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STATE OF IDAHO
DEPT. OF FINANCE

MAY 08 2007

RECEIVED

ARTICLES OF INCORPORATION

2007 MAY 10 AM 8:23 OF
COMMUNITY 1ST BANK

SECRETARY OF STATE

The following are the Articles of Incorporation of Community 1st Bank (hereinafter the "Bank"), an Idaho corporation formed under the Idaho Business Corporation Act and the Idaho Bank Act.

ARTICLE I. Name. The name of the Bank is Community 1st Bank.

ARTICLE II. Office. The principal office of the Bank shall be located in the City of Post Falls, County of Kootenai, State of Idaho.

ARTICLE III. Duration. The duration of the Bank is perpetual unless terminated in accordance with the laws of the State of Idaho.

ARTICLE IV. Purpose. The purpose of this Bank is to transact the business of banking and all other business not forbidden by law for which corporations may be formed under the Idaho Business Corporation Act and the Idaho Bank Act, including specific authorization for insurance sales.

ARTICLE V. Capital Stock. The amount of capital stock of the Bank shall be twenty five million dollars (\$25,000,000) divided into 5,000,000 shares of common stock with a par value five dollars (\$5.00) each, but said capital stock may be increased or decreased, from time to time, in accordance with the provisions of the laws of the State of Idaho. Upon authorization by its Board of Directors, the Bank may issue its own shares in exchange for or in conversion of its outstanding shares or distribute its own shares, pro rata to its shareholders, to effectuate stock dividends or splits, and any such transaction shall not require consideration. The common stock shall be the only class of capital stock and the holders of the common stock shall exclusively possess all voting power. Each holder of shares of common stock shall be entitled to one vote for each share held by such holder, and there shall be no right to cumulate votes for the election of directors or for any other purpose.

ARTICLE VI. Preemptive Rights. Shareholders shall not have preemptive rights to acquire unissued shares of capital stock of the Bank, whether now or hereafter authorized, or to acquire any obligations issued or sold which are convertible into stock of the Bank, other than such rights, if any, as the Board of Directors, in its discretion, may from time to time determine, and at such price as the Board of Directors may from time to time fix.

ARTICLE VII. Quorum. A majority of the outstanding shares of the Bank entitled to vote, represented in person or by proxy shall constitute a quorum at a meeting of shareholders. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

ARTICLE VIII. Directors. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Bank managed under the direction of, its Board of Directors. The directors elected shall have staggered terms of office as set forth in these Articles of Incorporation. The number of directors constituting the initial Board of Directors shall be seven (7), and the name, place of residence and mailing addresses of the persons to serve as directors until the first annual meeting of shareholders or until their successors are elected and qualified are as follows:

<u>Name</u>	<u>Place of Residence</u>	<u>Mailing Address</u>
William R. Basom	1819 S. Viewcrest Ln Spokane Valley, WA	1819 S. Viewcrest Ln. Spokane Valley, WA 99212
David P. Bobbitt	7199 Cougar Gulch Rd, Coeur d'Alene, ID 83814	7199 Cougar Gulch Rd Coeur Rd, Coeur d'Alene, ID 83814

IDAHO SECRETARY OF STATE
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<u>Name</u>	<u>Place of Residence</u>	<u>Mailing Address</u>
William R. Basom	1819 S. Viewcrest Ln Spokane Valley, WA	1819 S. Viewcrest Ln. Spokane Valley, WA 99212
Douglas J. Chadderdon	204 Lakeview Drive, Coeur d'Alene, ID 83814	204 Lakeview Drive, Coeur d'Alene, ID 83814
David B. Holloway	5293 Pole line Post Falls, ID 83854	5293 Pole line Post Falls, ID 83854
Jerry C. Lyon	11142 W. Riverview Dr, Post Falls, ID 83854	11142 W. Riverview Dr. Post Falls, ID 83854
Gary T. Schneidmiller	1511 Chase Road, Post Falls, ID 83854	1511 Chase Road, Post Falls, ID 83854
Jack P. Tibesar	25903 E. Mission Avenue Liberty Lake, WA 99019	25903 E. Mission Avenue Liberty Lake, WA 99019

The directors shall be divided into three (3) classes, each class to be as nearly equal in number as possible. The term of office of directors of the first class shall expire at the first annual meeting of shareholders after their election, the term of office of the second class shall expire at the second annual meeting after their election, and the term of office of the directors of the third class expire at the third annual meeting after their election. At each annual shareholders meeting thereafter, directors shall be elected for a term of three (3) years, to succeed those whose terms expire. No classification of directors shall be effective prior to the first annual meeting of shareholders. Any vacancy in the Board of Directors shall be filled by action of the Board of Directors.

Each director, during the full term of his membership, shall own a minimum of \$50,000 par value stock of the Bank; however, if a majority of the shares of the Bank are owned by a bank holding company the directors of the Bank may satisfy this requirement by owning in his or her own right at least \$50,000 of the unencumbered common stock of the bank holding company, either par value or the book value.

ARTICLE IX. *Notice for Shareholder Nominations and Proposals*

A. Nominations for the election of directors and proposals for any new business to be taken up at any annual or special meeting of shareholders may be made by the Board of Directors of the Bank or by any shareholder of the Bank entitled to vote generally in the election of directors. In order for a shareholder of the Bank to make any such nominations and/or proposals, he or she shall give notice thereof in writing, that is received by the Secretary of the Bank not less than 14 days nor more than 60 days prior to any such meeting; provided, however, that if less than 21 days' notice of the meeting is given to shareholders, such written notice shall be delivered or mailed, as prescribed, to the Secretary of the Bank not later than the close of the tenth day following the day on which notice of the meeting was mailed to shareholders. Each such notice given by a shareholder with respect to nominations for election of directors shall set forth (i) the name, age, business address and, if known, residence address of each nominee proposed in such notice, (ii) the principal occupation or employment of each such nominee, (iii) the number of shares of stock of the Bank which are beneficially owned by each such nominee, and (v) as to the shareholder giving such notice (a) his or her name and address as they appear on the Bank's books and (b) the class and number of shares of the Bank which are beneficially owned by such shareholder. In addition, the shareholder making such nomination shall promptly provide any other information reasonably requested by the Bank.

B. Each such notice given by a shareholder to the Secretary with respect to business proposals to bring before a meeting shall set forth in writing as to each matter: (i) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting; (ii) the name and address, as they appear on the Bank's books, of the shareholder proposing such business; (iii) the class and number of shares of the Bank which are beneficially owned by the shareholder; and (iv) any material interest of the shareholder in such business. Notwithstanding anything in this Charter and Articles of Incorporation to the contrary, no business shall be conducted at the meeting except in accordance with the procedures set forth in this Article IX.

C. The Chairman of the annual or special meeting of shareholders may, if the facts warrant, determine and declare to the meeting that a nomination or proposal was not made in accordance with the foregoing procedure, and, if the Chairman should so determine, the Chairman shall so declare to the meeting and the defective nomination or proposal shall be disregarded and laid over for action at the next succeeding adjourned, special or annual meeting of the shareholders taking place thirty days or more thereafter. This provision shall not require the holding of any adjourned or special meeting of shareholders for the purpose of considering such defective nomination or proposal.

ARTICLE X. *Removal of Directors* Notwithstanding any other provisions of these Articles of Incorporation or the Bank's Bylaws (and notwithstanding the fact that some lesser percentage may be specified by law, these Articles of Incorporation or the Bank's Bylaws), any director or the entire Board of Directors may be removed at any time, but only by the affirmative vote of the holders of a majority of the total votes eligible to be cast at a legal meeting called expressly for such purpose.

ARTICLE XI. *Limitation of Directors' Liability* To the fullest extent permitted by the Idaho Business Corporation Act (as now in existence or as may hereafter be amended), a director of the Bank shall not be personally liable to the Bank or its shareholders for monetary damages for conduct as a director, except for liability of the director for: (i) the amount of financial benefit received by a director to which he is not entitled; (ii) an intentional infliction of harm on the corporation or the shareholders; (iii) an intentional violation of criminal law; (iv) a violation of Idaho Code Section 30-1-833 (relating to unlawful distributions) or (v) conduct that constitutes violations of the laws of the State of Idaho relative to banks or banking pursuant to Idaho Code Section 26-213(5). If the Idaho Business Corporation Act is amended in the future to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Bank shall be eliminated or limited to the full extent permitted by the Idaho Business Corporation Act, as so amended, without any requirement or further action by shareholders. An amendment or repeal of this Article XI shall not adversely affect any right or protection of a director of the Bank existing at the time of such amendment or repeal. Notwithstanding any other provisions contained herein, these Articles of Incorporation are subject to the requirements and limitations set forth in state and federal laws, rules, regulations, or orders regarding indemnification and prepayment of legal expenses, including Section 18(k) of the Federal Deposit Insurance Act and Part 359 of the FDIC's Rules and Regulations or any successor regulations thereto

ARTICLE XII. *Indemnification*

A. **Directors, Officers and Employees**. In all circumstances and to the fullest extent permitted by Idaho law, the Bank shall indemnify any person (including a person's personal representative) who is or was a director, officer or employee of the Bank, whether the basis of such proceeding is alleged action in an official capacity as a director, officer or employee or in any other capacity while serving as a director, officer or employee, and who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, by reason of the fact that he is or was an agent of the Bank, against expenses, judgments, fines and amounts paid in settlement and incurred by him (including attorney's fees and ERISA excise taxes or penalties) in connection with such action, suit or proceeding. Even if the proceedings do not result in a final judgment on the merits in favor of the director or officer, the Board of Directors may make the indemnification provided in the preceding sentence, provided that a majority of disinterested directors determine that such director, officer or employee was acting in good faith within the scope of his employment or authority as he could reasonably have perceived it under the circumstances and for purposes he could reasonably have believed under the circumstances were in the best interests of the Bank or its shareholders. However, such indemnity shall not apply to: (i) receipt of a financial benefit to which the director was not entitled; (ii) an intentional infliction of harm on the Bank or its shareholders; (iii) conduct of the person violates Idaho Code 30-1-833 (relating to unlawful distributions); (iv) an intentional violation of criminal law or (v) conduct that constitutes violations of the laws of the State of Idaho relative to banks or banking pursuant to Idaho Code Section 26-213(5).

B. **Agents**. Subject to the limitations contained in Idaho Code Section 26-213(5), the Bank may, by action of the Board of Directors from time to time, provide indemnification and pay expenses in advance of the final disposition of a proceeding to agents of the Bank or another entity with the same scope and effect as provided in the provisions of this Article XII with respect to the indemnification and advancement of expenses of directors, officers and employees of the Bank or pursuant to rights granted pursuant to, or provided by, Idaho law or otherwise.

C. Implementation. The Board of Directors may take such action as is necessary to carry out these indemnification and expense advancement provisions. It is expressly empowered to adopt, approve and amend from time to time such bylaws, resolutions, contracts or further indemnification and expense advancement arrangements as may be permitted by law, implementing these provisions. Such bylaws, resolutions, contracts or further arrangements shall include, but not be limited to, implementing the manner in which determinations as to any indemnity or advancement of expenses shall be made. If a majority of the directors concludes that, in connection with an action, any person ultimately may become entitled to indemnification under this Article XII, the directors may authorize payment of reasonable costs and expenses, including reasonable attorney's fees, arising from the defense or settlement of such action; provided, however, that before making advance payment of expenses under this Article XII, the Bank shall obtain an agreement that the Bank will be repaid if the person on whose behalf payment is made is later determined not to be entitled to such indemnification.

D. Survival of Indemnification Rights. No amendment or repeal of this Article XII shall apply to or have any effect on any right to indemnification provided hereunder with respect to acts or omissions occurring prior to such amendment or repeal.

E. Service for Other Entities. The indemnification and advancement of expenses provided under this Article XII shall apply to directors, officers, employees or agents of the Bank for both (a) service in such capacities for the Bank and (b) service at the Bank's request as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. A person is considered to be serving an employee benefit plan at the Bank's request if such person's duties to the Bank also impose duties on, or otherwise involve services by, the director to the plan or to participants in or beneficiaries of the plan.

F. Insurance. The Bank may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Bank, or is or was serving at the request of the Bank as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against liability asserted against him and incurred by him in such capacity or arising out of his status as such, whether or not the Bank would have had the power to indemnify him against such liability under the provisions of this bylaw and Idaho law.

G. Other Rights. The indemnification provided by this section shall not be deemed exclusive of any other right to which those indemnified may be entitled under any other bylaw, agreement, vote of shareholders or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such an office, and shall continue as to a person who has ceased to be a director, trustee, officer, employee or agent and shall inure to the benefit of the heirs executors, and administrators of such person.

H. Restrictions on Indemnification. The foregoing sections of this Article XII notwithstanding, the directors, officers, employees or agents of the Bank shall not be indemnified against expenses, penalties or other payments incurred in an administrative proceeding or action instituted by an appropriate bank regulatory agency which proceeding or action results in a final order assessing civil money penalties or requiring affirmative action by an individual or individuals in the form of payments to the Bank.

ARTICLE XIII. *Repurchase of Shares.* To the extent authorized by the Idaho Department of Finance and the Federal Deposit Insurance Corporation, as applicable, the Bank may use its unreserved and unrestricted surplus to purchase its own shares which will be held as authorized but unissued shares.

ARTICLE XIV. *Special Meetings and Notice of Meetings.* The Board of Directors of the Bank, or any collection of shareholders owning in the aggregate more than thirty-three and one-third percent (33 1/3%) of the capital stock of the Bank, may call a special meeting of the shareholders at any time. Unless otherwise required by the laws of the State of Idaho, a notice of the time, place and purpose of every annual or special meeting of the shareholders shall be given by first-class mail, postage prepaid, mailed at least ten days prior to the date of such meeting to each shareholder of record at his address as shown upon the books of this Bank. If all the shareholders shall waive notice of any special or annual meeting, no such notice shall be required.

ARTICLE XIV. *Registered Office and Agent.* The registered office of the Bank shall be located at 707 North Post Street, Post Falls, Idaho. The registered agent of the Bank at such address shall be William R. Basom.


ARTICLE XV. *Incorporators.* The name and address of each of the incorporators is as follows:

<u>Name</u>	<u>Address</u>
William R. Basom	1819 S. Viewcrest Ln Spokane Valley, WA
David P. Bobbitt	7199 Cougar Gulch Rd, Coeur d'Alene, ID 83814
Jerry C. Lyon	11142 W. Riverview Dr, Post Falls, ID 83854

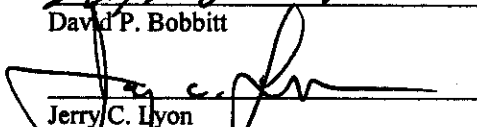
ARTICLE XVI. *Amendment.* No amendment to these Articles of Incorporation shall be made unless such is first approved by a majority of the directors of the Bank and thereafter approved by the shareholders by a majority of the total votes eligible to be cast at a lawful meeting. All amendments to these Articles of Incorporation shall be subject to the approval of the Director of the Idaho Department of Finance.

ARTICLE XVII. Gender. As used herein, the masculine shall include the feminine as the context requires.

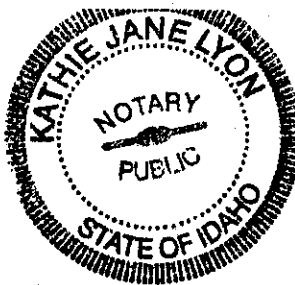
Executed this 4th day of May, 2007.


William R. Basom


David P. Bobbitt

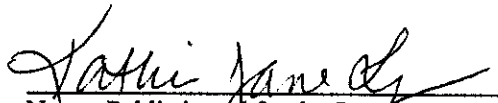

Jerry C. Lyon

STATE OF IDAHO)
) ss.
COUNTY OF KOOTENAI)



On this 4th day of May, 2007, before me personally appeared William R. Basom, David P. Bobbitt and Jerry C. Lyon, to me known to be the incorporators of Community 1st Bank, a commercial bank in formation, described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes mentioned therein.

Given under my hand and official seal this 4th day of May, 2007.


Notary Public in and for the State
of Idaho, residing at _____

My commission expires December 8, 2012

CERTIFICATE OF APPROVAL

I, the undersigned Director of the Department of Finance, State of Idaho, do hereby certify that I have approved for filing the attached Articles of Incorporation of Community 1st Bank, dated May 4, 2007.

Dated: May 9, 2007

DEPARTMENT OF FINANCE

By: 

Gavin Gee
Director of Finance