

#58229

OFFICE OF SUPERVISORY AGENT
FEDERAL HOME LOAN BANK BOARD
1501 FOURTH AVENUE
SEATTLE, WASHINGTON 98101-1693
PHONE (206) 340-2300

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December 15, 1986

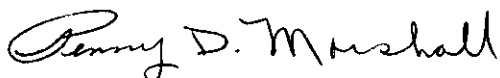
Sally Clark
Office of the Secretary of State
Room 203, Statehouse
Boise, Idaho 83720

Dear Ms. Clark:

This shall confirm that on April 1, 1985 Mountain State Savings and Loan Association, Ketchum, Idaho was granted Federal Home Loan Bank Board approval to convert from a state-chartered, stock savings and loan association to a Federally-chartered stock savings bank, to be operated under the corporate title "Mountain State Savings Bank, F.S.B.". On June 17, 1985, Federal Stock Charter Number 3818 was issued by the Federal Home Loan Bank Board to Mountain State Savings Bank, F.S.B., with such date having been recorded as the effective date of conversion.

As we discussed over the telephone, I am enclosing a copy of the relevant approval documents for further confirmation of Mountain State's conversion to Federal charter. Please contact me at (206) 340-2455 if I may be of further assistance.

Sincerely yours,



Penny D. Marshall
Supervisory Agent

PDM/gcg

Enclosures

FEDERAL HOME LOAN BANK BOARD

600 STEWART STREET

PHONE (208) 624-3980

SEATTLE, WASHINGTON 98101

RECEIVED
SEC. OF STATE

April 1, 1985

86 DEC 19 AM 9 20 BB No. 7616

Ronn C. Rich, Vice President
Mountain State Savings and Loan
Association
P.O. Box 299
Ketchum, Idaho 83340

Dear Mr. Rich:

We have reviewed the application submitted by Mountain State Savings and Loan Association, Ketchum, Idaho, to convert from a State-chartered stock savings and loan association to a Federally-chartered stock savings bank pursuant to the requirements of Section 552.2-6 of the Rules and Regulations for the Federal Savings and Loan System ("Federal Regulations").

Pursuant to the authority delegated by Section 552.2-6 of the Federal Regulations, the application of Mountain State Savings and Loan Association, Ketchum, Idaho, is hereby approved, provided that within six months of the date of this letter the Association submits to this office the following materials:

1. A certified copy of an undertaking entered into by the Association that all investments, capital accounts or activities not permitted by the Home Owner's Loan Act of 1933 shall be disposed of or discontinued at the earliest possible date without material loss to the Association or on any other date which may be determined by the Board.
2. Evidence certified by the chief executive officer of the Association that the Association has obtained the approval of the plan of conversion by such vote of its stockholders as may be required by the laws of the State of Idaho.
3. Six copies of the form of Federal charter adopted by the Association's stockholders, together with minutes of the meeting at which such charter was adopted and a certification of the secretary of the Association that the form of charter, submitted in compliance with this condition, is in the same form as previously submitted with the application hereby approved.

The effective date of the conversion shall be the date on which all materials required as conditions of this approval are received by this office.

Sincerely yours,



JAMES R. FAULSTICH
President

KLSD:dp

cc: Idaho State S&L Supervisor
Director, AED, ODB, FHLBB
District Director - Examinations
Membership File

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June 18, 1985

Ron C. Rich, Vice President
Mountain State Savings and Loan Association
P.O. Box 299
Ketchum, Idaho 83340

Dear Mr. Rich:

We have reviewed the materials submitted in compliance with conditions set forth in our April 1, 1985 approval of the institution's application for conversion to a Federally-chartered savings bank, to be operated under the corporate title "Mountain State Savings Bank, F.S.B.", and find them to be satisfactory. Please note that June 17, 1985 will be recorded as the effective date of conversion.

Following issuance of the new charter by the Federal Home Loan Bank Board, the institution should proceed with the required organizational meeting to elect directors or trustees and take all other actions necessary to fully effect the conversion to a Federal savings bank.

Sincerely yours,



PENNY D. MARSHALL
Supervisory Agent

KLSD:dp

cc: Idaho State S&L Supervisor
Patrick Berbakos, Assistant Director, ODB, FHLBB
District Director, Examinations

bc: PB

**BOARD ACTION UNDER
DELEGATED AUTHORITY**



Mountain State Savings Bank

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November 28, 1986
86 DEC 2 AM 9 11

Secretary of State
State of Idaho
Room 203, Statehouse
Boise, Idaho 83720

Attention: Corporate Division

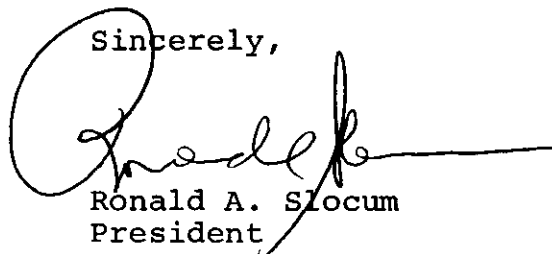
Gentlemen:

This is in response to your letter of November 12, 1986, concerning the filing of an annual report with your office.

It has not been necessary for us to file an annual report with your office since June 17, 1985, which is the date we converted from a state chartered stock institution into a federal stock savings bank. At that time, we sent your office an original signed copy of the Federal Charter, and also sent a copy to the Director of Finance for the State of Idaho, in order for you to close out your files. We are enclosing an additional copy of the Federal Charter for your information, however, the one previously sent to you was an original signed copy bearing the seal of the Federal Home Loan Bank Board.

Please contact me if you require any further information.

Sincerely,

RAS

Ronald A. Slocum
President

RAS/bl

Enclosure

*cert. from Fed Home Loan Bank
\$10.00 filing fee*

FEDERAL STOCK CHARTER
OF
MOUNTAIN STATE SAVINGS BANK, F.S.B.
(a Federal Savings Bank)

Section 1. CORPORATE TITLE. The full corporate title of the savings bank is Mountain State Savings Bank, F.S.B.

Section 2. OFFICE. The home office shall be located in City of Ketchum, County of Blaine, State of Idaho.

Section 3. DURATION. The duration of the savings bank is perpetual.

Section 4. PURPOSE AND POWERS. The purpose of the savings bank is to pursue any or all of the lawful objectives of a Federal savings bank chartered under section 5 of the Home Owners' Loan Act and to exercise all of the express, implied, and incidental powers conferred thereby and by all acts amendatory thereof and supplemental thereto, subject to the Constitution and laws of the United States as they are now in effect, or as they may hereafter be amended, and subject to all lawful and applicable rules, regulations, and orders of the Federal Home Loan Bank Board ("Board"). In addition, the savings bank may make any investment and engage in any activity as may be specifically authorized by action of the Board, including authorization by delegated authority, in connection with action approving the issuance of the charter.

Section 5. CAPITAL STOCK. The total number of shares of all classes of the capital stock which the savings bank has the authority to issue is four hundred thousand (400,000), all of which shall be common stock of par value of five dollars (\$5.00) per share. The shares may be issued from time to time as authorized by the board of directors without the approval of its shareholders, except as otherwise provided in this Section 5 or to the extent that such approval is required by governing law, rule, or regulation. The consideration for the issuance of the shares shall be paid in full before their issuance and shall not be less than the par value. Neither promissory notes nor future services shall constitute payment or part payment for the issuance of shares of the savings bank. The consideration for the shares shall be cash,

tangible or intangible property (to the extent direct investment in such property would be permitted to the savings bank), labor, or services actually performed for the savings bank, or any combination of the foregoing. In the absence of actual fraud in the transaction, the value of such property, labor or services, as determined by the board of directors of the savings bank, shall be conclusive. Upon payment of such consideration, such shares shall be deemed to be fully paid and nonassessable. In the case of a stock dividend, that part of the surplus of the savings bank which is transferred to stated capital upon the issuance of shares as a share dividend shall be deemed to be the consideration for their issuance.

Except for shares issuable in connection with the conversion of the savings bank from the mutual to stock form of capitalization, no shares of common stock (including shares issuable upon conversion, exchange, or exercise of other securities) shall be issued, directly or indirectly, to officers, directors, or controlling persons of the savings bank other than as part of a general public offering or as qualifying shares to a director, unless the issuance or the plan under which they would be issued has been approved by a majority of the total votes eligible to be cast at a legal meeting.

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, except as to the cumulation of votes for the election of directors. Subject to any provision for a liquidation account, in the event of any liquidation, dissolution, or winding up of the savings bank, the holders of the common stock shall be entitled, after payment or provision for payment of all debts and liabilities of the savings bank, to receive the remaining assets of the savings bank available for distribution, in cash or in kind. Each share of common stock shall have the same relative rights as and be identical in all respects with all the other shares of common stock.

Section 6. PREEMPTIVE RIGHTS. Holders of the capital stock of the savings bank shall not be entitled to preemptive rights with respect to any shares of the savings bank which may be issued.

Section 7. DIRECTORS. The savings bank shall be under the direction of a board of directors. The authorized number of directors, as stated in the savings bank's bylaws, shall not be fewer than seven nor more than fifteen except when a greater number is approved by the Board.

Section 8. AMENDMENT OF CHARTER. Except as provided in Section 5, no amendment, addition, alteration, change or repeal of this charter shall be made, unless such is first proposed by the board of directors of the savings bank, then preliminarily approved by the Board, which preliminary approval may be granted by the Board pursuant to regulations specifying preapproved charter amendments, and thereafter approved by the shareholders by a majority of the total votes eligible to be cast at a legal meeting. Any amendment, addition, alteration, change, or repeal so acted upon shall be effective upon filing with the Board in accordance with regulatory procedures or on such other date as the Board may specify in its preliminary approval.

Attest: Phyllis Swenthal
Secretary of the Savings Bank

By: Arnold
President and Chief Executive Officer
of the Savings Bank

Attest: Jeff Conyers
Secretary to the Board
Federal Home Loan Bank Board

By: Edwin J. Gray
Chairman

Declared effective this 17th day of June, 1985.