

FILED

DEC 21 11 02 AM '98

ARTICLES OF MERGER

Pursuant to IDAHO CODE §30-1-101 et seq., the undersigned corporations have adopted the following Articles of Merger for the purpose of combining the undersigned corporations:

ARTICLE 1

Northwest Insurance Services Inc., an Idaho Corporation, is hereby merged into First Security Insurance Inc., a Utah Corporation.

ARTICLE 2

Attached hereto, marked as "Exhibit A," and incorporated herein by reference, is a copy of the Plan of Merger, entitled "The Plan of Merger" dated the 17th day of December, 1998.

ARTICLE 3

On the date the Plan of Merger was adopted, the Board of Directors of Northwest Insurance Services Inc. had recommended approval of the Plan of Merger to the Shareholders.

ARTICLE 4

That on the date of approval of the Plan of Merger, Northwest Insurance Services Inc. had a total of One Hundred Forty-Nine Thousand Three Hundred Ten (149,310) shares of stock issued and outstanding. These shares were of common stock, with a voting right of one (1) vote per share of stock.

ARTICLE 5

That on the date of approval of the Plan of Merger by the Shareholders of Northwest Insurance Services, Inc., One Hundred Forty-Nine Thousand Three Hundred Ten (149,310) votes were cast for the Plan and no votes cast against the Plan by the Shareholders of Northwest Insurance Services, Inc.

ARTICLES OF MERGER - 1

C 107673

IDAHO SECRETARY OF STATE

12/21/1998 09:00
CX: 75811 CT: 20168 SM: 171825

1 @ 30.00 = 30.00 MERGER # 2

1 @ 20.00 = 20.00 EXPEDITE C # 3

ARTICLE 6

Pursuant to the Utah Revised Business Corporation Act, approval of the Shareholders of First Security Insurance Inc. was not required.

ARTICLE 7

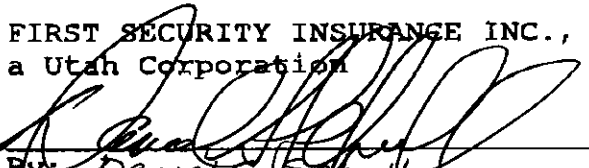
That the surviving entity shall be First Security Insurance Inc., which is a Utah Corporation.


ARTICLE 8

That this merger shall become effective on the date of filing.

FIRST SECURITY INSURANCE INC.,
a Utah Corporation


DATED: 12/17/98



By: Daniel S. Schull
Title: President

ATTEST: 
Secretary

NORTHWEST INSURANCE SERVICES INC.

DATED: 12/17/98


MICHAEL FREDRICKSON
President

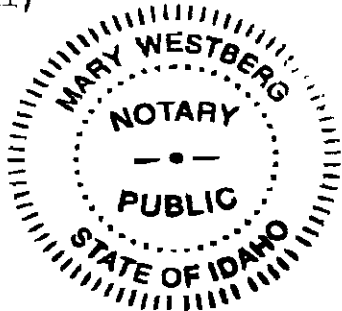
ATTEST: 
Secretary

VERIFICATION

STATE OF IDAHO)
) ss.
County of Latah)

I, MARY WESTBERG, a notary public, hereby certify that on the 17TH day of December, 1998, personally appeared before MICHAEL FREDRICKSON, who being by me first duly sworn declared that he signed the foregoing document as President and that the statements therein contained are true.

(seal)



Mary Westberg
Notary Public in and for the State of Idaho, residing at Moscow, ID.

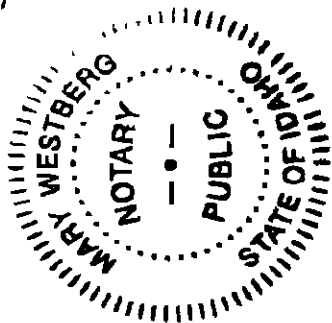
My commission expires: 1/22/2005

VERIFICATION

STATE OF IDAHO)
) ss.
County of Latah)

I, MARY WESTBERG, a notary public, hereby certify that on the 17TH day of December, 1998, personally appeared before me KRISTINE FREDRICKSON, who being by me first duly sworn declared that she signed the foregoing document as Secretary and that the statements therein contained are true.

(seal)



Mary Westberg
Notary Public in and for the State of Idaho, residing at Moscow, ID

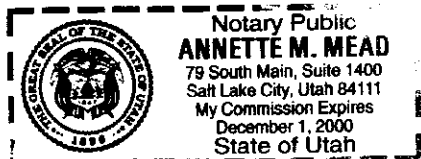
My commission expires: 1/22/2005

VERIFICATION

STATE OF UTAH)
County of Salt Lake) ss.

I, Annette M. Mead, a notary public, hereby certify that on the 17th day of December, 1998, personally appeared before me Samuel S. Schull, who being by me first duly sworn declared that he signed the foregoing document as President and that the statements therein contained are true.

(seal)



Annette M Mead
Notary Public in and for the
State of Utah, residing at
Salt Lake City, UT.

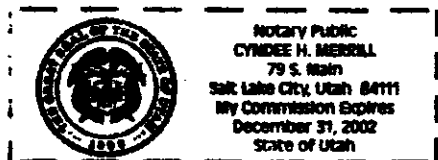
My commission expires: 12/1/00

VERIFICATION

STATE OF UTAH)
County of Salt Lake) ss.

I, Cyndee H. Merrill, a notary public, hereby certify that on the 18th day of December, 1998, personally appeared before me Steven M. Guavara, who being by me first duly sworn declared that he signed the foregoing document as Secretary and that the statements therein contained are true.

(seal)



Cyndee H Merrill
Notary Public in and for the
State of Utah, residing at
SALT LAKE CITY, Utah

My commission expires: 12-31-02

ARTICLES OF MERGER
OF
NORTHWEST INSURANCE SERVICES, INC.
WITH AND INTO
FIRST SECURITY INSURANCE INC.

The undersigned entities hereby execute the following Articles of Merger:

ARTICLE ONE

The names of the entities proposing to merge (collectively, the "*Constituent Entities*"), and the laws under which they are organized are as follows:

<u>Name of Entity</u>	<u>Jurisdiction of Organization</u>
First Security Insurance Inc.	Utah
Northwest Insurance Services, Inc. ("Northwest")	Idaho

ARTICLE TWO

Attached hereto as Exhibit A is a copy of the Plan of Merger by and among the Constituent Entities and First Security Corporation, a Delaware corporation, dated as of December 18, 1998, adopted in the manner prescribed by the laws of the jurisdictions of organization or incorporation of the parties thereto.

ARTICLE THREE

The surviving entity shall be First Security Insurance Inc., which is a Utah corporation, and it shall continue to be governed by the laws of the State of Utah. The surviving entity shall continue to use the same Articles of Incorporation and Bylaws, except as otherwise set forth in the attached Plan and Agreement of Merger.

ARTICLE FOUR

Pursuant to Section 16-10a-1103(7) of the Utah Revised Business Corporation Act, approval of the shareholders of First Security Insurance Inc. is not required.

ARTICLE FIVE

As to Northwest, the number of shares outstanding, the number of shares entitled to vote, and the designation of shares entitled to vote as a class, are as follows:

<u>Class of Shares</u>	<u>Total Number of Shares Outstanding</u>	<u>Number of Shares Entitled to Vote</u>	<u>Designation of Shares Entitled to Vote as a Class</u>
<i>Common</i>	149,310	149,310	None

All outstanding shares of Northwest stock voted for the Merger and none voted against.

ARTICLE SIX

The registered agent and registered office of First Security Insurance Inc., the surviving corporation, in Utah to accept service in any proceeding to enforce any obligation or rights of dissenting shareholders of Northwest or in any proceeding based on a cause of action arising with respect to Northwest are:

Leslie F. Paskett
79 South Main Street
Salt Lake City, Utah 84111

ARTICLE SEVEN

This Merger shall become effective the date of filing.

ARTICLE EIGHT

All provisions of the laws of the jurisdiction in which the Constituent Entities were organized applicable to the proposed merger have been complied with.

In witness whereof the undersigned, being thereunto duly authorized, have executed these Articles of Merger on behalf of the Constituent Entities this 18 day of December, 1998.

FIRST SECURITY INSURANCE INC.

By: 

Name: Daniel S. Schull
Title: President

NORTHWEST INSURANCE SERVICES,
INC.

By: _____

Name: Michael Fredrickson
Title: President

423994

In witness whereof the undersigned, being thereunto duly authorized, have executed these Articles of Merger on behalf of the Constituent Entities this 18 day of December, 1998.

FIRST SECURITY INSURANCE INC.

By: _____
Name: Daniel S. Schull
Title: President

NORTHWEST INSURANCE SERVICES, INC.

By: *Michael L. Fredrickson*
Name: Michael Fredrickson
Title: President

423994

**Plan of Merger
Between
First Security Corporation,
First Security Insurance Inc., and
Northwest Insurance Services, Inc.**

THIS PLAN OF MERGER (this "*Agreement*") is made and entered into as of the 18th day of December, 1998, by and among First Security Corporation, a Delaware corporation ("*FSC*"); First Security Insurance Inc., a Utah corporation ("*FSI*"); Northwest Insurance Services, Inc., an Idaho corporation ("*Northwest*"), (*FSI* and *Northwest* sometimes referred to jointly as the "*Constituent Corporations*"); Michael L. Fredrickson, an individual residing in the State of Idaho ("*Michael*"), and Kristine D. Fredrickson, an individual residing in the State of Idaho ("*Kristine*") (*Michael* and *Kristine* referred to collectively herein as the "*Shareholders*").

RECITALS

A. *FSC* is a corporation duly incorporated and validly existing under the laws of the State of Delaware, with its principal place of business located at 79 South Main Street, Salt Lake City, Utah.

B. *FSI* is a corporation duly incorporated and validly existing under the laws of the State of Utah, with its principal place of business located at 405 South Main Street, Salt Lake City, Utah.

C. *Northwest* is an insurance agency with its principal place of business in Moscow, Idaho. *Northwest* is authorized by its Articles of Incorporation to issue 500,000 shares of common stock, \$1.00 par value, ("*Northwest Common Stock*") of which as of the date of this Agreement there were 149,130 shares issued and outstanding (net of Treasury).

D. The Shareholders collectively own all of the issued and outstanding shares of capital stock of *Northwest*.

E. The Executive Committee of *FSC*, the board of directors of each of the Constituent Corporations and the Shareholders desire that *Northwest* be merged with and into *FSI* upon the terms and subject to the conditions set forth in this Agreement.

AGREEMENT

In consideration of the foregoing recitals and of the agreements, covenants and provisions hereinafter contained, *FSI* and *Northwest*, by their respective boards of directors, and *FSC*, by its Executive Committee, have agreed and do hereby agree, each with the others as follows:

ARTICLE I
MERGER

FSI and Northwest shall be merged into a single corporation, in accordance with applicable provisions of the laws of the States of Utah and Idaho which permit such merger, with Northwest merging into FSI, which shall be the Surviving Corporation (such transaction referred to herein as the "*Merger*"). Upon the Merger becoming effective under laws of the State of Utah (the time when the Merger shall become effective being sometimes herein referred to as the "*Effective Time*" of the Merger):

1.1 Merger. The Constituent Corporations shall be a single corporation, which shall be FSI as the surviving corporation (the "*Surviving Corporation*"), and the separate existence of Northwest shall cease except to the extent provided by the laws of the State of Idaho in the case of a corporation after its merger into another corporation.

1.2 Rights, Privileges and Assets. FSI shall thereupon and thereafter possess all the rights, privileges, immunities and franchises, as well of a public as of a private nature, of each of the Constituent Corporations; and all property, real, personal and mixed, and all debts due on whatever account, including subscriptions to shares, and all other choses in action, and all and every other interest of, or belonging to, or due to each of the Constituent Corporations, shall be taken and deemed to be vested in the Surviving Corporation without further act or deed; and the title to all real estate, or any interest therein, vested in any of the Constituent Corporations shall not revert or be in any way impaired by reason of the Merger.

1.3 Liabilities and Obligations. FSI shall thenceforth be responsible and liable for all of the liabilities and obligations of each of the Constituent Corporations; and any claim existing or action or proceeding pending by or against any of the Constituent Corporations may be prosecuted to judgment as if the Merger had not taken place, or the Surviving Corporation may be substituted in its place, and neither the rights of creditors nor any liens upon the property of any of the Constituent Corporations shall be impaired by the Merger.

1.4 Articles of Incorporation. The Articles of Incorporation of FSI shall not be amended in any respect by reason of this Plan of Merger, and such Articles of Incorporation as existing and constituted immediately prior to the Effective Time of the Merger shall be and constitute the Articles of Incorporation of the Surviving Corporation.

1.5 Bylaws. The Bylaws of FSI as existing and constituted immediately prior to the Effective Time of the Merger shall be and constitute the Bylaws of the Surviving Corporation.

1.6 Directors and Officers. The board of directors, and the members thereof, and the officers of FSI immediately prior to the Effective Time of the Merger shall be and constitute the board of directors, and the members thereof, and the officers of the Surviving Corporation.

**ARTICLE II
PURCHASE PRICE**

2.1 Purchase Price

(a) Purchase Price. Subject to the provisions of this Article II, the maximum purchase price for Northwest shall be 30,724 shares of FSC Common Stock (the "*Purchase Price*"), subject to adjustment as set forth in the Agreement and Plan of Reorganization.

(b) Payment of Purchase Price. At the Closing, payment of the purchase Price shall be made in FSC Common Stock to the Shareholders in proportion to their respective ownership interests in Northwest.

**ARTICLE III
CONVERSION OF SHARES**

The basis for converting and exchanging the issued and outstanding shares of the stock of each of the Constituent Corporations shall be as follows:

3.1 FSI Shares. All shares of FSI common stock that are outstanding immediately prior to the Effective Time of the Merger shall continue to be outstanding immediately after the Effective Time of the Merger.

3.2 Conversion of Northwest Common Stock. Each share of Northwest Common Stock which is outstanding immediately prior to the Effective Time (of which there shall be no more than an aggregate total of 149,310 shares), and all rights in respect thereof, shall be converted *ipso facto*, and without any action on the part of the holder thereof, at the Effective Time, into the right to receive .2058 shares of FSC Common Stock (the "*Conversion Ratio*"), except as such ratio may be adjusted as per the Agreement and Plan of Reorganization.

3.3 Surrender of Certificates.

(a) Rights Upon Surrender. After the Effective Time of the Merger, the Shareholders shall, upon surrender for cancellation of a certificate or certificates representing such shares to FSC or its agent designated for such purpose, be entitled to receive a certificate or certificates representing the number of shares of FSC Common Stock into which such shares of Northwest Common Stock shall have been converted pursuant to the provisions of this Article and such cash as the shareholders shall be entitled to, if any, pursuant to Section 3.4, below.

(b) Rights Pending Surrender. Until so surrendered, the certificates, which prior to the Merger represented shares of Northwest Common Stock, shall be deemed, for all corporate purposes, to evidence the right to receive the cash and the ownership of the shares of FSC Common Stock into which such shares of Northwest Common Stock shall have been converted; provided, however, that (a) no dividends with respect to shares of Northwest Common Stock so

converted to FSC Common Stock shall be paid until the sole shareholder shall have surrendered his certificates therefor, at which time such shareholder shall be paid the amount of dividends, if any, without interest, which shall theretofore have become payable with respect to the shares of FSC Common Stock into which such shares shall have been converted, and (b) no interest shall accrue or be payable with respect to the amount of cash into which such shares shall have been converted.

(c) *Issuance of Certificates in Different Name.* If any certificate for shares of FSC Common Stock is to be issued in a name other than that in which the certificate surrendered in exchange therefor is registered, it shall be a condition of the issuance thereof that the certificate so surrendered shall be properly endorsed and otherwise in proper form for transfer, and that the holder thereof pay to FSC or its agent designated for such purpose any transfer or other taxes required by reason of the issuance of a certificate for shares of FSC Common Stock in any name other than such shareholder's name, or establish to the satisfaction of FSC or its agent that such tax has been paid or is not payable.

3.4 Fractional Shares. No fractional shares of FSC Common Stock shall be issued in the Merger, but, in lieu of any fractional shares, the Shareholders, if such Shareholders would have otherwise been entitled to a fraction of a share of FSC Common Stock upon surrender of stock certificates as provided in Section 3.3 above, will, upon such surrender, be paid an amount of cash (without interest) determined by multiplying (i) the fractional share interest in FSC Common Stock to which the holder would otherwise be entitled, by (ii) \$24.3875.

ARTICLE IV EXPENSES

Each of the parties to this Agreement shall pay his or its own charges and costs incurred or to be incurred in connection with the execution and performance of this Agreement.

ARTICLE V FURTHER ACTIONS

If at any time the Surviving Corporation shall consider or be advised that any further assignment or assurance in law is necessary or desirable to vest in the Surviving Corporation the title to any property or rights of Northwest, the proper officers and directors of Northwest, as the case may be, shall and will execute and make all such proper assignments and assurances in law and do all things necessary or proper to thus vest such property or rights in the Surviving Corporation, and otherwise to carry out the purposes of this Plan and Agreement of Merger.

**ARTICLE VI
SHAREHOLDER VOTE**

6.1 FSI Shareholder Approval. This Agreement need not be submitted to the sole shareholder of FSI pursuant to Section 16-10a-1103(7) of the Utah Revised Business Corporation Act, and this Agreement shall take effect and shall be taken to be the Plan of Merger of FSI upon the approval or adoption thereof by its board of directors in accordance with law.

6.2 Northwest Shareholder Approval. This Agreement shall be submitted to the shareholders of Northwest, as provided by law, and shall take effect, and be deemed and be taken to be the Plan of Merger of such corporation upon the approval or adoption thereof by its shareholders in accordance with the requirements of the laws of the States of Utah and Idaho.

6.3 Effective Date. This Agreement shall take effect upon the execution, filing and recording of such documents and the doing of such acts and things as shall be required for accomplishing the Merger under the provisions of the applicable statutes of the States of Utah and Idaho, as heretofore amended and supplemented.

**ARTICLE VII
ABANDONMENT**

Anything herein or elsewhere to the contrary notwithstanding, this Agreement may be abandoned by any of the Constituent Corporations by an appropriate resolution of its board of directors, or its Executive Committee in the case of FSC, at any time prior to its approval or adoption by the shareholders thereof, or by the mutual consent of the Constituent Corporations evidenced by appropriate resolutions of their respective boards of directors, at any time prior to the Effective Time of the Merger.

[THIS SPACE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, FSC, FSI and the Northwest, pursuant to the approval and authority duly given by resolutions adopted by their respective boards of directors, or its Executive Committee in the case of FSC, and the Shareholders have executed this Agreement as of the day and year first set forth above.

FIRST SECURITY CORPORATION

By: Morgan J. Evans
Morgan J. Evans, President and Chief
Operating Officer

FIRST SECURITY INSURANCE, INC.

By: Daniel S. Schull
Daniel S. Schull, President and Chief
Executive Officer

NORTHWEST INSURANCE SERVICES, INC.

By: _____
Michael L. Fredrickson, President

SHAREHOLDERS:

MICHAEL

Michael L. Fredrickson, individually

KRISTINE

Kristine D. Fredrickson, individually

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IN WITNESS WHEREOF, FSC, FSI and the Northwest, pursuant to the approval and authority duly given by resolutions adopted by their respective boards of directors, or its Executive Committee in the case of FSC, and the Shareholders have executed this Agreement as of the day and year first set forth above.

FIRST SECURITY CORPORATION

By: _____
Morgan J. Evans, President and Chief
Operating Officer

FIRST SECURITY INSURANCE INC.

By: _____
Daniel S. Schull, President and Chief
Executive Officer

NORTHWEST INSURANCE SERVICES, INC.

By: Michael L. Fredrickson
Michael L. Fredrickson, President

SHAREHOLDERS:

MICHAEL

Michael L. Fredrickson
Michael L. Fredrickson, individually

KRISTINE

Kristine D. Fredrickson
Kristine D. Fredrickson, individually

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