the corporation and have general supervision of the collection and disbursement of funds of the corporation. The Chief Financial Officer shall provide for the keeping of proper records of all transactions of the corporation, and shall perform such other duties as may be assigned to him or her by the Board of Directors or the Chief Executive Officer.

#### ARTICLE IV BUSINESS OF CORPORATION

Section 1. Executive Committee. The board may designate from among its members an Executive Committee, consisting of three directors including the president, which committee shall act,

as an executive committee which may exercise all authority of the board except as restricted by law or resolution of the board; and

as a loan committee with such other powers and duties as shall be fixed by the board from time to time.

The Executive Committee shall maintain a complete record of its proceedings in the form of minutes, and deliver a copy of its minutes to the secretary of the board.

Section 2. Audit Committee. The board may designate from among its members an Audit Committee of three or more directors, none of whom shall be active officers of the corporation, and one of whom shall be appointed Chairman. The Committee will establish and maintain continuing communications between the board and the corporation's independent auditors, internal auditors, and members of financial management with respect to the audit of the corporation's accounts and financial affairs. The committee shall have such other powers and perform such other duties as may from time to time be prescribed by the board of directors.

Section 3. Nominating Committee. The board may designate from among its members a Nominating Committee of three or more directors, none of whom shall be active officers of the corporation and one of whom shall be appointed Chairman. The committee shall meet at least once annually, and at any other time on call of the Chairman of the committee, or the president of the corporation, or a majority of the committee's members. The committee is responsible for reviewing, determining the eligibility of, and recommending to the full board candidates to fill vacancies on the board and an annual slate of nominees for election as directors.

#### ARTICLE VI. STOCK

Section 3. Lost or Destroyed Certificates. Lost or destroyed certificates may be replaced

proof satisfactory of such loss or destruction of such certificate, and indemnity being furnished in satisfactory form to protect the corporation against any loss arising from said lost certificate.

#### ARTICLE VIII EXPENSES

This section was deleted in its entirety.

#### ARTICLE VIII AMENDMENTS

Section 1. Shareholders: These bylaws may be altered, amended or repealed by the affirmative vote of two thirds of the voting stock issued and outstanding and entitled to vote at any regular or special meeting of the shareholders.

Section 2. By Directors. Without the assent of the votes of the shareholders, the board of directors of the corporation shall have, and is hereby vested with, the power to make, alter, amend and repeal in whole or in part the bylaws of the corporation by an affirmative vote of a majority of the whole board then serving at any regular or special meeting of the board, except that, the board shall not make or alter bylaws fixing their qualifications, term of office or compensation. Any bylaws, or any alteration, amendment or repeal of the bylaws made by the board, may be changed or repealed by the holders of a majority of the stock entitled to vote at any shareholders' meeting. Any such shareholder change or repeal shall operate prospectively from the date of said change or repeal.