

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name United Security Bancshares		2 Issuer's employer identification number (EIN) 91-2112732	
3 Name of contact for additional information Richard Shupe	4 Telephone No. of contact (559) 248-5087	5 Email address of contact rshupe@unitedsecuritybank.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 2126 Inyo Street		7 City, town, or post office, state, and Zip code of contact Fresno, CA 93721	
8 Date of action 04/24/13		9 Classification and description Common stock	
10 CUSIP number 911460103	11 Serial number(s)	12 Ticker symbol UBFO	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶
On March 26, 2013, the Reporting Issuer's Board of Directors declared stock dividend, payable to shareholders of record as of April 12, 2013 and issued on April 24, 2013.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶
The stock dividend equates to an annualized distribution rate of 1% or .01 of a share for each share held.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶
The basis of each share of stock is reduced by .990099, or 1/1.01.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____

Internal Revenue Code (IRC) section 305(a), 307(a)

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ _____

The public offering price of the stock at the time of the distribution was \$4.09 (as adjusted for all subsequent actions.)

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶ _____ Date ▶ _____

Paid Preparer Use Only	Print your name ▶ <u>Richard Shupe</u>	Preparer's signature	Title ▶ <u>SVP & CFO</u>	Check <input type="checkbox"/> if self-employed	PTIN
	Print/Type preparer's name		Date	Firm's EIN ▶	
	Firm's name ▶			Phone no.	
	Firm's address ▶				