

FILED/EFFECTIVE

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ARTICLES OF MERGER

SECRETARY OF STATE
STATE OF IDAHO

These Articles of Merger, under and pursuant to which United Security Bank, Home Security Bank, Bank of Pullman, and AmericanWest Bank are to be merged to form AmericanWest Bank, a Washington banking corporation, are adopted pursuant to RCW Sections 30.40.040, 30.49.050 and 30.49.060;

1. Name of Surviving Corporation. The name of the surviving corporation shall be AmericanWest Bank, a Washington banking corporation.
2. Surviving Corporation. The Articles of Incorporation of the surviving corporation shall be the Articles of AmericanWest Bank.
3. Plan of Merger. A copy of the Agreement and Plan of Merger dated October 6, 2000, adopted by the Board of Directors of United Security Bank, Home Security Bank, Bank of Pullman, and AmericanWest Bank is attached as Exhibit A.
4. Shareholder Approval. Shareholder approval was required for the merger of United Security Bank, Home Security Bank, Bank of Pullman and AmericanWest Bank forming AmericanWest Bank. The merger, as set forth in the attached Agreement and Plan of Merger, was duly approved by United Security Bancorporation, the sole shareholder of United Security Bank, Home Security Bank, Bank of Pullman, and AmericanWest Bank pursuant to RCW 30.49.050 by Unanimous Written Consent Action of the Sole Shareholder dated August 22, 2000.
5. Effective Date. The merger of United Security Bank, Home Security Bank, Bank of Pullman, and AmericanWest Bank forming AmericanWest Bank will be effective as of 8:00 a.m. on January 15, 2001.

Executed effective as of the 15th day of January 2001.

IDAHO SECRETARY OF STATE

02/22/2001 09:00
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AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger ("Agreement") between United Security Bank (USB), Home Security Bank (HSB), Bank of Pullman (BOP), and AmericanWest Bank (AWB) is dated October 6, 2000.

RECITALS

- A. United Security Bank, Home Security Bank, Bank of Pullman and AmericanWest Bank are wholly owned subsidiaries of United Security Bancorporation, Inc. (USBN) a business corporation duly organized validly existing and in good standing under Washington State law. USBN is also a registered bank holding company under the Bank Holding Company Act of 1956, as amended.
- B. USB is a Washington state-chartered commercial bank duly organized, validly existing, and in good standing under Washington State law. The names and locations of USB's principal office and all other offices and branches are listed in Schedule A.
- C. HSB is a Washington state-chartered commercial bank duly organized, validly existing, and in good standing under Washington State law. The names and locations of HSB's principal office and all other offices and branches are listed in Schedule A.
- D. BOP is an Idaho state-chartered commercial bank duly organized, validly existing, and in good standing under Idaho State law. The names and locations of BOP's principal office and all other offices and branches are listed in Schedule A.
- E. AWB is a Washington state-chartered commercial bank duly organized, validly existing, and in good standing under Washington State law. The names and locations of AWB's principal office and all other offices and branches are listed in Schedule A.
- F. The Banks each wish to merge USB, HSB, BOP and AWB with and into AmericanWest Bank on the terms and conditions set forth in this Agreement. The Board of Directors of each of the Banks has approved this Merger and has authorized the execution and delivery of this Agreement.

Therefore, the parties agree as follows:

AGREEMENT

I. MERGER TERMS.

- a) Merger. Subject to the terms of this Agreement, USB, HSB, BOP and AWB will merge and form American West Bank ("Merger" and after the Merger, American West will be the surviving Washington state-chartered commercial bank (Resulting Bank).
- b) Closing. Closing of the Merger (Closing) will take place at 8:00 a.m. (Effective Time) on January 15, 2001. The Closing Date will be a mutually agreed to date following satisfaction of the closing conditions in accordance with Sections 2, 3, 4 and 5, and expiration of all applicable waiting periods.
- c) Transaction. At the Effective Time, under RCW 30.49 and 12 USC §§ 215c and 1828 ^o, and related rules and regulations:
 - i) Home Security Bank, Bank of Pullman and United Security Bank. All shares of HSB, BOP and USB capital stock issued and outstanding immediately before the Effective Time will be canceled.
 - ii) American West Bank. All shares of American West Bank capital stock issued and outstanding immediately before the Effective Time will continue as issued and outstanding shares of the Resulting Bank.
 - iii) Capital. The amount of capital and the number and par value of shares applicable of the Resulting Bank at the Effective Time are set forth in Schedule B.
 - iv) Resulting Bank. The Resulting Bank's name will be "American West Bank." American West Bank's charter will become the Resulting Bank's charter. The Resulting Bank's principal office will be located at 9506 N. Newport Highway, Spokane, Washington, and all current offices of the Banks listed in Schedule A will become offices of the Resulting Bank. The Resulting Bank will be a wholly owned subsidiary of USBN with the same number of issued and outstanding shares as the issued and outstanding shares as the issued and outstanding shares of 58,510.
 - v) Transfer of Interest. At the Effective Time, all of the Banks' assets, rights, interests, and liabilities will be transferred to the Resulting Bank.
 - vi) Resulting Bank Directors. The names and mailing addresses of the members of the Resulting Bank's Board of Directors (collectively, the "Resulting Directors"), effective at the Effective Time, are listed in Schedule C. The Resulting Directors will serve on the Resulting Bank's Board of Directors until the next annual meeting of the Resulting Bank's shareholders or until their successors have been elected and qualified. Nothing in this Subsection iv or this Agreement restricts in any way any rights of the Resulting Bank's shareholders and directors at any time after the Effective Time to nominate, elect, select or remove the Resulting Bank's directors.

vii) Resulting Bank Officers. The names and mailing addresses of the Resulting Bank's executive officers (collectively, the "Resulting Officers") are listed in Schedule C. Nothing in this Subsection v or this Agreement restricts in any way any rights of the Resulting Bank's shareholders and directors at any time after the Effective Time to nominate, elect, select or remove the Resulting Bank's executive officers.

2. SHAREHOLDER APPROVAL

i) The Merger and this Agreement are subject to approval by USBN, as the sole shareholder of each of the Banks. If USBN does not approve the Merger and this Agreement, this Agreement is void, and the parties are relieved of their obligations and responsibilities under this Agreement.

3. DIRECTOR APPROVAL

i) The Merger and this Agreement are subject to approval by the Director of the Division of Banking of the Washington Department of Financial Institutions (the "Director"). If the Director does not approve the Merger and this Agreement, this Agreement is void, and the parties are relieved of their obligations and responsibilities under this Agreement.

4. OTHER APPROVALS.

i) The Merger and this Agreement are subject to appropriate approval by the Federal Deposit Insurance Corporation and all other regulatory agencies having jurisdiction with respect to the Merger. If these agencies do not approve the Merger and this Agreement, this Agreement is void and the parties are relieved of their obligations and responsibilities under this Agreement.

5. VOLUNTARY TERMINATION.

i) The parties may terminate this Agreement at any time before the closing date by mutual consent.

6. MISCELLANEOUS PROVISIONS.

i) Binding Effect. This Agreement is binding and inures to the benefit of the parties and their respective successors and assigns.

ii) Assignment. The parties may not assign this Agreement or any rights under this Agreement, unless the other parties consent in writing to the Assignment.

iii) Amendment and Waiver. Except as this Agreement otherwise expressly provides, it contains the parties' entire understanding. No modification or amendment of its terms or conditions is effective unless in writing and signed by the parties, or their respective duly authorized agents.

iv) Section Headings. The section headings included in this Agreement are for reference and convenience only and are not a substantive part of this Agreement.

- v) Counterparts. This Agreement may be executed in one or more counterparts. Each of these counterparts is deemed an original, and all counterparts taken together constitute one and the same document.

- vi) Governing Law. The parties intend this Agreement to be governed by Washington State law, except to the extent federal law may govern certain matters.

This Agreement is executed as of October 6, 2000.

(signatures appear on the following pages)

United Security Bank
A Washington Banking Corporation

By: [Signature]
Duane Brandenburg, President and CEO

Home Security Bank
A Washington Banking Corporation

By: _____
Bill Edom, President and CEO

Bank of Pullman
An Idaho Banking Corporation

By: _____
Gary Schell, President and CEO

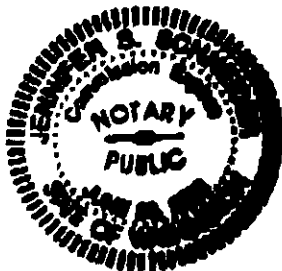
American West Bank
A Washington Banking Corporation

By: _____
Don Harwood, President and CEO

STATE OF WASHINGTON
COUNTY OF SPOKANE

I certify that I know or have satisfactory evidence that Duane Brandenburg 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 and CEO of United Security Bank to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: Dec 22, 2000



Jennifer S. Schneider
(Signature)

Jennifer S. Schneider
(Please print name legibly)
NOTARY PUBLIC in and for the State of
Washington, residing at SPOKANE
My commission expires: June 30, 2002

United Security Bank
A Washington Banking Corporation

By: _____
Duane Brandenburg, President and CEO

Home Security Bank
A Washington Banking Corporation

By: _____
Bill Edom, President and CEO

Bank of Pullman
An Idaho Banking Corporation

By: _____
Gary Schell, President and CEO

AmericanWest Bank
A Washington Banking Corporation

By: _____
Don Harwood, President and CEO

**STATE OF WASHINGTON
COUNTY OF SPOKANE**

I certify that I know or have satisfactory evidence that Duane Brandenburg 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 and CEO of United Security Bank to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____, 2000

(Signature)

(Please print name legibly)
NOTARY PUBLIC in and for the State of
Washington, residing at _____
My commission expires: _____

United Security Bank
A Washington Banking Corporation

By: _____
Duane Brandenburg, President and CEO

Home Security Bank
A Washington Banking Corporation

By: _____
Bill Edom, President and CEO

Bank of Pullman
An Idaho Banking Corporation

By: *Gary Schell*
Gary Schell, President and CEO

AmericanWest Bank
A Washington Banking Corporation

By: _____
Don Harwood, President and CEO

STATE OF WASHINGTON
COUNTY OF SPOKANE

I certify that I know or have satisfactory evidence that Duane Brandenburg 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 and CEO of United Security Bank to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____, 2000

(Signature)

(Please print name legibly)
NOTARY PUBLIC in and for the State of
Washington, residing at _____
My commission expires: _____

United Security Bank
A Washington Banking Corporation

By: _____
Duane Brandenburg, President and CEO

Home Security Bank
A Washington Banking Corporation

By: _____
Bill Edom, President and CEO

Bank of Pullman
An Idaho Banking Corporation

By: _____
Gary Schell, President and CEO

American West Bank
A Washington Banking Corporation

By: _____
Don Harwood, President and CEO

STATE OF WASHINGTON
COUNTY OF SPOKANE

I certify that I know or have satisfactory evidence that Duane Brandenburg 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 and CEO of United Security Bank to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____, 2000

(Signature)

(Please print name legibly)
NOTARY PUBLIC in and for the State of
Washington, residing at _____
My commission expires: _____