
FEDERAL DEPOSIT INSURANCE CORPORATION

Washington, D.C. 20429

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): August 28, 2023

Summit State Bank

(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of
incorporation)

32203
(FDIC Certificate No.)

94-2878925
(IRS Employer Identification
Number)

500 Bicentennial Way
Santa Rosa, California
(Address of principal executive offices)

95403
(Zip Code)

(707) 568-6000
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	SSBI	NASDAQ Global Market

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On August 28, 2023, James E. Brush retired as a member of the Board of Directors.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On August 28, 2023, in connection with the effectiveness of new Securities and Exchange Commission rules regarding universal proxy cards, certain recent changes to the California General Corporation Law (the “CGCL”), and a periodic review of the bylaws of Summit State Bank (the “Bank”), the Bank’s board of directors (the “Board”) approved and adopted the Bank’s amended and restated bylaws (the “Amended and Restated Bylaws”), which became immediately effective.

Among other things, the Amended and Restated Bylaws:

- permit shareholder meetings to be conducted in-person and electronically, or solely by electronics means, subject to the applicable provisions of the CGCL;
- authorize the Board to adopt rules and procedures for the conduct for shareholder meetings.
- require that a shareholder soliciting proxies from other shareholders use a proxy card color other than white;
- revise the timing requirements set in forth in the advance notice bylaw provision to require that a shareholder provide notice of a director nomination to be made at an annual meeting of shareholders not earlier than 120 days and not later than 90 days before the date of the meeting; provided, if the date for the annual meeting has changed more than 30 days from the date on which the prior year’s annual meeting was held, then such notice must be received not later than the 10th day following the day on which public announcement of the date of such meeting is first made;
- revise the procedures and disclosure requirements in the advance notice bylaw provision for shareholders’ nominations of director candidates, including requiring certain information, representations and disclosures from a nominating shareholder and proposed nominees and requiring that proposed nominees complete a questionnaire provided by the Bank if requested;
- address matters relating to Rule 14a-19 under the Securities Exchange Act of 1934, as amended (the “Universal Proxy Rules”), such as requiring that shareholders intending to use the Universal Proxy Rules deliver a notice to the Bank certifying in writing that they will comply with the Universal Proxy Rules’ requirements and to confirm that they have complied with the Universal Proxy Rules, and to provide reasonable evidence that they have so complied, at least ten days before the shareholder meeting;
- require that the nominating shareholder (or a qualified representative) and the nominating shareholder’s candidate(s) be present in person at the meeting for the election of directors;

- provide that if the election of a nominating shareholder’s nominee would cause the Bank to violate the Bank’s articles of incorporation, the Amended and Restated Bylaws, or any applicable law or stock exchange listing standard, then such nomination or nominations shall be disregarded; and
- add an advance notice provision for shareholder proposals requiring that a shareholder provide notice of business to be brought before an annual meeting of shareholders not earlier than 120 days and not later than 90 days before the date of the meeting; provided, if the date for the annual meeting has changed more than 30 days from the date on which the prior year’s annual meeting was held, then such notice must be received not later than the 10th day following the day on which public announcement of the date of such meeting is first made.

The foregoing summary is qualified in its entirety by reference to the full text of the Amended and Restated Bylaws, a copy of which is attached hereto as Exhibit 3.1 and is incorporated herein by reference.

The Bank expects that its 2024 annual meeting of shareholders will be held on May 27, 2024.

Item 9.01. Financial Statements and Exhibits

(c) **Exhibits:**

<u>Exhibit Number</u>	<u>Description</u>
10.1	Bylaws of Summit State Bank

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

SUMMIT STATE BANK

Dated: August 29, 2023

By: /s/ Camille Kazarian
 Camille Kazarian
 Executive Vice President and
 Chief Financial Officer (Duly Authorized Officer)

**BY-LAWS
OF
SUMMIT STATE BANK**

Amended and Restated as of August 28, 2023

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**BY-LAWS
OF
SUMMIT STATE BANK**

ARTICLE I

Meetings of Shareholders

Section 1.1. Annual Meeting.

The annual meeting of the shareholders shall be held each year at a date and time fixed in accordance with these By-Laws. The Board of Directors by resolution shall designate the time, place and date (which shall be no more than fifteen (15) months after the date of the last annual meeting) of the annual meeting of the shareholders for the election of directors and the transaction of any other proper business. Notice of the meeting shall be mailed, postage prepaid, at least 10 days and no more than 60 days prior to the date thereof, addressed to each shareholder at his/her address appearing on the books of the Corporation. If, for any cause, an election of directors is not made on the day of the regular annual meeting of shareholders, or in the event the day of the regular annual meeting of shareholders falls on a legal holiday, on the next following banking day, an election may be held on any subsequent day within 60 days of the date fixed, to be designated by the Board of Directors, or, if the directors fail to fix the date, by shareholders representing two thirds of the shares.

Section 1.2. Special Meetings.

Special meetings of the shareholders, for any purpose or purposes whatsoever, may be called at any time by the Board of Directors, the Chairman of the Board, the President, or by holders of shares entitled to cast not less than 10 percent of the votes at the meeting. Every such special meeting, unless otherwise provided by law, shall be called by mailing, postage prepaid, not less than 10 days nor more than 60 days prior to the date fixed for the meeting, to each shareholder at the address appearing on the books of the Corporation, a notice stating the purpose of the meeting.

Section 1.3. Quorum.

The presence at any meeting of the shareholders, in person or by proxy, of the persons entitled to vote a majority of the voting shares of the Corporation shall constitute a quorum for the transaction of business. Shareholders present at a valid meeting of the shareholders at which a quorum is initially present may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum present at the meeting, if any action taken (other than adjournment) is approved by persons voting more than 25 percent of the voting shares.

Section 1.4. Adjourned Meeting.

Any annual or special shareholders' meeting may be adjourned from time to time, even though a quorum is not present, by vote of the holders of a majority of the voting shares present

at the meeting either in person or by proxy, provided that in the absence of a quorum, no other business may be transacted at the meeting except as provided in Section 1.3 of these By-Laws.

Notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, any business may be transacted which might have been transacted at the original meeting. If the adjournment is for more than 45 days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting as of the new record date.

Section 1.5. Waiver or Consent by Shareholders.

The transactions of any meeting of shareholders, however called and noticed, and wherever held, are as valid as though had at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Attendance of a person at a meeting shall constitute a waiver of notice of and presence at such meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters required by Section 601(f) of the California Corporations Code to be included in the notice but not so included, if such objection is expressly made at the meeting. Neither the business to be transacted at nor the purpose of any regular or special meeting of shareholders need be specified in any written waiver of notice, consent to the holding of the meeting or approval of the minutes thereof, except as provided in Section 601(f) of the California Corporations Code.

Section 1.6. Voting Rights; Cumulative Voting.

Only persons in whose names shares entitled to vote stand on the stock records of the Corporation at the close of business on the record date fixed by the Board of Directors as provided in Section 5.4 of these By-Laws for the determination of shareholders of record shall be entitled to notice of and to vote at meetings of shareholders. If no record date is fixed, the record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held; the record date for determining shareholders entitled to give consent to corporate action in writing without a meeting, when no prior action by the Board has been taken, shall be the day on which the first written consent is given; and the record date for determining shareholders for any other purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto, or the 60th day prior to the date of such other action, whichever is later.

Except as provided in the next following sentence and except as may be otherwise provided in the Articles of Incorporation, each shareholder entitled to vote shall be entitled to one vote for each share held on each matter submitted to a vote of shareholders. In the election

of directors, each such shareholder complying with the following paragraph may cumulate such shareholder's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which the shareholder's shares are normally entitled, or distribute the shareholder's votes on the same principle among as many candidates as the shareholder thinks fit.

No shareholder shall be entitled to cumulate votes in favor of any candidate or candidates unless such candidate's or candidates' names have been placed in nomination prior to the voting and the shareholder has given notice at the meeting prior to the voting of the shareholder's intention to cumulate the shareholder's votes. If any one shareholder has given such notice, such fact shall be announced to all shareholders and proxies present, who may then cumulate their votes for candidates in nomination.

In any election of directors, the candidates receiving the highest number of votes of the shares entitled to be voted for them, up to the number of directors to be elected by such shares, are elected.

Voting may be by voice or ballot, provided that any election of directors must be by ballot upon the demand of any shareholder made at the meeting and before the voting begins.

Section 1.7. Proxies.

Every person entitled to vote shares may authorize another person or persons to act by proxy with respect to such shares. All proxies must be either a written authorization signed, or an electronic transmission authorized by a shareholder confirming the proxy of his attorney-in-fact. A proxy may be transmitted by an oral telephonic transmission if it is submitted with information from which it may be determined that the proxy was authorized by the shareholder. Any shareholder soliciting proxies from other shareholders must use a proxy card color other than white, which shall be reserved for the exclusive use of the Board of Directors. No proxy shall be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy. Every proxy continues in full force and effect until revoked by the person executing it prior to the vote pursuant thereto, except as otherwise provided in Section 705 of the California Corporations Code. Such revocation may be affected by a writing delivered to the Corporation stating that the proxy is revoked or by a subsequent proxy executed by the person executing the prior proxy and presented to the meeting, or as to any meeting, by attendance at such meeting and voting in person by the person executing the proxy. The dates contained on the forms of proxy presumptively determine the order of execution, regardless of the postmark dates on the envelopes in which they are mailed.

Section 1.8. Voting by Joint Holders or Proxies.

Shares or proxies standing in the names of two or more persons shall be voted or represented in accordance with the vote or consent of the majority of such persons. If only one of such persons is present in person or by proxy, that person shall have the right to vote all such shares, and all of the shares standing in the names of such persons shall be deemed to be represented for the purpose of determining a quorum. If more than one of such persons is present in person or by proxy and the vote between them is evenly split on any particular matter,

each faction may vote the shares in question proportionately. This section shall apply to the voting of shares by two or more administrators, executors, trustees or other fiduciaries, or joint proxy holders, unless the instrument or order of court appointing them shall otherwise direct.

Section 1.9. Inspectors of Election.

In advance of any meeting of shareholders the Board may appoint inspectors of election to act at the meeting and any adjournment thereof. If inspectors of election are not so appointed, or if any persons so appointed fail to appear or refuse to act, the chairman of any meeting of shareholders may, and on the request of any shareholder or a shareholder's proxy shall, appoint inspectors of election (or persons to replace those who so fail or refuse) at the meeting. The number of inspectors shall be either one or three. If appointed at a meeting on the request of one or more shareholders or proxies, the majority of shares represented in person or by proxy shall determine whether one or three inspectors are to be appointed. If there are three inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificates of all.

The inspectors of election shall do all of the following: determine the number of shares outstanding and the voting power of each; determine the shares represented at the meeting; determine the existence of a quorum; determine the authenticity, validity and effect of proxies; receive votes, ballots or consents; hear and determine all challenges and questions in any way arising in connection with the right to vote; count and tabulate all votes or consents; determine when the polls shall close; determine the result; and do such acts as may be proper to conduct the election or vote with fairness to all shareholders.

Section 1.10. Place of Shareholder Meetings.

Meetings of the shareholders, whether annual or special, shall be held at the principal office of the Corporation or such other place within the State of California as the Board of Directors may designate. At the sole discretion of the Board of Directors, and subject to applicable provisions under the General Corporation Law and any guidelines and procedures that the Board of Directors may adopt, a meeting of shareholders may be conducted in whole or in part by electronic transmission by and to the Corporation, electronic video screen communication, conference telephone, or other means of remote communication.

Section 1.11. Shareholder Proposals.

At any meeting of shareholders, business will only be conducted if it is brought before the meeting (1) by or at the direction of the Board of Directors or an authorized committee of the Board of Directors, (2) in accordance with Rule 14a-8 under the Securities Exchange Act of 1934 (the "Exchange Act"), or (3) by a shareholder of record entitled to vote at such meeting who complies with the requirements set forth in this Section.

For business (other than director nominations, which are governed by Section 2.3 of these By-laws) to be properly brought before an annual meeting by a shareholder, the shareholder or shareholders of record intending to propose the business (the "proposing shareholder") must have given written notice of the proposing shareholder's proposal by personal delivery, courier or United States mail to the secretary of the Corporation no earlier than one hundred twenty

(120) calendar days and no later than ninety (90) calendar days before the date such annual meeting is to be held. If the current year's annual meeting is called for a date that is not within thirty (30) days of the anniversary of the previous year's annual meeting, notice must be received not later than ten (10) calendar days following the day on which public announcement of the date of the annual meeting is first made. In no event will an adjournment or postponement of an annual meeting of shareholders begin a new time period for giving a proposing shareholder's notice as provided above.

For business to be properly brought before a special meeting of shareholders, the notice of the meeting sent by or at the direction of the person calling the meeting must describe the nature of the business to be considered. A shareholder or shareholders making a written request for a special meeting pursuant to Section 1.2 of these By-laws shall provide the information required for notice of a shareholder proposal under this Section simultaneously with the written request for the meeting submitted to the Corporation.

A proposing shareholder's notice of a proposal shall include (a) as to each proposing shareholder, the name and address of the proposing shareholder and the classes and number of shares of capital stock of the Corporation held and beneficially owned (as defined in Rule 13d-3 under the Exchange Act) by the proposing shareholder and if different, the name and address of the proposing shareholder, as they appear in the Corporation's books; (b) a description of the business and the reasons for conducting such business at the meeting; and (c) as to each proposing shareholder, the material interests of the proposing shareholder in such business.

Notwithstanding the foregoing provisions, unless brought under Rule 14a-8 under the Exchange Act and included in the Corporation's notice of meeting, as required by law, or as otherwise determined by the Board of Directors, if the proposing shareholder or a qualified representative of the proposing shareholder does not appear at the meeting of shareholders to present its proposal (including virtually in the case of a meeting conducted solely by electronic transmission by and to the Corporation, electronic video screen communication, conference telephone, or other means of remote communication), the proposal shall be disregarded, and no vote on such shareholder proposal shall occur, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

The foregoing provisions of this Section do not relieve any shareholder of any obligation to comply with all applicable requirements of the Exchange Act and the rules and regulations promulgated under the Exchange Act.

Section 1.12. Conduct of Shareholder Meetings.

The Board of Directors may adopt by resolution such rules, regulations, and procedures for the conduct of any meeting of shareholders as it deems appropriate. Except to the extent inconsistent with rules, regulations, and procedures adopted by the Board of Directors, the chair of the meeting shall have the right to prescribe such rules, regulations, and procedures and to do all such acts, as, in the judgment of such chair, are necessary, appropriate, or convenient for the proper conduct of the meeting. Such rules, regulations, or procedures, whether adopted by the Board of Directors or the chair of the meeting, may include, without limitation, the following: (a) the establishment of an agenda for the meeting; (b) rules and procedures for maintaining order at

the meeting and the safety of those present at the meeting; (c) limitations on attendance at or participation in the meeting to shareholders of record of the Corporation, their duly authorized and constituted proxies or representatives, or such other persons as the chair of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; (e) the determination of the circumstances in which any person may make a statement or ask questions and limitations on the time allotted to questions or comments; (f) the determination of when the polls shall open and close for any given matter to be voted on at the meeting; (g) the exclusion or removal of any shareholders or any other individual who refuses to comply with meeting rules, regulations, or procedures; (h) restrictions on the use of audio and video recording devices, cell phones, and other electronic devices; (i) rules, regulations, and procedures for compliance with any federal, state, or local laws or regulations (including those concerning safety, health, or security); (j) procedures (if any) requiring attendees to provide the Corporation advance notice of their intent to attend the meeting; and (k) rules, regulations, or procedures regarding the participation by means of remote communication of shareholders and proxy holders not physically present at a meeting, whether such meeting is to be held at a designated place or solely by means of remote communication. Unless and to the extent determined by the Board of Directors or the chair of the meeting, the chair of the meeting shall not be obligated to follow any technical, formal, or parliamentary rules or principles of procedure.

ARTICLE II

Directors

Section 2.1. Powers of Directors.

Subject to limitations of the Articles of Incorporation, of these By-Laws, of the California General Corporation Law, and of the California Financial Code as to actions to be authorized or approved by the shareholders, and subject to the duties of Directors as prescribed by these By-Laws, all corporate powers shall be exercised by or subject to the direction of, and the business and affairs of the Corporation shall be managed by or under the direction of, the Board. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers:

- a. To control the election, the appointment, the authority, the responsibility and the qualifications of all persons in charge of the business and the affairs of the Corporation.
- b. To conduct, manage and control the affairs and business of the Corporation, and to make rules and regulations therefor not inconsistent with law, the Articles or these By-Laws, as they deem best.
- c. To cause to be kept a record of all their meetings and proceedings and of all the meetings of the shareholders, and to cause to be presented at the annual meetings of the shareholders a statement showing the assets and liabilities of the Corporation.
- d. To require from the officers and from other persons in charge of the business and affairs of the Corporation respectively, such bond or security as it may see fit for the faithful performance of their duties.

e. To borrow money and incur indebtedness for the purposes of the Corporation, and to cause to be executed and delivered therefor, in the Corporate name, promissory notes, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidences of debt and security therefor.

f. To appoint such committees and members thereof as it may deem proper and to define the powers and duties of such committees, and to determine their compensation.

g. To make any distribution to the Corporation's shareholders at a rate or in a periodic amount or within a price range as it may deem proper and in a manner provided by law.

h. To cause to be issued to the Corporation's shareholders, in proportion to their several interests, certificates of stock not to exceed in the aggregate the authorized capital.

i. To fix by general and uniform resolution or resolutions the compensation of each director for serving as director and to make such changes therein from time to time as it may deem proper.

Section 2.2. Number of Directors.

The authorized number of directors shall be not less than nine nor more than sixteen, the exact number within such minimum and maximum limits to be fixed and determined from time to time by resolution of a majority of the full Board or by resolution of a majority of the shareholders at any meeting thereof. Directors need not be shareholders of the Corporation.

Section 2.3. Nomination of Directors.

At any meeting of shareholders at which directors are to be elected, a proposed nominee (other than a nominee nominated by the Board of Directors or by a person or committee authorized by the Board of Directors) shall only be eligible for election to the Board of Directors if nominated by a shareholder of record entitled to vote at such meeting who complies with the requirements and procedures set forth in this Section.

For a director nomination(s) to be properly brought before any meeting of shareholders at which one or more directors are to be elected, the shareholder or shareholders of record intending to nominate a candidate or candidates (the "nominating shareholder") must have given written notice of the nominating shareholder's nomination(s) either by personal delivery or by United States mail to the secretary of the Corporation no earlier than one hundred twenty (120) calendar days and no later than ninety (90) calendar days before the date such annual meeting is to be held. If the current year's annual meeting is called for a date that is not within thirty (30) days of the anniversary of the previous year's annual meeting, notice must be received not later than ten (10) calendar days following the day on which public announcement of the date of the annual meeting is first made. In no event will an adjournment or postponement of an annual meeting of shareholders begin a new time period for giving a proposing shareholder's notice as provided above. A shareholder or shareholders making a written request for a special meeting pursuant to Section 1.2 of these By-laws shall provide the information required for notice of any director nomination(s) under this Section simultaneously with the written request for the meeting submitted to the Corporation.

A nominating shareholder's notice of a director nomination shall include:

a. The name and address of the nominating shareholder and the classes and number of shares of capital stock of the Corporation held and beneficially owned (as defined in Rule 13d-3 under the Exchange Act) by the nominating shareholder; and (ii) if different, the name and address of the proposing shareholder, as they appear in the Corporation's books; and

b. (i) the full name, age and date of birth of each candidate; (ii) the business and residence address and telephone numbers of each candidate; (iii) the education background and business/occupational experience of each candidate including a list of positions held for at least the preceding five (5) years; (iv) the class and number of shares of the Corporation beneficially owned by each candidate; (v) the number of shares of capital stock of any bank, bank holding company, savings and loan association or other depository institution owned beneficially by the candidate or by the nominating shareholder and the identities and locations of any such institutions; (vi) a statement as to whether each candidate has ever been convicted of or pleaded nolo contendere to any criminal offense involving dishonesty or breach of trust, filed a petition in bankruptcy or been adjudged bankrupt and (vii) a signed representation by each such candidate that the candidate will timely provide any other information reasonably requested by the Corporation for the purpose of preparing its disclosures in regard to the solicitation of proxies for the election of directors.

If a nominating shareholder will solicit proxies for a nominee or nominees other than the Corporation's nominees in accordance with Rule 14a-19 under the Exchange Act, the nominating shareholder's notice must additionally provide: (i) all other information required by Rule 14a-19; (ii) a written representation and undertaking that such shareholder intends to deliver a proxy statement and/or form of proxy to holders of shares representing at least 67% of the voting power of the stock entitled to vote generally in the election of directors in accordance with Rule 14a-19, and that a statement to such effect will be included in such shareholder's proxy statement; (iii) a written representation and undertaking that such shareholder will comply with all requirements of the Exchange Act and the regulations promulgated thereunder, including but not limited to Rule 14a-19 and all other requirements of Regulation 14A (as such rule and regulations may be amended or interpreted from time to time by the Securities and Exchange Commission, including through any staff interpretations related thereto); and (iv) each proposed director nominee's written consent to being named in the Company's proxy statement for the applicable meeting and the associated proxy card. In addition, such nominating shareholder shall provide the Corporation a written certification within ten (10) days prior to the meeting for the election of directors (or any adjournment, postponement or rescheduling thereof) with reasonable documentary evidence that such nominating shareholder has complied with the representations and undertakings made pursuant to the foregoing subsections (ii) and (iii).

In addition to the foregoing, upon the Corporation's request, any nominee proposed by a shareholder must promptly (but in any event within ten (10) days of the Corporation's request) complete and return a director questionnaire to be provided by the Corporation.

A nominating shareholder shall promptly provide notice to the Corporation of any changes to any of the information submitted to the Corporation pursuant to this Section.

The name of each such candidate for director must be placed in nomination at the annual meeting by the nominating shareholder or a qualified representative of the nominating shareholder present in person and the nominating shareholder's candidate(s) must be present in person at the meeting for the election of directors, provided that a nominating shareholder, qualified representative or candidate may appear virtually in the case of a meeting conducted solely by electronic transmission by and to the Corporation, electronic video screen communication, conference telephone, or other means of remote communication.

No person nominated by a shareholder shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in these By-laws. Further, if a nominating shareholder provides notice under these By-laws or pursuant to Rule 14a-19 and subsequently fails to comply with the procedures set forth in these By-laws or the applicable requirements of Rule 14a-19, then the Corporation shall disregard any proxies solicited or votes cast for such shareholder's nominee(s). The Board of Directors (and any other person or committee authorized by the Board of Directors) shall have the power and duty to determine whether a nomination was made in accordance with the procedures and other requirements set forth in these By-laws and, if any proposed nomination was not made in compliance with these By-laws, to declare that such nomination shall be disregarded, in each case, acting in good faith; provided that, if any determination must be made at a meeting of the shareholders, the chair of the meeting shall have the power and duty, acting in good faith, to make such determination, unless otherwise determined by the Board of Directors. Any determination adopted in good faith by the Board of Directors (or any other person or committee authorized by the Board of Directors) or the chair of the meeting, as the case may be, shall be binding on all persons, including the Corporation and its shareholders (including any beneficial owners).

Notwithstanding the foregoing provisions, unless otherwise required by law or otherwise determined by the Board of Directors, if (1) the nominating shareholder or a qualified representative of the nominating shareholder does not appear at the meeting of shareholders (including virtually in the case of a meeting conducted solely by electronic transmission by and to the Corporation, electronic video screen communication, conference telephone, or other means of remote communication) to present its nomination(s) or (2) the election of a nominating shareholder's nominee would cause the Corporation to be in violation of the Articles of Incorporation, these By-laws, or any applicable state or federal law, rule, regulation, or stock exchange listing standard, then such nomination or nominations shall be disregarded, and no vote on such shareholder nominee(s) shall occur, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

The foregoing provisions of this Section do not relieve any shareholder of any obligation to comply with all applicable requirements of the Exchange Act and the rules and regulations promulgated under the Exchange Act.

This Section or a summary of this Section shall be set forth in either the notice or related proxy statement concerning any shareholder meeting at which the election of directors is to be considered.

Section 2.4. Election and Term of Office,

The directors shall be elected annually by the shareholders at the annual meeting of the shareholders; provided, that if for any reason, said annual meeting or an adjournment thereof is not held or the directors are not elected thereat, then the directors may be elected at any special meeting of the shareholders called and held for that purpose. Except as provided in Section 2.6 of these By-Laws, the term of office of the directors shall begin immediately after their election and shall continue until their respective successors are elected and qualified at the next following annual meeting of the shareholders.

Section 2.5. Removal of Directors.

A director may be removed from office by the Board of Directors if he is declared of unsound mind by the order of court or convicted of a felony. Any or all of the directors may be removed from office without cause by a vote of shareholders holding a majority of the outstanding shares entitled to vote at an election of directors; however, unless the entire Board of Directors is removed, an individual director shall not be removed if the votes cast against removal, or not consenting in writing to such removal, would be sufficient to elect such director if voted cumulatively at an election at which the same total number of votes were cast, or, if such action is taken by written consent, all shares entitled to vote were voted, and the entire number of directors authorized at the time of the director's most recent election were then being elected. A director may also be removed from office by the Superior Court of the county in which the Corporation's principal office is located, at the suit of the Corporation's shareholders holding at least ten percent of the number of outstanding shares, in case of fraudulent or dishonest acts or gross abuse of authority or discretion with reference to the Corporation, in the manner provided by law.

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

Section 2.6. Vacancies.

A vacancy or vacancies on the Board of Directors shall exist on the death, resignation, or removal of any director, or if the authorized number of directors is increased or the shareholders fail to elect the full authorized number of directors.

Except for a vacancy created by the removal of a director, vacancies on the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors although less than a quorum, or by a sole remaining director, and each director elected in this manner shall hold office until his successor is elected at an annual or special shareholders' meeting.

The shareholders may elect a director at any time to fill any vacancy not filled by the directors. Any such election by written consent other than to fill a vacancy created by removal requires the consent of a majority of the outstanding shares entitled to vote.

Any director may resign from the Board of Directors by giving written notice of resignation to the Chairman of the Board, the President, the Secretary, or the Board of Directors of the Corporation. Unless the notice of resignation specifies that it will be effective at a future

time, any such resignation shall be effective when notice is given. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

Section 2.7. Chairman of the Board.

The Board of Directors shall elect a Chairman of the Board, who shall preside at all meetings of the Board of Directors at which the Chairman is present, shall be ex officio a member of all standing committees, and shall exercise and perform any other powers and duties assigned to the Chairman by the Board or prescribed by these By-Laws. The position of Chairman of the Board need not be designated as an officer of the Corporation, and unless specifically designated as such by the Board, the Chairman of the Board Directors shall not be an officer.

Section 2.8. Vice Chairman of the Board.

The Board of Directors may elect a Vice Chairman of the Board, who shall preside at all directors' meetings not presided over by the Chairman of the Board.

Section 2.9. Annual Meeting of Directors.

The Board of Directors shall meet for the purpose of organization, the election of officers, and the transaction of other business, immediately after each annual election of directors on the same day on which the shareholders' meeting at which they have been elected has been held. Notice of such meeting need not be given.

Section 2.10. Regular Meetings of Directors.

The regular meetings of the Board of Directors shall be held on the last Monday of each month at 9:30 a.m. except when the annual meeting shall constitute the regular meeting and shall be held immediately after the annual election of directors. In the event that the day fixed for a regular meeting of directors shall fall on a legal holiday, then such regular meeting shall be held at the same hour upon such day as the Board of Directors may previously designate by resolution, and if no such day is designated, the said meeting shall be held on the next succeeding day not a holiday. No notice of regular meetings of directors is required.

Section 2.11. Special Meetings of Directors.

Special meetings of the Board may be called by the Chairman of the Board or any two directors. Notice of special meetings of the Board shall state the time and place of the meeting shall state the purpose thereof. Such notice may be in writing and shall be sufficient if given by United States mail, telegraph, personal service or by telephone or email or telefax transmission; if by mail then the notice shall be deposited, postage prepaid, in any regular place of deposit for United States mail in the City of Santa Rosa at least four days before the time of the meeting, addressed to the director at his last post office address as known to the officer giving the notice; if by telegraph then the telegram containing the notice shall be delivered to a telegraph office in the City of Santa Rosa, transmission charges prepaid, at least twenty-four hours before the time of the meeting, addressed to the director at his last post office address as known to the officer

giving the notice; if by personal service or by telephonic means at least twenty-four hours before the time of the meeting. A record of such notice, by whom given and the manner in which given shall be entered upon the minutes of any special meeting of the Board, and the said minutes on being read and approved at any subsequent meeting of the Board shall be presumptive upon the question of service. The attendance of any director at any meeting of the Board without protest of lack of notice to him, either prior to or at the commencement of the meeting, shall constitute a waiver of any such notice. A director may execute a waiver of notice of any meeting of the Board either before or after such meeting.

Section 2.12. Place of Meetings of Directors.

If the place of a regular or special meeting is not fixed by resolution or written consents of the Board, it shall be held in California at the Corporation's principal office. Any regular or special meeting shall be valid wherever held if held upon written consent of all members of the Board given either before or after the meeting and filed with the Secretary of the Corporation.

Section 2.13. Meetings Called by Commissioner.

a. The Commissioner of Financial Institutions of the State of California may call a meeting of the Board of Directors of this Corporation pursuant to Section 684 of the California Financial Code.

b. A meeting of the Board called by the Commissioner shall be held upon 4 days notice by mail or 24 hours' notice delivered personally or by telephone or telegraph. Such notice shall be given by the Commissioner or, if the Commissioner so orders, by an officer of the Corporation.

c. A meeting of the Board called by the Commissioner shall be held at such place within this state as may be designated by the Commissioner and specified in the notice of such meeting.

d. The expenses of a meeting of the Board called by the Commissioner shall be paid by the Corporation.

Section 2.14. Quorum.

A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn a meeting under Section 2.16 of these By-Laws. Every act done or decision made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless the vote of a greater number is required by law, the Articles of Incorporation, or these By-Laws. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by a majority of the required quorum for such meeting.

Section 2.15. Adjournment.

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

Section 2.16. Notice of Adjournment.

Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place are fixed at the meeting being adjourned, except that if the meeting is adjourned for more than 24 hours, such notice shall be given prior to the adjourned meeting to the directors who were not present at the time of the adjournment.

Section 2.17. Telephone Participation.

Members of the Board may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Such participation constitutes presence in person at such meeting.

Section 2.18. Committees of the Board.

2.18.1. Description of Committees.

The Board of Directors may, by resolution adopted by a majority of the authorized number of directors, designate one or more standing committees, each consisting of two or more members of the Board of Directors, including but not limited to the following:

a. **Loan Committee.** A Loan Committee, which shall have responsibility for (i) the examination and approval of loans and discounts; and (ii) the development of loan policies and procedures.

b. **ALCO Committee.** An Investment Committee, which shall have responsibility for (i) the development of policies and procedures related to liquidity and asset-liability management; and (ii) any other matters that are, in the judgment and discretion of the Board of Directors, considered to be within the scope of the finance, treasury or accounting functions of the Corporation.

c. **Audit Committee.** An Audit Committee, which shall consist of at least three members of the Board of Directors, none of whom is an officer of the Corporation, and each of whom shall be independent of the management of the Bank as such independence is defined by Section 36 of the Federal Deposit Insurance Act and applicable regulations or guidelines of the FDIC. Each Audit Committee member shall have sufficient business knowledge and understanding to permit him or her to act knowledgeably on matters presented to the committee. No member shall have any borrowing relationships with the Corporation which are of such size or importance to the member as to compromise the member's independent judgment with respect to matters before the committee. Such relationships shall include, but not be limited to, direct borrowings by the member, indirect borrowings by a company, partnership or other business entity in which the member is involved, and borrowings by family members who live in the members' immediate household.

The Audit Committee shall have responsibility for making suitable examinations of the affairs of the Corporation at least once in each calendar year. The results of such examinations shall be reported, in writing, to the Board of Directors, stating the actual financial condition of the Corporation, whether the Corporation is in a sound and solvent condition, whether adequate internal audit controls and procedures are being maintained, and recommending to the Board such changes in the manner of doing business as shall be deemed advisable. The Audit Committee, upon its own recommendation and with the approval of the Board, shall employ qualified Certified Public Accountants to make a suitable examination and audit of the Corporation and may, from time to time and without further authorization, employ independent legal counsel. If such a procedure is followed, the one annual examination and audit and the presentation of the audit report to the Board of Directors will be deemed sufficient to comply with the requirements of this section of these By-Laws.

Members of the Corporation's management shall be invited to attend Audit Committee meetings on a regular basis in an ex officio capacity and to participate in such meetings. However, members of management cannot vote on matters presented at Audit Committee meetings.

Each Audit Committee meeting shall provide an opportunity for private sessions between committee members and the Corporation's internal and external auditors, credit review department, risk management group, and any other bank employees called for that purpose by the committee. In order to ensure privacy and candor, such sessions shall be conducted outside the presence of members of the Corporation's management.

The Board of Directors shall designate one committee member as Chairman of the Audit Committee.

The Audit Committee shall designate one member to serve as Secretary of the committee or, in the alternative, the committee may utilize the services of an employee of the Corporation as Secretary to the committee. Minutes of all meetings of the Audit Committee shall be taken and maintained by the Secretary to the committee.

A quorum, consisting of at least 50% of the members, shall be required for the Audit Committee to conduct official business. The Audit Committee shall conduct regular meetings at least once each calendar quarter and shall conduct such special meetings as the committee may deem necessary or appropriate.

d. **Executive Committee.** If appointed by resolution of a majority of the Board of Directors, an Executive Committee, consisting of the Chairman of the Board, the President and at least two non-officer directors, which shall have all of the powers and authority of the Board in the management of the business and affairs of the Corporation during the intervals between meetings of the Board, except to the extent, if any, that such authority shall be limited by the resolution appointing the Executive Committee; and except also that the Executive Committee shall not have the power of the Board of Directors with reference to: the declaration of dividends; the adoption, amendment or repeal of By-Laws; recommending to the shareholders of the Corporation a plan of merger, consolidation, or conversion; the sale, lease or other disposition of all or substantially all of the property and assets of the Corporation otherwise than

in the usual and regular course of its business; a voluntary dissolution of the Corporation; a revocation of any of the foregoing; the approval of a transaction in which any member of the Executive Committee, directly or indirectly, has any material beneficial interest; or as otherwise prohibited by law. The Chairman of the Board shall preside over meetings of the Executive Committee. Meetings of the Executive Committee may be held at the call of the Chairman of the Board or the President or any two other members of the Executive Committee at the time and place stated in the notice of such meeting. The Executive Committee may fix its own rules of procedure which shall not be inconsistent with these By-Laws. The Executive Committee shall keep regular minutes of its proceedings and report its acts and proceedings to the full Board of Directors.

2.18.2. Appointment of Members and Chairmen of Committees.

The Board of Directors shall appoint the members of each of the Board's standing committees. The Chairman of the Board, subject to approval by a majority of the Board of Directors, shall designate a chairman for each committee. The committee chairmen shall have the sole power to call any committee meetings other than meetings set by the Board. Except as otherwise established by the Board of Directors, Sections 2.8 through 2.18 of these By-Laws, with the necessary changes in points of detail, shall apply to committees of the Board and action by such committees.

ARTICLE III

Officers

Section 3.1. Number and Titles.

Except as hereinafter provided, the officers of the Corporation shall be a President and Chief Executive Officer, a Secretary, and a Chief Financial Officer. The Corporation may also have, at the discretion of the Board of Directors, a Chief Operating Officer, a Chief Administrative Officer, a Chief Credit Officer, a Cashier, one or more Vice Presidents (including one or more Executive Vice Presidents or Senior Vice Presidents), one or more Assistant Secretaries, and any other officers who may be appointed pursuant to Section 3.4 of these By-Laws. Any two or more offices, except those of President and Secretary, may be held by the same person. The Board of Directors shall not be obligated to fill any office other than the offices of President, Secretary and Chief Financial Officer, and the Board may assign the duties of an unfilled office to another officer of the Corporation.

Section 3.2. Surety Bonds.

Each officer and employee of the Corporation shall give bond of suitable amount with security to be approved by the Board of Directors, conditioned on the honest and faithful discharge of his duties as such officer or employee. At the discretion of the Board, such bonds may be schedule or blanket form and the premiums shall be paid by the Corporation. The amount of such bonds, the form of coverage, and the name of the company providing the surety therefor shall be reviewed by the Board of Directors each year at the first regular meeting of the Board following the Organization meeting of the new Board. Action shall be taken by the Board

at that time approving the amount of the bond to be provided by each officer and employee of the Corporation for the ensuing year.

Section 3.3. Election.

The officers of the Corporation, except those appointed pursuant to Section 3.4 of these By-Laws, shall be chosen annually by the Board of Directors, and each shall hold his office until he resigns or is removed or otherwise disqualified to serve, or his successor is elected and qualified.

Section 3.4. Subordinate Officers.

The Board of Directors may appoint, and may authorize the President to appoint, any officers, other than the officers chosen by the Board pursuant to Section 3.3 of these By-Laws, that the business of the Corporation may require, each of whom shall hold office for the period, have the authority, and perform the duties specified in these By-Laws or by the Board.

Section 3.5. Removal and Resignation.

Any officer may be removed with or without cause either by the Board of Directors at any regular or special directors' meeting or, except for an officer chosen by the Board, by any officer upon whom the power of removal may be conferred by the Board.

Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary of the Corporation. An officer's resignation shall take effect when it is received or at any later time specified in the resignation. Unless the resignation specifies otherwise, its acceptance by the Corporation shall not be necessary to make it effective.

Section 3.6. Vacancies.

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these By-Laws for regular appointments to the office.

Section 3.7. President and Chief Executive Officer.

The President shall be the Corporation's chief executive officer and shall, subject to the control of the Board of Directors, have general supervision, direction, and control over the Corporation's business and officers. The President shall preside as chairman at all shareholders' meetings and at all directors' meetings not presided over by the Chairman or Vice Chairman of the Board. He shall be ex officio a member of all the standing committees except the Audit Committee; shall have the general powers and duties of management usually vested in a corporation's chief executive officer; shall have any other powers and duties that are prescribed by the Board of Directors or these By-Laws; and shall be primarily responsible for carrying out all orders and resolutions of the Board of Directors.

Section 3.8. Secretary.

The Secretary shall keep or cause to be kept, and be available at the principal office and any other place that the Board of Directors specifies, copies of the Corporation's Articles of Incorporation and By-Laws, as amended from time to time.

The Secretary shall keep or cause to be kept, and be available at the principal office and any other place that the Board of Directors specifies, a book of minutes of all directors' and shareholders' meetings. The minutes of each meeting shall state the time and place that it was held; whether it was regular or special; if a special meeting, how it was authorized; the notice given; the names of those present or represented at shareholders' meetings; and the proceedings of the meetings. A similar minute book shall be kept for each committee of the Board.

The Secretary shall keep, or cause to be kept, at the principal office or at the office of the Corporation's transfer agent, a share register, or duplicate share register, showing the shareholders' names and addresses, the number and classes of shares held by each, the number and date of each certificate issued for these shares, and the number and date of cancellation of each certificate surrendered for cancellation.

The Secretary shall give, or cause to be given, notice of all directors' and shareholders' meetings required to be given under these By-Laws or by law, shall keep the corporate seal in safe custody, and shall perform such other duties as are imposed upon him by these By-Laws, the Board or the Board of Directors.

The Secretary shall be deemed not to be an executive officer of the Corporation and the Secretary shall be excluded from participation, other than as a director if the Secretary is also a director, in major policy making functions of the Corporation.

Section 3.9. Chief Financial Officer.

The Chief Financial Officer, subject to supervision by the Corporation's President and Chief Executive Officer, shall have primary responsibility for general supervision and control of the Corporation's financial decisions and financial and regulatory reporting, budgeting, and financial aspects of the Corporation's strategic plan, and for keeping and maintaining, or causing to be kept and maintained, adequate and correct accounts of the Corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and shares. The books of account shall at all reasonable times be open to inspection by any director.

The Chief Financial Officer shall deposit all money and other valuables in the name and to the credit of the Corporation with the depositories designated by the Board of Directors. The Chief Financial Officer shall disburse the corporation's funds as ordered by the Board of Directors; shall render to the President and directors, whenever they request it, an account of all his transactions as Chief Financial Officer and of the Corporation's financial condition; and shall perform such other duties as are imposed upon him by the President and Chief Executive Officer, by the Board of Directors or by these By-Laws.

Section 3.10. Chief Credit Officer.

The Chief Credit Officer, subject to supervision by the Corporation's President and Chief Executive Officer, shall have primary responsibility for the Corporation's loan portfolio; the Corporation's loan grading system; the function of the Corporation's internal loan approval process consistent with lines of authority and approval procedures established by the Board; the development and presentation for Board approval of all loan policies and procedures; the Corporation's compliance with all state and federal laws and regulations pertaining to lending; employee training related to lending activities; evaluation of the sufficiency of the Corporation's reserve for loan losses; making recommendations to the Board regarding the loan loss reserve; the Corporation's loan documentation system; and for ensuring that all lending matters of which the Chief Credit Officer is aware and which require examination by or the approval of the Board are brought to the Board's attention. In addition, the Chief Credit Officer shall perform such other duties as are imposed upon him by the President and Chief Executive Officer, by the Board of Directors or by these By-Laws.

Section 3.11. Chief Operating Officer.

The Chief Operating Officer, subject to supervision by the Corporation's President and Chief Executive Officer, shall have primary responsibility for the general supervision, direction and control of such elements of the Corporation's business and officers, human resources management, clerical functions and other areas of bank operations as would normally be the responsibility of the senior operations officer or as are imposed upon him/her by the President and Chief Executive Officer, by the Board of Directors or by these By-Laws.

Section 3.12. Vice Presidents.

The Vice Presidents, including any Executive Vice Presidents and any Senior Vice Presidents, shall perform such duties as are directed by the President and Chief Executive Officer or by the Board of Directors. Vice Presidents who are not Executive Vice Presidents or Senior Vice Presidents shall not be deemed to be executive officers of the Corporation and shall be excluded from participation in major policy making functions of the Corporation.

ARTICLE IV

Indemnification

Section 4.1. Indemnification of Officers and Directors.

Indemnification. Each person who was or is a party or is threatened to be made a party or is otherwise involved in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative (a "proceeding"), by reason of being or having been a director or officer of the Corporation, or of any predecessor corporation, or being or having been a director or officer serving at the request of the Corporation as a director, officer, employee, or other agent of another corporation, partnership, joint venture, trust, or other enterprise (including service with respect to Corporation-sponsored employee benefit plans), whether the basis of the proceeding is alleged action or inaction in an official capacity as a director or officer or in any other capacity while serving as a director or officer, shall, subject to the terms of any agreement

between the Corporation and that person, be indemnified and held harmless by the Corporation to the fullest extent permissible under California law and the Corporation's Articles of Incorporation, against all expense, liability, and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) actually and reasonably incurred or suffered by that person in connection therewith, except that amounts shall be payable in settlement of a proceeding only if the settlement is approved in writing by the Corporation. This indemnification shall continue as to a person who has ceased to be a director or officer for acts performed while a director or officer and shall inure to the benefit of his or her heirs, executors, and administrators. Notwithstanding the foregoing, the Corporation shall indemnify any such person in connection with a proceeding (or part thereof) initiated by that person only if the proceeding (or part thereof) was authorized by the Board. The right to indemnification conferred in this Article shall include the right to be paid by the Corporation the expenses incurred in defending and proceeding in advance of final disposition to the fullest extent permitted by law, except that payment under this Article of such expenses in advance of the final disposition of a proceeding shall be conditioned upon delivery to the Corporation of a written request for such payment and of an undertaking by or on behalf of the director or officer to repay all amounts so advanced if it shall be ultimately determined that the director or officer is not entitled to be indemnified.

Exclusions. Notwithstanding the foregoing or any other provisions under this Article, the Corporation shall not be liable under this Article to indemnify a director or officer against expenses, liabilities, or losses incurred or suffered in connection with, or to make any advances with respect to any proceeding against a director or officer: (i) as to which the Corporation is prohibited by applicable law from paying an indemnity; (ii) with respect to expenses of defense or investigation, if the expenses were or are incurred without the corporation's consent (which consent may not be unreasonably withheld); (iii) for which final payment is actually made to the director or officer under an insurance policy maintained by the Corporation, except in respect of any excess beyond the amount of payment under the policy; (iv) for which payment is actually made to the director or officer under an indemnity by the Corporation otherwise than pursuant to this Article, except in respect of any excess beyond the amount of payment under that indemnity; (v) based upon or attributable to the director or officer gaining in fact any personal profit or advantage to which not legally entitled; (vi) for an accounting of profits made from the purchase or sale by the director or officer of securities of the Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provisions of any federal, state, or local statutory law; or (vii) based upon acts or omissions involving intentional misconduct or a knowing and culpable violation of law.

Section 4.2. Indemnification of Employees and Agents.

A person who was or is a party or is threatened to be made a party to or is involved in any proceeding by reason of being or having been an employee or agent of the Corporation or being or having been an employee or agent of the Corporation serving at the request of the Corporation as an employee or agent of another enterprise, including service with respect to Corporation-sponsored employee benefit plans, whether the basis of such action is alleged action or inaction in an official capacity or in any other capacity while serving as an employee or agent, may, upon appropriate action by the Corporation and subject to the terms of any agreement between the Corporation and that person, be indemnified and held harmless by the Corporation up to the

fullest extent permitted by California law and the Articles against all expense, liability, and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties, and amounts paid or to be paid in settlement) actually and reasonably incurred or suffered by that person in connection therewith.

Section 4.3. Right of Directors and Officers to Bring Suit.

If a claim under Section 4.1 of this Article is not paid by the Corporation or on its behalf within 90 days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim, and, if successful in whole or in part, the claimant also shall be entitled to be paid the expense of prosecuting the claim.

Section 4.4. Successful Defense.

Notwithstanding any other provision of this Article, to the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise (including the dismissal of a proceeding without prejudice or the settlement with the written consent of the Corporation of a proceeding without admission of liability), in defense of any proceeding referred to in Section 4.1 or 4.2 or in defense of any claim, issue, or matter therein, that director, officer, employee or agent shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred in connection therewith.

Section 4.5. Indemnity Agreements.

The Corporation may enter into agreements with any director, officer, employee, or agent of the Corporation providing for indemnification to the fullest extent permissible under applicable law and the Corporation's Articles of Incorporation.

Section 4.6. Subrogation.

In the event of payment by the Corporation of a claim under Section 4.1 or Section 4.2 of this Article, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of the indemnified person, who shall execute all papers required and shall do everything that may be necessary or appropriate to secure such rights, including the execution of such documents necessary or appropriate to enable the Corporation effectively to bring suit to enforce such rights.

Section 4.7. Nonexclusivity of Rights.

The right to indemnification provided by this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, bylaw, agreement, vote of shareholders or disinterested directors, or otherwise.

Section 4.8. Insurance.

The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee, or agent of the Corporation or another corporation, partnership, joint venture,

trust, or other enterprise against any expense, liability, or loss, whether or not the Corporation would have the power to indemnify that person against such expense, liability, or loss under California law.

Section 4.9. Expenses as a Witness.

To the extent that any director, officer, employee or agent of the Corporation is by reason of that position a witness in any action, suit, or proceeding, he or she will be indemnified against all costs and expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith.

Section 4.10. Nonapplicability to Fiduciaries of Employee Benefit Plans.

This Article does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in that person's capacity as such, even though that person may also be an agent of the Corporation. The Corporation shall have power to indemnify that trustee, investment manager, or other fiduciary to the extent permitted by Corporations Code Section 207(f).

Section 4.11. Separability.

Each and every paragraph, sentence, term, and provision of this Article is separate and distinct so that if any paragraph, sentence, term, or provision shall be held to be invalid or unenforceable for any reason, its invalidity or unenforceability shall not affect the validity or enforceability of any other paragraph, sentence, term, or provision of this Article. To the extent required, any paragraph, sentence, term, or provision of this Article may be modified by a court of competent jurisdiction to preserve its validity and to provide the claimant with, subject to the limitations set forth in this Article and any agreement between the Corporation and the claimant, the broadest possible indemnification permitted under applicable law.

Section 4.12. Effect of Repeal or Modification.

No repeal or modification of this Article shall adversely affect any right of indemnification of a director, officer, employee, or agent of the Corporation existing at the time of the repeal or modification with respect to any action or omission occurring prior to such repeal or modification.

ARTICLE V

Stock and Stock Certificates

Section 5.1. Stock Certificates.

Shares of the Corporation's stock may be certificated or uncertificated. The corporate seal or its facsimile may be fixed on certificates. All certificates shall be signed in the name of the Corporation by the Chairman of the Board, the President, or a Vice President and by the Secretary, the Chief Financial Officer, or an Assistant Secretary. Any or all of the signatures on the certificate may be facsimile signatures.

Section 5.2. Transfers of Stock.

Transfers of shares of stock of each class of the Corporation shall be made only on the books of the Corporation by the holder thereof or by such holder's attorney thereunto authorized by a power of attorney duly executed and filed with the Secretary or a transfer agent for such stock, if any, and, in the case of stock represented by a certificate, upon surrender of the certificate or certificates for such shares properly endorsed or accompanied by a duly executed stock transfer power and the payment of all taxes thereon. No transfer of shares of stock shall be valid as against the Corporation, its shareholders and creditors for any purpose, except to render the transferee liable for the debts of the Corporation to the extent provided by law, until it shall have been entered in the stock records of the Corporation by an entry showing from and to whom transferred.

Section 5.3. Issuance of New Certificate.

No new certificates shall be issued for the surrendered certificates unless the surrendered certificates have been duly canceled.

If a certificate shall be lost, stolen or destroyed, the Board of Directors may order a new certificate in lieu thereof issued upon such guaranty or indemnity of the person claiming the same as the Board may deem proper and satisfactory.

Section 5.4. Record Date and Closing of Stock Books.

The Board may fix a time in the future as a record date for the determination of the shareholders entitled to notice of and to vote at any meeting of shareholders or entitled to receive any dividend or distribution, or any allotment of rights, or to exercise rights in respect to any change, conversion, or exchange of shares. The record date so fixed shall be not more than sixty nor less than ten days prior to the date of the meeting or event for the purposes of which it is fixed. When a record date is so fixed, only shareholders of record on that date are entitled to notice of and to vote at the meeting or to receive the dividend, distribution, or allotment of rights, or to exercise their rights, as the case may be, notwithstanding any transfer of any shares on the books of the Corporation after the record date.

At any meeting of shareholders as to which the Board has not fixed a record date for the determination of the shareholders entitled to notice of and to vote at such meeting, only shareholders of record at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held shall be entitled to vote at the meeting. The record date for determining shareholders entitled to give consent to corporate action in writing without a meeting, when no prior action by the Board has been taken, shall be the day on which the first written consent is given, and the record date for determining shareholders for any other purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto, or the 60th day prior to the date of such other action, whichever is later.

A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting unless the Board fixes a new record

date for the adjourned meeting, but the Board shall fix a new record date if the meeting is adjourned for more than 45 days.

ARTICLE VI

General Corporate Matters

Section 6.1. Corporate Records and Inspection by Shareholders and Directors.

Books and records of account and minutes of the proceedings of the shareholders, Board, and committees of the Board shall be kept available at the principal office for inspection by the shareholders to the extent required by Section 1601 of the California Corporations Code. A record of the shareholders, giving the names and addresses of all shareholders and the number of shares held by each, shall be kept available for inspection at the principal office or at the office of the Corporation's transfer agent or registrar.

A shareholder or shareholders holding at least five percent in the aggregate of the outstanding voting shares of the Corporation or who hold at least one percent of such shares and have filed a Form F-6 with the appropriate federal bank regulatory agency relating to the election of directors of the Corporation shall have an absolute right to do either or both of the following: (1) inspect and copy the record of shareholders' names and addresses and shareholdings during usual business hours upon five business days' prior written demand upon the Corporation, or (2) obtain from the transfer agent for the Corporation, upon five business days prior written demand and upon the tender of its usual charges for such a list (the amount of which charges shall be stated to the shareholder by the transfer agent upon request), a list of the shareholders' names and addresses, who are entitled to vote for the election of directors, and their shareholdings, as of the most recent record date for which it has been compiled or as of a date specified by the shareholder subsequent to the date of demand. The list shall be made available on or before the later of five business days after the demand is received or the date specified therein as the date as of which the list is to be compiled. The record of shareholders shall also be open to inspection and copying by any shareholder or holder of a voting trust certificate at any time during usual business hours upon written demand on the Corporation, for a purpose reasonably related to such holder's interests as a shareholder or holder of a voting trust certificate. Inspection and copying may be made in person or by agent or attorney.

Every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Corporation and its subsidiary corporations, domestic or foreign. Such inspection by a director may be made in person or by agent or attorney and includes the right to copy and make extracts.

Section 6.2. Checks, Drafts, Evidences of Indebtedness.

All checks, drafts, or other orders for payment of money, notes, and all mortgages, or other evidences of indebtedness, issued in the name of or payable to the Corporation, and all assignments and endorsements of the foregoing, shall be signed or endorsed by the person or persons and in the manner specified by the Board of Directors.

Section 6.3. Corporate Contracts and Instruments; How Executed.

Except as otherwise provided in these By-Laws, officers, agents, or employees must be authorized by the Board of Directors to enter into any contract or execute any instrument in the Corporation's name and on its behalf. This authority may be general or confined to specific instances.

Section 6.4. Reports to Shareholders.

If the Corporation shall at any time have 100 or more shareholders, the Board of Directors shall cause to be sent to the shareholders an annual report complying with Section 1501(a) and, when applicable, Section 1501(b) of the California Corporations Code, except as limited by Section 689 of the California Financial Code, not later than 120 days after the close of the fiscal year and at least 15 days prior to the annual meeting of shareholders to be held during the next fiscal year.

A shareholder or shareholders holding at least five percent of the outstanding shares of the Corporation may make a written request to the Corporation for an income statement of the Corporation for the three-month, six-month, or nine-month period of the current fiscal year ended more than 30 days prior to the date of the request and a balance sheet of the Corporation as of the end of such period. The statement shall be delivered or mailed to the person making the request within 30 days thereafter. A copy of the statements shall be kept on file in the principal office of the Corporation for 12 months and they shall be exhibited at all reasonable times to any shareholder demanding an examination of them or a copy shall be mailed to such shareholder. The income statements and balance sheets referred to shall be accompanied by the report thereon, if any, of any independent accountants engaged by the Corporation or the certificate of an authorized officer of the Corporation that such financial statements were prepared without audit from the books and records of the Corporation.

Section 6.5. Fiscal Year.

The fiscal year of the Corporation shall be the calendar year.

Section 6.6. Corporate Seal.

The seal of the Corporation shall be in such form as the Board may prescribe. In the execution on behalf of this Corporation of any instrument, document, writing, notice or paper it shall not be necessary to affix the corporate seal of this Corporation thereon, and any such instrument, document, writing, notice or paper when executed without said seal affixed thereon shall be of the same force and effect and as binding on this Corporation as if said corporate seal had been affixed thereon in each instance. Said seal, if used, may be affixed, imprinted or reproduced by facsimile on any instrument or document, including certificates for shares of the stock of this Corporation.

ARTICLE VII

Amendment

Section 7.1. Amendments.

Subject to the right of shareholders to adopt, amend or repeal By-Laws, as provided in Section 211 of the California Corporations Code, By-Laws may be adopted, amended or repealed by the Board of Directors, except that a By-Law or amendment thereof changing the authorized number of directors may be adopted, amended or repealed only pursuant to Section 212 of the California Corporations Code.

