

**BY LAWS
OF
CITY CLUB OF BELLINGHAM**

1. STATEMENT OF MISSION AND PURPOSES

1.1 Mission Statement

The City Club of Bellingham (hereafter referred to as the "Club") is citizens from diverse background cooperating to promote informed discussion of issues important to the community.

1.2 Purposes

The purposes of the Club shall be to:

1.2.1 Provide a forum for discussion

1.2.2 Analyze community issues;

1.2.3 Discover common ground;

1.2.4 Encourage responsible citizenship;

1.2.5 Foster constructive problem solving;

1.3 Pursuit of Purposes

The purposes of the Club shall be pursued by means of regular meetings, lectures and discussions; thorough investigations and reports; and such other means as the Board of Directors may deem appropriate. The Club is intended to qualify as a tax-exempt nonprofit entity under Section 501(c) (3) of the Internal Revenue Code, as amended from time to time, and as a public benefit organization under the Washington Nonprofit Corporation Act, as amended from time to time.

2. REGISTERED AGENT AND OFFICE

The Club shall continuously maintain in the state of Washington a registered agent, who shall be an individual who resides in Washington, a domestic business or nonprofit corporation with an office in Washington, or a foreign business or nonprofit corporation authorized to transact business in Washington with an office in Washington. The registered office of the Club shall be the residence or office address of the registered agent. The registered agent or office may be changed from time to time by the Board of Directors upon compliance with the requirement of the Washington Nonprofit Corporation Act.

3. MEMBERSHIP

3.1 Members: No Stock

The Club shall have members, but shall not have shareholders. No shares of capital stock shall

be issued.

3.2 Qualification for Membership

Membership shall be open to any individual who subscribes to the mission and purposes of the Club, as evidenced by his or her completed application for membership, and who makes timely payment of all membership dues and assessment. With the exception of Founding Members, membership shall be effective for all purposes upon payment of dues. The membership of Founding Members, who shall be those members whose application and dues are received on or before January 1, 1994, shall be effective upon receipt.

3.3 Dues and Assessments.

3.3.1 Dues

The amount of annual membership dues shall be established from time to time by majority vote of the Board of Directors. Annual dues shall be payable for a membership year commencing on the anniversary date of initial membership.

3.3.2 Special Assessments

Special assessments of any amount, in addition to membership dues, may be established by the affirmative vote of at least two-thirds of the directors at any meeting of the Board of Directors, provided that notice that a special assessment is to be considered at the meeting shall be given to directors in the manner provided in paragraph 4.9.1.

3.3.3 Failure to Pay

A member's failure to pay dues or assessment within 45 days after the billing date shall result in automatic termination of membership, without prejudice with respect to a subsequent reapplication.

3.4 Regular Meetings

The Club shall hold regular meetings of members at such times and places within the City of Bellingham as may be established from time to time by the Board of Directors, as necessary for accomplishing the purposes of the Club.

3.5 Special Meetings

The Club shall hold a special meeting of members upon the call of a majority of the Board of Directors, or 10 percent of the members. A call by 10 percent of the members shall be made by written demand, dated and delivered to the president or secretary of the Club, describing the purpose or purposes of which the meeting is to be held and signed by the required number of members. Special meetings shall be held at such times and places within the city of Bellingham as may be determined by the Board of Directors, subject to the requirements of the Washington Nonprofit Corporation Act.

3.6 Annual Meeting.

The Club shall hold the annual meeting of members ("Annual Meeting") during the month of May in each year, unless otherwise determined by the Board of Directors, for the purpose of holding elections and transacting such other business as may come before the meeting. The

Annual Meeting shall be held at such time and place within the city of Bellingham as may be determined by the Board of Directors. If the election of directors is not held on the day established for the Annual Meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of members as soon thereafter as reasonably convenient.

3.7 Notice of Meetings

3.7.1 Annual or Special.

Written or printed notice stating the place, day and hour of any annual or special meeting of members and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than seven nor earlier than 60 days before the meeting date, at the direction of the president or secretary of the Club, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, first-class postage prepaid, addressed to the member at the address as it appears on the membership books of the Club.

3.7.2 Regular.

Except as provided in this paragraph, notice of regular meeting of members may be effected in the same manner provided in paragraph 3.7.1, or may be effected by publication of the regular meeting schedule in any newsletter, bulletin, announcement at a previous regular meeting, or other communication established by the Club and regularly distributed to the members by effective means. Notice of regular meetings at which matters requiring the approval of members pursuant to the Washington Nonprofit Corporation Act or these Bylaws will be considered shall be given in the manner provided in paragraph 3.7.1.

3.8 Membership Record Date.

The record date for purposes of determining members entitled to notice of or to vote at any meeting of members or any adjournment thereof, or to make a determination of members for any other proper purpose except demanding a special meeting shall be 60 days prior to the date set for such meeting or action requiring the determination of members. All members in good standing as of such date shall be entitled to such notice as may be required under these Bylaws. To determine the members entitled to demand a special meeting, the record date shall be the date the first member signs the demand.

3.9 Quorum of Members.

A minimum of 20% of the members shall constitute a quorum at a meeting of members. If a quorum is present, the affirmative vote of a majority of members present at the meeting and entitled to vote on the subject matter shall be the act of the members, unless a greater vote is required by the Washington Nonprofit Corporation Act or these Bylaws. Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. In the absence of a quorum, a majority of those present may adjourn the meeting from time to time until a quorum exists. Any business that might have been transacted at the original meeting may be transacted at the adjourned meeting if a quorum exists.

3.10 Proxy or Mail Voting

Except as otherwise provided in the Articles of Incorporation, these Bylaws or by applicable law, each member shall be entitled to one vote on each matter submitted to a vote at a meeting of members. A member may vote in person, by proxy or mail ballot.

3.11 No Cumulative Voting

At each election of directors, every member entitled to vote shall have the right to vote, in person, for as many persons as there are directors to be elected. No member shall have the right to vote cumulatively.

3.12 Transferability.

Membership rights are nontransferable.

3.13 Resignation Termination.

3.13.1 Resignation.

A member may resign from the Club at any time. A resigning member shall not be entitled to a refund of any portion of the annual dues or any special assessment previously paid.

3.13.2 Termination.

The membership of any person who fails to pay any dues or special assessment within 45 days after the billing date shall automatically terminate. The membership of any individual whose conduct is found by the Board of Directors to be inconsistent with the purposes of the Club or otherwise to materially hinder pursuit of the purposes of the Club, may be terminated by the affirmative vote of at least two-thirds of the Board of Directors at a meeting at which there is a quorum, after notice and hearing as follows:

3.13.2.1 Upon written request by the president, treasurer, or any five members, the secretary shall give written notice of intent to terminate membership to the offending member at least 15 days prior to the meeting at which termination shall be considered. The notice shall specify the reasons for the proposed termination, and offer the offending member the opportunity to be heard at the meeting or to submit written testimony before or at the meeting.

3.13.2.2 The Board of Directors may act at the meeting at which the matter is first heard, or take the matter under advisement for decision at a subsequent meeting. In the latter case, the offending party shall be entitled to not less than five days prior written notice of such subsequent meeting, and shall be entitled to be heard, orally or in writing, at such meeting. A decision by the Board of Directors to terminate a membership shall be effective five days after the meeting at which such decision is reached.

4. BOARD OF DIRECTORS

4.1 General Powers.

All corporate powers shall be exercised by, and all business of the Club shall be managed by, or under the direction and authority of, the Board of Directors. The Board of Directors shall adopt

such policies and procedures from time to time for conduct of the Club's business as the Board of Directors deems appropriate or necessary, including but not limited to procedures for treatment of research reports by the members.

4.2 Composition.

The Board of Directors shall have no more than 15 or less than 12 members elected by the membership.

4.3 Tenure

Except for the initial directors, each director shall serve a term of two years. Five of the initial directors shall be classified as having terms that expire at the Club's Annual Meeting in 1995. Five of the initial directors shall be classified as having terms that expire at the Club's Annual Meeting in 1996.

4.4 Initial Directors.

The initial directors shall be those individuals identified in the Club's Articles of Incorporation.

4.5 Election.

4.5.1 Nominations

Except as provided in paragraphs 4.4 and 4.14, directors shall be elected by the members at the Annual Meeting. The Nominating Committee shall present an aggregate number of nominees of not more than two times the number of vacant full-term positions, and not more than two nominees for each vacant partial-term position. The Nominating Committee shall present the nominations in sufficient time to be included in the notice of meeting at which the elections are to be held. Additional nominations for directors may be made from the floor by members.

4.5.2 Voting

Each member shall have one vote for each full-term position then vacant, and one vote for any partial-term position then vacant. Cumulative voting shall not be permitted; members shall be entitled to cast only one vote for any one candidate. The voting for full-term positions shall be separated on the ballot from the voting for partial-term positions, if any. The full-term positions shall be filled by the candidates receiving the highest numbers of votes, with the candidate receiving the highest number of votes taking the first available position, and so on. Likewise, the partial-term position(s) shall be filled by the candidate(s) therefore receiving the highest number(s) of votes for such position(s).

4.5.3 Reelection

Elected directors may stand for reelection, provided that no person shall serve as an elected director for more than three consecutive full terms.

4.6 Qualifications.

All directors shall be members of the Club in good standing. No member shall be eligible to serve as a director who is at the time a candidate for, or who is holding, an elective political position. Any director who shall accept appointment to, or become a candidate for, such political position while serving as a director shall automatically vacate the director's position, effective

upon acceptance of the appointment or declaration of candidacy.

4.7 Regular Meetings

4.7.1 In General.

Regular meetings of the Board of Directors shall be held not less often than monthly, at such time and place, as the directors shall determine. The regular meeting schedule shall be published in the newsletter, bulletin or other writing of similar purpose established by the Club. Except as may be required under the Washington Nonprofit Corporation Act or these Bylaws, no other notice of the date, time or place of the regular meetings shall be required. Club members shall be entitled to attend any meetings of the Board of Directors, but shall not be entitled to be heard on any matter without the express permission of the presiding officer, or upon the request of two members of the Board of Directors.

4.7.2 Annual Organizational Meeting

The first regular meeting of the Board of Directors following the Annual Meeting shall be the annual organizational meeting of the directors, at which the first order of business shall be election of the secretary, treasurer, and research director, as provided in paragraph 5.2, and conduct of such other organizational business as may be necessary or appropriate, including appointment of committees as provided in paragraph 7.

4.8 Special Meetings

Special meetings of the Board of Directors may be called by the president upon his or her own initiative, and shall be called by the president at the request of any two or more directors. The president shall fix the date, time and place within the city of Bellingham for any special meeting of the Board of Directors. Requests for a special meeting by two or more directors shall be made in writing, delivered to the president or secretary of the Club, and shall set forth the purpose of such meeting. If the president fails to call a special meeting and cause proper notice to be given therefore within five business days of receiving a valid request, the directors making the demand may call the meeting, fix the date, time and place within the city of Bellingham for the meeting, and cause proper notice to be given.

4.9 Notice.

4.9.1 Requirement

Notice of any special meeting, or of any regular meeting at which a matter is to be considered for which notice is specifically required by the Washington Nonprofit Corporation Act or these Bylaws, shall be given at least two days prior to the meeting, either orally by telephone or in person, or by written notice delivered personally or mailed to each director at the director's address as shown on the records of the Club. If mailed, such notice shall be deemed delivered on the fourth day after deposit in the United States mail, properly addressed, with first-class postage prepaid. It shall be the policy of the Club to require that reasonable efforts be made in good faith to achieve actual notice to each director when notice is required under this paragraph 4.9.

4.9.2 Waiver of Notice

Whenever any notice is required to be given to any director of the Club under the provisions of these Bylaws or under the provisions of the Washington Nonprofit Corporation Act, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

4.10 Quorum

A majority of the members of the Board of Directors in office immediately before commencement of the meeting shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. Directors shall be deemed to be present at any regular or special meeting where all directors participating may simultaneously hear each other during the meeting, irrespective of whether or not they are present in the same location, as by a telephonic conference.

4.11 Presumption of Assent

A director who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the secretary of the Club immediately after the adjournment of the meeting. The right to dissent shall not apply to a director who voted in favor of the action.

4.12 Manner of Acting

4.12.1 At a Meeting

Unless expressly provided otherwise in these Bylaws or the Washington Nonprofit Corporation Act, the act of a majority of the directors present at a meeting at which there is a quorum present shall be the act of the Board of Directors.

4.12.2 Without a Meeting

Any action required or permitted to be taken at a meeting of directors may be taken without a meeting: if a written consent setting forth the action so taken is signed by all the directors entitled to vote on the action. Such consent shall have the same force and effect as a unanimous vote of the directors.

4.13 Removal By Members

Any director may be removed from office with or without cause at any meeting of members at which there is a quorum by a vote of two-thirds of the members in attendance, provided that prior notice that removal will be considered at the meeting is given to members in the manner provided in paragraph 3.7.1.

4.14 Vacancies.

If a director resigns or otherwise becomes unable or unwilling to complete his or her entire term of office for any other reason, the vacancy shall be filled by the Board of Directors.

5. OFFICERS

5.1 Number

The officers of the Club shall be the president, vice president, secretary and treasurer who shall be appointed by the affirmative vote of a majority of the Board of Directors, to serve until expiration of the term specified by the Board of Directors or until the next Annual Meeting, whichever occurs first.

5.2 Removal and Resignation

Any officer may be removed from office, with or without cause, by a majority vote of the Board of Directors. Any officer of the Club may resign at any time by giving written notice to the president or secretary of the Club. Any such resignation shall take effect at the later of the date of actual receipt, two days after its postmark if mailed by United States mail, first class postage prepaid, and correctly addressed, or the time specified therein, if any.

5.3 Vacancies.

Vacancies in any office shall be filled by an individual appointed by the Board of Directors.

5.4 Duties of Officers

5.4.1 President

The president shall be the principal executive officer of the Club, and, subject to control by the Board of Directors, shall supervise all the business and affairs of the Club. The president shall preside at all meetings of the Board of Directors and of the members, and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors. The president may sign, with the secretary or any other proper officer of the Club authorized by the Board of Directors, any contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or these Bylaws to some other officer or agent of the Club, or shall be required by law to be otherwise signed or executed.

5.4.2 Vice President.

In the absence of the president or in the event of the president's death, inability or refusal to act, the vice president shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all restrictions upon the president. The vice president shall perform such duties as from time to time may be assigned to the vice president by the president or the Board of Directors.

5.4.3 Secretary.

The secretary shall keep or cause to be kept at the principal office, or at such other place as the Board of Directors may order, a book of minutes of all meetings of directors showing the time and place of the meeting; whether the meeting was regular or special and, if a special meeting,

how authorized; the notice given; the names of those present; and the proceedings thereof. The secretary shall likewise keep or cause to be kept a book of minutes of all meetings of members showing the time and place of the meeting; whether the meeting was regular or special and, if a special meeting, how authorized; the notice given, and a summary of proceedings thereof. The secretary shall in general perform all duties incident to the office of secretary, including but not limited to compliance with record keeping and filing requirements of the Corporation Division of the office of the Washington Secretary of State and the Internal Revenue Service pertaining to the Club's corporate and tax exempt status, and such other duties as from time to time may be assigned to the secretary by the president or the Board of Directors.

5.4.4 Treasurer.

The treasurer shall be responsible for the funds of the Club, shall pay them out only on the checks of the Club signed in the manner authorized by the Board of Directors, shall deposit and withdraw such funds in such depositories as may be authorized by the Board of Directors with the advice of the Finance Committee, and shall keep full and accurate accounts of receipts and disbursements in books maintained at the Club's principal office or at such other place as the Board of Directors may approve or order. The treasurer shall in general perform all duties incident to the office of treasurer and such other duties as from time to time may be assigned to the treasurer by the president or the Board of Directors.

6. CONTRACT, LOANS, CHECKS AND DEPOSITS

6.1 Contracts.

Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or agent of the Club to enter into any contract or execute any instrument in the name of and on behalf of the Club. Such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, or unless inherent in the authority vested in the office under the provision of these Bylaws, no officer, agent or employee of the Club shall have any power or authority to bind the Club by any contract or engagement, or to pledge its credit, or to render it liable for any purpose or for any amount. The Board of Directors shall adopt policies and procedures from time to time establishing fair and reasonable procedures for awarding contracts for the provision of goods or services to the Club.

6.2 Loans to Club.

No loans shall be contracted on behalf of the Club and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

6.3 Checks. Drafts Etc.

All checks, drafts or other orders for the payment of money, notes or other debt issued in the name of the Club, shall be signed by such officer or officers, agent or agents of the Club and in such manner as shall from time to time be determined by resolution of the Board of Directors.

6.4 Deposits.

All funds of the Club not otherwise employed shall be deposited from time to time to the credit of the Club in such banks, trust companies or other depositories as the Board of Directors may

select.

6.5 Prohibited Loans.

The Club shall not lend money to, or guaranty the obligations of, any director, officer, member or employee of the Club.

7. COMMITTEES

7.1 In General.

All committees of the Club shall be comprised of members in good standing, appointed by the president subject to approval by the Board of Directors at a meeting at which there is a quorum. Appointments shall be effective upon approval by the Board of Directors, and shall expire at the next annual organizational meeting of the Board of Directors following appointment, unless otherwise specified at the time of appointment. Appointees shall be subject to earlier removal by the Board of Directors at a meeting at which there is a quorum, following a request for removal by the chair of the committee or by the president; and shall be automatically removed from a committee without action by the directors if the appointee ceases to be a member in good standing. The president shall appoint the chairpersons of all committees.

7.2 Standing Committees.

At the organizational meeting of the initial directors, and at each annual organization meeting of the Board of Directors thereafter, the president shall present no fewer than three nor more than nine members (at least one of whom shall be a member of the Board of Directors) for appointment to each of the standing committees of the Club. The standing committees shall undertake such responsibilities as may be assigned by the Board of Directors, in addition to those set forth below. The standing committees of the Club shall be the following:

7.2.1 Program.

The Program Committee shall arrange the programs and facilities for the meetings of the Club.

7.2.2 Membership.

The Membership Committee shall recommend and implement adopted policies and practices regarding membership in the Club; monitor compliance with membership requirements; provide orientation to new members of the Club; and recommend and perform any host functions for the Club as approved by the Board of Directors.

7.2.3 Public Relations.

The Public Relations Committee shall be responsible for publicizing programs, promoting the Club and fostering its relationship with its members and the community, which it serves.

7.2.4 Research.

The Research Committee shall review and recommend proposals for research projects to the Board of Directors; shall advise the president regarding appointees to subject area committees and study groups; shall oversee the activities of study groups and subject area committees; and shall critically review all research reports prior to submission to the Board of Directors.

7.3 Subject Area Committees.

Subject to approval by the Board of Directors at a meeting at which there is a quorum, the president may appoint one or more subject area committees of not less than three members each. Each subject area committee shall monitor and gain a thorough knowledge of its subject area; recommend research projects to the Research Committee; monitor action taken on research reports previously made; propose speakers in the subject area to the Program Committee; and undertake such other responsibilities as may be assigned by the Research Committee. The activities of the subject area committees shall be subject to the supervision and guidance of the Research Committee.

7.4 Other Committees.

The Board may establish such other ad hoc or standing committees, as it deems necessary from time to time.

8. INDEMNIFICATION OF DIRECTORS AND OFFICERS

8.1 Directors and Officers.

The Club shall indemnify, to the fullest extent permitted by law, any person who is made a party to any suit or proceeding, whether civil, criminal, administrative, investigative, or otherwise by reason of the fact that the person is or was a director, officer or agent of the Club.

9. TRANSACTIONS BETWEEN CLUB AND INTERESTED DIRECTORS

9.1 Conflict of Interest

A transaction with the Club in which a director of the Club has a direct or indirect interest is not voidable by the Club solely because of the director's interest in the transaction if (1) the material facts of the transaction and the director's interest were disclosed or known to the Board of Directors, and the Board of Directors authorized, approved or ratified the transaction; and (2) the transaction was fair to the Club. Authorization, approval or ratification occurs if two-thirds of the members of the Board of Directors who have no direct or indirect interest in the transaction vote to authorize.

9.2 Disqualification

A director of the Club shall not be disqualified by virtue of the director's office from contracting with the Club as vendor, purchaser, or otherwise; nor shall any contract or arrangement entered into by or on behalf of the Club in which any director is in any way interested be voided on that account, provided that such contract or arrangement shall have been approved or ratified by two-thirds of the members of the Board of Directors who have no direct or indirect interest in the transaction.

10. MISCELLANEOUS

10.1 Fiscal Year

The fiscal year of the Club for tax and accounting purposes shall begin and end at such time as the Board of Directors shall provide, which may but shall not be required to coincide with the

Club's membership year.

10.2 Amendment of Bylaws

10.2.1 Initiation

Changes to these Bylaws may be initiated by a majority vote of the Board of Directors adopting a proposed amendment or restatement and referring the same to a vote of the members, or by written petition signed by at least ten percent of the members in good standing, setting forth the amendment or restatement in whole, delivered to the president or secretary.

10.2.2 Adoption

Properly initiated changes to these Bylaws shall be adopted upon approval by two-thirds of the members present at any meeting of members at which there is a quorum, provided that notice of the proposed changes is given to the members with notice of the meeting at which the action is proposed in accordance with the provision of paragraph 3.7.1.

10.3 Suspension of Bylaws

Any provision of these Bylaws except paragraph 1 may be temporarily suspended by a vote of two-thirds of the members at a meeting at which there is a quorum, for the purpose of permitting the members to take any specified action not inconsistent with the mission and purposes of the Club, the tax exempt status of the Club, or the provisions of the Washington Nonprofit Corporation Act.