

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1996-11-14** | Period of Report: **1996-09-30**
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FILER

SIERRAWEST BANCORP

CIK: **790555** | IRS No.: **680091859** | State of Incorpor.: **CA** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **001-11611** | Film No.: **96662903**
SIC: **6022** State commercial banks

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the Quarter ended September 30, 1996

Commission File No. 0-15450

SIERRAWEST BANCORP
(Exact Name of Registrant as Specified in its Charter)

California 68-0091859
(State or Other Jurisdiction (I.R.S. Employer Identification No.)
of Incorporation or Reorganization)

10181 Truckee-Tahoe Airport Rd., P.O. Box 61000, 96160-9010
Truckee, California
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: (916) 582-3000

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of October 31, 1996: Common Stock - Authorized 10,000,000 shares of no par; issued and outstanding - 2,742,819.

10-Q Filing
September 30, 1996

Part I. Financial Information

Item 1. Financial Statements

Following are condensed consolidated financial statements for SierraWest Bancorp ("Bancorp", or together with its subsidiaries, the "Company") for the reportable period ending September 30, 1996. These condensed consolidated financial statements are unaudited, however, in the opinion of management, all adjustments have been made for a fair presentation of the financial condition and earnings of the Company in conformity with generally accepted accounting principles. The accompanying notes are an integral part of these condensed consolidated financial statements.

<TABLE>

SIERRAWEST BANCORP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CONDITION

(Unaudited)

September 30, 1996 and December 31, 1995
(Amounts in thousands of dollars)

ASSETS	09/30/96	12/31/95
-----	-----	-----
<S>	<C>	<C>
Cash and due from banks	\$ 23,268	\$ 18,689
Federal funds sold	12,900	20,500
Investment securities and investment in mutual funds	34,447	29,734
Loans held for sale	37,200	16,529
Loans and leases, net of allowance for possible loan and lease losses of \$4,577 in 1996 and \$3,845 in 1995 (Note 2)	263,384	219,595
Other assets	34,042	32,471
	-----	-----
TOTAL ASSETS	\$405,241	\$337,518
	=====	=====
LIABILITIES		

Deposits	\$358,949	\$293,154
Convertible debentures	9,035	10,000
Other liabilities	5,405	4,531
	-----	-----
TOTAL LIABILITIES	373,389	307,685
	-----	-----
SHAREHOLDER'S EQUITY		

Common stock	11,758	10,709
Retained earnings	20,222	19,131
Unrealized loss on investment securities available for sale, net of tax	(128)	(7)
	----	--
TOTAL SHAREHOLDERS' EQUITY	31,852	29,833
	-----	-----
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	\$405,241	\$337,518
	=====	=====

</TABLE>

The accompanying notes are an integral part of these Condensed Consolidated Statements of Condition.

<TABLE>

SIERRAWEST BANCORP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

For the Three and Nine Months Ended September 30, 1996 and 1995
(Amounts in thousands except per share amount)

	Three Months Ended 09/30/96 -----	Three Months Ended 09/30/95 -----	Nine Months Ended 09/30/96 -----	Nine Months Ended 09/30/95 -----
Interest Income:				
<S>	<C>	<C>	<C>	<C>
Interest and fees on loans and leases	\$ 8,018	\$ 6,175	\$22,001	\$16,904
Interest on federal funds sold	236	186	652	360
Interest on investment securities and deposits	460 ---	405 ---	1,290 -----	1,238 -----
Total Interest Income	8,714 -----	6,766 -----	23,943 -----	18,502 -----
Less Interest Expense:				
Interest on deposits	3,075	2,075	8,363	5,188
Interest on convertible debentures	195	212	592	638
Other interest expenses	5 -	(1) --	(42) ---	15 --
Total Interest Expense	3,275 -----	2,286 -----	8,913 -----	5,841 -----
Net Interest Income	5,439	4,480	15,030	12,661
Provision for Possible Loan and Lease Losses	250 ---	390 ---	910 ---	980 ---
Net Interest Income After Provision for Possible Loan and Lease Losses	5,189	4,090	14,120	11,681
Other Operating Income	1,825	1,977	5,246	6,058
Other Operating Expenses	5,472 -----	5,020 -----	16,302 -----	15,159 -----
Income Before Provision for Income Taxes	1,542	1,047	3,064	2,580
Provision for Income Taxes	602 ---	424 ---	1,168 -----	993 ---
NET INCOME	\$ 940 =====	\$ 623 =====	\$ 1,896 =====	\$ 1,587 =====

EARNINGS PER SHARE

Primary	\$ 0.33	\$ 0.23	\$ 0.68	\$ 0.59
Weighted Average Shares				
Outstanding	2,818	2,649	2,775	2,675
Fully diluted	0.28	0.20	0.60	0.53
Weighted Average Shares				
Outstanding	3,755	3,676	3,739	3,687
Cash Dividends Paid Per				
Share of Common Stock	\$ 0.15	\$ 0.12	\$ 0.30	\$ 0.24

</TABLE>

The accompanying notes are an integral part of these Condensed Consolidated Statements of Income.

<TABLE>

SIERRAWEST BANCORP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

For the Nine Months Ended September 30, 1996 and 1995
(Amounts in thousands of dollars)

	Nine Months Ended 09/30/96 ----- <C>	Nine Months Ended 09/30/95 ----- <C>
<S>		
Cash Flow from Operating Activities:		
Interest and Fees Received	\$ 23,475	\$ 17,619
Service charges and commissions received	1,272	1,283
Servicing income received	4,220	4,679
Interest paid	(8,973)	(5,946)
Cash paid to suppliers and employees	(14,695)	(13,490)
Income taxes paid	(1,090)	(965)
Mortgage loans originated for sale	0	(25,176)
Government guaranteed loans originated for sale	(8,194)	(18,724)
SBA loans sold	134	5,503
Mortgage loans sold	0	26,167
Other items	812	788
	---	---
Net Cash Used in Operating Activities	\$ (3,039)	\$ (8,262)
	-----	-----

Cash Flow From Investing Activities:

Proceeds from:

Sales of mutual funds-available for sale	0	225
Maturities of investment securities-held to maturity	1,015	573
Maturities of investment securities-available for sale	10,230	1,198
Sales of investment securities-available for sale	8,239	8,484
Sales of investment securities-held to maturity (Note 5)	0	999
Purchase of investment securities-available for sale	(24,483)	(4,092)
Loans and leases made net of principal collections	(56,887)	(37,303)
Capital expenditures	(3,701)	(1,944)
Decrease (increase) in other assets	458	(28)
	---	---
Net Cash Used in Investing Activities	\$ (65,129)	\$ (31,888)
	-----	-----

Cash Flow from Financing Activities:		
Net increase (decrease) in demand, interest bearing and savings accounts	25,348	(3,003)
Net increase in time deposits	40,447	52,471
Dividend paid	(805)	(624)
Proceeds from issuance of common stock	157	77
Repurchase of common stock	0	(445)
	-	----
Net Cash Provided by Financing Activities	\$ 65,147	\$ 48,476
	-----	-----
Net (decrease) increase in Cash and Cash Equivalents	(3,021)	8,326
Cash and Cash Equivalents at Start of Year	39,189	26,049
	-----	-----
Cash and Cash Equivalents at September 30	\$ 36,168	\$ 34,375
	=====	=====

</TABLE>

The accompanying notes are an integral part of these Condensed Consolidated Statements of Cash Flows.

<TABLE>

SIERRAWEST BANCORP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

For The Nine Months Ended September 30, 1996 and 1995
(Continued) (Amounts in thousands of dollars)

RECONCILIATION OF NET INCOME TO NET
CASH USED IN OPERATING ACTIVITIES

	Nine Months Ended 09/30/96	Nine Months Ended 09/30/95
	-----	-----
<S>	<C>	<C>
Net Income:	\$ 1,896	\$ 1,587
Adjustment to Reconcile Net income to Net Cash Provided:		
Depreciation and amortization	891	806
Provision for possible loan and lease losses	910	980
Provision for income taxes	1,168	993
Amortization of excess servicing on SBA loans	979	1,009
Amortization of purchased mortgage servicing rights	129	129
Decrease in interest payable	(60)	(105)
Increase in accrued expenses	928	396
Amortization of premiums/discounts on loans	(358)	(345)
Decrease in taxes payable	(1,090)	(965)
Increase in loans originated for sale	(8,060)	(12,230)
(Increase) decrease in prepaid expenses	(212)	53
Other items	(160)	(570)
	----	----
Total Adjustments	(4,935)	(9,849)

Net Cash Used In Operating Activities	\$ (3,039)	\$ (8,262)
	=====	=====

</TABLE>

SUPPLEMENTAL SCHEDULE OF NON CASH INVESTING AND FINANCING ACTIVITIES

In 1996, \$15.7 million of unguaranteed SBA loans and \$4.3 million of guaranteed SBA loans were transferred to held for sale status. Also in 1996, \$965 thousand of convertible debentures were converted to common stock, net of \$73 thousand unamortized offering costs.

For the nine months ended September 30, 1996 and 1995, \$66,000 and \$373,000 of loans were transferred to other real estate owned.

In the 1995 period, \$572,000 of assets formerly classified as in-substance foreclosures were reclassified as loans.

In 1995, \$20.0 million of unguaranteed SBA loans originated in earlier years were transferred to held for sale status. Concurrently, \$21.4 million of guaranteed SBA loans were transferred to the Company's investment portfolio at cost, which was lower than market.

The accompanying notes are an integral part of these Condensed Consolidated Statements of Cash Flows.

SierraWest Bancorp
Notes to Condensed Consolidated Financial Statements
September 30, 1996 and December 31, 1995

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in a condensed format and, therefore, do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. However, in the opinion of management, all adjustments, consisting only of normal recurring adjustments, considered necessary for a fair presentation have been reflected in the financial statements. The results of operations for the nine months ended September 30, 1996, are not necessarily indicative of the results to be expected for the full year.

2. LOANS AND LEASES

As of September 30, 1996, and December 31, 1995, the Bank's loan and lease portfolio consisted of the following (in thousands):

<TABLE>

	September 30, 1996	December 30, 1995
	-----	-----
<S>	<C>	<C>
Commercial.....	\$195,105	\$155,176
Real Estate - Mortgage.....	26,286	26,665
Real Estate - Construction.....	32,730	31,718
Individual and Other.....	5,726	6,530
Lease Receivables.....	9,352	4,164
	-----	-----
Total gross loans and leases.....	269,199	224,253
Unearned income on leases.....	(1,394)	(808)
Net deferred loan costs/(fees).....	156	(5)

Allowance for possible loan and lease losses.....	(4,577)	(3,845)
	-----	-----
Total net loans and leases.....	\$263,384	\$219,595
	=====	=====
Loans held for sale.....	\$ 37,200	\$ 16,529
	=====	=====

</TABLE>

Of total gross loans and leases at September 30, 1996, \$5.7 million were considered to be impaired. The allowance for possible loan and lease losses included \$432 thousand related to these loans. The average recorded investment in impaired loans during the nine months ended September 30, 1996 was \$5.7 million.

3. COMMITMENTS & CONTINGENT LIABILITIES

In the normal course of business, there are outstanding various commitments and contingent liabilities, such as commitments to extend credit and letters of credit, which are not reflected in the financial statements. Management does not anticipate any material loss as a result of these transactions.

4. FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK

During the first quarter of 1996, the Company entered into an interest rate swap agreement with a major bank (the "Bank") to reduce its exposure to fluctuations in interest rates. The notional principal amount is \$20 million, and the term is three years. Under the agreement, the Bank pays a fixed rate of 8.17% and receives from the Company the prime rate. Net interest income or expense resulting from the differential between the fixed and prime rates is recorded on a current basis and any resultant accrual is settled quarterly. The net interest expense recognized in the first nine months of 1996 was \$9,333.

SierraWest Bancorp
Notes to Condensed Consolidated Financial Statements
September 30, 1996 and December 31, 1995

5. INVESTMENT SECURITIES

Sales of investment securities classified as held to maturity in 1995 consisted of a single security which was sold within 90 days of the maturity date. The amortized cost at the date of sale was \$998,203 and the loss realized was \$1,172.

SIERRAWEST BANCORP AND SUBSIDIARIES

Item 2

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

FINANCIAL CONDITION

Total assets increased by \$67.7 million from \$337.5 million at December 31, 1995, to \$405.2 million at September 30, 1996. This increase included increases of \$64.4 million in loans and loans held for sale, net of the allowance for possible loan and lease losses, \$4.7 million in investment securities and investment in mutual funds, \$4.6 million in cash and due from banks, and \$1.6 million in other assets. These increases were offset by decreases of \$7.6 million in federal funds sold. Mutual funds, federal funds sold and unpledged investment securities classified as available for sale (which consist primarily of U. S. Treasury securities with a remaining maturity of less than two years

and col- lateralized mortgage obligations) are all sources of short-term liquidity and can be used somewhat interchangeably to provide liquidity. Of the Company's total investment securities, \$9.0 million were pledged at September 30, 1996.

The following table summarizes the Company's deposit and loan portfolios as of September 30, 1996, and December 31, 1995.

<TABLE>

Deposits:	09/30/96	12/31/95	Change
<S>	<C>	<C>	<C>
Non-interest bearing demand.....	\$ 69,479	\$ 60,579	\$ 8,900
Savings.....	13,326	13,693	(367)
Interest bearing transaction accounts.....	108,088	91,273	16,815
Time.....	168,056	127,609	40,447
	-----	-----	-----
TOTAL DEPOSITS.....	\$358,949	\$293,154	\$ 65,795
	=====	=====	=====
Loans:	09/30/96	12/31/95	Change
	-----	-----	-----
SBA.....	\$146,793	\$116,529	\$ 30,264
Other Commercial.....	85,512	55,176	30,335
Real Estate.....	59,016	58,383	634
Individual and Other.....	5,726	6,530	(804)
Lease Receivables.....	9,352	4,164	5,188
	-----	-----	-----
SUBTOTAL.....	306,399	240,782	65,617
Net deferred loan fees/costs and unearned income on leases.....	(1,238)	(813)	(425)
	-----	-----	-----
TOTAL GROSS LOANS AND LEASES.....	\$305,161	\$239,969	\$ 65,192
	=====	=====	=====

</TABLE>

Included in SBA loans at September 30, 1996 are loans held for sale totaling \$37.2 million. Of the \$30.3 million increase in commercial loans, \$11.8 million was generated in the Company's Nevada branches and \$11.7 million was generated out of the Company's new branch located in Sacramento, California. Loans held for sale increased \$20.7 million, primarily as a result of a change in SBA regulations. In 1996, the SBA ruled that loans originated through the Preferred Lender Program could be sold down to 10% of the principal balance. At December 31, 1995, loans held for sale reflected the previous regulation allowing sale down to 20%. Pending approval from the SBA, the Company intends to securitize these loans and sell the resulting securities to investors.

Unearned income on leases totaled \$1.4 million at September 30, 1996 and \$0.8 million at December 31, 1995.

The increase in time deposits includes a \$10.9 million increase in out-of-area certificates of deposit. The Company's new branches opened during 1995 generated

a net increase in deposits of \$34.7 million during the first nine months of 1996.

Included in interest bearing transaction accounts are money market accounts totaling \$61.9 million and \$50.6 million at September 30, 1996 and December 31, 1995, respectively.

The unrealized loss on investment securities available for sale, net of the related tax effect, increased \$121 thousand from \$7 thousand at December 31, 1995 to \$128 thousand at September 30, 1996. Of this ending balance, \$117 thousand represents unrealized losses on mutual funds. Gross unrealized losses on securities classified as available for sale represent 0.6% of the amortized cost of the Company's available for sale securities at September 30, 1996.

The Company has completed construction of a new regional facility in Reno, Nevada. Total costs incurred for the land and building through September 30, 1996 were \$3.8 million. The final total cost of this facility is not expected to exceed \$4.1 million. Also under construction is a branch facility in Carson City, Nevada to replace the leased branch currently in use. Total cost of the land and building for the Carson City facility is estimated at \$1.2 million with completion expected in December, 1996. As of September 30, 1996 the Company has incurred land and construction costs of \$782 thousand on this facility.

Bancorp paid dividends of fifteen cents per share in April and September 1996.

In the first quarter of 1996, the names of both of the Bancorp's banking subsidiaries were changed to SierraWest Bank. Effective October 1, 1996 the operations of the Company's Nevada subsidiary were merged into the California subsidiary.

Also in the first nine months of 1996, \$965 thousand of the Company's 8% convertible debentures were converted into 96,500 shares of common stock.

RESULTS OF OPERATIONS (Nine Months Ended September 30, 1996 and 1995)

Net income for the nine months ended September 30, 1996 increased by 19.5% from \$1,587 thousand for the nine months ended September 30, 1995 to \$1,896 thousand during the current nine month period. Net interest income increased by \$2,369 thousand while the provision for loan and lease losses decreased by \$70 thousand. The positive effect of these items on net income was partially offset by a reduction of \$812 thousand in other operating income, a \$1,143 thousand increase in other operating expenses and a \$175 thousand increase in the provision for income taxes.

Net Interest Income

The yield on average interest earning assets for the nine months ended September 30, 1996 was 6.25%. This compares to 7.32% for the first nine months of 1995. The decrease reflects the decrease in the average prime rate during the comparison periods and the funding of loan growth primarily through the issuance of time deposits. In addition, related to market conditions in the Company's service areas, the average rate paid on the Company's money market accounts has increased during the comparison periods.

Yields and interest earned on loans, including loan fees for the nine months ended September 30, 1996 and 1995, were as follows (in thousands except percent amounts):

<TABLE>

	Nine Months Ended 09/30/96 -----	Nine Months Ended 09/30/95 -----
<S>	<C>	<C>
Average loans outstanding (1)	\$272,826	\$192,393
Average yields	10.8%	11.8%

Amount of interest and origination fees earned \$ 22,001 \$ 16,904

</TABLE>

(1) Amounts outstanding are the average of daily balances for the periods.

Excluding loan fees of \$858 thousand and \$846 thousand for the nine months ended September 30, 1996 and 1995, yields on average loans outstanding were 10.4% and 11.2%, respectively. The prime rate (upon which a large portion of the Company's loan portfolio is based), averaged 8.3% for the 1996 period and 8.9% for the 1995 period.

The Company has experienced an increase in its overall cost of deposits from 2.99% for the nine months ended September 30, 1995 to 3.48% in the current period. This includes the effect of the increase in rates on Money Market accounts during the comparison period and an increase in the percentage of time deposits to total deposits. Average time deposits were 46.1% and 35.3% of average total deposits for the nine months ended September 30, 1996 and 1995, respectively.

Rates and amounts paid on average deposits including non-interest bearing deposits for the nine months ended September 30, 1996 and 1995 were as follows (in thousands except percent amount):

<TABLE>

	Nine Months Ended 09/30/96	Nine Months Ended 09/30/95
<S>	<C>	<C>
Average deposits outstanding (1)	\$321,348	\$230,947
Average rates paid	3.5%	3.0%
Amount of interest paid or accrued	\$ 8,363	\$ 5,188

</TABLE>

(1) Amounts outstanding are the average of daily balances for the periods.

The effective interest rate paid on NOW accounts, Money Market accounts and Time Certificates of Deposits during the first nine months of 1996 and 1995 were as follows:

<TABLE>

	1996			1995		
	NOW	MONEY MARKET	TIME	NOW	MONEY MARKET	TIME
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Average Balance (in thousands) (1)	\$42,413	\$ 56,612	\$148,263	\$ 35,779	\$ 50,743	\$ 81,503
Rate Paid	1.2%	3.4%	5.7%	1.3%	2.9%	5.8%

</TABLE>

(1) Amounts outstanding are the average of daily balances for the periods.

The increase in money market rates includes the effect of tiering money market accounts at the Company's Nevada subsidiary and general market conditions in the

Company's service area.

Provision for Possible Loan and Lease Losses

In evaluating the Company's loan loss reserve, management considers the credit risk in the various loan categories in its portfolio. Historically, most of the Company's loan losses have been in its commercial lending portfolio which includes SBA loans and local commercial loans. From inception of its SBA lending program in 1983, the Company has sustained a relatively low level of losses from these loans, averaging less than 0.5% of loans outstanding per year. Losses in 1994 for these loans were \$373 thousand. During 1995, net losses in the SBA loan portfolio increased to \$575 thousand. For the first nine months of 1996, loan losses net of recoveries totaled \$178 thousand.

Most of the Company's non SBA commercial loan losses have been for loans to businesses within the Tahoe basin area and during 1994 and 1995 at the Company's SierraWest Bank subsidiary in Nevada. The Company believes that it has taken steps to minimize its commercial loan losses, including centralization of lending approval and processing functions. It is important for the Company to maintain good relations with local business concerns and, to this end, it supports small local businesses with commercial loans. To offset the added risk these loans may represent, the Company typically charges a higher interest rate. It also attempts to mitigate this risk through the loan review and approval process.

The provision for loan losses was \$910 thousand and \$980 thousand for the first nine months of 1996 and 1995, respectively. The provision in 1996 is primarily attributable to growth in the loan portfolio. Excluding the guaranteed portions of loans, loans increased \$53.1 million and \$34.0 million in the first nine months of 1996 and 1995, respectively. The allowance for possible loan and lease losses as a percentage of loans and leases was 1.50% at September 30, 1996, 1.60% at December 31, 1995, and 1.68% at September 30, 1995. The decrease in the allowance for possible loan and lease losses as a percentage of loans from September 30, 1995 reflects the higher level of guaranteed loans in the portfolio resulting from the Company's decision to retain the guaranteed portion of loans it originates. The Company will monitor its exposure to loan losses each quarter and adjust its level of provision in the future to reflect changing circumstances. The Company expects that its existing loan loss reserve will be adequate to provide for any additional losses.

The following table sets forth the ratio of nonaccrual loans to total loans, the allowance for possible loan and lease losses to nonaccrual loans and the ratio of the allowance for possible loan and lease losses to total loans and leases, as of the dates indicated.

<TABLE>

	September 30		December 31		
	1996	1995	1995	1994	1993
<S>	<C>	<C>	<C>	<C>	<C>
Nonaccrual loans to total loans	1.9%	1.8%	2.3%	1.4%	1.8%
Allowance for possible loan and lease losses to nonaccrual loans	79.7%	93.7%	70.2%	142.9%	120.9%
Allowance for possible loan and lease losses to total loans	1.5%	1.7%	1.6%	2.1%	2.2%

</TABLE>

If the guaranteed portions of loans on nonaccrual status, which total \$1.95 million, are excluded from the calculations, the ratio of nonaccrual loans to total loans and leases at September 30, 1996 declines to 1.2% and the allowance for possible loan and lease losses to nonaccrual loans increases to 120.7%.

At September 30, 1995, excluding the guaranteed portions of loans on nonaccrual, these same percentages are 1.3% and 127.8%, respectively.

The following table sets forth the amount of the Company's nonperforming loans as of the dates indicated (amounts in thousands).

<TABLE>

	September 30		December 31		
	1996	1995	1995	1994	1993
<S>	<C>	<C>	<C>	<C>	<C>
Nonaccrual loans:					
SBA.....	\$5,484	\$3,920	\$5,351	\$2,423	\$2,517
Other.....	261	71	125	59	355
Accruing loans past due 90					
SBA.....	1,037	1,285	816	1,754	496
Other.....	1,049	234	207	9	1,029
Restructured loans (in compliance with modified terms)	140	99	78	194	201

</TABLE>

The performance of the Company's loan portfolio is evaluated regularly by management. The Company places a loan on nonaccrual status when one of the following events occurs: any installment of principal or interest is 90 days or more past due, unless, in management's opinion, the loan is well secured and the collection of principal and interest is probable, or management determines the ultimate collection of principal or interest on a loan to be unlikely. When a loan is placed on nonaccrual status, the Company's general policy is to reverse and charge against current income previously accrued but unpaid interest. Interest income on such loans is subsequently recognized only to the extent that cash is received and future collection of principal is deemed by management to be probable.

Although the level of nonperforming assets will depend on the future economic environment, as of October 31, 1996, in addition to the assets disclosed in the above chart, management of the Company has identified approximately \$69 thousand in potential problem loans about which it has serious doubts as to the ability of the borrowers to comply with the present repayment terms and which may become nonperforming assets, based on known information about possible credit problems of the borrower.

Interest income on nonaccrual loans which would have been recognized if all such loans had been current in accordance with their original terms totaled \$509 thousand for the nine months ended September 30, 1996. Interest income actually recognized on nonaccrual loans for the nine months ended September 30, 1996 was \$216 thousand.

The following table shows the loans outstanding, actual charge-offs, recoveries on loans previously charged off, the allowance for possible loan and lease losses and net loans charged off to average loans outstanding during the periods and as of the dates indicated (amounts in thousands except percentage amounts).

<TABLE>

	September 30		December 31		
	1996	1995	1995	1994	1993
<S>	<C>	<C>	<C>	<C>	<C>
Average loans.....	\$272,826	\$192,393	\$203,231	\$166,366	\$159,463
Total gross loans at end of period.....	305,161	222,075	239,969	172,939	158,819
Allowance for possible loan and lease losses: Balance beginning of period.....	\$ 3,845	\$ 3,546	\$ 3,546	\$ 3,472	\$ 2,742

Actual charge-offs:

SBA.....	84	498	595	447	391
Commercial and industrial.	312	249	350	467	143
Real estate.....	0	40	40	60	190
Installment.....	25	27	40	101	42
	--	--	--	---	--
Total.....	421	814	1,025	1,075	766
	---	---	-----	-----	---
Less recoveries:					
SBA.....	68	8	20	74	14
Commercial and industrial.	165	12	26	187	52
Real estate.....	0	0	0	0	0
Installment.....	10	6	8	3	6
	--	-	-	-	-
Total.....	243	26	54	264	72
	---	--	--	---	--
Net charge-offs.....	178	788	971	811	694
Allowance applicable to sold loans.....	0	0	0	0	(136)
Provision for possible loan and lease losses.....	910	980	1,270	885	1,560
	---	---	-----	---	-----
Balance-end of period.....	\$ 4,577	\$ 3,738	\$ 3,845	\$ 3,546	\$ 3,472
	=====	=====	=====	=====	=====
Net loans charged off to average loans outstanding (1)	0.09%	0.55%	0.48%	0.49%	0.44%

</TABLE>

(1) Percentages for the nine months are based on annualized net charge-offs.

Included in total loans outstanding at September 30, 1996 and 1995 were SBA loans totaling \$146,793 thousand and \$115,677 thousand, respectively.

The following table sets forth management's historical allocation of the allowance for possible loan and lease losses by loan category and percentage of loans in each category. Percentage amounts are the percentage of loans in each category to total loans at the dates indicated (in thousands except percentage amounts).

<TABLE>

	December 31,					
	1995		1994		1993	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
<S>	<C>	<C>	<C>	<C>	<C>	<C>
SBA loans.....	\$ 1,468	49%	\$ 2,372	56%	\$ 2,379	55%
Commercial and industrial loans.....	1,592	24	627	18	541	17
Real estate loans.....	564	23	366	21	334	22
Consumer loans to individuals (1).....	221	4	181	5	218	6
	---	-	---	-	---	-

Total.....	\$ 3,845	100%	\$ 3,546	100%	\$ 3,472	100%
	=====	===	=====	===	=====	===

</TABLE>

<TABLE>

	September 30,			
	1996		1995	
	Amount	Percentage	Amount	Percentage
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
SBA loans.....	\$ 1,732	48%	\$ 2,025	52%
Commercial and industrial loans.....	1,992	31	899	20
Real estate loans.....	559	18	509	23
Consumer loans to individuals (1).....	294	3	305	5
	---	-	---	-
Total.....	\$ 4,577	100%	\$ 3,738	100%
	=====	===	=====	===

</TABLE>

(1) Includes equity lines of credit

In allocating the Company's loan loss reserve, management has considered the credit risk in the various loan categories in its portfolio. While every effort has been made to allocate the reserve to specific categories of loans, management believes that any breakdown or allocation of the loan loss reserve into loan categories lends an appearance of exactness which does not exist, in that the reserve is utilized as a single unallocated reserve available for losses on all types of loans.

Other Operating Income

Other operating income decreased \$812 thousand during the first nine months of 1996 compared to the previous year's first nine months.

The gain on sale of SBA loans for the current nine month period declined from \$333 thousand at September 30, 1995 to \$4 thousand. Sales of SBA loans for the nine months ended September 30, 1996 totaled \$134 thousand compared to \$5.5 million in the 1995 period. In July 1995, the Company altered its strategy with respect to the sale of SBA loans. Rather than continuing to sell the guaranteed portion of the portfolio, the Company began to retain the guaranteed portion and plans to securitize and sell portions of unguaranteed SBA loans. The Company's loan portfolio currently includes \$29.4 million in guaranteed portions of SBA loans which are available for sale, an increase of \$14 million over the balance at December 31, 1995. The Company plans on selling approximately \$4.3 million of guaranteed portions of SBA loans during the fourth quarter of 1996 in order to lower its holdings of loans to the hotel/motel industry. By selling these guaranteed portions the Company is able to take advantage of new lending opportunities in this industry while maintaining an acceptable level of loans to this industry in its portfolio.

Net servicing income on SBA loans (the net of the servicing income generated on sold SBA loans less the amortization of the gain recorded on the sale of these same loans and the amortization of purchased SBA servicing rights) decreased by \$424 thousand from \$3,536 thousand during the first nine months of 1995 to \$3,112 thousand for the nine months ended September 30, 1996. This decline relates to payments on existing loans, including normal amortization and prepayments.

Mortgage banking income was \$436 thousand in the first nine months of 1995. In mid-1995, mortgage banking operations were terminated. This decrease has been partially offset by an increase of \$97 thousand in merchant credit card revenue, a \$45 thousand increase in building rental income and an increase of \$167 thousand related to the sale of mutual funds and annuities through a third party marketer. The Company rents out portions of its Truckee, CA administration building.

In addition, included in other income in 1996 is an \$84 thousand insurance recovery on a 1995 foreclosure loss.

Other Operating Expense

The following table compares the various elements of non-interest expense as an annualized percentage of total assets for the first nine months of 1996 and 1995 (in thousands except percentage amounts):

<TABLE>

Nine Months Ended September 30	Average Assets (1)	Salaries & Related Benefits (2)	Occupancy & Equipment Expenses	Other Operating Expenses
<S>	<C>	<C>	<C>	<C>
1996	\$366,612	3.1%	0.9%	1.7%
1995	\$272,891	3.7%	1.1%	2.5%

</TABLE>

(1) Based on average daily balances.

(2) Excludes provision for payment of bonuses and contribution to KSOP plan. Including these items, percentages are 3.3% and 3.9% for 1996 and 1995, respectively.

The following table summarizes the principal elements of operating expenses and discloses the increases (decreases) and percent of increases (decreases) for the nine months ended September 30, 1996 and 1995 (amounts in thousands except percentage amounts):

<TABLE>

	Nine months ended September 30		Increase (decrease) 1996 over 1995	
	1996	1995	Amount	Percentage
<S>	<C>	<C>	<C>	<C>
Salaries and related benefits	\$ 9,076	\$ 7,860	\$ 1,216	15.5%
Occupancy and equipment.....	2,575	2,232	343	15.4
Insurance.....	183	208	(25)	(12.0)
Postage.....	254	235	19	8.1
Stationary and supplies.....	278	240	38	15.8
Telephone.....	272	249	23	9.2
Advertising.....	345	552	(207)	(37.5)
Legal.....	462	302	160	53.0
Consulting.....	428	246	182	74.0
Audit and accounting fees.....	116	109	7	6.4
Directors' fees and expenses....	331	631	(300)	(47.5)
FDIC assessments.....	3	260	(257)	(98.8)
Sundry losses.....	688	679	9	1.3
Other.....	1,291	1,356	(65)	(4.8)
	-----	-----	---	
	\$16,302	\$15,159	\$ 1,143	7.5%
	=====	=====	=====	

</TABLE>

The increase in salary expense includes the effect of the four new branches opened in 1995, partially offset by the termination of the Company's mortgage operations. In addition the Company has increased the number of employees whose compensation is partially commission based and has changed the commission structure of many of its SBA loan production personnel. In total, commissions and incentive pay have increased by \$451 thousand during the comparison periods. In addition, the Company has accrued bonus costs of \$260 thousand in 1996 and \$51 thousand in 1995.

The increase in occupancy and equipment expense includes costs on the new branches. The increase in legal expense during 1996 relates primarily to two litigation matters. One matter went to trial in June, 1996 and was decided in the Company's favor. Increased costs were incurred in the second matter, which is ongoing and relates to a property acquired by the Company through foreclosure. See Part II, Item 1 for a description of this matter. Consulting costs during 1996 include \$173 thousand related to costs associated with the changing of the name of the Company's subsidiary banks. Advertising costs in 1995 were high primarily related to the new branch openings.

Directors' expense during the 1995 period included a \$314 thousand pre-tax charge for the Company's Director Emeritus Program. The decrease in FDIC assessments resulted from a reduction in rates. Sundry losses in 1995 included a \$100 thousand business loss related to other real estate owned, \$166 thousand related to litigation matters and \$223 thousand related to the termination of mortgage operations. 1996 sundry losses include a charge of \$352 thousand related to a reduction in staffing effective May 1, 1996, \$70 thousand on a litigation matter and \$114 thousand related to a servicing error on an SBA loan.

Provision for Income Taxes

Provision for income taxes have been made at the prevailing statutory rates and include the effect of items which are classified as permanent differences for federal and state income tax. The provision for income taxes was \$1,168 thousand and \$993 thousand for the nine months ended September 30, 1996 and 1995, respectively, representing 38.1% and 38.5% of income before taxation for the respective periods.

Results of Operations (Three months ended September 30, 1996 and 1995)

Net income increased by \$317 thousand from \$623 thousand for the three months ended September 30, 1995 to \$940 thousand for the current quarter. The increase included a \$959 thousand increase in net interest income and a \$140 thousand reduction in the provision for loan and lease losses. These items were partially offset by a \$178 thousand increase in the provision for income taxes, a \$152 thousand decrease in other operating income and a \$452 thousand increase in other operating expenses.

Net Interest Income

The yield on net interest earning assets decreased from 7.02% during the third quarter of 1995 to 6.21% during the three months ended September 30, 1996. This decrease in yield was offset by an increase of 37.5% in average interest earning assets. Average interest earning assets totaled \$348 million during the 1996 quarter and \$253 million during the third quarter of 1995. As in the nine month comparison, yield was negatively affected by an increase in the percentage of average time deposits to total deposits and a decrease in the average prime interest rate.

Yields and interest earned on loans, including loan fees for the nine months ended September 30, 1996 and 1995 were as follows (in thousands except percent amounts):

<TABLE>

	Three	Three
	Months	Months

	Ended 09/30/96 -----	Ended 09/30/95 -----
<S>	<C>	<C>
Average loans outstanding (1)	\$297,294	\$211,264
Average yields	10.7%	11.6%
Amount of interest and origination fees earned	\$ 8,018	\$ 6,175

</TABLE>

(1) Amounts outstanding are the average of daily balances for the periods.

Excluding loan fees of \$366 thousand and \$285 thousand for the three months ended September 30, 1996 and 1995, respectively, yields on average loans outstanding were 10.2% and 11.1%. The prime rate (upon which a large portion of the Company's loan portfolio is based) was 8.25% for the 1996 quarter and averaged 8.78% for the 1995 quarter. This decrease in prime is the major component of the decrease in loan yields.

Rates and amounts paid on average deposits, including non-interest bearing deposits for the three months ended September 30, 1996 and 1995, were as follows (in thousands except percent amounts):

<TABLE>

	Three Months Ended 09/30/96 -----	Three Months Ended 09/30/95 -----
<S>	<C>	<C>
Average deposits outstanding (1)	\$350,698	\$253,767
Average rate paid	3.5%	3.2%
Amount of interest paid or accrued	\$ 3,075	\$ 2,075

</TABLE>

(1) Amounts outstanding are the average of daily balances for the periods.

The effective interest rates paid on NOW accounts, Money Market accounts and Time Certificates of Deposits during the third quarter of 1996 and 1995 were as follows (in thousands except percent amounts):

<TABLE>

	1996 -----			1995 -----		
	NOW	MONEY MARKET	TIME	NOW	MONEY MARKET	TIME
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Average Balance (1)	\$46,445	\$60,155	\$163,004	\$39,362	\$47,073	\$101,154
Average Rate Paid	1.2%	3.6%	5.7%	1.3%	3.1%	5.9%

</TABLE>

(1) Amount outstanding is the average of daily balances for the periods.

Time certificates of deposit represent 39.9% of average deposits during the third quarter of 1995 and 46.5% during the 1996 quarter.

Provision for Possible Loan and Lease Losses

A detailed comparison analysis of the Company's non-performing loans and charge-off history is reported in the nine month discussion. The provision recorded during the third quarter of 1996 relates to loan growth during the quarter.

Other Operating Income

The gain on sale of SBA loans was \$23 thousand during the 1995 quarter, resulting from total sales of \$0.5 million. No sales were made during the current quarter.

Net servicing income on SBA loans decreased from \$1,161 thousand for the three months ended September 30, 1995 to \$1,001 thousand for the current quarter. Mortgage banking income for the third quarter of 1995 totaled \$176 thousand. These decreases in other income, which in the aggregate totaled \$359 thousand, were partially offset by an \$84 thousand insurance recovery and increased revenues on the sale of mutual funds and annuities through a third party marketer.

Other Operating Expense

The following table compares the various elements of non-interest expense as an annualized percentage of total assets for the third quarter of 1996 and 1995 (in thousands except percentage amounts):

<TABLE>

Three Months Ended September 30	Average Assets	Salaries & Related Benefits	Occupancy & Equipment Expenses	Other Operating Expenses
<S>	<C>	<C>	<C>	<C>
1996	396,253	2.9%	0.9%	1.5%
1995	296,222	3.7%	1.2%	2.2%

</TABLE>

- (1) Based on average daily balances.
- (2) Excludes provision for payment of bonuses and contribution to KSOP plan. Including these items, percentages are 3.2% and 3.5% for 1996 and 1995, respectively.

The following table summarizes the principal elements of operating expenses and discloses the increases (decreases) and percent of increases (decreases) for the three months ended September 30, 1996 and 1995 (amounts in thousands except percentage amounts):

<TABLE>

	Three Months Ended September 30		Increase (decrease) 1996 over 1995	
	1996	1995	Amount	Percentage
<S>	<C>	<C>	<C>	<C>
Salaries and Related benefits.....	\$3,145	\$2,596	\$ 549	21.1%
Occupancy and Equipment.....	864	803	61	7.6
Insurance.....	65	68	(3)	(4.4)
Postage.....	100	86	14	16.3
Stationary and supplies.....	107	94	13	13.8
Telephone.....	93	99	(6)	(6.1)
Advertising.....	53	199	(146)	(73.4)
Legal.....	154	91	63	69.2
Consulting.....	100	55	45	81.8

Directors' fees and expenses.....	103	126	(23)	(18.3)
Sundry losses.....	177	328	(151)	(46.0)
Other.....	511	475	36	7.6
	---	---	--	---
	\$5,472	\$5,020	\$ 452	9.0%
	=====	=====	=====	=====

</TABLE>

The increase in salary and benefits includes commission and incentive costs of \$199 thousand and \$175 thousand in accrued bonus expense. Sundry losses for the 1996 quarter include \$70 thousand on a litigation matter and \$114 thousand related to a servicing error on an SBA loan.

Provision for Income Taxes

The provision for income taxes was \$602 thousand and \$424 thousand for the three months ended September 30, 1996 and 1995, respectively, representing 39.0% and 40.5% of income before taxation for the respective periods.

SierraWest Bancorp
10-Q Filing
September 30, 1996

Part II.

Item 1. Legal Proceedings.

During 1987, SierraWest Bank, formerly Truckee River Bank, ("SWB") took title, through foreclosure, of a property located in Placer County which subsequent to SWB's sale of the property was determined to be contaminated with a form of hydrocarbons. At the time it owned the property, SWB became aware of and investigated the status of certain underground tanks that had existed on the property. SWB hired a consultant to study the tanks and properly seal them. Several years later, and after resale of the property, contamination was observed in the area of at least one of the buried tanks and along an adjoining riverbank of the Yuba River. SWB, at the time of resale of the property, was not aware of this contamination adjacent to the tanks but was aware of the existence of the tanks and disclosed this to its purchaser.

A formal plan of remediation has not been approved by the County of Placer or the State Regional Water Quality Board but is being finalized by an independent consultant retained for this purpose. As a result of the discovery of the contamination, two civil lawsuits were instituted against SWB and other prior owners by the current owner of the property, Rainbow Holding Company, who is also SWB's borrower. One of the actions, the state court matter, was dismissed by agreement of the parties. The other matter, filed in the summer of 1995 in the U.S. District Court, Eastern District of California, is ongoing, with the next status conference anticipated in the next several months.

SWB's external and internal counsel on this matter believe that SWB's share of the cost of remediation and the costs of defense will not be material to SWB's or the Company's performance and will be within existing reserves established by SWB for this matter. It is also expected that clean-up of the property will be undertaken in the first half of 1997.

In addition, the Company is subject to some minor pending and threatened legal actions which arise out of the normal course of business and, in the opinion of Management and the Company's General Counsel, the disposition of these claims currently pending will not have a material adverse affect on the Company's financial position or results of operations.

Item 2.Change in Securities. Not applicable.

Item 3.Defaults Upon Senior Securities. Not applicable.

Item 4.Submission of Matters to a Vote of Securities Holders. Not Applicable.

Item 5. Other Information. Not applicable.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits.

- 10.1 Incentive Stock Option Agreement between Sierra Tahoe Bancorp and Claire H. Young, dated August 1, 1996.
- 10.2 Amendment No. 1 to Employment Agreement between SierraWest Bancorp and William T. Fike, dated June 27, 1996.
- 10.3 Amendment No. 1 to Executive Salary Continuation Agreement between SierraWest Bancorp and William T. Fike, dated June 27, 1996.
- 10.4 Amendment No. 1 to Executive Salary Continuation Agreement between SierraWest Bancorp and David C. Broadley, dated June 27, 1996.
- 10.5 Amendment No. 1 to Executive Salary Continuation Agreement between SierraWest Bancorp and Martin R. Sorensen, dated June 27, 1996.
- 10.6 Director's Amended and Restated Payment Continuation Agreement between SierraWest Bancorp and William W. McClintock, dated June 27, 1996.
- 10.7 Director's Amended and Restated Payment Continuation Agreement between SierraWest Bancorp and Jerrold T. Henley, dated June 27, 1996.
- 10.8 Director's Amended and Restated Payment Continuation Agreement between SierraWest Bancorp and A. Morgan Jones, dated June 27, 1996.
- 10.9 Director's Amended and Restated Payment Continuation Agreement between SierraWest Bancorp and Jack V. Leonesio, dated June 27, 1996.
- 10.10 Director's Amended and Restated Payment Continuation Agreement between SierraWest Bancorp and Thomas M. Watson, dated June 27, 1996.
- 10.11 Director's Amended and Restated Payment Continuation Agreement between SierraWest Bancorp and David W. Clark, dated June 27, 1996.
- 10.12 Director's Payment Continuation Agreement between SierraWest Bancorp and Richard S. Gaston, dated June 27, 1996.
- 10.13 Director's Payment Continuation Agreement between SierraWest Bancorp and John J. Johnson, dated June 27, 1996.
- 10.14 Director's Payment Continuation Agreement between SierraWest Bancorp and Ralph J. Coppola, dated June 27, 1996.
- 10.15 Director's Payment Continuation Agreement between SierraWest Bancorp and Ronald A. Johnson, dated June 27, 1996.

11. Statement regarding computation of per share earnings.

27. Financial Data Schedule

(b) Reports on Form 8-K.

There were no reports on Form 8-K filed for the quarter ended

classes of securities of the Bancorp) as of the date of action of the Stock Option Committee granting this option.

2. Exercisability. This Option shall be exercisable as to two thousand (2,000) shares on or after 12 months, an additional two thousand (2,000) shares on or after 24 months, an additional two thousand (2,000) shares on or after 36 months, an additional two thousand (2,000) shares on or after 48 months, and an additional two thousand (2,000) shares at 60 months. This option shall remain exercisable as to all of such shares until August 1, 2006 [but not later than ten (10) years from the date this option is granted] unless this option has expired or terminated earlier in accordance with the provisions hereof. Shares as to which this option becomes exercisable pursuant to the foregoing provision may be purchased at any time prior to expiration of this option.

3. Exercise of Option. This option may be exercised by written notice delivered to the Bancorp stating the number of shares with respect to which this option is being exercised, together with cash or shares of the Bancorp's stock, as applicable, in the amount of the purchase price of such shares. Not less than ten (10) shares may be purchased at any one time unless the number purchased is the total number which may be purchased under this option and in no event may the option be exercised with respect to fractional shares. Upon exercise, Optionee shall make appropriate arrangements and shall be responsible for the withholding of any federal and state taxes then due.

4. Cessation of Employment. Except as provided in Paragraphs 2 and 5 hereof, if Optionee shall cease to be an employee of the Bancorp or a subsidiary corporation for any reason other than Optionee's death or disability, [as defined in Section 22(e)(3) of the Internal Revenue Code of 1986, as amended from time to time (the "Code")], this option shall expire three (3) months thereafter. During the three (3) month period this option shall be exercisable only as to those installments, if any, which had accrued as of the date when Optionee ceased to be an employee of the Bancorp or the subsidiary corporation.

5. Termination of Employment for Cause. If Optionee's employment with the Bancorp or a subsidiary corporation is terminated for cause, this option shall expire thirty (30) days from the date of such termination. Termination for cause shall include, but not be limited to, termination for malfeasance or gross misfeasance in the performance of duties or conviction of a crime involving moral turpitude, and, in any event, the determination of the Board of Directors with respect thereto shall be final and conclusive.

6. Nontransferability; Death or Disability of Optionee. This option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during Optionee's lifetime only by Optionee. If Optionee dies while an employee of the Bancorp or a subsidiary corporation, or during the three (3) month period referred to in Paragraph 4 hereof, this option shall expire one (1) year after the date of Optionee's death or on the day specified in Paragraph 2 hereof, whichever is earlier. After Optionee's death but before such expiration, the persons to whom Optionee's rights under this option shall have passed by will or by the applicable laws of descent and distribution or the executor or administrator of Optionee's estate shall have the right to exercise this option as to those shares for which installments had accrued under Paragraph 2 hereof as of the date on which Optionee ceased to be an employee of the Bancorp or a subsidiary corporation.

If Optionee terminates his or her employment because of disability, (as defined in Section 22(e)(3) of the Code), Optionee may exercise this option to the extent he or she is entitled to do so at the date of termination, at any time within one (1) year of the date of termination, or before the expiration date specified in Paragraph 2 hereof, whichever is earlier.

7. Employment. This Agreement shall not obligate the Bancorp or a subsidiary corporation to employ Optionee for any period, nor shall it interfere in any way with the right of the Bancorp or a subsidiary corporation to reduce Optionee's compensation.

8. Privileges of Stock Ownership. Optionee shall have no rights as a shareholder with respect to the Bancorp's stock subject to this option until the

date of issuance of stock certificates to Optionee. Except as provided in the Plan, no adjustment will be made for dividends or other rights for which the record date is prior to the date such stock certificates are issued.

9. Modification and Termination. The rights of Optionee are subject to modification and termination upon the occurrence of certain events as provided in Sections 13 and 14 of the Plan.

10. Notification of Sale. Optionee agrees that Optionee, or any person acquiring shares upon exercise of this option, will notify the Bancorp not more than five (5) days after any sale or other disposition of such shares.

11. Representations of Optionee. No shares issuable upon the exercise of this option shall be issued and delivered unless and until the Bancorp has complied with all applicable requirements of California and federal law and of the Securities and Exchange Commission and the California Department of Corporations pertaining to the issuance and sale of such shares, and all applicable listing requirements of the securities exchanges, if any, on which shares of the Bancorp of the same class are then listed. Optionee agrees to ascertain that such requirements shall have been complied with at the time of any exercise of this option. In addition, if the Optionee is an "affiliate" for purposes of the Securities Act of 1933, there may be additional restrictions on the resale of stock, and Optionee therefore agrees to ascertain what those restrictions are and to abide by the restrictions and other applicable federal and state securities laws.

Furthermore, the Bancorp may, if it deems appropriate, issue stop transfer instructions against any shares of stock purchased upon the exercise of this option and affix to any certificate representing such shares the legends which the Bancorp deems appropriate.

Optionee represents that the Bancorp, its directors, officers, employees and agents have not and will not provide tax advice with respect to the option, and Optionee agrees to consult with his or her own tax advisor as to the specific tax consequences of the option, including the application and effect of federal, state, local and other tax laws.

12. Notices. Any notice to the Bancorp provided for in this Agreement shall be addressed to it in care of its President or Chief Financial Officer at its main office and any notice to Optionee shall be addressed to Optionee's address on file with the Bancorp or a subsidiary corporation, or to such other address as either may designate to the other in writing. Any notice shall be deemed to be duly given if and when enclosed in a properly sealed envelope and addressed as stated above and deposited, postage prepaid, with the United States Postal Service. In lieu of giving notice by mail as aforesaid, any written notice under this Agreement may be given to Optionee in person, and to the Bancorp by personal delivery to its President or Chief Financial Officer.

13. Incentive Stock Option. This Agreement is intended to be an incentive stock option agreement as defined in Section 422 of the Code.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

OPTIONEE

SIERRA TAHOE BANCORP

By /s/ Claire H. Young

By /s/ W. T. Fike

Claire H. Young

William T. Fike

By /s/ Robert C. Silver

Robert C. Silver

EXHIBIT 10.2

AMENDMENT NO. 1
to
EMPLOYMENT AGREEMENT

by and between

SIERRAWEST BANCORP, a California corporation and Executive

This Amendment No. 1 is made this 27th day of June, 1996 by and between SierraWest Bancorp, a California corporation (formerly known as Sierra Tahoe Bancorp, hereinafter "Bancorp") and William T. Fike ("Executive"), and amends the Employment Agreement entered into between Bancorp and Executive dated as of October 1, 1994 as follows:

1. Paragraph 2.5 is amended in its entirety by replacing all language in the paragraph with the following:

"Memberships and Other Major Purchases. Bancorp shall purchase and hold in Executive's name for his use during the term of this Agreement, a full membership in Montreux Country Club located in the State of Nevada. It is agreed and understood that Executive has provided, and will continue to provide, all requested particulars to the Board Compensation Committee, regarding this membership and any other membership or other major purchases which the Board may consider purchasing for the benefit of Executive. The Board will consider and approve or disapprove such requests in the reasonable exercise of its business judgment. Executive specifically agrees that in the event his employment is terminated for any reason pursuant to which he is not entitled, under the provisions of this Agreement, to retain ownership of the Montreux Country Club membership, or any other membership which may have been purchased in his name, he will promptly take all action necessary to transfer ownership of the membership to Bancorp."

2. Paragraph 3.4 is amended in its entirety by replacing all language in the paragraph with the following:

"Termination Without Cause or Upon Change of Control or at the Expiration of the Term. Bancorp may terminate Fike's employment without any breach of this Agreement at any time and upon written notice Without Cause, which for purposes of this Agreement means for any reasons other than for Cause, upon Death or for Complete Disability. Bancorp may also terminate Fike's employment without any breach of this Agreement upon a Change of Control as defined herein. In the event of Termination Without Cause or Termination upon a Change of Control, or in the event that this Agreement expires at the end of its term and the parties fail to extend, renew or replace it with another employment agreement ("Termination at the Expiration of the Term), Bancorp shall pay to Fike the following, in liquidation of all its obligations under this Agreement: (i) his salary through the date of termination at the rate in effect at that time; (ii) his accrued but unpaid vacation and personal days through the date of termination; (iii) an amount equal to any bonus he would have been awarded, paid on a prorata basis, after the end of Bancorp's year and in conjunction with other executive bonus payments; (iv) reimbursement for approved unreimbursed expenses incurred pursuant to Section 2.4 herein; (v) transfer to or retention of (as applicable) his ownership, without penalty, of the automobile and club membership provided pursuant to 2.3(c) and 2.5 respectively of this Agreement; and (vi) an amount in the nature of severance pay equal to 18 months' base salary, payable in a lump sum as soon after the date of termination as is practicable. Bancorp shall have no further obligation or liability to Fike, except with respect to benefits already vested pursuant to the terms of the respective benefit plans."

For the purposes hereof, "Change of Control" is defined as any one of

the following, provided however that Change of Control shall be without the monetary assistance of the FDIC: (i) an acquisition (other than directly from Bancorp) by an individual, entity or group (excluding Bancorp or one of its employee benefit plans or an entity controlled by Bancorp's shareholders) of 20% or more of Bancorp's common stock or voting securities; (ii) a change in a majority of the current Board of Directors (excluding any persons approved by a vote of at least a majority of the Board other than in connection with an actual or threatened proxy contest); (iii) liquidation or dissolution of Bancorp or a merger, consolidation or sale of all or substantially of the Bancorp's assets ("Business Combination") other than one in which all or substantially all of Bancorp's shareholders receive 50% or more of the stock of the company resulting from the Business Combination, at least a majority of the board of directors of the resulting corporation were members of the incumbent board, and after which no person owns 20% or more of the stock of the resulting corporation who did not own such stock immediately before the Business Combination.

3. Paragraph 3.6, subparagraph (iv) is hereby amended in its entirety to read as follows:

"(iv) within the period up to 365 days following a Change of Control, Fike concludes in good faith and so notifies Bancorp or its successor on sixty (60) days' written notice that, because of changes following the Change of Control, he can no longer properly or effectively discharge his duties and responsibilities, whether as President and CEO or otherwise as assigned and mutually agreed at that time.

If Fike terminates his employment for Good Reason, he shall be entitled to those benefits he would have received in the event of Termination Upon Change of Control."

4. Except as amended or modified herein, all other provisions of the Employment Agreement between Bancorp and Executive remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of 27th day of June, 1996.

SIERRAWEST BANCORP, a California banking corporation

By: /s/ Jerrold T. Henley Date: September 26, 1996

Jerrold T. Henley
Chairman of the Board

/s/ W. T. Fike Date: September 26, 1996

William T. Fike

EXHIBIT 10.3

AMENDMENT NO. 1

TO

EXECUTIVE SALARY CONTINUATION AGREEMENT

by and between

SIERRAWEST BANCORP, a California corporation (formerly known as Sierra Tahoe Bancorp, hereinafter "Bancorp") and William T. Fike ("Executive").

This Amendment No. 1 is made this 27th day of June, 1996 by and between Bancorp and Executive, and amends the Executive Salary Continuation Agreement between the parties dated as of May 1, 1991 as follows:

1. Paragraph 2 is hereby amended by adding the following language at the end of the first paragraph thereof: ", pursuant to the terms set forth in 6 below."
2. Paragraph 2 is hereby further amended by substituting the following language in its entirety for paragraph three of Paragraph 2:

"In lieu of receiving a lump sum payment of the Service Benefit, Executive may elect, provided that he has served at least five (5) years and provided further that such election is made at least two (2) years prior to Employment Termination, to receive the benefit in installment payments rather than a lump sum. Monthly installments shall begin ninety (90) days after Employment Termination. If Executive shall have reached the age of 65 before retirement, such installments shall equal \$50,000 annually, payable in two hundred and forty (240) installments. If Executive shall retire or his employment shall otherwise terminate prior to that time, such installments shall equal that pro-rata share of \$50,000 per annum as the vested accumulated benefit bears to the total accumulated benefit described in Schedule A as "TOTAL NEEDED." The appropriate monthly benefit is shown in Schedule B. There is no installment option if Executive's employment is terminated prior to five (5) years of continuous employment. Should Executive pass away during any installment payout period, appropriate installments will be paid to those persons designated by Executive to receive such benefit or as otherwise directed by the qualified representative of Executive's estate."

3. Paragraph 4 is hereby amended by adding the following language at the end of the second sentence thereof: ", pursuant to the terms set forth in 6 below."
4. Paragraph 10 is hereby amended by deleting the language in its entirety and replacing it as follows:

"Except as hereafter set forth, Bancorp reserves the right to cancel the Salary Continuation Program and/or to terminate this Agreement ("Termination/Cancellation") as to any unvested benefits under the Program for any reason in its sole and absolute discretion; provided however, that Executive shall be entitled to the accrued and vested amount set forth on Schedule A attached hereto as determined by the date the Termination/Cancellation occurs. Termination shall be effective on fifteen (15) days prior written notice to Executive.

The foregoing notwithstanding, in the event of a Change of Control (defined below), Executive shall be deemed to be fully vested in the Full Accumulation Value as set forth in Schedule A as if Executive had served through all years set forth on Schedule A. The Full Accumulation Value of \$50,000 per year for twenty (20) years shall be paid in two hundred and forty (240) equal monthly installments beginning on the date which Executive would otherwise have been entitled to be paid such sums under the provisions of 2. In the event that Executive's employment is not terminated coincident with a Change of Control so that he is not yet entitled to receive immediate payment of the Full Accumulation Value pursuant to the provisions of 2, interest shall be deemed to accrue on the Full Accumulation Value at the prime rate minus one percent from the date the benefit vests until it is paid, including accrued interest thereon. In addition, in the event that Executive's employment is terminated in connection with, in anticipation of, or following a Change of Control, Executive shall be excused from and shall not be obligated to act as a consultant or otherwise be restricted in his activities as provided in 2 of this Agreement.

For purposes of this Agreement, Change of Control is defined as any one of the following, provided however that Change of Control shall be without the monetary assistance of the FDIC: (i) an acquisition (other than directly from Bancorp) by an individual, entity or group (excluding Bancorp or one of its employee benefit plans or an entity controlled by Bancorp's shareholders) of 20% or more of Bancorp's common stock or voting securities; (ii) a change in a majority of the current Board of Directors (excluding any persons approved by a vote of at least a majority of the Board other than in connection with an actual or threatened proxy contest); (iii) liquidation or dissolution of Bancorp or a merger, consolidation or sale of all or substantially of the Bancorp's assets ("Business Combination") other than one in which all or substantially all of Bancorp's shareholders receive 50% or more of the stock of the company resulting from the Business Combination, at least a majority of the board of directors of the resulting corporation were members of the incumbent board, and after which no person owns 20% or more of the stock of the resulting corporation who did not own such stock immediately before the Business Combination."

For purposes of this Agreement, "in connection with" or "in anticipation of" a Change of Control with respect to subsections (i) and (iii) above shall mean on or after the date of an executed Letter of Intent or, if there is no written Letter of Intent, on or after the date of the first act of due diligence inspection by a potential acquirer, provided that the transaction contemplated by the Letter of Intent or due diligence inspection in fact concludes no later than eighteen (18) months after that date. Moreover, "following a Change of Control" shall mean termination by or within 365 days of the conclusion of a Change of Control."

5. Paragraph 15 is hereby amended by adding the following language at the end of the sentence as currently written:

". . . to obtain said policy(cies). Moreover, should Bancorp elect to purchase a life insurance policy or annuity policy as provided above, Executive agrees to make appropriate arrangements so that Bancorp, as sole beneficiary of said policy, will be notified timely by Executive's estate upon his death. Upon such notification, which shall include receipt of a certified copy of death certificate, Bancorp shall pay the sum of \$5,000 ("Notification Fee") to Executive's estate or designated beneficiary."

6. Except as specifically modified herein, all other provisions of the Salary Continuation Agreement entered into between the parties remains in full force and effect.

Agreed to this 26th day of September, 1996,

/s/ W. T. Fike

EXECUTIVE

SIERRAWEST BANCORP,
a California banking corporation

By:/s/ Jerrold T. Henley

Jerrold T. Henley

Its: Chairman of the Board

<TABLE>

SIERRAWEST BANCORP
SALARY CONTINUATION PLAN
CALCULATION OF ANNUAL CONTRIBUTION

William T Fike
Date of Retirement.....08.04.2012
Plan Commencement.....05.01.1991
Retirement Benefit.....\$50,000 per year for 20 years
Discount Rate.....10 percent
Years to Accrue.....21 yers 3 months

ACCRUAL PER YEAR		SCHEDULE A Cash benefit Accumulated	SCHEDULE B Annual Benefit
<S>	<C>	<C>	<C>
1991.....	4,060	4,060	N/A
1992.....	6,619	10,679	N/A
1993.....	7,312	17,991	N/A
1994.....	8,078	26,069	N/A
1995.....	8,924	34,993	N/A
1996.....	9,858	44,851	5,194
1997.....	10,890	55,741	6,455
1998.....	12,031	67,772	7,848
1999.....	13,290	81,062	9,387
2000.....	14,682	95,744	11,087
2001.....	16,219	111,963	12,966
2002.....	17,918	129,881	15,041
2003.....	19,794	149,675	17,333
2004.....	21,867	171,542	19,865
2005.....	24,157	195,699	22,663
2006.....	26,686	222,385	25,753
2007.....	29,480	251,865	29,167
2008.....	32,567	284,432	32,938
2009.....	35,978	320,410	37,104
2010.....	39,745	360,155	41,707
2011.....	43,907	404,062	46,792
2012.....	27,706	431,768	50,000

TOTAL NEEDED -----
 \$431,768
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</TABLE>

EXHIBIT 10.4

AMENDMENT NO. 1
TO
EXECUTIVE SALARY CONTINUATION AGREEMENT

by and between

SIERRAWEST BANCORP, a California corporation (formerly known as Sierra Tahoe Bancorp, hereinafter "Bancorp") and David C. Broadley ("Executive").

This Amendment No. 1 is made this 27th day of June, 1996 by and between Bancorp and Executive, and amends the Executive Salary Continuation Agreement between the parties dated as of December 26th, 1986 as follows:

1. Paragraph 2 is hereby amended by adding the following language at the end of the first paragraph thereof: ", pursuant to the terms set forth in 6 below."
2. Paragraph 2 is hereby further amended by substituting the following language in its entirety for paragraph three of Paragraph 2:

"In lieu of receiving a lump sum payment of the Service Benefit, Executive may elect, provided that he has served at least five (5) years and provided further that such election is made at least two (2) years prior to Employment Termination, to receive the benefit in installment payments rather than a lump sum. Monthly installments shall begin ninety (90) days after Employment Termination. If Executive shall have reached the age of 65 before retirement, such installments shall equal \$40,000 annually, payable in two hundred and forty (240) installments. If Executive shall retire or his employment shall otherwise terminate prior to that time, such installments shall equal that pro-rata share of \$40,000 per annum as the vested accumulated benefit bears to the total accumulated benefit described in Schedule A as "TOTAL NEEDED." The appropriate monthly benefit is shown in Schedule B. There is no installment option if Executive's employment is terminated prior to five (5) years of continuous employment. Should Executive pass away during any installment payout period, appropriate installments will be paid to those persons designated by Executive to receive such benefit or as otherwise directed by the qualified representative of Executive's estate."

3. Paragraph 4 is hereby amended by adding the following language at the end of the second sentence thereof: ", pursuant to the terms set forth in 6 below."
4. Paragraph 10 is hereby amended by deleting the language in its entirety and replacing it as follows:

"Except as hereafter set forth, Bancorp reserves the right to cancel the Salary Continuation Program and/or to terminate this Agreement ("Termination/Cancellation") as to any unvested benefits under the Program for any reason in its sole and absolute discretion; provided however, that Executive shall be entitled to the accrued and vested amount set forth on Schedule A attached hereto as determined by the date the Termination/Cancellation occurs. Termination shall be effective on fifteen (15) days prior written notice to Executive.

The foregoing notwithstanding, in the event of a Change of Control (defined below), Executive shall be deemed to be fully vested in the Full Accumulation Value as set forth in Schedule A as if Executive had served through all years set forth on Schedule A. The Full Accumulation Value of \$40,000 per year for twenty (20) years shall be paid in two hundred and forty (240) equal monthly installments beginning on the date which Executive would otherwise have been entitled to be paid such sums under the provisions of 2. In the event that Executive's employment is not terminated coincident with a Change of Control so that he is not yet entitled to receive immediate payment of the Full Accumulation Value pursuant to the provisions of 2, interest shall be deemed to accrue on the Full Accumulation Value at the prime rate minus one percent from the date the benefit vests until it is paid, including accrued interest thereon. In addition, in the event that Executive's employment is terminated in connection with, in anticipation of, or following a Change of Control, Executive shall be excused from and shall not be obligated to act as a consultant or otherwise be restricted in his activities as provided in 2 of this Agreement.

For purposes of this Agreement, Change of Control is defined as any one of the following, provided however that Change of Control shall be without the monetary assistance of the FDIC: (i) an acquisition (other than directly from Bancorp) by an individual, entity or group (excluding Bancorp or one of its employee benefit plans or an entity controlled by Bancorp's shareholders) of 20% or more of Bancorp's common stock or voting securities; (ii) a change in a majority of the current Board of Directors (excluding any persons approved by a vote of at least a majority of the Board other than in

connection with an actual or threatened proxy contest); (iii) liquidation or dissolution of Bancorp or a merger, consolidation or sale of all or substantially of the Bancorp's assets ("Business Combination") other than one in which all or substantially all of Bancorp's shareholders receive 50% or more of the stock of the company resulting from the Business Combination, at least a majority of the board of directors of the resulting corporation were members of the incumbent board, and after which no person owns 20% or more of the stock of the resulting corporation who did not own such stock immediately before the Business Combination."

For purposes of this Agreement, "in connection with" or "in anticipation of" a Change of Control with respect to subsections (i) and (iii) above shall mean on or after the date of an executed Letter of Intent or, if there is no written Letter of Intent, on or after the date of the first act of due diligence inspection by a potential acquirer, provided that the transaction contemplated by the Letter of Intent or due diligence inspection in fact concludes no later than eighteen (18) months after that date. Moreover, "following a Change of Control" shall mean termination by or within 365 days of the conclusion of a Change of Control."

5. Paragraph 15 is hereby amended by adding the following language at the end of the sentence as currently written:

". . . to obtain said policy(cies). Moreover, should Bancorp elect to purchase a life insurance policy or annuity policy as provided above, Executive agrees to make appropriate arrangements so that Bancorp, as sole beneficiary of said policy, will be notified timely by Executive's estate upon his death. Upon such notification, which shall include receipt of a certified copy of death certificate, Bancorp shall pay the sum of \$5,000 ("Notification Fee") to Executive's estate or designated beneficiary."

6. Except as specifically modified herein, all other provisions of the Salary Continuation Agreement entered into between the parties remains in full force and effect.

Agreed to this 27th day of September, 1996,

/s/ David C. Broadley

EXECUTIVE

SIERRAWEST BANCORP,
a California banking corporation

By:/s/ W. T. Fike

William T. Fike

Its: President and Chief Executive Officer

<TABLE>

SIERRAWEST BANCORP
SALARY CONTINUATION PLAN
CALCULATION OF ANNUAL CONTRIBUTION

David Broadley

Date of Retirement.....07.19.2008
Plan Commencement.....01.01.1986
Retirement Benefit.....\$40,000 per year for 20 years

Discount Rate.....10 percent
 Years to Accrue.....22 years 6 months

ACCRUAL PER YEAR	SCHEDULE A Cash benefit Accumulated	SCHEDULE B Annual Benefit
<S>	<C>	<C>
1986.....	4,306	N/A
1987.....	9,063	N/A
1988.....	14,318	N/A
1989.....	20,123	N/A
1990.....	26,536	3,073
1991.....	33,621	3,893
1992.....	41,448	4,800
1993.....	50,094	5,801
1994.....	59,646	6,907
1995.....	70,198	8,129
1996.....	81,855	9,479
1997.....	94,732	10,970
1998.....	108,958	12,618
1999.....	124,673	14,437
2000.....	142,034	16,448
2001.....	161,213	18,669
2002.....	182,400	21,122
2003.....	205,806	23,833
2004.....	231,663	26,827
2005.....	260,227	30,135
2006.....	291,782	33,789
2007.....	326,642	37,826
2008.....	345,418	40,000

TOTAL NEEDED -----
 345,418
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</TABLE>

NPV \$40K/Yr.for 20 Yrs. at 10% Disc.

EXHIBIT 10.5
 AMENDMENT NO. 1
 TO
 EXECUTIVE SALARY CONTINUATION AGREEMENT

by and between

SIERRAWEST BANCORP, a California corporation (formerly known as Sierra Tahoe Bancorp, hereinafter "Bancorp") and Martin R. Sorensen ("Executive").

This Amendment No. 1 is made this 27th day of June, 1996 by and between Bancorp and Executive, and amends the Executive Salary Continuation Agreement between the parties dated as of March 31, 1995 as follows:

- Paragraph 2 is hereby amended by adding the following language at the end of the first paragraph thereof: ", pursuant to the terms set forth in 6 below."
- Paragraph 2 is hereby further amended by substituting the following

language in its entirety for paragraph three of Paragraph 2:

"In lieu of receiving a lump sum payment of the Service Benefit, Executive may elect, provided that he has served at least five (5) years and provided further that such election is made at least two (2) years prior to Employment Termination, to receive the benefit in installment payments rather than a lump sum. Monthly installments shall begin ninety (90) days after Employment Termination. If Executive shall have reached the age of 65 before retirement, such installments shall equal \$50,000 annually, payable in two hundred and forty (240) installments. If Executive shall retire or his employment shall otherwise terminate prior to that time, such installments shall equal that pro-rata share of \$50,000 per annum as the vested accumulated benefit bears to the total accumulated benefit described in Schedule A as "TOTAL NEEDED." The appropriate monthly benefit is shown in Schedule B. There is no installment option if Executive's employment is terminated prior to five (5) years of continuous employment. Should Executive pass away during any installment payout period, appropriate installments will be paid to those persons designated by Executive to receive such benefit or as otherwise directed by the qualified representative of Executive's estate."

3. Paragraph 4 is hereby amended by adding the following language at the end of the second sentence thereof: ", pursuant to the terms set forth in 6 below."

4. Paragraph 10 is hereby amended by deleting the language in its entirety and replacing it as follows:

"Except as hereafter set forth, Bancorp reserves the right to cancel the Salary Continuation Program and/or to terminate this Agreement ("Termination/Cancellation") as to any unvested benefits under the Program for any reason in its sole and absolute discretion; provided however, that Executive shall be entitled to the accrued and vested amount set forth on Schedule A attached hereto as determined by the date the Termination/Cancellation occurs. Termination shall be effective on fifteen (15) days prior written notice to Executive.

The foregoing notwithstanding, in the event of a Change of Control (defined below), Executive shall be deemed to be fully vested in the Full Accumulation Value as set forth in Schedule A as if Executive had served through all years set forth on Schedule A. The Full Accumulation Value of \$50,000 per year for twenty (20) years shall be paid in two hundred and forty (240) equal monthly installments beginning on the date which Executive would otherwise have been entitled to be paid such sums under the provisions of 2. In the event that Executive's employment is not terminated coincident with a Change of Control so that he is not yet entitled to receive immediate payment of the Full Accumulation Value pursuant to the provisions of 2, interest shall be deemed to accrue on the Full Accumulation Value at the prime rate minus one percent from the date the benefit vests until it is paid, including accrued interest thereon. In addition, in the event that Executive's employment is terminated in connection with, in anticipation of, or following a Change of Control, Executive shall be excused from and shall not be obligated to act as a consultant or otherwise be restricted in his activities as provided in 2 of this Agreement.

For purposes of this Agreement, Change of Control is defined as any one of the following, provided however that Change of Control shall be without the monetary assistance of the FDIC: (i) an acquisition (other than directly from Bancorp) by an individual, entity or group (excluding Bancorp or one of its employee benefit plans or an entity controlled by Bancorp's shareholders) of 20% or more of Bancorp's common stock or voting securities; (ii) a change in a majority of the current Board of Directors (excluding any persons approved by a vote of at least a majority of the Board other than in connection with an actual or threatened proxy contest); (iii) liquidation or dissolution of Bancorp or a merger, consolidation or sale of all or substantially of the Bancorp's assets ("Business Combination") other than one in which all or substantially all of Bancorp's shareholders receive 50% or more of the stock of the company resulting from the Business Combination,

at least a majority of the board of directors of the resulting corporation were members of the incumbent board, and after which no person owns 20% or more of the stock of the resulting corporation who did not own such stock immediately before the Business Combination."

For purposes of this Agreement, "in connection with" or "in anticipation of" a Change of Control with respect to subsections (i) and (iii) above shall mean on or after the date of an executed Letter of Intent or, if there is no written Letter of Intent, on or after the date of the first act of due diligence inspection by a potential acquirer, provided that the transaction contemplated by the Letter of Intent or due diligence inspection in fact concludes no later than eighteen (18) months after that date. Moreover, "following a Change of Control" shall mean termination by or within 365 days of the conclusion of a Change of Control."

5. Paragraph 15 is hereby amended by adding the following language at the end of the sentence as currently written:

". . . to obtain said policy(cies). Moreover, should Bancorp elect to purchase a life insurance policy or annuity policy as provided above, Executive agrees to make appropriate arrangements so that Bancorp, as sole beneficiary of said policy, will be notified timely by Executive's estate upon his death. Upon such notification, which shall include receipt of a certified copy of death certificate, Bancorp shall pay the sum of \$5,000 ("Notification Fee") to Executive's estate or designated beneficiary."

6. Except as specifically modified herein, all other provisions of the Salary Continuation Agreement entered into between the parties remains in full force and effect.

Agreed to this 2nd day of October, 1996,

/s/ Martin Sorensen

EXECUTIVE

SIERRAWEST BANCORP,
a California banking corporation

By:/s/ W. T. Fike

William T. Fike

Its: President and Chief Executive Officer

<TABLE>

SIERRAWEST BANCORP
SALARY CONTINUATION PLAN
CALCULATION OF ANNUAL CONTRIBUTION

Marty Sorensen

Date of Retirement.....02.23.2009
Plan Commencement.....05.01.1994
Retirement Benefit.....\$50,000 per year for 20 years
Discount Rate.....10 percent
Years to Accrue.....14 years 10 months

Accrual Per year <S>	<C>	Cash benefit <C>	Annual <C>
1994.....	8,767	8,767	N/A
1995.....	14,292	23,059	N/A
1996.....	15,789	38,848	N/A
1997.....	17,442	56,289	N/A
1998.....	19,268	75,558	N/A
1999.....	21,286	96,843	11,215
2000.....	23,515	120,358	13,938
2001.....	25,977	146,335	16,946
2002.....	28,697	175,032	20,269
2003.....	31,702	206,734	23,940
2004.....	35,022	241,756	27,996
2005.....	38,689	280,445	32,476
2006.....	42,740	323,185	37,426
2007.....	47,216	370,400	42,893
2008.....	52,160	422,560	48,934
2009.....	9,210	431,770	50,000

TOTAL NEEDED 431,769
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</TABLE>

EXHIBIT 10.6

DIRECTOR'S AMENDED AND RESTATED
PAYMENT CONTINUATION AGREEMENT

This Amended and Restated Agreement is between and among SierraWest Bancorp (formerly known as Sierra Tahoe Bancorp, hereinafter "Bancorp"), a California corporation and William W. McClintock ("Director"), shall be effective as of June 27, 1996, and is intended to and shall replace all prior agreements between the parties relating to the subject matter hereof, except as specifically otherwise provided herein.

RECITALS

WHEREAS, Bancorp continues to deem Director's future counsel and advice to be valuable to it by virtue of Director's past experience as a director of Bancorp and/or Sierra Bank of Nevada ("Bank"); and

WHEREAS, Bancorp desires to engage Director as a consultant and advisor to Bancorp from time to time after termination of Director's active service as a director ("Service Termination"); and

WHEREAS, the parties desire to replace their existing agreement dated May 1, 1988 with this Agreement in its entirety

NOW THEREFORE, Bancorp and Director mutually agree as:

1. Benefit Granted.

- a. Continuous Service. If Director maintains his service to Bancorp as a Director continuously for five (5) years from May 1, 1988 ("Commencement Date"), and at any time thereafter resigns, is not reelected, is not reappointed or is terminated from service as a director for any reason other than Cause (defined below), he shall be entitled to receive the appropriate vested benefit as set forth in Schedule A attached hereto and incorporated herein ("Service Benefit"). The Service Benefit vests according to the schedule as set forth in Schedule A, is determined by

completed year of service calculated from the Commencement Date up to a maximum benefit at fifteen (15) years, and is paid following termination of service as Director, either in a lump sum or in installments as hereinafter provided, in consideration for Director's agreement to act as a consultant for Bancorp as set forth in Paragraph 2.

For purposes of this Agreement, "Cause" whenever used shall mean any one of the following: gross misconduct; conviction of a felony by any criminal tribunal; willful and continuing failure to substantially perform his duties as a director after delivery of written demand, signed by a majority of the Board of Directors, identifying the substantial failure to perform; or willful conduct that results in Director's gain or personal enrichment at the expense of Bancorp.

- b. Early Termination From Service. In the event Director leaves service as a director, whether voluntarily or for any reason other than termination for cause, before the expiration of five years of continuous service but after one year of service, Director shall be eligible for 20% of the benefit as set forth in Schedule A for each year of completed service (so that as of the first year of completed service Director is eligible for 20% of the vested one year benefit as reflected on Schedule A, 40% of the vested two year benefit as of the second year of completed service, and so forth.) Payment of a Service Benefit resulting from Early Termination will be made only in a lump sum.
- c. Option to Pay Benefits In Installments; Election Date. In lieu of receiving a lump sum payment of the Service Benefit, Director may elect, provided that he has served at least five (5) years and provided further that such election is made at least two (2) years prior to Service Termination, to receive the benefit in installment payments rather than a lump sum. Monthly installments shall begin ninety (90) days after Service Termination. If Director has served at least 15 years, installment payments shall equal \$4,000 annually for a period of fifteen (15) years, payable in one hundred eighty (180) equal monthly installments. If Director has served at least five (5) years but less than 15 years of continuous service, such installments shall equal that pro-rata share of Four Thousand Dollars per annum as the vested accumulated benefit bears to the total accumulated benefit described in Schedule A as "TOTAL NEEDED." The appropriate monthly benefit is set forth in Schedule B. This amount is also payable in one hundred eight (180) equal monthly installments. There is no installment option if service is terminated prior to five (5) years of continuous service. Should Director pass away during any installment payout period, appropriate installments will be paid to those persons designated by Director to receive such benefit or as otherwise directed by the qualified representative of Director's estate.
- d. Health Care Benefits. In addition to the benefits set forth above, in the event of Service Termination at any time and for any reason other than Cause, Director shall be eligible to continue coverage, at his election and expense, under Bancorp's group health plan as it exists at the time of Service Termination or as it may be modified from time to time. Director may elect to retain, increase or decrease the coverage as it existed at the time of Service Termination. Premiums for such coverage, both for individual and dependent coverage as appropriate, shall be at the rates charged as if Director had remained a director in active service. If Director has elected monthly benefit installment payments pursuant to 1(c) above, he may also

elect to have the monthly health benefit premium charges deducted from those monthly benefit installment payments.

2. Consultant Obligation.

- a. Upon Service Termination Director agrees to make himself available for a five (5) year term to the management of Bancorp and its subsidiaries, its various boards of directors and other specified individuals that management or the board may designate for the purpose of advising and consulting with those individuals on behalf of Bancorp and its subsidiaries. Director agrees that he will devote as much time as is necessary and required by Bancorp, but not to exceed twenty (20) hours per month, at an hourly fee of one hundred fifty dollars (\$150.00). It is expressly understood that the compensation paid in the prior sentence is in addition to the benefit paid pursuant to Paragraph 1 above, and is paid in consideration for the services of Director as a consultant and advisor to Bancorp at Bancorp's request.
- b. Bancorp shall reimburse Director for his reasonable and necessary travel and expenses incurred in such consulting or advisory work. In the event Director is not residing in the community where Bancorp's principal offices are located, Bancorp agrees to reimburse Director for all reasonable travel and expenses incurred by Director. Director agrees that during his engagement he will keep himself informed concerning the affairs of Bancorp and its subsidiaries by reviewing annual or periodic reports and other data supplied to Director by Bancorp. Director agrees to review these items without charge to Bancorp.

3. Independent Contractor. The status of Director when engaged as a consultant and contemplated by this Agreement shall be that of Independent Contractor.

4. Death Benefit for Director. In the event Director should die while actively serving as director at any time, Bancorp will pay \$4,000 per year to Director's surviving spouse or designated nominee or beneficiary. Such death benefit is payable on a monthly basis for a period of one hundred and eighty (180) months.

5. Inability to Transfer Benefits. Neither the Director, the spouse, or any other beneficiary under this agreement shall have any power or right to transfer, assign, anticipate, hypothecate, mortgage, or in any way exercise any control or right over vested benefits granted under this Agreement. None of said benefits shall be subject to seizure for the payments of any debts, judgments, alimony or separate maintenance which may be owed by the Director or his beneficiary or be transferable by operation of law in the event of bankruptcy, insolvency or otherwise. In the event the Director or any beneficiary attempts an assignment, computation, hypothecation, transfer or disposal of the benefit hereunder, Bancorp's responsibilities, liabilities, and obligations shall forthwith immediately cease and terminate as to any unvested benefits and this Agreement shall be deemed to terminate as set forth in paragraph 7(a) below.

6. Nothing contained in this agreement shall be construed to alter, abridge or in any manner affect the rights and privileges of the Director to participate in and be covered by any pension profit sharing group insurance bonus or similar employment benefits which Bancorp may now have or hereafter adopt for which Director may be determined to be eligible.

7. Benefits Not Accumulated; Cancellation; Notice.

- a. Except as otherwise set forth herein, Bancorp reserves the right to cancel the Payment Continuation Program and/or to terminate this Agreement ("Termination/Cancellation") at any time and for any reason as to any benefits not yet vested, in its sole and absolute discretion; provided however that Director shall be entitled to the vested amount set forth on Schedule A attached hereto as determined by the date the termination/cancellation occurs. In the event of Termination/Cancellation, the vested amounts will be paid in one lump sum at the time of Director's termination from office as Director. Bancorp will give fifteen (15) days prior written notice of Termination/Cancellation.
- b. The foregoing notwithstanding, in the event of a Change of Control (defined below), Director shall be deemed to be fully vested in the Full Accumulation Value as set forth in Schedule A as if Director had served through all years as specified on Schedule A. The Full Accumulation Value shall be paid in one lump sum in the amount and when Director would otherwise have been entitled to be paid under the provisions of Paragraph 1. In the event that Director's service is not terminated coincident with a change of control so that he is not yet entitled to receive immediate payment of the Full Accumulation Value pursuant to the provisions of &1, interest shall be deemed to accrue on the Full Accumulation Value at the prime rate minus one percent from the date the benefit vests until it is paid. In addition, in the event that Director's termination occurs in connection with, in anticipation of, or following a Change of Control, Director shall be excused from and shall not be obligated to act as a consultant or be restricted in his activities as provided in Paragraph 2 of this Agreement.

For purposes of this Agreement, Change of Control is defined as any one of the following, provided however that Change of Control shall be without the monetary assistance of the FDIC: (i) an acquisition (other than directly from Bancorp) by an individual, entity or group (excluding Bancorp or one of its employee benefit plans or an entity controlled by Bancorp's shareholders) of 20% or more of Bancorp's common stock or voting securities; (ii) a change in a majority of the current Board of Directors (excluding any persons approved by a vote of at least a majority of the Board other than in connection with an actual or threatened proxy contest); (iii) liquidation or dissolution of Bancorp or a merger, consolidation or sale of all or substantially of the Bancorp's assets ("Business Combination") other than one in which all or substantially all of Bancorp's shareholders receive 50% or more of the stock of the company resulting from the Business Combination, at least a majority of the board of directors of the resulting corporation were members of the incumbent board, and after which no person owns 20% or more of the stock of the resulting corporation who did not own such stock immediately before the Business Combination.

For purposes of this Agreement, "in connection with" or "in anticipation of" a Change of Control with respect to subsections (i) and (iii) above shall mean on or after the date of an executed Letter of Intent or, if there is no written Letter of Intent, on or after the date of the first act of due diligence inspection by a potential acquiror, provided that the transaction contemplated by the Letter of Intent or due diligence inspection in fact concludes no later than eighteen (18) months after that date. Moreover, "following a Change of Control" shall mean Service Termination by or within 365 days of the conclusion of a Change of Control as defined above.

8. Funding of Benefits.

- a. Bancorp reserves the absolute right in its sole and exclusive discretion either to: (i) fund by cash, insurance, or otherwise the obligation undertaken by this Agreement, or (ii) not fund the obligation in advance. Should Bancorp elect to fund in advance the benefits contemplated by this Agreement in whole or in part through the median of life insurance or annuities or both, then Bancorp shall be the owner and beneficiary of the policy.
 - b. Bancorp reserves the absolute right in its sole discretion to terminate such life insurance or annuities as well as any other funding program at any time in whole or in part. At no time shall the Director be deemed to have any right, title or interest or any specified asset or assets of Bancorp including but not by way of restriction any insurance annuity contract or contracts of the proceeds thereof except to those rights listed in this agreement.
 - c. Any advance funding of obligations hereunder shall not in any way be considered to constitute security for the performance of the obligations of this Agreement. The obligation shall be considered to be paid from current available resources and otherwise unsecured.
 - d. If Bancorp elects to purchase a life insurance policy or annuity policy on the life of the Director to fund any obligations under this Agreement, Director agrees to cooperate with the issuance of such policies to sign any and all documents which may be required for that purpose and to undergo any reasonable medical examination or test which may be necessary or otherwise required to obtain said policy(ies). Moreover, should Bancorp elect to purchase a life insurance policy or annuity policy as provided above, Director agrees to make appropriate arrangements so that Bancorp as sole beneficiary of such policy will be notified timely by Director's estate upon Director's death. Upon notification by Director's estate pursuant to this provision, Bancorp shall pay the sum of \$5,000 (Notification Fee") to Director's estate or designated beneficiary which shall include a certified copy of the death certificate.
9. General Obligation. This Agreement shall not be construed as giving Director or his beneficiary any greater rights of those of any other unsecured creditor of Bancorp.
10. Agreement Binding. This Agreement shall be binding upon and inure to the benefit of the Director and his personal representatives, agents and assigns. To the extent consistent herewith, this Agreement shall inure to any successor organization of Bancorp which shall succeed to substantially all the stock of its assets in business.
11. Beneficiaries; Election. Director reserves the right to change the name of his named primary or contingent beneficiaries by separate letter from time to time or upon properly notifying Bancorp or its successor of this document in writing as to the recipient of such benefits. Bancorp reserves the right to require a spouse's signature thereon if in the opinion of counsel, such is required.
12. Suicide Exclusion. In the event that it is demonstrated to Bancorp's reasonable certainty that, within two (2) years of the Commencement Date, Director has taken his own life, any and all amounts unpaid under this Agreement shall be deemed to have lapsed and shall be terminated prior to any vesting. In such event, Bancorp shall have no liability to Director or any persons which otherwise would be entitled to benefits under this Agreement.
13. Miscellaneous. The provisions of this agreement shall be severable

from each other. In the event that a court should declare any provision unenforceable, the remaining provisions of the agreement shall continue to be binding and enforceable. This agreement shall be construed under the laws of the State of California. Venue shall be appropriate wherever allowed by law and in the County of Nevada (Truckee Session). This Agreement represents the final expression of the parties and may be modified only in writing. This Agreement may be executed in counterparts.

14. Attorneys Fees. In the event either party employs an attorney to enforce any of the provisions hereof, or for the purpose of declaring the effect of a provisions which interpretation it contests, the prevailing party shall be entitled to reasonable attorney fees

Agreed and accepted this 2nd day of October, 1996.

DIRECTOR SIERRAWEST BANCORP

By:/s/ William W. McClintock By:/s/ W. T. Fike

 Director President

By:/s/ A. Morgan Jones

 Secretary

<TABLE>

SIERRAWEST BANCORP
 SALARY CONTINUATION PLAN
 CALCULATION OF ANNUAL CONTRIBUTION

William McClintock - Director benefit

Date of Retirement.....05.01.2003
 Plan Commencement.....05.01.1988
 Retirement Benefit.....\$4,000 per year for 15 years
 Discount Rate.....10 percent
 Years to Accrue.....15 years

<S>	<C>	SCHEDULE A Cash benefit Accumulated	SCHEDULE B Annual benefit
<S>	<C>	<C>	<C>
1988.....	616	616	N/A
1989.....	1,005	1,621	N/A
1990.....	1,110	2,731	N/A
1991.....	1,226	3,957	N/A
1992.....	1,355	5,312	N/A
1993.....	1,497	6,809	878
1994.....	1,653	8,462	1,091
1995.....	1,827	10,289	1,327
1996.....	2,018	12,307	1,587
1997.....	2,229	14,536	1,875
1998.....	2,463	16,999	2,192
1999.....	2,720	19,719	2,543
2000.....	3,005	22,724	2,930
2001.....	3,320	26,044	3,359
2002.....	3,668	29,712	3,832
2003.....	1,306	31,018	4,000

TOTAL NEEDED \$ 31,018
NPV \$4K/Yr.

</TABLE>

EXHIBIT 10.7

DIRECTOR'S AMENDED AND RESTATED
PAYMENT CONTINUATION AGREEMENT

This Amended and Restated Agreement is between and among SierraWest Bancorp (formerly known as Sierra Tahoe Bancorp, hereinafter "Bancorp"), a California corporation and Jerrold T. Henley ("Director"), shall be effective as of June 27, 1996, and is intended to and shall replace all prior agreements between the parties relating to the subject matter hereof, except as specifically otherwise provided herein.

RECITALS

WHEREAS, Bancorp continues to deem Director's future counsel and advice to be valuable to it by virtue of Director's past experience as a director of Bancorp and/or Sierra Bank of Nevada ("Bank"); and

WHEREAS, Bancorp desires to engage Director as a consultant and advisor to Bancorp from time to time after termination of Director's active service as a director ("Service Termination"); and

WHEREAS, the parties desire to replace their existing agreement dated January 1, 1986 with this Agreement in its entirety

NOW THEREFORE, Bancorp and Director mutually agree as:

1. Benefit Granted.

- a. Continuous Service. If Director maintains his service to Bancorp as a Director continuously for five (5) years from January 1, 1986 ("Commencement Date"), and at any time thereafter resigns, is not reelected, is not reappointed or is terminated from service as a director for any reason other than Cause (defined below), he shall be entitled to receive the appropriate vested benefit as set forth in Schedule A attached hereto and incorporated herein ("Service Benefit"). The Service Benefit vests according to the schedule as set forth in Schedule A, is determined by completed year of service calculated from the Commencement Date up to a maximum benefit at fifteen (15) years, and is paid following termination of service as Director, either in a lump sum or in installments as hereinafter provided, in consideration for Director's agreement to act as a consultant for Bancorp as set forth in Paragraph 2.

For purposes of this Agreement, "Cause" whenever used shall mean any one of the following: gross misconduct; conviction of a felony by any criminal tribunal; willful and continuing failure to substantially perform his duties as a director after delivery of written demand, signed by a majority of the Board of Directors, identifying the substantial failure to perform; or willful conduct that results in Director's gain or personal enrichment at the expense of Bancorp.

- b. Early Termination From Service. In the event Director leaves service as a director, whether voluntarily or for any reason other than termination for cause, before the expiration of five years of continuous service but after one year of service, Director shall be eligible for 20% of the

benefit as set forth in Schedule A for each year of completed service (so that as of the first year of completed service Director is eligible for 20% of the vested one year benefit as reflected on Schedule A, 40% of the vested two year benefit as of the second year of completed service, and so forth.) Payment of a Service Benefit resulting from Early Termination will be made only in a lump sum.

- c. Option to Pay Benefits In Installments; Election Date. In lieu of receiving a lump sum payment of the Service Benefit, Director may elect, provided that he has served at least five (5) years and provided further that such election is made at least two (2) years prior to Service Termination, to receive the benefit in installment payments rather than a lump sum. Monthly installments shall begin ninety (90) days after Service Termination. If Director has served at least 15 years, installment payments shall equal \$4,000 annually for a period of fifteen (15) years, payable in one hundred eighty (180) equal monthly installments. If Director has served at least five (5) years but less than 15 years of continuous service, such installments shall equal that pro-rata share of Four Thousand Dollars per annum as the vested accumulated benefit bears to the total accumulated benefit described in Schedule A as "TOTAL NEEDED." The appropriate monthly benefit is set forth in Schedule B. This amount is also payable in one hundred eight (180) equal monthly installments. There is no installment option if service is terminated prior to five (5) years of continuous service. Should Director pass away during any installment payout period, appropriate installments will be paid to those persons designated by Director to receive such benefit or as otherwise directed by the qualified representative of Director's estate.
- d. Health Care Benefits. In addition to the benefits set forth above, in the event of Service Termination at any time and for any reason other than Cause, Director shall be eligible to continue coverage, at his election and expense, under Bancorp's group health plan as it exists at the time of Service Termination or as it may be modified from time to time. Director may elect to retain, increase or decrease the coverage as it existed at the time of Service Termination. Premiums for such coverage, both for individual and dependent coverage as appropriate, shall be at the rates charged as if Director had remained a director in active service. If Director has elected monthly benefit installment payments pursuant to 1(c) above, he may also elect to have the monthly health benefit premium charges deducted from those monthly benefit installment payments.

2. Consultant Obligation.

- a. Upon Service Termination Director agrees to make himself available for a five (5) year term to the management of Bancorp and its subsidiaries, its various boards of directors and other specified individuals that management or the board may designate for the purpose of advising and consulting with those individuals on behalf of Bancorp and its subsidiaries. Director agrees that he will devote as much time as is necessary and required by Bancorp, but not to exceed twenty (20) hours per month, at an hourly fee of one hundred fifty dollars (\$150.00). It is expressly understood that the compensation paid in the prior sentence is in addition to the benefit paid pursuant to Paragraph 1 above, and is paid in consideration for the services of Director as a consultant and advisor to Bancorp at Bancorp's request.

- b. Bancorp shall reimburse Director for his reasonable and necessary travel and expenses incurred in such consulting or advisory work. In the event Director is not residing in the community where Bancorp's principal offices are located, Bancorp agrees to reimburse Director for all reasonable travel and expenses incurred by Director. Director agrees that during his engagement he will keep himself informed concerning the affairs of Bancorp and its subsidiaries by reviewing annual or periodic reports and other data supplied to Director by Bancorp. Director agrees to review these items without charge to Bancorp.
3. Independent Contractor. The status of Director when engaged as a consultant and contemplated by this Agreement shall be that of Independent Contractor.
4. Death Benefit for Director. In the event Director should die while actively serving as director at any time, Bancorp will pay \$4,000 per year to Director's surviving spouse or designated nominee or beneficiary. Such death benefit is payable on a monthly basis for a period of one hundred and eighty (180) months.
5. Inability to Transfer Benefits. Neither the Director, the spouse, or any other beneficiary under this agreement shall have any power or right to transfer, assign, anticipate, hypothecate, mortgage, or in any way exercise any control or right over vested benefits granted under this Agreement. None of said benefits shall be subject to seizure for the payments of any debts, judgments, alimony or separate maintenance which may be owed by the Director or his beneficiary or be transferable by operation of law in the event of bankruptcy, insolvency or otherwise. In the event the Director or any beneficiary attempts an assignment, computation, hypothecation, transfer or disposal of the benefit hereunder, Bancorp's responsibilities, liabilities, and obligations shall forthwith immediately cease and terminate as to any unvested benefits and this Agreement shall be deemed to terminate as set forth in paragraph 7(a) below.
6. Nothing contained in this agreement shall be construed to alter, abridge or in any manner affect the rights and privileges of the Director to participate in and be covered by any pension profit sharing group insurance bonus or similar employment benefits which Bancorp may now have or hereafter adopt for which Director may be determined to be eligible.
7. Benefits Not Accumulated; Cancellation; Notice.
 - a. Except as otherwise set forth herein, Bancorp reserves the right to cancel the Payment Continuation Program and/or to terminate this Agreement ("Termination/Cancellation") at any time and for any reason as to any benefits not yet vested, in its sole and absolute discretion; provided however that Director shall be entitled to the vested amount set forth on Schedule A attached hereto as determined by the date the termination/cancellation occurs. In the event of Termination/Cancellation, the vested amounts will be paid in one lump sum at the time of Director's termination from office as Director. Bancorp will give fifteen (15) days prior written notice of Termination/Cancellation.
 - b. The foregoing notwithstanding, in the event of a Change of Control (defined below), Director shall be deemed to be fully vested in the Full Accumulation Value as set forth in Schedule A as if Director had served through all years as specified on Schedule A. The Full Accumulation Value shall be paid in one lump sum in the amount and when Director would otherwise have been entitled to be paid under the provisions of Paragraph 1. In the event that Director's

service is not terminated coincident with a change of control so that he is not yet entitled to receive immediate payment of the Full Accumulation Value pursuant to the provisions of §1, interest shall be deemed to accrue on the Full Accumulation Value at the prime rate minus one percent from the date the benefit vests until it is paid. In addition, in the event that Director's termination occurs in connection with, in anticipation of, or following a Change of Control, Director shall be excused from and shall not be obligated to act as a consultant or be restricted in his activities as provided in Paragraph 2 of this Agreement.

For purposes of this Agreement, Change of Control is defined as any one of the following, provided however that Change of Control shall be without the monetary assistance of the FDIC: (i) an acquisition (other than directly from Bancorp) by an individual, entity or group (excluding Bancorp or one of its employee benefit plans or an entity controlled by Bancorp's shareholders) of 20% or more of Bancorp's common stock or voting securities; (ii) a change in a majority of the current Board of Directors (excluding any persons approved by a vote of at least a majority of the Board other than in connection with an actual or threatened proxy contest); (iii) liquidation or dissolution of Bancorp or a merger, consolidation or sale of all or substantially of the Bancorp's assets ("Business Combination") other than one in which all or substantially all of Bancorp's shareholders receive 50% or more of the stock of the company resulting from the Business Combination, at least a majority of the board of directors of the resulting corporation were members of the incumbent board, and after which no person owns 20% or more of the stock of the resulting corporation who did not own such stock immediately before the Business Combination.

For purposes of this Agreement, "in connection with" or in anticipation of" a Change of Control with respect to subsections (i) and (iii) above shall mean on or after the date of an executed Letter of Intent or, if there is no written Letter of Intent, on or after the date of the first act of due diligence inspection by a potential acquiror, provided that the transaction contemplated by the Letter of Intent or due diligence inspection in fact concludes no later than eighteen (18) months after that date. Moreover, "following a Change of Control" shall mean Service Termination by or within 365 days of the conclusion of a Change of Control as defined above.

8. Funding of Benefits.

- a. Bancorp reserves the absolute right in its sole and exclusive discretion either to: (i) fund by cash, insurance, or otherwise the obligation undertaken by this Agreement, or (ii) not fund the obligation in advance. Should Bancorp elect to fund in advance the benefits contemplated by this Agreement in whole or in part through the median of life insurance or annuities or both, then Bancorp shall be the owner and beneficiary of the policy.
- b. Bancorp reserves the absolute right in its sole discretion to terminate such life insurance or annuities as well as any other funding program at any time in whole or in part. At no time shall the Director be deemed to have any right, title or interest or any specified asset or assets of Bancorp including but not by way of restriction any insurance annuity contract or contracts of the proceeds thereof except to those rights listed in this agreement.
- c. Any advance funding of obligations hereunder shall not in any way be considered to constitute security for the performance of the obligations of this Agreement. The obligation shall be

considered to be paid from current available resources and otherwise unsecured.

- d. If Bancorp elects to purchase a life insurance policy or annuity policy on the life of the Director to fund any obligations under this Agreement, Director agrees to cooperate with the issuance of such policies to sign any and all documents which may be required for that purpose and to undergo any reasonable medical examination or test which may be necessary or otherwise required to obtain said policy(ies). Moreover, should Bancorp elect to purchase a life insurance policy or annuity policy as provided above, Director agrees to make appropriate arrangements so that Bancorp as sole beneficiary of such policy will be notified timely by Director's estate upon Director's death. Upon notification by Director's estate pursuant to this provision, Bancorp shall pay the sum of \$5,000 (Notification Fee") to Director's estate or designated beneficiary which shall include a certified copy of the death certificate.
9. General Obligation. This Agreement shall not be construed as giving Director or his beneficiary any greater rights of those of any other unsecured creditor of Bancorp.
10. Agreement Binding. This Agreement shall be binding upon and insure to the benefit of the Director and his personal representatives, agents and assigns. To the extent consistent herewith, this Agreement shall inure to any successor organization of Bancorp which shall succeed to substantially all the stock of its assets in business.
11. Beneficiaries; Election. Director reserves the right to change the name of his named primary or contingent beneficiaries by separate letter from time to time or upon properly notifying Bancorp or its successor of this document in writing as to the recipient of such benefits. Bancorp reserves the right to require a spouse's signature thereon if in the opinion of counsel, such is required.
12. Suicide Exclusion. In the event that it is demonstrated to Bancorp's reasonable certainty that, within two (2) years of the Commencement Date, Director has taken his own life, any and all amounts unpaid under this Agreement shall be deemed to have lapsed and shall be terminated prior to any vesting. In such event, Bancorp shall have no liability to Director or any persons which otherwise would be entitled to benefits under this Agreement.
13. Miscellaneous. The provisions of this agreement shall be severable from each other. In the event that a court should declare any provision unenforceable, the remaining provisions of the agreement shall continue to be binding and enforceable. This agreement shall be construed under the laws of the State of California. Venue shall be appropriate wherever allowed by law and in the County of Nevada (Truckee Session). This Agreement represents the final expression of the parties and may be modified only in writing. This Agreement may be executed in counterparts.
14. Attorneys Fees. In the event either party employs an attorney to enforce any of the provisions hereof, or for the purpose of declaring the effect of a provisions which interpretation it contests, the prevailing party shall be entitled to reasonable attorney fees

Agreed and accepted this 26th day of September, 1996.

DIRECTOR

SIERRAWEST BANCORP

By:/s/ Jerrold T. Henley

Director

By:/s/ W. T. Fike

President

By:/s/ A. Morgan Jones

Secretary

<TABLE>

SIERRAWEST BANCORP
SALARY CONTINUATION PLAN
CALCULATION OF ANNUAL CONTRIBUTION

Jerrold T. Henley - Director benefit

Date of Retirement.....05.01.2003
Plan Commencement.....05.01.1988
Retirement Benefit.....\$4,000 per year for 15 years
Discount Rate.....10 percent
Years to Accrue.....15 years

<S>	<C>	Accrual Per year	SCHEDULE A Cash benefit Accumukated <C>	SCHEDULE B Annual benefit <C>
1988.....		616	616	N/A
1989.....	1,005		1,621	N/A
1990.....	1,110		2,731	N/A
1991.....	1,226		3,957	N/A
1992.....	1,355		5,312	N/A
1993.....	1,497		6,809	878
1994.....	1,653		8,462	1,091
1995.....	1,827		10,289	1,327
1996.....	2,018		12,307	1,587
1997.....	2,229		14,536	1,875
1998.....	2,463		16,999	2,192
1999.....	2,720		19,719	2,543
2000.....	3,005		22,724	2,930
2001.....	3,320		26,044	3,359
2002.....	3,668		29,712	3,832
2003.....	1,306		31,018	4,000

TOTAL NEEDED \$ 31,018
NPV \$4K/Yr.
=====

</TABLE>

EXHIBIT 10.8

DIRECTOR'S AMENDED AND RESTATED
PAYMENT CONTINUATION AGREEMENT

This Amended and Restated Agreement is between and among SierraWest Bancorp (formerly known as Sierra Tahoe Bancorp, hereinafter "Bancorp"), a California corporation and A. Morgan Jones ("Director"), shall be effective as of June 27, 1996, and is intended to and shall replace all prior agreements between the parties relating to the subject matter hereof, except as specifically otherwise provided herein.

RECITALS

WHEREAS, Bancorp continues to deem Director's future counsel and advice to be valuable to it by virtue of Director's past experience as a director of Bancorp and/or Sierra Bank of Nevada ("Bank"); and

WHEREAS, Bancorp desires to engage Director as a consultant and advisor to Bancorp from time to time after termination of Director's active service as a director ("Service Termination"); and

WHEREAS, the parties desire to replace their existing agreement dated May 1, 1988 with this Agreement in its entirety

NOW THEREFORE, Bancorp and Director mutually agree as:

1. Benefit Granted.

- a. Continuous Service. If Director maintains his service to Bancorp as a Director continuously for five (5) years from May 1, 1988 ("Commencement Date"), and at any time thereafter resigns, is not reelected, is not reappointed or is terminated from service as a director for any reason other than Cause (defined below), he shall be entitled to receive the appropriate vested benefit as set forth in Schedule A attached hereto and incorporated herein ("Service Benefit"). The Service Benefit vests according to the schedule as set forth in Schedule A, is determined by completed year of service calculated from the Commencement Date up to a maximum benefit at fifteen (15) years, and is paid following termination of service as Director, either in a lump sum or in installments as hereinafter provided, in consideration for Director's agreement to act as a consultant for Bancorp as set forth in Paragraph 2.

For purposes of this Agreement, "Cause" whenever used shall mean any one of the following: gross misconduct; conviction of a felony by any criminal tribunal; willful and continuing failure to substantially perform his duties as a director after delivery of written demand, signed by a majority of the Board of Directors, identifying the substantial failure to perform; or willful conduct that results in Director's gain or personal enrichment at the expense of Bancorp.

- b. Early Termination From Service. In the event Director leaves service as a director, whether voluntarily or for any reason other than termination for cause, before the expiration of five years of continuous service but after one year of service, Director shall be eligible for 20% of the benefit as set forth in Schedule A for each year of completed service (so that as of the first year of completed service Director is eligible for 20% of the vested one year benefit as reflected on Schedule A, 40% of the vested two year benefit as of the second year of completed service, and so forth.) Payment of a Service Benefit resulting from Early Termination will be made only in a lump sum.
- c. Option to Pay Benefits In Installments; Election Date. In lieu of receiving a lump sum payment of the Service Benefit, Director may elect, provided that he has served at least five (5) years and provided further that such election is made at least two (2) years prior to Service Termination, to

receive the benefit in installment payments rather than a lump sum. Monthly installments shall begin ninety (90) days after Service Termination. If Director has served at least 15 years, installment payments shall equal \$4,000 annually for a period of fifteen (15) years, payable in one hundred eighty (180) equal monthly installments. If Director has served at least five (5) years but less than 15 years of continuous service, such installments shall equal that pro-rata share of Four Thousand Dollars per annum as the vested accumulated benefit bears to the total accumulated benefit described in Schedule A as "TOTAL NEEDED." The appropriate monthly benefit is set forth in Schedule B. This amount is also payable in one hundred eight (180) equal monthly installments. There is no installment option if service is terminated prior to five (5) years of continuous service. Should Director pass away during any installment payout period, appropriate installments will be paid to those persons designated by Director to receive such benefit or as otherwise directed by the qualified representative of Director's estate.

- d. Health Care Benefits. In addition to the benefits set forth above, in the event of Service Termination at any time and for any reason other than Cause, Director shall be eligible to continue coverage, at his election and expense, under Bancorp's group health plan as it exists at the time of Service Termination or as it may be modified from time to time. Director may elect to retain, increase or decrease the coverage as it existed at the time of Service Termination. Premiums for such coverage, both for individual and dependent coverage as appropriate, shall be at the rates charged as if Director had remained a director in active service. If Director has elected monthly benefit installment payments pursuant to 1(c) above, he may also elect to have the monthly health benefit premium charges deducted from those monthly benefit installment payments.

2. Consultant Obligation.

- a. Upon Service Termination Director agrees to make himself available for a five (5) year term to the management of Bancorp and its subsidiaries, its various boards of directors and other specified individuals that management or the board may designate for the purpose of advising and consulting with those individuals on behalf of Bancorp and its subsidiaries. Director agrees that he will devote as much time as is necessary and required by Bancorp, but not to exceed twenty (20) hours per month, at an hourly fee of one hundred fifty dollars (\$150.00). It is expressly understood that the compensation paid in the prior sentence is in addition to the benefit paid pursuant to Paragraph 1 above, and is paid in consideration for the services of Director as a consultant and advisor to Bancorp at Bancorp's request.
- b. Bancorp shall reimburse Director for his reasonable and necessary travel and expenses incurred in such consulting or advisory work. In the event Director is not residing in the community where Bancorp's principal offices are located, Bancorp agrees to reimburse Director for all reasonable travel and expenses incurred by Director. Director agrees that during his engagement he will keep himself informed concerning the affairs of Bancorp and its subsidiaries by reviewing annual or periodic reports and other data supplied to Director by Bancorp. Director agrees to review these items without charge to Bancorp.

3. Independent Contractor. The status of Director when engaged as

a consultant and contemplated by this Agreement shall be that of Independent Contractor.

4. Death Benefit for Director. In the event Director should die while actively serving as director at any time, Bancorp will pay \$4,000 per year to Director's surviving spouse or designated nominee or beneficiary. Such death benefit is payable on a monthly basis for a period of one hundred and eighty (180) months.
5. Inability to Transfer Benefits. Neither the Director, the spouse, or any other beneficiary under this agreement shall have any power or right to transfer, assign, anticipate, hypothecate, mortgage, or in any way exercise any control or right over vested benefits granted under this Agreement. None of said benefits shall be subject to seizure for the payments of any debts, judgments, alimony or separate maintenance which may be owed by the Director or his beneficiary or be transferable by operation of law in the event of bankruptcy, insolvency or otherwise. In the event the Director or any beneficiary attempts an assignment, computation, hypothecation, transfer or disposal of the benefit hereunder, Bancorp's responsibilities, liabilities, and obligations shall forthwith immediately cease and terminate as to any unvested benefits and this Agreement shall be deemed to terminate as set forth in paragraph 7(a) below.
6. Nothing contained in this agreement shall be construed to alter, abridge or in any manner affect the rights and privileges of the Director to participate in and be covered by any pension profit sharing group insurance bonus or similar employment benefits which Bancorp may now have or hereafter adopt for which Director may be determined to be eligible.
7. Benefits Not Accumulated; Cancellation; Notice.
 - a. Except as otherwise set forth herein, Bancorp reserves the right to cancel the Payment Continuation Program and/or to terminate this Agreement ("Termination/Cancellation") at any time and for any reason as to any benefits not yet vested, in its sole and absolute discretion; provided however that Director shall be entitled to the vested amount set forth on Schedule A attached hereto as determined by the date the termination/cancellation occurs. In the event of Termination/Cancellation, the vested amounts will be paid in one lump sum at the time of Director's termination from office as Director. Bancorp will give fifteen (15) days prior written notice of Termination/Cancellation.
 - b. The foregoing notwithstanding, in the event of a Change of Control (defined below), Director shall be deemed to be fully vested in the Full Accumulation Value as set forth in Schedule A as if Director had served through all years as specified on Schedule A. The Full Accumulation Value shall be paid in one lump sum in the amount and when Director would otherwise have been entitled to be paid under the provisions of Paragraph 1. In the event that Director's service is not terminated coincident with a change of control so that he is not yet entitled to receive immediate payment of the Full Accumulation Value pursuant to the provisions of &1, interest shall be deemed to accrue on the Full Accumulation Value at the prime rate minus one percent from the date the benefit vests until it is paid. In addition, in the event that Director's termination occurs in connection with, in anticipation of, or following a Change of Control, Director shall be excused from and shall not be obligated to act as a consultant or be restricted in his activities as provided in Paragraph 2 of this Agreement.

For purposes of this Agreement, Change of Control is defined as

any one of the following, provided however that Change of Control shall be without the monetary assistance of the FDIC: (i) an acquisition (other than directly from Bancorp) by an individual, entity or group (excluding Bancorp or one of its employee benefit plans or an entity controlled by Bancorp's shareholders) of 20% or more of Bancorp's common stock or voting securities; (ii) a change in a majority of the current Board of Directors (excluding any persons approved by a vote of at least a majority of the Board other than in connection with an actual or threatened proxy contest); (iii) liquidation or dissolution of Bancorp or a merger, consolidation or sale of all or substantially of the Bancorp's assets ("Business Combination") other than one in which all or substantially all of Bancorp's shareholders receive 50% or more of the stock of the company resulting from the Business Combination, at least a majority of the board of directors of the resulting corporation were members of the incumbent board, and after which no person owns 20% or more of the stock of the resulting corporation who did not own such stock immediately before the Business Combination.

For purposes of this Agreement, "in connection with" or "in anticipation of" a Change of Control with respect to subsections (i) and (iii) above shall mean on or after the date of an executed Letter of Intent or, if there is no written Letter of Intent, on or after the date of the first act of due diligence inspection by a potential acquiror, provided that the transaction contemplated by the Letter of Intent or due diligence inspection in fact concludes no later than eighteen (18) months after that date. Moreover, "following a Change of Control" shall mean Service Termination by or within 365 days of the conclusion of a Change of Control as defined above.

8. Funding of Benefits.

- a. Bancorp reserves the absolute right in its sole and exclusive discretion either to: (i) fund by cash, insurance, or otherwise the obligation undertaken by this Agreement, or (ii) not fund the obligation in advance. Should Bancorp elect to fund in advance the benefits contemplated by this Agreement in whole or in part through the median of life insurance or annuities or both, then Bancorp shall be the owner and beneficiary of the policy.
- b. Bancorp reserves the absolute right in its sole discretion to terminate such life insurance or annuities as well as any other funding program at any time in whole or in part. At no time shall the Director be deemed to have any right, title or interest or any specified asset or assets of Bancorp including but not by way of restriction any insurance annuity contract or contracts of the proceeds thereof except to those rights listed in this agreement.
- c. Any advance funding of obligations hereunder shall not in any way be considered to constitute security for the performance of the obligations of this Agreement. The obligation shall be considered to be paid from current available resources and otherwise unsecured.
- d. If Bancorp elects to purchase a life insurance policy or annuity policy on the life of the Director to fund any obligations under this Agreement, Director agrees to cooperate with the issuance of such policies to sign any and all documents which may be required for that purpose and to undergo any reasonable medical examination or test which may be necessary or otherwise required to obtain said policy(ies). Moreover, should Bancorp elect to purchase a life insurance policy or annuity policy as provided above, Director agrees to make appropriate arrangements so that

Bancorp as sole beneficiary of such policy will be notified timely by Director's estate upon Director's death. Upon notification by Director's estate pursuant to this provision, Bancorp shall pay the sum of \$5,000 (Notification Fee") to Director's estate or designated beneficiary which shall include a certified copy of the death certificate.

9. General Obligation. This Agreement shall not be construed as giving Director or his beneficiary any greater rights of those of any other unsecured creditor of Bancorp.
10. Agreement Binding. This Agreement shall be binding upon and inure to the benefit of the Director and his personal representatives, agents and assigns. To the extent consistent herewith, this Agreement shall inure to any successor organization of Bancorp which shall succeed to substantially all the stock of its assets in business.
11. Beneficiaries; Election. Director reserves the right to change the name of his named primary or contingent beneficiaries by separate letter from time to time or upon properly notifying Bancorp or its successor of this document in writing as to the recipient of such benefits. Bancorp reserves the right to require a spouse's signature thereon if in the opinion of counsel, such is required.
12. Suicide Exclusion. In the event that it is demonstrated to Bancorp's reasonable certainty that, within two (2) years of the Commencement Date, Director has taken his own life, any and all amounts unpaid under this Agreement shall be deemed to have lapsed and shall be terminated prior to any vesting. In such event, Bancorp shall have no liability to Director or any persons which otherwise would be entitled to benefits under this Agreement.
13. Miscellaneous. The provisions of this agreement shall be severable from each other. In the event that a court should declare any provision unenforceable, the remaining provisions of the agreement shall continue to be binding and enforceable. This agreement shall be construed under the laws of the State of California. Venue shall be appropriate wherever allowed by law and in the County of Nevada (Truckee Session). This Agreement represents the final expression of the parties and may be modified only in writing. This Agreement may be executed in counterparts.
14. Attorneys Fees. In the event either party employs an attorney to enforce any of the provisions hereof, or for the purpose of declaring the effect of a provisions which interpretation it contests, the prevailing party shall be entitled to reasonable attorney fees.

Agreed and accepted this 26th day of September, 1996.

DIRECTOR

SIERRAWEST BANCORP

By: /s/ A. Morgan Jones

By: /s/ W.T. Fike

Director

President

By: /s/ Thomas M. Watson

Assistant Secretary

<TABLE>

SIERRAWEST BANCORP
SALARY CONTINUATION PLAN
CALCULATION OF ANNUAL CONTRIBUTION

Morgan Jones - Director benefit

Date of Retirement.....05.01.2003
Plan Commencement.....05.01.1988
Retirement Benefit.....\$4,000 per year for 15 years
Discount Rate.....10 percent
Years to Accrue.....15 years

<S>	<C>	SCHEDULE A Cash benefit Accumukated	SCHEDULE B Annual benefit
	Per year	<C>	<C>
1988.....	616	616	N/A
1989.....	1,005	1,621	N/A
1990.....	1,110	2,731	N/A
1991.....	1,226	3,957	N/A
1992.....	1,355	5,312	N/A
1993.....	1,497	6,809	878
1994.....	1,653	8,462	1,091
1995.....	1,827	10,289	1,327
1996.....	2,018	12,307	1,587
1997.....	2,229	14,536	1,875
1998.....	2,463	16,999	2,192
1999.....	2,720	19,719	2,543
2000.....	3,005	22,724	2,930
2001.....	3,320	26,044	3,359
2002.....	3,668	29,712	3,832
2003.....	1,306	31,018	4,000

TOTAL NEEDED	\$ 31,018		
	NPV \$4K/Yr.		
	=====		

</TABLE>

EXHIBIT 10.9

DIRECTOR'S AMENDED AND RESTATED
PAYMENT CONTINUATION AGREEMENT

This Amended and Restated Agreement is between and among SierraWest Bancorp (formerly known as Sierra Tahoe Bancorp, hereinafter "Bancorp"), a California corporation and Jack V. Leonesio ("Director"), shall be effective as of June 27, 1996, and is intended to and shall replace all prior agreements between the parties relating to the subject matter hereof, except as specifically otherwise provided herein.

RECITALS

WHEREAS, Bancorp continues to deem Director's future counsel and advice to be valuable to it by virtue of Director's past experience as a director of Bancorp and/or Sierra Bank of Nevada ("Bank"); and

WHEREAS, Bancorp desires to engage Director as a consultant and advisor to Bancorp from time to time after termination of Director's active service as a director ("Service Termination"); and

WHEREAS, the parties desire to replace their existing agreement dated

NOW THEREFORE, Bancorp and Director mutually agree as:

1. Benefit Granted.

- a. Continuous Service. If Director maintains his service to Bancorp as a Director continuously for five (5) years from May 1, 1988 ("Commencement Date"), and at any time thereafter resigns, is not reelected, is not reappointed or is terminated from service as a director for any reason other than Cause (defined below), he shall be entitled to receive the appropriate vested benefit as set forth in Schedule A attached hereto and incorporated herein ("Service Benefit"). The Service Benefit vests according to the schedule as set forth in Schedule A, is determined by completed year of service calculated from the Commencement Date up to a maximum benefit at fifteen (15) years, and is paid following termination of service as Director, either in a lump sum or in installments as hereinafter provided, in consideration for Director's agreement to act as a consultant for Bancorp as set forth in Paragraph 2.

For purposes of this Agreement, "Cause" whenever used shall mean any one of the following: gross misconduct; conviction of a felony by any criminal tribunal; willful and continuing failure to substantially perform his duties as a director after delivery of written demand, signed by a majority of the Board of Directors, identifying the substantial failure to perform; or willful conduct that results in Director's gain or personal enrichment at the expense of Bancorp.

- b. Early Termination From Service. In the event Director leaves service as a director, whether voluntarily or for any reason other than termination for cause, before the expiration of five years of continuous service but after one year of service, Director shall be eligible for 20% of the benefit as set forth in Schedule A for each year of completed service (so that as of the first year of completed service Director is eligible for 20% of the vested one year benefit as reflected on Schedule A, 40% of the vested two year benefit as of the second year of completed service, and so forth.) Payment of a Service Benefit resulting from Early Termination will be made only in a lump sum.
- c. Option to Pay Benefits In Installments; Election Date. In lieu of receiving a lump sum payment of the Service Benefit, Director may elect, provided that he has served at least five (5) years and provided further that such election is made at least two (2) years prior to Service Termination, to receive the benefit in installment payments rather than a lump sum. Monthly installments shall begin ninety (90) days after Service Termination. If Director has served at least 15 years, installment payments shall equal \$4,000 annually for a period of fifteen (15) years, payable in one hundred eighty (180) equal monthly installments. If Director has served at least five (5) years but less than 15 years of continuous service, such installments shall equal that pro-rata share of Four Thousand Dollars per annum as the vested accumulated benefit bears to the total accumulated benefit described in Schedule A as "TOTAL NEEDED." The appropriate monthly benefit is set forth in Schedule B. This amount is also payable in one hundred eight (180) equal monthly installments. There is no installment option if service is terminated prior to five (5) years of continuous service. Should Director pass away during any installment payout period, appropriate installments will be paid to those persons designated by Director to receive such benefit or as

otherwise directed by the qualified representative of Director's estate.

- d. Health Care Benefits. In addition to the benefits set forth above, in the event of Service Termination at any time and for any reason other than Cause, Director shall be eligible to continue coverage, at his election and expense, under Bancorp's group health plan as it exists at the time of Service Termination or as it may be modified from time to time. Director may elect to retain, increase or decrease the coverage as it existed at the time of Service Termination. Premiums for such coverage, both for individual and dependent coverage as appropriate, shall be at the rates charged as if Director had remained a director in active service. If Director has elected monthly benefit installment payments pursuant to 1(c) above, he may also elect to have the monthly health benefit premium charges deducted from those monthly benefit installment payments.

2. Consultant Obligation.

- a. Upon Service Termination Director agrees to make himself available for a five (5) year term to the management of Bancorp and its subsidiaries, its various boards of directors and other specified individuals that management or the board may designate for the purpose of advising and consulting with those individuals on behalf of Bancorp and its subsidiaries. Director agrees that he will devote as much time as is necessary and required by Bancorp, but not to exceed twenty (20) hours per month, at an hourly fee of one hundred fifty dollars (\$150.00). It is expressly understood that the compensation paid in the prior sentence is in addition to the benefit paid pursuant to Paragraph 1 above, and is paid in consideration for the services of Director as a consultant and advisor to Bancorp at Bancorp's request.
- b. Bancorp shall reimburse Director for his reasonable and necessary travel and expenses incurred in such consulting or advisory work. In the event Director is not residing in the community where Bancorp's principal offices are located, Bancorp agrees to reimburse Director for all reasonable travel and expenses incurred by Director. Director agrees that during his engagement he will keep himself informed concerning the affairs of Bancorp and its subsidiaries by reviewing annual or periodic reports and other data supplied to Director by Bancorp. Director agrees to review these items without charge to Bancorp.

3. Independent Contractor. The status of Director when engaged as a consultant and contemplated by this Agreement shall be that of Independent Contractor.

4. Death Benefit for Director. In the event Director should die while actively serving as director at any time, Bancorp will pay \$4,000 per year to Director's surviving spouse or designated nominee or beneficiary. Such death benefit is payable on a monthly basis for a period of one hundred and eighty (180) months.

5. Inability to Transfer Benefits. Neither the Director, the spouse, or any other beneficiary under this agreement shall have any power or right to transfer, assign, anticipate, hypothecate, mortgage, or in any way exercise any control or right over vested benefits granted under this Agreement. None of said benefits shall be subject to seizure for the payments of any debts, judgments, alimony or separate maintenance which may be owed by the Director or his beneficiary or be transferable by operation of law in the event of bankruptcy, insolvency or otherwise. In the event the Director or

any beneficiary attempts an assignment, computation, hypothecation, transfer or disposal of the benefit hereunder, Bancorp's responsibilities, liabilities, and obligations shall forthwith immediately cease and terminate as to any unvested benefits and this Agreement shall be deemed to terminate as set forth in paragraph 7(a) below.

6. Nothing contained in this agreement shall be construed to alter, abridge or in any manner affect the rights and privileges of the Director to participate in and be covered by any pension profit sharing group insurance bonus or similar employment benefits which Bancorp may now have or hereafter adopt for which Director may be determined to be eligible.

7. Benefits Not Accumulated; Cancellation; Notice.

a. Except as otherwise set forth herein, Bancorp reserves the right to cancel the Payment Continuation Program and/or to terminate this Agreement ("Termination/Cancellation") at any time and for any reason as to any benefits not yet vested, in its sole and absolute discretion; provided however that Director shall be entitled to the vested amount set forth on Schedule A attached hereto as determined by the date the termination/cancellation occurs. In the event of Termination/Cancellation, the vested amounts will be paid in one lump sum at the time of Director's termination from office as Director. Bancorp will give fifteen (15) days prior written notice of Termination/Cancellation.

b. The foregoing notwithstanding, in the event of a Change of Control (defined below), Director shall be deemed to be fully vested in the Full Accumulation Value as set forth in Schedule A as if Director had served through all years as specified on Schedule A. The Full Accumulation Value shall be paid in one lump sum in the amount and when Director would otherwise have been entitled to be paid under the provisions of Paragraph 1. In the event that Director's service is not terminated coincident with a change of control so that he is not yet entitled to receive immediate payment of the Full Accumulation Value pursuant to the provisions of §1, interest shall be deemed to accrue on the Full Accumulation Value at the prime rate minus one percent from the date the benefit vests until it is paid. In addition, in the event that Director's termination occurs in connection with, in anticipation of, or following a Change of Control, Director shall be excused from and shall not be obligated to act as a consultant or be restricted in his activities as provided in Paragraph 2 of this Agreement.

For purposes of this Agreement, Change of Control is defined as any one of the following, provided however that Change of Control shall be without the monetary assistance of the FDIC: (i) an acquisition (other than directly from Bancorp) by an individual, entity or group (excluding Bancorp or one of its employee benefit plans or an entity controlled by Bancorp's shareholders) of 20% or more of Bancorp's common stock or voting securities; (ii) a change in a majority of the current Board of Directors (excluding any persons approved by a vote of at least a majority of the Board other than in connection with an actual or threatened proxy contest); (iii) liquidation or dissolution of Bancorp or a merger, consolidation or sale of all or substantially of the Bancorp's assets ("Business Combination") other than one in which all or substantially all of Bancorp's shareholders receive 50% or more of the stock of the company resulting from the Business Combination, at least a majority of the board of directors of the resulting corporation were members of the incumbent board, and after which no person owns 20% or more of the stock of the resulting corporation who did not own such stock immediately before the

Business Combination.

For purposes of this Agreement, "in connection with" or "in anticipation of" a Change of Control with respect to subsections (i) and (iii) above shall mean on or after the date of an executed Letter of Intent or, if there is no written Letter of Intent, on or after the date of the first act of due diligence inspection by a potential acquiror, provided that the transaction contemplated by the Letter of Intent or due diligence inspection in fact concludes no later than eighteen (18) months after that date. Moreover, "following a Change of Control" shall mean Service Termination by or within 365 days of the conclusion of a Change of Control as defined above.

8. Funding of Benefits.

- a. Bancorp reserves the absolute right in its sole and exclusive discretion either to: (i) fund by cash, insurance, or otherwise the obligation undertaken by this Agreement, or (ii) not fund the obligation in advance. Should Bancorp elect to fund in advance the benefits contemplated by this Agreement in whole or in part through the median of life insurance or annuities or both, then Bancorp shall be the owner and beneficiary of the policy.
- b. Bancorp reserves the absolute right in its sole discretion to terminate such life insurance or annuities as well as any other funding program at any time in whole or in part. At no time shall the Director be deemed to have any right, title or interest or any specified asset or assets of Bancorp including but not by way of restriction any insurance annuity contract or contracts of the proceeds thereof except to those rights listed in this agreement.
- c. Any advance funding of obligations hereunder shall not in any way be considered to constitute security for the performance of the obligations of this Agreement. The obligation shall be considered to be paid from current available resources and otherwise unsecured.
- d. If Bancorp elects to purchase a life insurance policy or annuity policy on the life of the Director to fund any obligations under this Agreement, Director agrees to cooperate with the issuance of such policies to sign any and all documents which may be required for that purpose and to undergo any reasonable medical examination or test which may be necessary or otherwise required to obtain said policy(ies). Moreover, should Bancorp elect to purchase a life insurance policy or annuity policy as provided above, Director agrees to make appropriate arrangements so that Bancorp as sole beneficiary of such policy will be notified timely by Director's estate upon Director's death. Upon notification by Director's estate pursuant to this provision, Bancorp shall pay the sum of \$5,000 (Notification Fee") to Director's estate or designated beneficiary which shall include a certified copy of the death certificate.

9. General Obligation. This Agreement shall not be construed as giving Director or his beneficiary any greater rights of those of any other unsecured creditor of Bancorp.

10. Agreement Binding. This Agreement shall be binding upon and inure to the benefit of the Director and his personal representatives, agents and assigns. To the extent consistent herewith, this Agreement shall inure to any successor organization of Bancorp which shall succeed to substantially all the stock of its assets in business.

11. Beneficiaries; Election. Director reserves the right to change the name of his named primary or contingent beneficiaries by separate letter from time to time or upon properly notifying Bancorp or its successor of this document in writing as to the recipient of such benefits. Bancorp reserves the right to require a spouse's signature thereon if in the opinion of counsel, such is required.
12. Suicide Exclusion. In the event that it is demonstrated to Bancorp's reasonable certainty that, within two (2) years of the Commencement Date, Director has taken his own life, any and all amounts unpaid under this Agreement shall be deemed to have lapsed and shall be terminated prior to any vesting. In such event, Bancorp shall have no liability to Director or any persons which otherwise would be entitled to benefits under this Agreement.
13. Miscellaneous. The provisions of this agreement shall be severable from each other. In the event that a court should declare any provision unenforceable, the remaining provisions of the agreement shall continue to be binding and enforceable. This agreement shall be construed under the laws of the State of California. Venue shall be appropriate wherever allowed by law and in the County of Nevada (Truckee Session). This Agreement represents the final expression of the parties and may be modified only in writing. This Agreement may be executed in counterparts.
14. Attorneys Fees. In the event either party employs an attorney to enforce any of the provisions hereof, or for the purpose of declaring the effect of a provisions which interpretation it contests, the prevailing party shall be entitled to reasonable attorney fees

Agreed and accepted this 26th day of September, 1996.

DIRECTOR

SIERRAWEST BANCORP

By: /s/ Jack V. Leonesio

By: /s/ W. T. Fike

Director

President

By: /s/ A. Morgan Jones

Secretary

<TABLE>

SIERRAWEST BANCORP
SALARY CONTINUATION PLAN
CALCULATION OF ANNUAL CONTRIBUTION

Jack Leonesio- Director benefit

Date of Retirement.....05.01.2003
Plan Commencement.....05.01.1988
Retirement Benefit.....\$4,000 per year for 15 years
Discount Rate.....10 percent
Years to Accrue.....15 years

	Accrual	SCHEDULE A	SCHEDULE B
	Per year	Cash benefit	Annual
		Accumulated	benefit
<S>	<C>	<C>	<C>

1988.....	616	616	N/A
1989.....	1,005	1,621	N/A
1990.....	1,110	2,731	N/A
1991.....	1,226	3,957	N/A
1992.....	1,355	5,312	N/A
1993.....	1,497	6,809	878
1994.....	1,653	8,462	1,091
1995.....	1,827	10,289	1,327
1996.....	2,018	12,307	1,587
1997.....	2,229	14,536	1,875
1998.....	2,463	16,999	2,192
1999.....	2,720	19,719	2,543
2000.....	3,005	22,724	2,930
2001.....	3,320	26,044	3,359
2002.....	3,668	29,712	3,832
2003.....	1,306	31,018	4,000

TOTAL NEEDED \$ 31,018
NPV \$4K/Yr.
=====

</TABLE>

EXHIBIT 10.10

DIRECTOR'S AMENDED AND RESTATED
PAYMENT CONTINUATION AGREEMENT

This Amended and Restated Agreement is between and among SierraWest Bancorp (formerly known as Sierra Tahoe Bancorp, hereinafter "Bancorp"), a California corporation and Thomas M. Watson ("Director"), shall be effective as of June 27, 1996, and is intended to and shall replace all prior agreements between the parties relating to the subject matter hereof, except as specifically otherwise provided herein.

RECITALS

WHEREAS, Bancorp continues to deem Director's future counsel and advice to be valuable to it by virtue of Director's past experience as a director of Bancorp and/or Sierra Bank of Nevada ("Bank"); and

WHEREAS, Bancorp desires to engage Director as a consultant and advisor to Bancorp from time to time after termination of Director's active service as a director ("Service Termination"); and

WHEREAS, the parties desire to replace their existing agreement dated May 1, 1988 with this Agreement in its entirety

NOW THEREFORE, Bancorp and Director mutually agree as:

1. Benefit Granted.

- a. Continuous Service. If Director maintains his service to Bancorp as a Director continuously for five (5) years from May 1, 1988 ("Commencement Date"), and at any time thereafter resigns, is not reelected, is not reappointed or is terminated from service as a director for any reason other than Cause (defined below), he shall be entitled to receive the appropriate vested benefit as set forth in Schedule A attached hereto and incorporated herein ("Service Benefit"). The Service Benefit vests according to the schedule as set forth in Schedule A, is determined by completed year of service calculated from the Commencement Date up to a maximum benefit at fifteen (15) years, and is paid following termination of service as Director, either in

a lump sum or in installments as hereinafter provided, in consideration for Director's agreement to act as a consultant for Bancorp as set forth in Paragraph 2.

For purposes of this Agreement, "Cause" whenever used shall mean any one of the following: gross misconduct; conviction of a felony by any criminal tribunal; willful and continuing failure to substantially perform his duties as a director after delivery of written demand, signed by a majority of the Board of Directors, identifying the substantial failure to perform; or willful conduct that results in Director's gain or personal enrichment at the expense of Bancorp.

- b. Early Termination From Service. In the event Director leaves service as a director, whether voluntarily or for any reason other than termination for cause, before the expiration of five years of continuous service but after one year of service, Director shall be eligible for 20% of the benefit as set forth in Schedule A for each year of completed service (so that as of the first year of completed service Director is eligible for 20% of the vested one year benefit as reflected on Schedule A, 40% of the vested two year benefit as of the second year of completed service, and so forth.) Payment of a Service Benefit resulting from Early Termination will be made only in a lump sum.
- c. Option to Pay Benefits In Installments; Election Date. In lieu of receiving a lump sum payment of the Service Benefit, Director may elect, provided that he has served at least five (5) years and provided further that such election is made at least two (2) years prior to Service Termination, to receive the benefit in installment payments rather than a lump sum. Monthly installments shall begin ninety (90) days after Service Termination. If Director has served at least 15 years, installment payments shall equal \$4,000 annually for a period of fifteen (15) years, payable in one hundred eighty (180) equal monthly installments. If Director has served at least five (5) years but less than 15 years of continuous service, such installments shall equal that pro-rata share of Four Thousand Dollars per annum as the vested accumulated benefit bears to the total accumulated benefit described in Schedule A as "TOTAL NEEDED." The appropriate monthly benefit is set forth in Schedule B. This amount is also payable in one hundred eight (180) equal monthly installments. There is no installment option if service is terminated prior to five (5) years of continuous service. Should Director pass away during any installment payout period, appropriate installments will be paid to those persons designated by Director to receive such benefit or as otherwise directed by the qualified representative of Director's estate.
- d. Health Care Benefits. In addition to the benefits set forth above, in the event of Service Termination at any time and for any reason other than Cause, Director shall be eligible to continue coverage, at his election and expense, under Bancorp's group health plan as it exists at the time of Service Termination or as it may be modified from time to time. Director may elect to retain, increase or decrease the coverage as it existed at the time of Service Termination. Premiums for such coverage, both for individual and dependent coverage as appropriate, shall be at the rates charged as if Director had remained a director in active service. If Director has elected monthly benefit installment payments pursuant to 1(c) above, he may also elect to have the monthly health benefit premium charges deducted from those monthly benefit installment payments.

2. Consultant Obligation.

- a. Upon Service Termination Director agrees to make himself available for a five (5) year term to the management of Bancorp and its subsidiaries, its various boards of directors and other specified individuals that management or the board may designate for the purpose of advising and consulting with those individuals on behalf of Bancorp and its subsidiaries. Director agrees that he will devote as much time as is necessary and required by Bancorp, but not to exceed twenty (20) hours per month, at an hourly fee of one hundred fifty dollars (\$150.00). It is expressly understood that the compensation paid in the prior sentence is in addition to the benefit paid pursuant to Paragraph 1 above, and is paid in consideration for the services of Director as a consultant and advisor to Bancorp at Bancorp's request.
- b. Bancorp shall reimburse Director for his reasonable and necessary travel and expenses incurred in such consulting or advisory work. In the event Director is not residing in the community where Bancorp's principal offices are located, Bancorp agrees to reimburse Director for all reasonable travel and expenses incurred by Director. Director agrees that during his engagement he will keep himself informed concerning the affairs of Bancorp and its subsidiaries by reviewing annual or periodic reports and other data supplied to Director by Bancorp. Director agrees to review these items without charge to Bancorp.

3. Independent Contractor. The status of Director when engaged as a consultant and contemplated by this Agreement shall be that of Independent Contractor.

4. Death Benefit for Director. In the event Director should die while actively serving as director at any time, Bancorp will pay \$4,000 per year to Director's surviving spouse or designated nominee or beneficiary. Such death benefit is payable on a monthly basis for a period of one hundred and eighty (180) months.

5. Inability to Transfer Benefits. Neither the Director, the spouse, or any other beneficiary under this agreement shall have any power or right to transfer, assign, anticipate, hypothecate, mortgage, or in any way exercise any control or right over vested benefits granted under this Agreement. None of said benefits shall be subject to seizure for the payments of any debts, judgments, alimony or separate maintenance which may be owed by the Director or his beneficiary or be transferable by operation of law in the event of bankruptcy, insolvency or otherwise. In the event the Director or any beneficiary attempts an assignment, computation, hypothecation, transfer or disposal of the benefit hereunder, Bancorp's responsibilities, liabilities, and obligations shall forthwith immediately cease and terminate as to any unvested benefits and this Agreement shall be deemed to terminate as set forth in paragraph 7(a) below.

6. Nothing contained in this agreement shall be construed to alter, abridge or in any manner affect the rights and privileges of the Director to participate in and be covered by any pension profit sharing group insurance bonus or similar employment benefits which Bancorp may now have or hereafter adopt for which Director may be determined to be eligible.

7. Benefits Not Accumulated; Cancellation; Notice.

- a. Except as otherwise set forth herein, Bancorp reserves the right to cancel the Payment Continuation Program and/or to terminate this Agreement ("Termination/Cancellation") at any

time and for any reason as to any benefits not yet vested, in its sole and absolute discretion; provided however that Director shall be entitled to the vested amount set forth on Schedule A attached hereto as determined by the date the Termination/Cancellation occurs. In the event of Termination/Cancellation, the vested amounts will be paid in one lump sum at the time of Director's termination from office as Director. Bancorp will give fifteen (15) days prior written notice of Termination/Cancellation.

- b. The foregoing notwithstanding, in the event of a Change of Control (defined below), Director shall be deemed to be fully vested in the Full Accumulation Value as set forth in Schedule A as if Director had served through all years as specified on Schedule A. The Full Accumulation Value shall be paid in one lump sum in the amount and when Director would otherwise have been entitled to be paid under the provisions of Paragraph 1. In the event that Director's service is not terminated coincident with a change of control so that he is not yet entitled to receive immediate payment of the Full Accumulation Value pursuant to the provisions of &1, interest shall be deemed to accrue on the Full Accumulation Value at the prime rate minus one percent from the date the benefit vests until it is paid. In addition, in the event that Director's termination occurs in connection with, in anticipation of, or following a Change of Control, Director shall be excused from and shall not be obligated to act as a consultant or be restricted in his activities as provided in Paragraph 2 of this Agreement.

For purposes of this Agreement, Change of Control is defined as any one of the following, provided however that Change of Control shall be without the monetary assistance of the FDIC: (i) an acquisition (other than directly from Bancorp) by an individual, entity or group (excluding Bancorp or one of its employee benefit plans or an entity controlled by Bancorp's shareholders) of 20% or more of Bancorp's common stock or voting securities; (ii) a change in a majority of the current Board of Directors (excluding any persons approved by a vote of at least a majority of the Board other than in connection with an actual or threatened proxy contest); (iii) liquidation or dissolution of Bancorp or a merger, consolidation or sale of all or substantially of the Bancorp's assets ("Business Combination") other than one in which all or substantially all of Bancorp's shareholders receive 50% or more of the stock of the company resulting from the Business Combination, at least a majority of the board of directors of the resulting corporation were members of the incumbent board, and after which no person owns 20% or more of the stock of the resulting corporation who did not own such stock immediately before the Business Combination.

For purposes of this Agreement, "in connection with" or "in anticipation of" a Change of Control with respect to subsections (i) and (iii) above shall mean on or after the date of an executed Letter of Intent or, if there is no written Letter of Intent, on or after the date of the first act of due diligence inspection by a potential acquiror, provided that the transaction contemplated by the Letter of Intent or due diligence inspection in fact concludes no later than eighteen (18) months after that date. Moreover, "following a Change of Control" shall mean Service Termination by or within 365 days of the conclusion of a Change of Control as defined above.

8. Funding of Benefits.

- a. Bancorp reserves the absolute right in its sole and exclusive discretion either to: (i) fund by cash, insurance, or otherwise the obligation undertaken by this Agreement, or

(ii) not fund the obligation in advance. Should Bancorp elect to fund in advance the benefits contemplated by this Agreement in whole or in part through the median of life insurance or annuities or both, then Bancorp shall be the owner and beneficiary of the policy.

- b. Bancorp reserves the absolute right in its sole discretion to terminate such life insurance or annuities as well as any other funding program at any time in whole or in part. At no time shall the Director be deemed to have any right, title or interest or any specified asset or assets of Bancorp including but not by way of restriction any insurance annuity contract or contracts of the proceeds thereof except to those rights listed in this agreement.
- c. Any advance funding of obligations hereunder shall not in any way be considered to constitute security for the performance of the obligations of this Agreement. The obligation shall be considered to be paid from current available resources and otherwise unsecured.
- d. If Bancorp elects to purchase a life insurance policy or annuity policy on the life of the Director to fund any obligations under this Agreement, Director agrees to cooperate with the issuance of such policies to sign any and all documents which may be required for that purpose and to undergo any reasonable medical examination or test which may be necessary or otherwise required to obtain said policy(ies). Moreover, should Bancorp elect to purchase a life insurance policy or annuity policy as provided above, Director agrees to make appropriate arrangements so that Bancorp as sole beneficiary of such policy will be notified timely by Director's estate upon Director's death. Upon notification by Director's estate pursuant to this provision, Bancorp shall pay the sum of \$5,000 (Notification Fee") to Director's estate or designated beneficiary which shall include a certified copy of the death certificate.

9. General Obligation. This Agreement shall not be construed as giving Director or his beneficiary any greater rights of those of any other unsecured creditor of Bancorp.

10. Agreement Binding. This Agreement shall be binding upon and insure to the benefit of the Director and his personal representatives, agents and assigns. To the extent consistent herewith, this Agreement shall inure to any successor organization of Bancorp which shall succeed to substantially all the stock of its assets in business.

11. Beneficiaries; Election. Director reserves the right to change the name of his named primary or contingent beneficiaries by separate letter from time to time or upon properly notifying Bancorp or its successor of this document in writing as to the recipient of such benefits. Bancorp reserves the right to require a spouse's signature thereon if in the opinion of counsel, such is required.

12. Suicide Exclusion. In the event that it is demonstrated to Bancorp's reasonable certainty that, within two (2) years of the Commencement Date, Director has taken his own life, any and all amounts unpaid under this Agreement shall be deemed to have lapsed and shall be terminated prior to any vesting. In such event, Bancorp shall have no liability to Director or any persons which otherwise would be entitled to benefits under this Agreement.

13. Miscellaneous. The provisions of this agreement shall be severable from each other. In the event that a court should declare any provision unenforceable, the remaining provisions of the agreement shall continue to be binding and enforceable. This agreement shall

be construed under the laws of the State of California. Venue shall be appropriate wherever allowed by law and in the County of Nevada (Truckee Session). This Agreement represents the final expression of the parties and may be modified only in writing. This Agreement may be executed in counterparts.

14. Attorneys Fees. In the event either party employs an attorney to enforce any of the provisions hereof, or for the purpose of declaring the effect of a provisions which interpretation it contests, the prevailing party shall be entitled to reasonable attorney fees

Agreed and accepted this 26th day of September, 1996.

DIRECTOR	SIERRAWEST BANCORP
By:/s/ Thomas Watson ----- Director	By:/s/ W.T. Fike ----- President
	By:/s/ A. Morgan Jones ----- Secretary

<TABLE>

SIERRAWEST BANCORP
SALARY CONTINUATION PLAN
CALCULATION OF ANNUAL CONTRIBUTION

Thomas Watson - Director benefit

Date of Retirement.....05.01.2003
Plan Commencement.....05.01.1988
Retirement Benefit.....\$4,000 per year for 15 years
Discount Rate.....10 percent
Years to Accrue.....15 years

<S>	<C>	Accrual Per year	SCHEDULE A Cash benefit Accumulated <C>	SCHEDULE B Annual benefit <C>
1988.....		616	616	N/A
1989.....	1,005		1,621	N/A
1990.....	1,110		2,731	N/A
1991.....	1,226		3,957	N/A
1992.....	1,355		5,312	N/A
1993.....	1,497		6,809	878
1994.....	1,653		8,462	1,091
1995.....	1,827		10,289	1,327
1996.....	2,018		12,307	1,587
1997.....	2,229		14,536	1,875
1998.....	2,463		16,999	2,192
1999.....	2,720		19,719	2,543
2000.....	3,005		22,724	2,930
2001.....	3,320		26,044	3,359
2002.....	3,668		29,712	3,832
2003.....	1,306		31,018	4,000

TOTAL NEEDED		\$ 31,018		

</TABLE>

EXHIBIT 10.11

DIRECTOR'S AMENDED AND RESTATED
PAYMENT CONTINUATION AGREEMENT

This Amended and Restated Agreement is between and among SierraWest Bancorp (formerly known as Sierra Tahoe Bancorp, hereinafter "Bancorp"), a California corporation and David W. Clark ("Director"), shall be effective as of June 27, 1996, and is intended to and shall replace all prior agreements between the parties relating to the subject matter hereof, except as specifically otherwise provided herein.

RECITALS

WHEREAS, Bancorp continues to deem Director's future counsel and advice to be valuable to it by virtue of Director's past experience as a director of Bancorp and/or Sierra Bank of Nevada ("Bank"); and

WHEREAS, Bancorp desires to engage Director as a consultant and advisor to Bancorp from time to time after termination of Director's active service as a director ("Service Termination"); and

WHEREAS, the parties desire to replace their existing agreement dated October 29, 1990 with this Agreement in its entirety

NOW THEREFORE, Bancorp and Director mutually agree as:

1. Benefit Granted.

- a. Continuous Service. If Director maintains his service to Bancorp as a Director continuously for five (5) years from October 29, 1990 ("Commencement Date"), and at any time thereafter resigns, is not reelected, is not reappointed or is terminated from service as a director for any reason other than Cause (defined below), he shall be entitled to receive the appropriate vested benefit as set forth in Schedule A attached hereto and incorporated herein ("Service Benefit"). The Service Benefit vests according to the schedule as set forth in Schedule A, is determined by completed year of service calculated from the Commencement Date up to a maximum benefit at fifteen (15) years, and is paid following termination of service as Director, either in a lump sum or in installments as hereinafter provided, in consideration for Director's agreement to act as a consultant for Bancorp as set forth in Paragraph 2.

For purposes of this Agreement, "Cause" whenever used shall mean any one of the following: gross misconduct; conviction of a felony by any criminal tribunal; willful and continuing failure to substantially perform his duties as a director after delivery of written demand, signed by a majority of the Board of Directors, identifying the substantial failure to perform; or willful conduct that results in Director's gain or personal enrichment at the expense of Bancorp.

- b. Early Termination From Service. In the event Director leaves service as a director, whether voluntarily or for any reason other than termination for cause, before the expiration of five years of continuous service but after one year of service, Director shall be eligible for 20% of the benefit as set forth in Schedule A for each year of

completed service (so that as of the first year of completed service Director is eligible for 20% of the vested one year benefit as reflected on Schedule A, 40% of the vested two year benefit as of the second year of completed service, and so forth.) Payment of a Service Benefit resulting from Early Termination will be made only in a lump sum.

- c. Option to Pay Benefits In Installments; Election Date. In lieu of receiving a lump sum payment of the Service Benefit, Director may elect, provided that he has served at least five (5) years and provided further that such election is made at least two (2) years prior to Service Termination, to receive the benefit in installment payments rather than a lump sum. Monthly installments shall begin ninety (90) days after Service Termination. If Director has served at least 15 years, installment payments shall equal \$4,000 annually for a period of fifteen (15) years, payable in one hundred eighty (180) equal monthly installments. If Director has served at least five (5) years but less than 15 years of continuous service, such installments shall equal that pro-rata share of Four Thousand Dollars per annum as the vested accumulated benefit bears to the total accumulated benefit described in Schedule A as "TOTAL NEEDED." The appropriate monthly benefit is set forth in Schedule B. This amount is also payable in one hundred eight (180) equal monthly installments. There is no installment option if service is terminated prior to five (5) years of continuous service. Should Director pass away during any installment payout period, appropriate installments will be paid to those persons designated by Director to receive such benefit or as otherwise directed by the qualified representative of Director's estate.

- d. Health Care Benefits. In addition to the benefits set forth above, in the event of Service Termination at any time and for any reason other than Cause, Director shall be eligible to continue coverage, at his election and expense, under Bancorp's group health plan as it exists at the time of Service Termination or as it may be modified from time to time. Director may elect to retain, increase or decrease the coverage as it existed at the time of Service Termination. Premiums for such coverage, both for individual and dependent coverage as appropriate, shall be at the rates charged as if Director had remained a director in active service. If Director has elected monthly benefit installment payments pursuant to 1(c) above, he may also elect to have the monthly health benefit premium charges deducted from those monthly benefit installment payments.

2. Consultant Obligation.

- a. Upon Service Termination Director agrees to make himself available for a five (5) year term to the management of Bancorp and its subsidiaries, its various boards of directors and other specified individuals that management or the board may designate for the purpose of advising and consulting with those individuals on behalf of Bancorp and its subsidiaries. Director agrees that he will devote as much time as is necessary and required by Bancorp, but not to exceed twenty (20) hours per month, at an hourly fee of one hundred fifty dollars (\$150.00). It is expressly understood that the compensation paid in the prior sentence is in addition to the benefit paid pursuant to Paragraph 1 above, and is paid in consideration for the services of Director as a consultant and advisor to Bancorp at Bancorp's request.

- b. Bancorp shall reimburse Director for his reasonable and

necessary travel and expenses incurred in such consulting or advisory work. In the event Director is not residing in the community where Bancorp's principal offices are located, Bancorp agrees to reimburse Director for all reasonable travel and expenses incurred by Director. Director agrees that during his engagement he will keep himself informed concerning the affairs of Bancorp and its subsidiaries by reviewing annual or periodic reports and other data supplied to Director by Bancorp. Director agrees to review these items without charge to Bancorp.

3. Independent Contractor. The status of Director when engaged as a consultant and contemplated by this Agreement shall be that of Independent Contractor.
4. Death Benefit for Director. In the event Director should die while actively serving as director at any time, Bancorp will pay \$4,000 per year to Director's surviving spouse or designated nominee or beneficiary. Such death benefit is payable on a monthly basis for a period of one hundred and eighty (180) months.
5. Inability to Transfer Benefits. Neither the Director, the spouse, or any other beneficiary under this agreement shall have any power or right to transfer, assign, anticipate, hypothecate, mortgage, or in any way exercise any control or right over vested benefits granted under this Agreement. None of said benefits shall be subject to seizure for the payments of any debts, judgments, alimony or separate maintenance which may be owed by the Director or his beneficiary or be transferable by operation of law in the event of bankruptcy, insolvency or otherwise. In the event the Director or any beneficiary attempts an assignment, computation, hypothecation, transfer or disposal of the benefit hereunder, Bancorp's responsibilities, liabilities, and obligations shall forthwith immediately cease and terminate as to any unvested benefits and this Agreement shall be deemed to terminate as set forth in paragraph 7(a) below.
6. Nothing contained in this agreement shall be construed to alter, abridge or in any manner affect the rights and privileges of the Director to participate in and be covered by any pension profit sharing group insurance bonus or similar employment benefits which Bancorp may now have or hereafter adopt for which Director may be determined to be eligible.
7. Benefits Not Accumulated; Cancellation; Notice.
 - a. Except as otherwise set forth herein, Bancorp reserves the right to cancel the Payment Continuation Program and/or to terminate this Agreement ("Termination/Cancellation") at any time and for any reason as to any benefits not yet vested, in its sole and absolute discretion; provided however that Director shall be entitled to the vested amount set forth on Schedule A attached hereto as determined by the date the termination/cancellation occurs. In the event of Termination/Cancellation, the vested amounts will be paid in one lump sum at the time of Director's termination from office as Director. Bancorp will give fifteen (15) days prior written notice of Termination/Cancellation.
 - b. The foregoing notwithstanding, in the event of a Change of Control (defined below), Director shall be deemed to be fully vested in the Full Accumulation Value as set forth in Schedule A as if Director had served through all years as specified on Schedule A. The Full Accumulation Value shall be paid in one lump sum in the amount and when Director would otherwise have been entitled to be paid under the provisions of Paragraph 1. In the event that Director's service is not terminated coincident with a change of

control so that he is not yet entitled to receive immediate payment of the Full Accumulation Value pursuant to the provisions of §1, interest shall be deemed to accrue on the Full Accumulation Value at the prime rate minus one percent from the date the benefit vests until it is paid. In addition, in the event that Director's termination occurs in connection with, in anticipation of, or following a Change of Control, Director shall be excused from and shall not be obligated to act as a consultant or be restricted in his activities as provided in Paragraph 2 of this Agreement.

For purposes of this Agreement, Change of Control is defined as any one of the following, provided however that Change of Control shall be without the monetary assistance of the FDIC: (i) an acquisition (other than directly from Bancorp) by an individual, entity or group (excluding Bancorp or one of its employee benefit plans or an entity controlled by Bancorp's shareholders) of 20% or more of Bancorp's common stock or voting securities; (ii) a change in a majority of the current Board of Directors (excluding any persons approved by a vote of at least a majority of the Board other than in connection with an actual or threatened proxy contest); (iii) liquidation or dissolution of Bancorp or a merger, consolidation or sale of all or substantially of the Bancorp's assets ("Business Combination") other than one in which all or substantially all of Bancorp's shareholders receive 50% or more of the stock of the company resulting from the Business Combination, at least a majority of the board of directors of the resulting corporation were members of the incumbent board, and after which no person owns 20% or more of the stock of the resulting corporation who did not own such stock immediately before the Business Combination.

For purposes of this Agreement, "in connection with" or "in anticipation of" a Change of Control with respect to subsections (i) and (iii) above shall mean on or after the date of an executed Letter of Intent or, if there is no written Letter of Intent, on or after the date of the first act of due diligence inspection by a potential acquiror, provided that the transaction contemplated by the Letter of Intent or due diligence inspection in fact concludes no later than eighteen (18) months after that date. Moreover, "following a Change of Control" shall mean Service Termination by or within 365 days of the conclusion of a Change of Control as defined above.

8. Funding of Benefits.

- a. Bancorp reserves the absolute right in its sole and exclusive discretion either to: (i) fund by cash, insurance, or otherwise the obligation undertaken by this Agreement, or (ii) not fund the obligation in advance. Should Bancorp elect to fund in advance the benefits contemplated by this Agreement in whole or in part through the median of life insurance or annuities or both, then Bancorp shall be the owner and beneficiary of the policy.
- b. Bancorp reserves the absolute right in its sole discretion to terminate such life insurance or annuities as well as any other funding program at any time in whole or in part. At no time shall the Director be deemed to have any right, title or interest or any specified asset or assets of Bancorp including but not by way of restriction any insurance annuity contract or contracts of the proceeds thereof except to those rights listed in this agreement.
- c. Any advance funding of obligations hereunder shall not in any way be considered to constitute security for the performance of the obligations of this Agreement. The obligation shall be considered to be paid from current available resources and

otherwise unsecured.

- d. If Bancorp elects to purchase a life insurance policy or annuity policy on the life of the Director to fund any obligations under this Agreement, Director agrees to cooperate with the issuance of such policies to sign any and all documents which may be required for that purpose and to undergo any reasonable medical examination or test which may be necessary or otherwise required to obtain said policy(ies). Moreover, should Bancorp elect to purchase a life insurance policy or annuity policy as provided above, Director agrees to make appropriate arrangements so that Bancorp as sole beneficiary of such policy will be notified timely by Director's estate upon Director's death. Upon notification by Director's estate pursuant to this provision, Bancorp shall pay the sum of \$5,000 (Notification Fee") to Director's estate or designated beneficiary which shall include a certified copy of the death certificate.
9. General Obligation. This Agreement shall not be construed as giving Director or his beneficiary any greater rights of those of any other unsecured creditor of Bancorp.
10. Agreement Binding. This Agreement shall be binding upon and inure to the benefit of the Director and his personal representatives, agents and assigns. To the extent consistent herewith, this Agreement shall inure to any successor organization of Bancorp which shall succeed to substantially all the stock of its assets in business.
11. Beneficiaries; Election. Director reserves the right to change the name of his named primary or contingent beneficiaries by separate letter from time to time or upon properly notifying Bancorp or its successor of this document in writing as to the recipient of such benefits. Bancorp reserves the right to require a spouse's signature thereon if in the opinion of counsel, such is required.
12. Suicide Exclusion. In the event that it is demonstrated to Bancorp's reasonable certainty that, within two (2) years of the Commencement Date, Director has taken his own life, any and all amounts unpaid under this Agreement shall be deemed to have lapsed and shall be terminated prior to any vesting. In such event, Bancorp shall have no liability to Director or any persons which otherwise would be entitled to benefits under this Agreement.
13. Miscellaneous. The provisions of this agreement shall be severable from each other. In the event that a court should declare any provision unenforceable, the remaining provisions of the agreement shall continue to be binding and enforceable. This agreement shall be construed under the laws of the State of California. Venue shall be appropriate wherever allowed by law and in the County of Nevada (Truckee Session). This Agreement represents the final expression of the parties and may be modified only in writing. This Agreement may be executed in counterparts.
14. Attorneys Fees. In the event either party employs an attorney to enforce any of the provisions hereof, or for the purpose of declaring the effect of a provisions which interpretation it contests, the prevailing party shall be entitled to reasonable attorney fees

Agreed and accepted this 26th day of September, 1996.

DIRECTOR

SIERRAWEST BANCORP

By:/s/ David W. Clark

By:/s/ W. T. Fike

Director

President

By:/s/ A. Morgan Jones

Secretary

<TABLE>

SIERRAWEST BANCORP
SALARY CONTINUATION PLAN
CALCULATION OF ANNUAL CONTRIBUTION

Dave Clark - Director benefit

Date of Retirement.....05.01.2003
Plan Commencement.....05.01.1988
Retirement Benefit.....\$4,000 per year for 15 years
Discount Rate.....10 percent
Years to Accrue.....15 years

<S>	<C>	Accrual Per year	SCHEDULE A Cash benefit Accumulated	SCHEDULE B Annual benefit
<S>	<C>	<C>	<C>	<C>
1988.....	616	616	616	N/A
1989.....	1,005	1,621	1,621	N/A
1990.....	1,110	2,731	2,731	N/A
1991.....	1,226	3,957	3,957	N/A
1992.....	1,355	5,312	5,312	N/A
1993.....	1,497	6,809	6,809	878
1994.....	1,653	8,462	8,462	1,091
1995.....	1,827	10,289	10,289	1,327
1996.....	2,018	12,307	12,307	1,587
1997.....	2,229	14,536	14,536	1,875
1998.....	2,463	16,999	16,999	2,192
1999.....	2,720	19,719	19,719	2,543
2000.....	3,005	22,724	22,724	2,930
2001.....	3,320	26,044	26,044	3,359
2002.....	3,668	29,712	29,712	3,832
2003.....	1,306	31,018	31,018	4,000

TOTAL NEEDED -----
 \$ 31,018
 NPV \$4K/Yr.
 =====

</TABLE>

EXHIBIT 10.12

DIRECTOR'S
PAYMENT CONTINUATION AGREEMENT

This Agreement is by and between SierraWest Bancorp (formerly known as Sierra Tahoe Bancorp, hereinafter "Bancorp"), a California corporation and Richard S. Gaston ("Director"), shall be effective as of June 27, 1996, and is intended to and shall replace all prior agreements between the parties relating to the subject matter hereof, except as specifically otherwise provided herein.

RECITALS

WHEREAS, Bancorp continues to deem Director's future counsel and advice to be valuable to it by virtue of Director's past experience as a director of Bancorp and/or Sierra Bank of Nevada ("Bank"); and

WHEREAS, Bancorp desires to engage Director as a consultant and advisor to Bancorp from time to time after termination of Director's active service as a director ("Service Termination"); and

NOW THEREFORE, Bancorp and Director mutually agree as:

1. Benefit Granted.

- a. Continuous Service. If Director maintains his service to Bancorp as a Director continuously for five (5) years from December 20, 1995, ("Commencement Date"), and at any time thereafter resigns, is not reelected, is not reappointed or is terminated from service as a director for any reason other than Cause (defined below), he shall be entitled to receive the appropriate vested benefit as set forth in Schedule A attached hereto and incorporated herein ("Service Benefit"). The Service Benefit vests according to the schedule as set forth in Schedule A, is determined by completed year of service calculated from the Commencement Date up to a maximum benefit at fifteen (15) years, and is paid following termination of service as Director, either in a lump sum or in installments as hereinafter provided, in consideration for Director's agreement to act as a consultant for Bancorp as set forth in Paragraph 2.

For purposes of this Agreement, "Cause" whenever used shall mean any one of the following: gross misconduct; conviction of a felony by any criminal tribunal; willful and continuing failure to substantially perform his duties as a director after delivery of written demand, signed by a majority of the Board of Directors, identifying the substantial failure to perform; or willful conduct that results in Director's gain or personal enrichment at the expense of Bancorp.

- b. Early Termination From Service. In the event Director leaves service as a director, whether voluntarily or for any reason other than termination for cause, before the expiration of five years of continuous service but after one year of service, Director shall be eligible for 20% of the benefit as set forth in Schedule A for each year of completed service (so that as of the first year of completed service Director is eligible for 20% of the vested one year benefit as reflected on Schedule A, 40% of the vested two year benefit as of the second year of completed service, and so forth.) Payment of a Service Benefit resulting from Early Termination will be made only in a lump sum.
- c. Option to Pay Benefits In Installments; Election Date. In lieu of receiving a lump sum payment of the Service Benefit, Director may elect, provided that he has served at least five (5) years and provided further that such election is made at least two (2) years prior to Service Termination, to receive the benefit in installment payments rather than a lump sum. Monthly installments shall begin ninety (90) days after Service Termination. If Director has served at least 15 years, installment payments shall equal \$4,000 annually for a period of fifteen (15) years, payable in one hundred eighty (180) equal monthly installments. If Director has served at least five (5) years but less than 15 years of continuous service, such installments shall equal that pro-rata share of Four Thousand Dollars per annum as the vested accumulated benefit bears to the total accumulated benefit

described in Schedule A as "TOTAL NEEDED." The appropriate monthly benefit is set forth in Schedule B. This amount is also payable in one hundred eight (180) equal monthly installments. There is no installment option if service is terminated prior to five (5) years of continuous service. Should Director pass away during any installment payout period, appropriate installments will be paid to those persons designated by Director to receive such benefit or as otherwise directed by the qualified representative of Director's estate.

- d. Health Care Benefits. In addition to the benefits set forth above, in the event of Service Termination at any time and for any reason other than Cause, Director shall be eligible to continue coverage, at his election and expense, under Bancorp's group health plan as it exists at the time of Service Termination or as it may be modified from time to time. Director may elect to retain, increase or decrease the coverage as it existed at the time of Service Termination. Premiums for such coverage, both for individual and dependent coverage as appropriate, shall be at the rates charged as if Director had remained a director in active service. If Director has elected monthly benefit installment payments pursuant to 1(c) above, he may also elect to have the monthly health benefit premium charges deducted from those monthly benefit installment payments.

2. Consultant Obligation.

- a. Upon Service Termination Director agrees to make himself available for a five (5) year term to the management of Bancorp and its subsidiaries, its various boards of directors and other specified individuals that management or the board may designate for the purpose of advising and consulting with those individuals on behalf of Bancorp and its subsidiaries. Director agrees that he will devote as much time as is necessary and required by Bancorp, but not to exceed twenty (20) hours per month, at an hourly fee of one hundred fifty dollars (\$150.00). It is expressly understood that the compensation paid in the prior sentence is in addition to the benefit paid pursuant to Paragraph 1 above, and is paid in consideration for the services of Director as a consultant and advisor to Bancorp at Bancorp's request.
- b. Bancorp shall reimburse Director for his reasonable and necessary travel and expenses incurred in such consulting or advisory work. In the event Director is not residing in the community where Bancorp's principal offices are located, Bancorp agrees to reimburse Director for all reasonable travel and expenses incurred by Director. Director agrees that during his engagement he will keep himself informed concerning the affairs of Bancorp and its subsidiaries by reviewing annual or periodic reports and other data supplied to Director by Bancorp. Director agrees to review these items without charge to Bancorp.

3. Independent Contractor. The status of Director when engaged as a consultant and contemplated by this Agreement shall be that of Independent Contractor.

4. Death Benefit for Director. In the event Director should die while actively serving as director at any time, Bancorp will pay \$4,000 per year to Director's surviving spouse or designated nominee or beneficiary. Such death benefit is payable on a monthly basis for a period of one hundred and eighty (180) months.

5. Inability to Transfer Benefits. Neither the Director, the spouse, or

any other beneficiary under this agreement shall have any power or right to transfer, assign, anticipate, hypothecate, mortgage, or in any way exercise any control or right over vested benefits granted under this Agreement. None of said benefits shall be subject to seizure for the payments of any debts, judgments, alimony or separate maintenance which may be owed by the Director or his beneficiary or be transferable by operation of law in the event of bankruptcy, insolvency or otherwise. In the event the Director or any beneficiary attempts an assignment, computation, hypothecation, transfer or disposal of the benefit hereunder, Bancorp's responsibilities, liabilities, and obligations shall forthwith immediately cease and terminate as to any unvested benefits and this Agreement shall be deemed to terminate as set forth in paragraph 7(a) below.

6. Nothing contained in this agreement shall be construed to alter, abridge or in any manner affect the rights and privileges of the Director to participate in and be covered by any pension profit sharing group insurance bonus or similar employment benefits which Bancorp may now have or hereafter adopt for which Director may be determined to be eligible.

7. Benefits Not Accumulated; Cancellation; Notice.

a. Except as otherwise set forth herein, Bancorp reserves the right to cancel the Payment Continuation Program and/or to terminate this Agreement ("Termination/Cancellation") at any time and for any reason as to any benefits not yet vested, in its sole and absolute discretion; provided however that Director shall be entitled to the vested amount set forth on Schedule A attached hereto as determined by the date the termination /cancellation occurs. In the event of Termination/Cancellation, the vested amounts will be paid in one lump sum at the time of Director's termination from office as Director. Bancorp will give fifteen (15) days prior written notice of Termination/Cancellation.

b. The foregoing notwithstanding, in the event of a Change of Control (defined below), Director shall be deemed to be fully vested in the Full Accumulation Value as set forth in Schedule A as if Director had served through all years as specified on Schedule A. The Full Accumulation Value shall be paid in one lump sum in the amount and when Director would otherwise have been entitled to be paid under the provisions of Paragraph 1. In the event that Director's service is not terminated coincident with a change of control so that he is not yet entitled to receive immediate payment of the Full Accumulation Value pursuant to the provisions of §1, interest shall be deemed to accrue on the Full Accumulation Value at the prime rate minus one percent from the date the benefit vests until it is paid. In addition, in the event that Director's termination occurs in connection with, in anticipation of, or following a Change of Control, Director shall be excused from and shall not be obligated to act as a consultant or be restricted in his activities as provided in Paragraph 2 of this Agreement.

For purposes of this Agreement, Change of Control is defined as any one of the following, provided however that Change of Control shall be without the monetary assistance of the FDIC: (i) an acquisition (other than directly from Bancorp) by an individual, entity or group (excluding Bancorp or one of its employee benefit plans or an entity controlled by Bancorp's shareholders) of 20% or more of Bancorp's common stock or voting securities; (ii) a change in a majority of

the current Board of Directors (excluding any persons approved by a vote of at least a majority of the Board other than in connection with an actual or threatened proxy contest); (iii) liquidation or dissolution of Bancorp or a merger, consolidation or sale of all or substantially of the Bancorp's assets ("Business Combination") other than one in which all or substantially all of Bancorp's shareholders receive 50% or more of the stock of the company resulting from the Business Combination, at least a majority of the board of directors of the resulting corporation were members of the incumbent board, and after which no person owns 20% or more of the stock of the resulting corporation who did not own such stock immediately before the Business Combination.

For purposes of this Agreement, "in connection with" or "in anticipation of" a Change of Control with respect to subsections (i) and (iii) above shall mean on or after the date of an executed Letter of Intent or, if there is no written Letter of Intent, on or after the date of the first act of due diligence inspection by a potential acquiror, provided that the transaction contemplated by the Letter of Intent or due diligence inspection in fact concludes no later than eighteen (18) months after that date. Moreover, "following a Change of Control" shall mean Service Termination by or within 365 days of the conclusion of a Change of Control as defined above.

8. Funding of Benefits.

- a. Bancorp reserves the absolute right in its sole and exclusive discretion either to: (i) fund by cash, insurance, or otherwise the obligation undertaken by this Agreement, or (ii) not fund the obligation in advance. Should Bancorp elect to fund in advance the benefits contemplated by this Agreement in whole or in part through the median of life insurance or annuities or both, then Bancorp shall be the owner and beneficiary of the policy.
- b. Bancorp reserves the absolute right in its sole discretion to terminate such life insurance or annuities as well as any other funding program at any time in whole or in part. At no time shall the Director be deemed to have any right, title or interest or any specified asset or assets of Bancorp including but not by way of restriction any insurance annuity contract or contracts of the proceeds thereof except to those rights listed in this agreement.
- c. Any advance funding of obligations hereunder shall not in any way be considered to constitute security for the performance of the obligations of this Agreement. The obligation shall be considered to be paid from current available resources and otherwise unsecured.
- d. If Bancorp elects to purchase a life insurance policy or annuity policy on the life of the Director to fund any obligations under this Agreement, Director agrees to cooperate with the issuance of such policies to sign any and all documents which may be required for that purpose and to undergo any reasonable medical examination or test which may be necessary or otherwise required to obtain said policy(ies). Moreover, should Bancorp elect to purchase a life insurance policy or annuity policy as provided above, Director agrees to make appropriate arrangements so that Bancorp as sole beneficiary of such policy will be notified timely by Director's estate upon Director's death. Upon notification by Director's estate pursuant to this provision, Bancorp shall pay

the sum of \$5,000 (Notification Fee") to Director's estate or designated beneficiary which shall include a certified copy of the death certificate.

9. General Obligation. This Agreement shall not be construed as giving Director or his beneficiary any greater rights of those of any other unsecured creditor of Bancorp.
10. Agreement Binding. This Agreement shall be binding upon and insure to the benefit of the Director and his personal representatives, agents and assigns. To the extent consistent herewith, this Agreement shall inure to any successor organization of Bancorp which shall succeed to substantially all the stock of its assets in business.
11. Beneficiaries; Election. Director reserves the right to change the name of his named primary or contingent beneficiaries by separate letter from time to time or upon properly notifying Bancorp or its successor of this document in writing as to the recipient of such benefits. Bancorp reserves the right to require a spouse's signature thereon if in the opinion of counsel, such is required.
12. Suicide Exclusion. In the event that it is demonstrated to Bancorp's reasonable certainty that, within two (2) years of the Commencement Date, Director has taken his own life, any and all amounts unpaid under this Agreement shall be deemed to have lapsed and shall be terminated prior to any vesting. In such event, Bancorp shall have no liability to Director or any persons which otherwise would be entitled to benefits under this Agreement.
13. Miscellaneous. The provisions of this agreement shall be severable from each other. In the event that a court should declare any provision unenforceable, the remaining provisions of the agreement shall continue to be binding and enforceable. This agreement shall be construed under the laws of the State of California. Venue shall be appropriate wherever allowed by law and in the County of Nevada (Truckee Session). This Agreement represents the final expression of the parties and may be modified only in writing. This Agreement may be executed in counterparts.
14. Attorneys Fees. In the event either party employs an attorney to enforce any of the provisions hereof, or for the purpose of declaring the effect of a provisions which interpretation it contests, the prevailing party shall be entitled to reasonable attorney fees

Agreed and accepted this 26th day of September, 1996.

DIRECTOR

SIERRAWEST BANCORP

By:/s/ Richard S. Gaston

By:/s/ W. T. Fike

Director

President

By:/s/ A. Morgan Jones

Secretary

<TABLE>

SIERRAWEST BANCORP

SALARY CONTINUATION PLAN
 CALCULATION OF ANNUAL CONTRIBUTION

Richard Gaston - Director benefit

Date of Retirement.....12.20.2010
 Plan Commencement.....12.20.1995
 Retirement Benefit.....\$4,000 per year for 15 years
 Discount Rate.....10 percent
 Years to Accrue.....15 years

	Accrual Per year	SCHEDULE A Cash benefit Accumulated	SCHEDULE B Annual benefit
<S>	<C>	<C>	<C>
1996.....	940	940	N/A
1997.....	1,039	1,979	N/A
1998.....	1,148	3,127	N/A
1999.....	1,268	4,395	N/A
2000.....	1,401	5,795	N/A
2001.....	1,547	7,343	947
2002.....	1,709	9,052	1,167
2003.....	1,888	10,940	1,411
2004.....	2,086	13,026	1,680
2005.....	2,304	15,331	1,977
2006.....	2,546	17,876	2,305
2007.....	2,812	20,689	2,668
2008.....	3,107	23,795	3,068
2009.....	3,432	27,227	3,511
2010.....	3,791	31,019	4,000
TOTAL NEEDED		\$ 31,019	

</TABLE>

EXHIBIT 10.13

DIRECTOR'S
 PAYMENT CONTINUATION AGREEMENT

This Agreement is by and between SierraWest Bancorp (formerly known as Sierra Tahoe Bancorp, hereinafter "Bancorp"), a California corporation and John J. Johnson ("Director"), shall be effective as of June 27, 1996, and is intended to and shall replace all prior agreements between the parties relating to the subject matter hereof, except as specifically otherwise provided herein.

RECITALS

WHEREAS, Bancorp continues to deem Director's future counsel and advice to be valuable to it by virtue of Director's past experience as a director of Bancorp and/or Sierra Bank of Nevada ("Bank"); and

WHEREAS, Bancorp desires to engage Director as a consultant and advisor to Bancorp from time to time after termination of Director's active service as a director ("Service Termination"); and

NOW THEREFORE, Bancorp and Director mutually agree as:

1. Benefit Granted.

- a. Continuous Service. If Director maintains his service to Bancorp as a Director continuously for five (5) years from March 28, 1996, ("Commencement Date"), and at any time thereafter resigns, is not reelected, is not reappointed or is terminated from service as a director for any reason other than Cause (defined below), he shall be entitled to receive the appropriate vested benefit as set forth in Schedule A attached hereto and incorporated herein ("Service Benefit"). The Service Benefit vests according to the schedule as set forth in Schedule A, is determined by completed year of service calculated from the Commencement Date up to a maximum benefit at fifteen (15) years, and is paid following termination of service as Director, either in a lump sum or in installments as hereinafter provided, in consideration for Director's agreement to act as a consultant for Bancorp as set forth in Paragraph 2.

For purposes of this Agreement, "Cause" whenever used shall mean any one of the following: gross misconduct; conviction of a felony by any criminal tribunal; willful and continuing failure to substantially perform his duties as a director after delivery of written demand, signed by a majority of the Board of Directors, identifying the substantial failure to perform; or willful conduct that results in Director's gain or personal enrichment at the expense of Bancorp.

- b. Early Termination From Service. In the event Director leaves service as a director, whether voluntarily or for any reason other than termination for cause, before the expiration of five years of continuous service but after one year of service, Director shall be eligible for 20% of the benefit as set forth in Schedule A for each year of completed service (so that as of the first year of completed service Director is eligible for 20% of the vested one year benefit as reflected on Schedule A, 40% of the vested two year benefit as of the second year of completed service, and so forth.) Payment of a Service Benefit resulting from Early Termination will be made only in a lump sum.
- c. Option to Pay Benefits In Installments; Election Date. In lieu of receiving a lump sum payment of the Service Benefit, Director may elect, provided that he has served at least five (5) years and provided further that such election is made at least two (2) years prior to Service Termination, to receive the benefit in installment payments rather than a lump sum. Monthly installments shall begin ninety (90) days after Service Termination. If Director has served at least 15 years, installment payments shall equal \$4,000 annually for a period of fifteen (15) years, payable in one hundred eighty (180) equal monthly installments. If Director has served at least five (5) years but less than 15 years of continuous service, such installments shall equal that pro-rata share of Four Thousand Dollars per annum as the vested accumulated benefit bears to the total accumulated benefit described in Schedule A as "TOTAL NEEDED." The appropriate monthly benefit is set forth in Schedule B. This amount is also payable in one hundred eight (180) equal monthly installments. There is no installment option if service is terminated prior to five (5) years of continuous service. Should Director pass away during any installment payout period, appropriate installments will be paid to those persons designated by Director to receive such benefit or as otherwise directed by the qualified representative of

Director's estate.

- d. Health Care Benefits. In addition to the benefits set forth above, in the event of Service Termination at any time and for any reason other than Cause, Director shall be eligible to continue coverage, at his election and expense, under Bancorp's group health plan as it exists at the time of Service Termination or as it may be modified from time to time. Director may elect to retain, increase or decrease the coverage as it existed at the time of Service Termination. Premiums for such coverage, both for individual and dependent coverage as appropriate, shall be at the rates charged as if Director had remained a director in active service. If Director has elected monthly benefit installment payments pursuant to 1(c) above, he may also elect to have the monthly health benefit premium charges deducted from those monthly benefit installment payments.

2. Consultant Obligation.

- a. Upon Service Termination Director agrees to make himself available for a five (5) year term to the management of Bancorp and its subsidiaries, its various boards of directors and other specified individuals that management or the board may designate for the purpose of advising and consulting with those individuals on behalf of Bancorp and its subsidiaries. Director agrees that he will devote as much time as is necessary and required by Bancorp, but not to exceed twenty (20) hours per month, at an hourly fee of one hundred fifty dollars (\$150.00). It is expressly understood that the compensation paid in the prior sentence is in addition to the benefit paid pursuant to Paragraph 1 above, and is paid in consideration for the services of Director as a consultant and advisor to Bancorp at Bancorp's request.
- b. Bancorp shall reimburse Director for his reasonable and necessary travel and expenses incurred in such consulting or advisory work. In the event Director is not residing in the community where Bancorp's principal offices are located, Bancorp agrees to reimburse Director for all reasonable travel and expenses incurred by Director. Director agrees that during his engagement he will keep himself informed concerning the affairs of Bancorp and its subsidiaries by reviewing annual or periodic reports and other data supplied to Director by Bancorp. Director agrees to review these items without charge to Bancorp.

3. Independent Contractor. The status of Director when engaged as a consultant and contemplated by this Agreement shall be that of Independent Contractor.

4. Death Benefit for Director. In the event Director should die while actively serving as director at any time, Bancorp will pay \$4,000 per year to Director's surviving spouse or designated nominee or beneficiary. Such death benefit is payable on a monthly basis for a period of one hundred and eighty (180) months.

5. Inability to Transfer Benefits. Neither the Director, the spouse, or any other beneficiary under this agreement shall have any power or right to transfer, assign, anticipate, hypothecate, mortgage, or in any way exercise any control or right over vested benefits granted under this Agreement. None of said benefits shall be subject to seizure for the payments of any debts, judgments, alimony or separate maintenance which may be owed by the Director or his beneficiary or be transferable by operation of law in the event of bankruptcy, insolvency or otherwise. In the event the Director or any beneficiary attempts an assignment, computation, hypothecation,

transfer or disposal of the benefit hereunder, Bancorp's responsibilities, liabilities, and obligations shall forthwith immediately cease and terminate as to any unvested benefits and this Agreement shall be deemed to terminate as set forth in paragraph 7(a) below.

6. Nothing contained in this agreement shall be construed to alter, abridge or in any manner affect the rights and privileges of the Director to participate in and be covered by any pension profit sharing group insurance bonus or similar employment benefits which Bancorp may now have or hereafter adopt for which Director may be determined to be eligible.

7. Benefits Not Accumulated; Cancellation; Notice.

a. Except as otherwise set forth herein, Bancorp reserves the right to cancel the Payment Continuation Program and/or to terminate this Agreement ("Termination/Cancellation") at any time and for any reason as to any benefits not yet vested, in its sole and absolute discretion; provided however that Director shall be entitled to the vested amount set forth on Schedule A attached hereto as determined by the date the termination/cancellation occurs. In the event of Termination/Cancellation, the vested amounts will be paid in one lump sum at the time of Director's termination from office as Director. Bancorp will give fifteen (15) days prior written notice of Termination/Cancellation.

b. The foregoing notwithstanding, in the event of a Change of Control (defined below), Director shall be deemed to be fully vested in the Full Accumulation Value as set forth in Schedule A as if Director had served through all years as specified on Schedule A. The Full Accumulation Value shall be paid in one lump sum in the amount and when Director would otherwise have been entitled to be paid under the provisions of Paragraph 1. In the event that Director's service is not terminated coincident with a change of control so that he is not yet entitled to receive immediate payment of the Full Accumulation Value pursuant to the provisions of ¶1, interest shall be deemed to accrue on the Full Accumulation Value at the prime rate minus one percent from the date the benefit vests until it is paid. In addition, in the event that Director's termination occurs in connection with, in anticipation of, or following a Change of Control, Director shall be excused from and shall not be obligated to act as a consultant or be restricted in his activities as provided in Paragraph 2 of this Agreement.

For purposes of this Agreement, Change of Control is defined as any one of the following, provided however that Change of Control shall be without the monetary assistance of the FDIC: (i) an acquisition (other than directly from Bancorp) by an individual, entity or group (excluding Bancorp or one of its employee benefit plans or an entity controlled by Bancorp's shareholders) of 20% or more of Bancorp's common stock or voting securities; (ii) a change in a majority of the current Board of Directors (excluding any persons approved by a vote of at least a majority of the Board other than in connection with an actual or threatened proxy contest); (iii) liquidation or dissolution of Bancorp or a merger, consolidation or sale of all or substantially of the Bancorp's assets ("Business Combination") other than one in which all or substantially all of Bancorp's shareholders receive 50% or more of the stock of the company resulting from the Business Combination, at least a majority of the board of directors of the resulting corporation were members of the incumbent board, and after which no person owns 20% or more of the stock of the resulting corporation who did not own such stock immediately before the Business Combination.

For purposes of this Agreement, "in connection with" or "in anticipation of" a Change of Control with respect to subsections (i) and (iii) above shall mean on or after the date of an executed Letter of Intent or, if there is no written Letter of Intent, on or after the date of the first act of due diligence inspection by a potential acquiror, provided that the transaction contemplated by the Letter of Intent or due diligence inspection in fact concludes no later than eighteen (18) months after that date. Moreover, "following a Change of Control" shall mean Service Termination by or within 365 days of the conclusion of a Change of Control as defined above.

8. Funding of Benefits.

- a. Bancorp reserves the absolute right in its sole and exclusive discretion either to: (i) fund by cash, insurance, or otherwise the obligation undertaken by this Agreement, or (ii) not fund the obligation in advance. Should Bancorp elect to fund in advance the benefits contemplated by this Agreement in whole or in part through the median of life insurance or annuities or both, then Bancorp shall be the owner and beneficiary of the policy.
- b. Bancorp reserves the absolute right in its sole discretion to terminate such life insurance or annuities as well as any other funding program at any time in whole or in part. At no time shall the Director be deemed to have any right, title or interest or any specified asset or assets of Bancorp including but not by way of restriction any insurance annuity contract or contracts of the proceeds thereof except to those rights listed in this agreement.
- c. Any advance funding of obligations hereunder shall not in any way be considered to constitute security for the performance of the obligations of this Agreement. The obligation shall be considered to be paid from current available resources and otherwise unsecured.
- d. If Bancorp elects to purchase a life insurance policy or annuity policy on the life of the Director to fund any obligations under this Agreement, Director agrees to cooperate with the issuance of such policies to sign any and all documents which may be required for that purpose and to undergo any reasonable medical examination or test which may be necessary or otherwise required to obtain said policy(ies). Moreover, should Bancorp elect to purchase a life insurance policy or annuity policy as provided above, Director agrees to make appropriate arrangements so that Bancorp as sole beneficiary of such policy will be notified timely by Director's estate upon Director's death. Upon notification by Director's estate pursuant to this provision, Bancorp shall pay the sum of \$5,000 (Notification Fee") to Director's estate or designated beneficiary which shall include a certified copy of the death certificate.

9. General Obligation. This Agreement shall not be construed as giving Director or his beneficiary any greater rights of those of any other unsecured creditor of Bancorp.

10. Agreement Binding. This Agreement shall be binding upon and inure to the benefit of the Director and his personal representatives, agents and assigns. To the extent consistent herewith, this Agreement shall inure to any successor organization of Bancorp which shall succeed to substantially all the stock of its assets in business.

11. Beneficiaries; Election. Director reserves the right to change the

name of his named primary or contingent beneficiaries by separate letter from time to time or upon properly notifying Bancorp or its successor of this document in writing as to the recipient of such benefits. Bancorp reserves the right to require a spouse's signature thereon if in the opinion of counsel, such is required.

12. Suicide Exclusion. In the event that it is demonstrated to Bancorp's reasonable certainty that, within two (2) years of the Commencement Date, Director has taken his own life, any and all amounts unpaid under this Agreement shall be deemed to have lapsed and shall be terminated prior to any vesting. In such event, Bancorp shall have no liability to Director or any persons which otherwise would be entitled to benefits under this Agreement.

13. Miscellaneous. The provisions of this agreement shall be severable from each other. In the event that a court should declare any provision unenforceable, the remaining provisions of the agreement shall continue to be binding and enforceable. This agreement shall be construed under the laws of the State of California. Venue shall be appropriate wherever allowed by law and in the County of Nevada (Truckee Session). This Agreement represents the final expression of the parties and may be modified only in writing. This Agreement may be executed in counterparts.

14. Attorneys Fees. In the event either party employs an attorney to enforce any of the provisions hereof, or for the purpose of declaring the effect of a provisions which interpretation it contests, the prevailing party shall be entitled to reasonable attorney fees

Agreed and accepted this 26th day of September, 1996.

DIRECTOR SIERRAWEST BANCORP

By:/s/ John J. Johnson

Director

By:/s/ W. T. Fike

President

By:/s/ A. Morgan Jones

Secretary

<TABLE>

SIERRAWEST BANCORP
SALARY CONTINUATION PLAN
CALCULATION OF ANNUAL CONTRIBUTION

John Johnson - Director benefit

Date of Retirement.....03.28.2011
Plan Commencement.....03.28.1996
Retirement Benefit.....\$4,000 per year for 15 years
Discount Rate.....10 percent
Years to Accrue.....15 years

<S>	<C>	Accrual Per year	SCHEDULE A Cash benefit Accumulated	SCHEDULE B Annual benefit
1996.....		696	696	N/A

1997.....	1,013	1,710	N/A
1998.....	1,119	2,829	N/A
1999.....	1,237	4,066	N/A
2000.....	1,366	5,432	N/A
2001.....	1,509	6,941	895
2002.....	1,667	8,609	1,110
2003.....	1,842	10,450	1,348
2004.....	2,035	12,485	1,610
2005.....	2,248	14,733	1,900
2006.....	2,483	17,216	2,220
2007.....	2,743	19,959	2,574
2008.....	3,030	22,989	2,965
2009.....	3,348	26,337	3,396
2010.....	3,698	30,035	3,873
2011.....	984	31,019	4,000

TOTAL NEEDED -----
 \$ 31,019
 =====

</TABLE>

EXHIBIT 10.14

DIRECTOR'S
PAYMENT CONTINUATION AGREEMENT

This Agreement is by and between SierraWest Bancorp (formerly known as Sierra Tahoe Bancorp, hereinafter "Bancorp"), a California corporation and Ralph J. Coppola ("Director"), shall be effective as of June 27, 1996, and is intended to and shall replace all prior agreements between the parties relating to the subject matter hereof, except as specifically otherwise provided herein.

RECITALS

WHEREAS, Bancorp continues to deem Director's future counsel and advice to be valuable to it by virtue of Director's past experience as a director of Bancorp and/or Sierra Bank of Nevada ("Bank"); and

WHEREAS, Bancorp desires to engage Director as a consultant and advisor to Bancorp from time to time after termination of Director's active service as a director ("Service Termination"); and

NOW THEREFORE, Bancorp and Director mutually agree as:

1. Benefit Granted.

- a. Continuous Service. If Director maintains his service to Bancorp as a Director continuously for five (5) years from March 28, 1996, ("Commencement Date"), and at any time thereafter resigns, is not reelected, is not reappointed or is terminated from service as a director for any reason other than Cause (defined below), he shall be entitled to receive the appropriate vested benefit as set forth in Schedule A attached hereto and incorporated herein ("Service Benefit"). The Service Benefit vests according to the schedule as set forth in Schedule A, is determined by completed year of service calculated from the Commencement Date up to a maximum benefit at fifteen (15) years, and is paid following termination of service as Director, either in a lump sum or in installments as hereinafter provided, in consideration for Director's agreement to act as a consultant for Bancorp as set forth in Paragraph 2.

For purposes of this Agreement, "Cause" whenever used shall mean any one of the following: gross misconduct; conviction of a felony by any criminal tribunal; willful and continuing failure to substantially perform his duties as a director after delivery of written demand, signed by a majority of the Board of Directors, identifying the substantial failure to perform; or willful conduct that results in Director's gain or personal enrichment at the expense of Bancorp.

- b. Early Termination From Service. In the event Director leaves service as a director, whether voluntarily or for any reason other than termination for cause, before the expiration of five years of continuous service but after one year of service, Director shall be eligible for 20% of the benefit as set forth in Schedule A for each year of completed service (so that as of the first year of completed service Director is eligible for 20% of the vested one year benefit as reflected on Schedule A, 40% of the vested two year benefit as of the second year of completed service, and so forth.) Payment of a Service Benefit resulting from Early Termination will be made only in a lump sum.
- c. Option to Pay Benefits In Installments; Election Date. In lieu of receiving a lump sum payment of the Service Benefit, Director may elect, provided that he has served at least five (5) years and provided further that such election is made at least two (2) years prior to Service Termination, to receive the benefit in installment payments rather than a lump sum. Monthly installments shall begin ninety (90) days after Service Termination. If Director has served at least 15 years, installment payments shall equal \$4,000 annually for a period of fifteen (15) years, payable in one hundred eighty (180) equal monthly installments. If Director has served at least five (5) years but less than 15 years of continuous service, such installments shall equal that pro-rata share of Four Thousand Dollars per annum as the vested accumulated benefit bears to the total accumulated benefit described in Schedule A as "TOTAL NEEDED." The appropriate monthly benefit is set forth in Schedule B. This amount is also payable in one hundred eight (180) equal monthly installments. There is no installment option if service is terminated prior to five (5) years of continuous service. Should Director pass away during any installment payout period, appropriate installments will be paid to those persons designated by Director to receive such benefit or as otherwise directed by the qualified representative of Director's estate.
- d. Health Care Benefits. In addition to the benefits set forth above, in the event of Service Termination at any time and for any reason other than Cause, Director shall be eligible to continue coverage, at his election and expense, under Bancorp's group health plan as it exists at the time of Service Termination or as it may be modified from time to time. Director may elect to retain, increase or decrease the coverage as it existed at the time of Service Termination. Premiums for such coverage, both for individual and dependent coverage as appropriate, shall be at the rates charged as if Director had remained a director in active service. If Director has elected monthly benefit installment payments pursuant to 1(c) above, he may also elect to have the monthly health benefit premium charges deducted from those monthly benefit installment payments.

2. Consultant Obligation.

- a. Upon Service Termination Director agrees to make himself

available for a five (5) year term to the management of Bancorp and its subsidiaries, its various boards of directors and other specified individuals that management or the board may designate for the purpose of advising and consulting with those individuals on behalf of Bancorp and its subsidiaries. Director agrees that he will devote as much time as is necessary and required by Bancorp, but not to exceed twenty (20) hours per month, at an hourly fee of one hundred fifty dollars (\$150.00). It is expressly understood that the compensation paid in the prior sentence is in addition to the benefit paid pursuant to Paragraph 1 above, and is paid in consideration for the services of Director as a consultant and advisor to Bancorp at Bancorp's request.

- b. Bancorp shall reimburse Director for his reasonable and necessary travel and expenses incurred in such consulting or advisory work. In the event Director is not residing in the community where Bancorp's principal offices are located, Bancorp agrees to reimburse Director for all reasonable travel and expenses incurred by Director. Director agrees that during his engagement he will keep himself informed concerning the affairs of Bancorp and its subsidiaries by reviewing annual or periodic reports and other data supplied to Director by Bancorp. Director agrees to review these items without charge to Bancorp.
3. Independent Contractor. The status of Director when engaged as a consultant and contemplated by this Agreement shall be that of Independent Contractor.
4. Death Benefit for Director. In the event Director should die while actively serving as director at any time, Bancorp will pay \$4,000 per year to Director's surviving spouse or designated nominee or beneficiary. Such death benefit is payable on a monthly basis for a period of one hundred and eighty (180) months.
5. Inability to Transfer Benefits. Neither the Director, the spouse, or any other beneficiary under this agreement shall have any power or right to transfer, assign, anticipate, hypothecate, mortgage, or in any way exercise any control or right over vested benefits granted under this Agreement. None of said benefits shall be subject to seizure for the payments of any debts, judgments, alimony or separate maintenance which may be owed by the Director or his beneficiary or be transferable by operation of law in the event of bankruptcy, insolvency or otherwise. In the event the Director or any beneficiary attempts an assignment, computation, hypothecation, transfer or disposal of the benefit hereunder, Bancorp's responsibilities, liabilities, and obligations shall forthwith immediately cease and terminate as to any unvested benefits and this Agreement shall be deemed to terminate as set forth in paragraph 7(a) below.
6. Nothing contained in this agreement shall be construed to alter, abridge or in any manner affect the rights and privileges of the Director to participate in and be covered by any pension profit sharing group insurance bonus or similar employment benefits which Bancorp may now have or hereafter adopt for which Director may be determined to be eligible.
7. Benefits Not Accumulated; Cancellation; Notice.
 - a. Except as otherwise set forth herein, Bancorp reserves the right to cancel the Payment Continuation Program and/or to terminate this Agreement ("Termination/Cancellation") at any time and for any reason as to any benefits not yet vested, in its sole and absolute discretion; provided however that Director shall be entitled to the vested amount set forth on

Schedule A attached hereto as determined by the date the termination/cancellation occurs. In the event of Termination/Cancellation, the vested amounts will be paid in one lump sum at the time of Director's termination from office as Director. Bancorp will give fifteen (15) days prior written notice of Termination/Cancellation.

- b. The foregoing notwithstanding, in the event of a Change of Control (defined below), Director shall be deemed to be fully vested in the Full Accumulation Value as set forth in Schedule A as if Director had served through all years as specified on Schedule A. The Full Accumulation Value shall be paid in one lump sum in the amount and when Director would otherwise have been entitled to be paid under the provisions of Paragraph 1. In the event that Director's service is not terminated coincident with a change of control so that he is not yet entitled to receive immediate payment of the Full Accumulation Value pursuant to the provisions of ¶1, interest shall be deemed to accrue on the Full Accumulation Value at the prime rate minus one percent from the date the benefit vests until it is paid. In addition, in the event that Director's termination occurs in connection with, in anticipation of, or following a Change of Control, Director shall be excused from and shall not be obligated to act as a consultant or be restricted in his activities as provided in Paragraph 2 of this Agreement.

For purposes of this Agreement, Change of Control is defined as any one of the following, provided however that Change of Control shall be without the monetary assistance of the FDIC: (i) an acquisition (other than directly from Bancorp) by an individual, entity or group (excluding Bancorp or one of its employee benefit plans or an entity controlled by Bancorp's shareholders) of 20% or more of Bancorp's common stock or voting securities; (ii) a change in a majority of the current Board of Directors (excluding any persons approved by a vote of at least a majority of the Board other than in connection with an actual or threatened proxy contest); (iii) liquidation or dissolution of Bancorp or a merger, consolidation or sale of all or substantially of the Bancorp's assets ("Business Combination") other than one in which all or substantially all of Bancorp's shareholders receive 50% or more of the stock of the company resulting from the Business Combination, at least a majority of the board of directors of the resulting corporation were members of the incumbent board, and after which no person owns 20% or more of the stock of the resulting corporation who did not own such stock immediately before the Business Combination.

For purposes of this Agreement, "in connection with" or "in anticipation of" a Change of Control with respect to subsections (i) and (iii) above shall mean on or after the date of an executed Letter of Intent or, if there is no written Letter of Intent, on or after the date of the first act of due diligence inspection by a potential acquiror, provided that the transaction contemplated by the Letter of Intent or due diligence inspection in fact concludes no later than eighteen (18) months after that date. Moreover, "following a Change of Control" shall mean Service Termination by or within 365 days of the conclusion of a Change of Control as defined above.

8. Funding of Benefits.

- a. Bancorp reserves the absolute right in its sole and exclusive discretion either to: (i) fund by cash, insurance, or otherwise the obligation undertaken by this Agreement, or (ii) not fund the obligation in advance. Should Bancorp elect to fund in advance the benefits contemplated by this Agreement in whole or in part through the median of life

insurance or annuities or both, then Bancorp shall be the owner and beneficiary of the policy.

- b. Bancorp reserves the absolute right in its sole discretion to terminate such life insurance or annuities as well as any other funding program at any time in whole or in part. At no time shall the Director be deemed to have any right, title or interest or any specified asset or assets of Bancorp including but not by way of restriction any insurance annuity contract or contracts of the proceeds thereof except to those rights listed in this agreement.
- c. Any advance funding of obligations hereunder shall not in any way be considered to constitute security for the performance of the obligations of this Agreement. The obligation shall be considered to be paid from current available resources and otherwise unsecured.
- d. If Bancorp elects to purchase a life insurance policy or annuity policy on the life of the Director to fund any obligations under this Agreement, Director agrees to cooperate with the issuance of such policies to sign any and all documents which may be required for that purpose and to undergo any reasonable medical examination or test which may be necessary or otherwise required to obtain said policy(ies). Moreover, should Bancorp elect to purchase a life insurance policy or annuity policy as provided above, Director agrees to make appropriate arrangements so that Bancorp as sole beneficiary of such policy will be notified timely by Director's estate upon Director's death. Upon notification by Director's estate pursuant to this provision, Bancorp shall pay the sum of \$5,000 (Notification Fee") to Director's estate or designated beneficiary which shall include a certified copy of the death certificate.

9. General Obligation. This Agreement shall not be construed as giving Director or his beneficiary any greater rights of those of any other unsecured creditor of Bancorp.

10. Agreement Binding. This Agreement shall be binding upon and insure to the benefit of the Director and his personal representatives, agents and assigns. To the extent consistent herewith, this Agreement shall inure to any successor organization of Bancorp which shall succeed to substantially all the stock of its assets in business.

11. Beneficiaries; Election. Director reserves the right to change the name of his named primary or contingent beneficiaries by separate letter from time to time or upon properly notifying Bancorp or its successor of this document in writing as to the recipient of such benefits. Bancorp reserves the right to require a spouse's signature thereon if in the opinion of counsel, such is required.

12. Suicide Exclusion. In the event that it is demonstrated to Bancorp's reasonable certainty that, within two (2) years of the Commencement Date, Director has taken his own life, any and all amounts unpaid under this Agreement shall be deemed to have lapsed and shall be terminated prior to any vesting. In such event, Bancorp shall have no liability to Director or any persons which otherwise would be entitled to benefits under this Agreement.

13. Miscellaneous. The provisions of this agreement shall be severable from each other. In the event that a court should declare any provision unenforceable, the remaining provisions of the agreement shall continue to be binding and enforceable. This agreement shall be construed under the laws of the State of California. Venue shall be appropriate wherever allowed by law and in the County of Nevada (Truckee Session). This Agreement represents the final expression of

the parties and may be modified only in writing. This Agreement may be executed in counterparts.

14. Attorneys Fees. In the event either party employs an attorney to enforce any of the provisions hereof, or for the purpose of declaring the effect of a provisions which interpretation it contests, the prevailing party shall be entitled to reasonable attorney fees

Agreed and accepted this 26th day of September, 1996.

DIRECTOR SIERRAWEST BANCORP

By:/s/ Ralph J. Coppola

Director

By:/s/ W. T. Fike

President

By:/s/ A. Morgan Jones

Secretary

<TABLE>

SIERRAWEST BANCORP
SALARY CONTINUATION PLAN
CALCULATION OF ANNUAL CONTRIBUTION

Ralph J. Coppola - Director benefit

Date of Retirement.....03.28.2011
Plan Commencement.....03.28.1996
Retirement Benefit.....\$4,000 per year for 15 years
Discount Rate.....10 percent
Years to Accrue.....15 years

<S>	<C>	SCHEDULE A Cash benefit Accumulated	SCHEDULE B Annual benefit
	Per year		
1996.....	696	696	N/A
1997.....	1,013	1,710	N/A
1998.....	1,119	2,829	N/A
1999.....	1,237	4,066	N/A
2000.....	1,366	5,432	N/A
2001.....	1,509	6,941	895
2002.....	1,667	8,609	1,110
2003.....	1,842	10,450	1,348
2004.....	2,035	12,485	1,610
2005.....	2,248	14,733	1,900
2006.....	2,483	17,216	2,220
2007.....	2,743	19,959	2,574
2008.....	3,030	22,989	2,965
2009.....	3,348	26,337	3,396
2010.....	3,698	30,035	3,873
2011.....	984	31,019	4,000

TOTAL NEEDED \$ 31,019
=====

</TABLE>

EXHIBIT 10.15

DIRECTOR'S
PAYMENT CONTINUATION AGREEMENT

This Agreement is by and between SierraWest Bancorp (formerly known as Sierra Tahoe Bancorp, hereinafter "Bancorp"), a California corporation and Ronald A. Johnson ("Director"), shall be effective as of June 27, 1996, and is intended to and shall replace all prior agreements between the parties relating to the subject matter hereof, except as specifically otherwise provided herein.

RECITALS

WHEREAS, Bancorp continues to deem Director's future counsel and advice to be valuable to it by virtue of Director's past experience as a director of Bancorp and/or Sierra Bank of Nevada ("Bank"); and

WHEREAS, Bancorp desires to engage Director as a consultant and advisor to Bancorp from time to time after termination of Director's active service as a director ("Service Termination"); and

NOW THEREFORE, Bancorp and Director mutually agree as:

1. Benefit Granted.

- a. Continuous Service. If Director maintains his service to Bancorp as a Director continuously for five (5) years from March 28, 1996, ("Commencement Date"), and at any time thereafter resigns, is not reelected, is not reappointed or is terminated from service as a director for any reason other than Cause (defined below), he shall be entitled to receive the appropriate vested benefit as set forth in Schedule A attached hereto and incorporated herein ("Service Benefit"). The Service Benefit vests according to the schedule as set forth in Schedule A, is determined by completed year of service calculated from the Commencement Date up to a maximum benefit at fifteen (15) years, and is paid following termination of service as Director, either in a lump sum or in installments as hereinafter provided, in consideration for Director's agreement to act as a consultant for Bancorp as set forth in Paragraph 2.

For purposes of this Agreement, "Cause" whenever used shall mean any one of the following: gross misconduct; conviction of a felony by any criminal tribunal; willful and continuing failure to substantially perform his duties as a director after delivery of written demand, signed by a majority of the Board of Directors, identifying the substantial failure to perform; or willful conduct that results in Director's gain or personal enrichment at the expense of Bancorp.

- b. Early Termination From Service. In the event Director leaves service as a director, whether voluntarily or for any reason other than termination for cause, before the expiration of five years of continuous service but after one year of service, Director shall be eligible for 20% of the benefit as set forth in Schedule A for each year of completed service (so that as of the first year of completed service Director is eligible for 20% of the vested one year benefit as reflected on Schedule A, 40% of the vested two year benefit as of the second year of completed service, and so forth.) Payment of a Service Benefit resulting from Early Termination will be made only in a lump sum.

- c. Option to Pay Benefits In Installments; Election Date. In lieu of receiving a lump sum payment of the Service Benefit, Director may elect, provided that he has served at least five (5) years and provided further that such election is made at least two (2) years prior to Service Termination, to receive the benefit in installment payments rather than a lump sum. Monthly installments shall begin ninety (90) days after Service Termination. If Director has served at least 15 years, installment payments shall equal \$4,000 annually for a period of fifteen (15) years, payable in one hundred eighty (180) equal monthly installments. If Director has served at least five (5) years but less than 15 years of continuous service, such installments shall equal that pro-rata share of Four Thousand Dollars per annum as the vested accumulated benefit bears to the total accumulated benefit described in Schedule A as "TOTAL NEEDED." The appropriate monthly benefit is set forth in Schedule B. This amount is also payable in one hundred eight (180) equal monthly installments. There is no installment option if service is terminated prior to five (5) years of continuous service. Should Director pass away during any installment payout period, appropriate installments will be paid to those persons designated by Director to receive such benefit or as otherwise directed by the qualified representative of Director's estate.
- d. Health Care Benefits. In addition to the benefits set forth above, in the event of Service Termination at any time and for any reason other than Cause, Director shall be eligible to continue coverage, at his election and expense, under Bancorp's group health plan as it exists at the time of Service Termination or as it may be modified from time to time. Director may elect to retain, increase or decrease the coverage as it existed at the time of Service Termination. Premiums for such coverage, both for individual and dependent coverage as appropriate, shall be at the rates charged as if Director had remained a director in active service. If Director has elected monthly benefit installment payments pursuant to 1(c) above, he may also elect to have the monthly health benefit premium charges deducted from those monthly benefit installment payments.

2. Consultant Obligation.

- a. Upon Service Termination Director agrees to make himself available for a five (5) year term to the management of Bancorp and its subsidiaries, its various boards of directors and other specified individuals that management or the board may designate for the purpose of advising and consulting with those individuals on behalf of Bancorp and its subsidiaries. Director agrees that he will devote as much time as is necessary and required by Bancorp, but not to exceed twenty (20) hours per month, at an hourly fee of one hundred fifty dollars (\$150.00). It is expressly understood that the compensation paid in the prior sentence is in addition to the benefit paid pursuant to Paragraph 1 above, and is paid in consideration for the services of Director as a consultant and advisor to Bancorp at Bancorp's request.
- b. Bancorp shall reimburse Director for his reasonable and necessary travel and expenses incurred in such consulting or advisory work. In the event Director is not residing in the community where Bancorp's principal offices are located, Bancorp agrees to reimburse Director for all reasonable travel and expenses incurred by Director. Director agrees that during his engagement he will keep himself informed

concerning the affairs of Bancorp and its subsidiaries by reviewing annual or periodic reports and other data supplied to Director by Bancorp. Director agrees to review these items without charge to Bancorp.

3. Independent Contractor. The status of Director when engaged as a consultant and contemplated by this Agreement shall be that of Independent Contractor.
4. Death Benefit for Director. In the event Director should die while actively serving as director at any time, Bancorp will pay \$4,000 per year to Director's surviving spouse or designated nominee or beneficiary. Such death benefit is payable on a monthly basis for a period of one hundred and eighty (180) months.
5. Inability to Transfer Benefits. Neither the Director, the spouse, or any other beneficiary under this agreement shall have any power or right to transfer, assign, anticipate, hypothecate, mortgage, or in any way exercise any control or right over vested benefits granted under this Agreement. None of said benefits shall be subject to seizure for the payments of any debts, judgments, alimony or separate maintenance which may be owed by the Director or his beneficiary or be transferable by operation of law in the event of bankruptcy, insolvency or otherwise. In the event the Director or any beneficiary attempts an assignment, computation, hypothecation, transfer or disposal of the benefit hereunder, Bancorp's responsibilities, liabilities, and obligations shall forthwith immediately cease and terminate as to any unvested benefits and this Agreement shall be deemed to terminate as set forth in paragraph 7(a) below.
6. Nothing contained in this agreement shall be construed to alter, abridge or in any manner affect the rights and privileges of the Director to participate in and be covered by any pension profit sharing group insurance bonus or similar employment benefits which Bancorp may now have or hereafter adopt for which Director may be determined to be eligible.
7. Benefits Not Accumulated; Cancellation; Notice.
 - a. Except as otherwise set forth herein, Bancorp reserves the right to cancel the Payment Continuation Program and/or to terminate this Agreement ("Termination/Cancellation") at any time and for any reason as to any benefits not yet vested, in its sole and absolute discretion; provided however that Director shall be entitled to the vested amount set forth on Schedule A attached hereto as determined by the date the termination/cancellation occurs. In the event of Termination/Cancellation, the vested amounts will be paid in one lump sum at the time of Director's termination from office as Director. Bancorp will give fifteen (15) days prior written notice of Termination/Cancellation.
 - b. The foregoing notwithstanding, in the event of a Change of Control (defined below), Director shall be deemed to be fully vested in the Full Accumulation Value as set forth in Schedule A as if Director had served through all years as specified on Schedule A. The Full Accumulation Value shall be paid in one lump sum in the amount and when Director would otherwise have been entitled to be paid under the provisions of Paragraph 1. In the event that Director's service is not terminated coincident with a change of control so that he is not yet entitled to receive immediate payment of the Full Accumulation Value pursuant to the provisions of &1, interest shall be deemed to accrue on the Full Accumulation Value at the prime rate minus one percent from the date the benefit vests until it is paid. In addition, in the event that Director's termination occurs in

connection with, in anticipation of, or following a Change of Control, Director shall be excused from and shall not be obligated to act as a consultant or be restricted in his activities as provided in Paragraph 2 of this Agreement.

For purposes of this Agreement, Change of Control is defined as any one of the following, provided however that Change of Control shall be without the monetary assistance of the FDIC: (i) an acquisition (other than directly from Bancorp) by an individual, entity or group (excluding Bancorp or one of its employee benefit plans or an entity controlled by Bancorp's shareholders) of 20% or more of Bancorp's common stock or voting securities; (ii) a change in a majority of the current Board of Directors (excluding any persons approved by a vote of at least a majority of the Board other than in connection with an actual or threatened proxy contest); (iii) liquidation or dissolution of Bancorp or a merger, consolidation or sale of all or substantially of the Bancorp's assets ("Business Combination") other than one in which all or substantially all of Bancorp's shareholders receive 50% or more of the stock of the company resulting from the Business Combination, at least a majority of the board of directors of the resulting corporation were members of the incumbent board, and after which no person owns 20% or more of the stock of the resulting corporation who did not own such stock immediately before the Business Combination.

For purposes of this Agreement, "in connection with" or "in anticipation of" a Change of Control with respect to subsections (i) and (iii) above shall mean on or after the date of an executed Letter of Intent or, if there is no written Letter of Intent, on or after the date of the first act of due diligence inspection by a potential acquiror, provided that the transaction contemplated by the Letter of Intent or due diligence inspection in fact concludes no later than eighteen (18) months after that date. Moreover, "following a Change of Control" shall mean Service Termination by or within 365 days of the conclusion of a Change of Control as defined above.

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- b. Bancorp reserves the absolute right in its sole discretion to terminate such life insurance or annuities as well as any other funding program at any time in whole or in part. At no time shall the Director be deemed to have any right, title or interest or any specified asset or assets of Bancorp including but not by way of restriction any insurance annuity contract or contracts of the proceeds thereof except to those rights listed in this agreement.
- c. Any advance funding of obligations hereunder shall not in any way be considered to constitute security for the performance of the obligations of this Agreement. The obligation shall be considered to be paid from current available resources and otherwise unsecured.
- d. If Bancorp elects to purchase a life insurance policy or annuity policy on the life of the Director to fund any obligations under this Agreement, Director agrees to cooperate with the issuance of such policies to sign any and

all documents which may be required for that purpose and to undergo any reasonable medical examination or test which may be necessary or otherwise required to obtain said policy(ies). Moreover, should Bancorp elect to purchase a life insurance policy or annuity policy as provided above, Director agrees to make appropriate arrangements so that Bancorp as sole beneficiary of such policy will be notified timely by Director's estate upon Director's death. Upon notification by Director's estate pursuant to this provision, Bancorp shall pay the sum of \$5,000 (Notification Fee") to Director's estate or designated beneficiary which shall include a certified copy of the death certificate.

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12. Suicide Exclusion. In the event that it is demonstrated to Bancorp's reasonable certainty that, within two (2) years of the Commencement Date, Director has taken his own life, any and all amounts unpaid under this Agreement shall be deemed to have lapsed and shall be terminated prior to any vesting. In such event, Bancorp shall have no liability to Director or any persons which otherwise would be entitled to benefits under this Agreement.
13. Miscellaneous. The provisions of this agreement shall be severable from each other. In the event that a court should declare any provision unenforceable, the remaining provisions of the agreement shall continue to be binding and enforceable. This agreement shall be construed under the laws of the State of California. Venue shall be appropriate wherever allowed by law and in the County of Nevada (Truckee Session). This Agreement represents the final expression of the parties and may be modified only in writing. This Agreement may be executed in counterparts.
14. Attorneys Fees. In the event either party employs an attorney to enforce any of the provisions hereof, or for the purpose of declaring the effect of a provisions which interpretation it contests, the prevailing party shall be entitled to reasonable attorney fees

Agreed and accepted this 26th day of September, 1996.

DIRECTOR

SIERRAWEST BANCORP

By:/s/ Ronald Johnson

By:/s/ W. T. Fike

Director

President

By:/s/ A. Morgan Jones

<TABLE>

SIERRAWEST BANCORP
SALARY CONTINUATION PLAN
CALCULATION OF ANNUAL CONTRIBUTION

Ronald Johnson - Director benefit

Date of Retirement.....03.28.2011
Plan Commencement.....03.28.1996
Retirement Benefit.....\$4,000 per year for 15 years
Discount Rate.....10 percent
Years to Accrue.....15 years

<S>	<C>	Accrual Per year	SCHEDULE A Cash benefit Accumulated <C>	SCHEDULE B Annual benefit <C>
1996.....		696	696	N/A
1997.....	1,013	1,013	1,710	N/A
1998.....	1,119	1,119	2,829	N/A
1999.....	1,237	1,237	4,066	N/A
2000.....	1,366	1,366	5,432	N/A
2001.....	1,509	1,509	6,941	895
2002.....	1,667	1,667	8,609	1,110
2003.....	1,842	1,842	10,450	1,348
2004.....	2,035	2,035	12,485	1,610
2005.....	2,248	2,248	14,733	1,900
2006.....	2,483	2,483	17,216	2,220
2007.....	2,743	2,743	19,959	2,574
2008.....	3,030	3,030	22,989	2,965
2009.....	3,348	3,348	26,337	3,396
2010.....	3,698	3,698	30,035	3,873
2011.....	984	984	31,019	4,000
TOTAL NEEDED		\$ 31,019		

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EXHIBIT 11

SierraWest Bancorp and Subsidiaries
Computation of Earnings Per Common Share

(Amounts in thousands except per share amounts)

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<S>	Three Months Ended 09/30/96 ----- <C>	Three Months Ended 09/30/95 ----- <C>	Nine Months Ended 09/30/96 ----- <C>	Nine Months Ended 09/30/95 ----- <C>
Primary				

Net income	\$ 940	\$ 623	\$ 1,896	\$ 1,587
	=====	=====	=====	=====
Shares				
Weighted average number of common shares outstanding	2,691	2,574	2,653	2,602
Assuming exercise of options reduced by the number of shares which could have been purchased with the proceeds from exercise of such option	127	75	122	73
	---	--	---	--
Weighted average number of common shares outstanding as adjusted	2,818	2,649	2,775	2,675
	=====	=====	=====	=====
Net income per share	\$ 0.33	\$ 0.23	\$ 0.68	\$ 0.59
	=====	=====	=====	=====
Assuming full dilution				
Earnings	\$ 940	\$ 623	\$ 1,896	\$ 1,587
Add after tax interest expense applicable to convertible debenture	114	125	348	374
	---	---	---	---
Net income	\$ 1,054	\$ 748	\$ 2,244	\$ 1,961
	=====	=====	=====	=====
Shares				
Weighted average number of common shares outstanding	2,691	2,574	2,653	2,602
Assuming conversion of convertible debentures	918	1,000	948	1,000
Assuming exercise of options reduced by the number of shares which could have been purchased with the proceeds from exercise of such options	146	102	138	85
	---	---	---	--
Weighted average number of common shares outstanding as adjusted	3,755	3,676	3,739	3,687
	=====	=====	=====	=====
Net income per share assuming full dilution	\$ 0.28	\$ 0.20	\$ 0.60	\$ 0.53
	=====	=====	=====	=====

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