

State of Idaho

Department of State

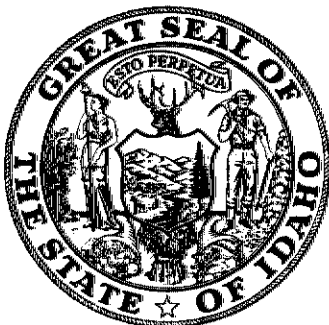
CERTIFICATE OF INCORPORATION OF

BANK OF LATAH
File number C 113592

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Incorporation for the incorporation of the above named corporation, duly signed pursuant to the provisions of the Idaho Business Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Incorporation and attach hereto a duplicate original of the Articles of Incorporation.

Dated: January 30, 1996



Pete T. Cenarrusa
SECRETARY OF STATE

By

Anna Sibel

Jan 30 1 35 PM '96

SECRETARY OF STATE
STATE OF IDAHO

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
BANK OF LATAH**

IDAHO SECRETARY OF STATE
DATE 01/30/1996 0900 34024

CK #: 21952 CUST# 64669

CORP

1@ 100.00= 100.00
EXPEDITE C 1@ 20.00= 20.00

#: C

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For the purpose of carrying on the business of banking under the laws of the State of Idaho, the undersigned does hereby verify and state that the following restated Articles of Incorporation of Bank of Latah supersede the original Articles of Incorporation as previously amended and restated.

ARTICLE I

The name of this banking corporation shall be: **BANK OF LATAH.**

ARTICLE II

The general nature of the business of this banking corporation and the objects and purposes proposed to be conducted are as follows:

(a) To be a commercial bank and to engage in a general banking business.

(b) To engage in any manufacturing, mercantile, warehousing or trading business or businesses of any kind, and to do all things incidental thereto; to maintain and operate properties and facilities for the production and

sale of any articles of commerce; and to purchase or otherwise acquire, own, mortgage, pledge, sell, assign, and transfer or otherwise dispose of, invest, trade and deal in goods, wares and merchandise and real and personal property of every class and description.

(c) To purchase or otherwise acquire, the whole or any part of the undertaking and business of any person, firm or corporation, engaged in any business of any nature, and the property and liabilities, including the good will, assets and stock in trade thereof, and to pay for the same either in cash or in shares, or partly in cash and partly in shares.

(d) To purchase, take, receive, lease, or otherwise acquire, own, hold, improve, use and otherwise deal in and with, real or personal property, or any interest therein, which property may be located either in the United States of America or in a foreign country.

(e) To acquire by purchase, subscription, or otherwise, and to hold for investment or otherwise, and to use, sell, assign, transfer, mortgage, pledge or otherwise deal with or dispose of stocks, bonds, or any obligations or securities of any corporation or corporations; and to merge or consolidate with any corporation in such manner as may be provided by law.

(f) To borrow money, and to make and issue notes, bonds, debentures, obligations and evidences of indebtedness of all kinds, whether secured by mortgage, pledge or

otherwise, without limit as to amount, except as may be prohibited by statute, and to mortgage, pledge, hypothecate, convey in trust, or otherwise, any and all property of this corporation as security for the payment of any such indebtedness, and generally to make and perform agreements and contracts of every kind and description; and to lend money for corporate purposes, invest and reinvest its funds and take and hold real and personal property as security for the payment of funds so loaned or invested.

(g) To purchase, take, receive or otherwise acquire, hold, own, pledge, transfer or otherwise dispose of its own shares, to the extent authorized by the Director of the Department of Finance and/or in accordance with applicable provisions of Idaho law.

(h) To do all and everything necessary, suitable and proper for the accomplishment of any of the purposes, or the attainment of any of the objects, or the furtherance of any of the powers hereinabove set forth, either alone or in association with other corporations, firms or individuals, and do every act or acts, thing or things incidental or appurtenant to or growing out of or connected with the aforesaid business or powers, or any part or parts thereof; and to have and to exercise all the powers conferred by the laws of the State of Idaho, as such laws may now be in effect or as they may at any time hereafter be amended.

The foregoing statement of purposes shall be construed as a statement of both purposes and powers, and the purposes and powers stated in each clause shall be in no way limited or restricted by reference to or inference from the terms or provisions of any other clause, but shall be regarded as independent purposes and powers.

ARTICLE III

The capital stock of this Corporation shall be Five Million Dollars (\$5,000,000.00), divided into Five Hundred Thousand (500,000) shares of the par value of Ten Dollars (\$10.00) per share.

ARTICLE IV

A director of this banking corporation shall not be disqualified by his office from dealing or contracting with this banking corporation, nor shall any transaction or contract of this banking corporation be void or voidable by reason of the fact that any director of any firm of which any director is a member or any corporation of which any director is a shareholder, officer, or director, is in any way interested in such transaction or contract provided that, after such interest shall have been disclosed, such transaction or contract is, or shall be authorized, ratified or approved either (1) by vote of a majority of a quorum of the Board of Directors without counting in such majority or quorum any director so interested, or any director who is a member of a firm so interested, or a shareholder,

officer or director of a corporation so interested, or (2) by the written consent or vote at any shareholders' meeting of the holders of record of a majority of all the outstanding shares of stock of this banking corporation entitled to vote; nor shall any director be liable to account to this banking corporation for any profits realized from such transaction or contract, authorized, ratified or approved as aforesaid.

This banking corporation shall have the power to indemnify any directors, officers, or former directors or officers of this corporation, or any person who may have served at this corporation's request as a director or officer of another corporation, against expenses actually and reasonably incurred by such person in connection with the defense of any action, suit or proceeding, civil or criminal, in which he becomes a party by reason of being or having been such director or officer, to the full extent permitted by the existing laws of the State of Idaho.

This banking corporation also, to the full extent permitted by the laws of the State of Idaho, shall have the power to enter into an agreement to advance expenses and litigation costs of any director or former director, without making any determination of the director's good faith, reasonable beliefs, or beliefs with regard to the lawfulness of his or her activity. The indemnification so authorized shall not protect or purport to protect any director against any liability to this corporation or to the shareholders to which he or she otherwise would be subject by reason of intentional misconduct, knowing violation of law, or in connection with any transaction with respect to which it is

finally adjudged that such director personally received a benefit in money, property or services to which that director was not legally entitled. The indemnification so authorized shall continue in effect as it relates to all acts or omissions committed while the director held his or her position, notwithstanding his or her subsequent resignation or removal from that position, and the indemnification shall inure to the benefit of the heirs, executors, and administrators of that person or his or her estate.

A director of this banking corporation shall not be liable for monetary damages for his or her conduct as a director of this banking corporation or for breach of fiduciary duty as a director provided that a director shall remain liable for acts or omissions constituting a breach of a duty of loyalty to this banking corporation or its shareholders, for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of law, for any transaction from which a director derived an improper personal benefit; a director further shall remain liable for those actions proscribed by Idaho Code 30-1-48 unless a director complies with the standards provided by the laws of the State of Idaho for the performance of the duties of directors.

Any amendment or repeal of this Article shall not adversely affect any right or protection granted to a current or former officer or director existing at the time of such amendment or repeal with respect to acts or omissions occurring prior to such amendment or repeal.

ARTICLE V

This banking corporation shall have perpetual existence.

ARTICLE VI

The registered office of this banking corporation shall be 250 Northwest Boulevard, Suite 102, Coeur d'Alene, Idaho 83814-2971, and the registered agent shall be Edward F. Wroe at that address.

ARTICLE VII

The management of this banking corporation shall be vested in a Board of Directors, and the number, qualifications, compensation, terms of office, manner of election, time and place of meeting, powers and duties of the directors shall be such as are prescribed by the Bylaws of this corporation. The authority to make Bylaws is hereby expressly vested in the Board of Directors of this banking corporation, and said Board may adopt, alter, amend or repeal such Bylaws and provisions for the regulation and management of the affairs of this corporation as shall be consistent with the laws of the State of Idaho and these Articles of Incorporation.

ARTICLE VIII

This banking corporation reserves the right to amend, alter, change or repeal any provisions contained in these Articles of Incorporation in the manner now or hereafter prescribed by

statute, and all rights conferred on the shareholders herein are granted subject to this reservation.

ARTICLE IX

The names and post office addresses of the directors who shall currently manage the affairs of this banking corporation are as follows:

<u>Name</u>	<u>Post Office Address</u>
B. Jay Wernz	P. O. Box 267 Fairfield, Washington 99012
John L. Gilbert	P. O. Box 40 Latah, Washington 99018
Dan J. Messinger	P. O. Box 219 Palouse, Washington 99161
Helen E. Nelson	10201 E. 4th Spokane, Washington 99206
Milton O. Wolf	15101 E. Spring Valley Road Latah, Washington 99018
Walter H. Olson	Route 1, Box 63 Plummer, Idaho 83851
Gordon W. Lederer	39305 S. Wheeler Road Latah, Washington 99018
A. Vern McCormack	P. O. Box 1019 Tekoa, Washington 99033
Marci B. Green	P. O. Box 40 Latah, Washington 99018

and each of said director shall hold office until the first meeting of shareholders in 1996, or until his successor has been elected and qualified in the manner prescribed by law.

ARTICLE X

LATAH BANCORPORATION, INC., a Washington corporation, shall be the incorporator of this banking corporation.

IN WITNESS WHEREOF, the incorporator has hereunto set its hand this 24th day of January, 1996.

LATAH BANCORPORATION, INC.

By B. Jay Wernz
B. Jay Wernz, President

ATTEST:

John L. Gilbert
John L. Gilbert, Secretary

STATE OF WASHINGTON)
County of Spokane) ss.

I certify that I know or have satisfactory evidence that B. Jay Wernz is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of LATAH BANCORPORATION to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED January 24, 1996.



Marci B. Green
NOTARY PUBLIC in and for the State
of Washington, residing at Spokane Spangle
My appointment expires 8-1-98

STATE OF WASHINGTON)
) ss.
County of Spokane)

I certify that I know or have satisfactory evidence that John L. Gilbert is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Secretary of LATAH BANCORPORATION to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED January 24, 1996.



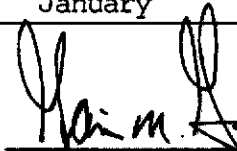
Marci B. Green
NOTARY PUBLIC in and for the State
of Washington, residing at Spokane *Spangle*
My appointment expires 8-1-98

CERTIFICATE OF APPROVAL

Secretary of State
State of Idaho
Statehouse
Boise, Idaho

This is to certify that I, the undersigned, Acting Director of Finance, State of Idaho, do hereby approve for filing the attached Amended and Restated Articles of Incorporation of Bank of Latah, dated the 24th day of January, 1996.

DATED this 30th day of January, 1996.

A handwritten signature in dark ink, appearing to read "Gavin M. Gee", is written over a horizontal line.

Gavin M. Gee
Acting Director of Finance