

State of Idaho

Department of State

CERTIFICATE OF MERGER OR CONSOLIDATION

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of merger of VALLEY BANCORPORATION, an Idaho corporation into KEY BANCSHARES OF IDAHO INC., an Idaho corporation, duly signed and verified pursuant to the provisions of the Idaho Business Corporation Act, have been received in this office and are found to conform to law.

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

Dated: June 4, 1992



Pete T. Cenarrusa

SECRETARY OF STATE

By *Angie Hartman*

ARTICLES AND PLAN OF MERGER
JUN 4 3 55 PM '92
OF SECRETARY OF STATE

VALLEY BANCORPORATION

WITH AND INTO

KEY BANCSHARES OF IDAHO INC.
(The Surviving Corporation)

Pursuant to the provisions of Section 30-1-74 of the Idaho Business Corporation Act, as amended, VALLEY BANCORPORATION, an Idaho corporation, ("Valley"), and KEY BANCSHARES OF IDAHO INC., an Idaho corporation, ("Key Idaho"), such corporations being sometimes called the "Constituent Corporations," and joined in by KEYCORP, a New York corporation, ("KeyCorp"), for certain purposes, but not as a Constituent Corporation, set forth the following information and execute and enter into these Articles and Plan of Merger ("Merger Plan") on June 4, 1992.

Valley has authorized capital stock consisting of 1,000,000 shares of Common Stock, stated value \$1.00 per share, ("Valley Common Stock"), of which, as of the date first above written, 468,678 shares are issued and outstanding, and 12,098 shares are held in the Valley Treasury.

As of the date first above written, Key Idaho has authorized capital stock of 2,000,000 shares of Common Stock, no par value, ("Key Idaho Stock"), of which 1,000 shares are issued and outstanding, all of which are owned by KeyCorp.

Valley and KeyCorp have entered into a Merger Agreement, dated September 19, 1991, ("Merger Agreement"), setting forth certain representations, warranties, conditions, and agreements relating to the transactions provided for herein.

The Boards of Directors of the Constituent Corporations deem it fair and equitable to, and in the best interests of, their respective shareholders that Valley be merged ("Merger") into Key Idaho, with Key Idaho being the Surviving Corporation (as hereinafter defined), on terms and conditions set forth under and pursuant to the applicable statutes of the State of Idaho; and they have approved this Merger Plan and the Merger Agreement, have authorized their execution and delivery, and have directed their submission to their respective shareholders for approval.

At a meeting of the Valley shareholders, duly held on June 3, 1992, 448,760 shares of Valley Common Stock voted in favor of the Merger Plan and 5,050 shares voted against the Merger Plan. The sole shareholder of Key Idaho voted 1,000 shares of Key Idaho in favor of the Merger Plan on June 2, 1992.

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In consideration of the premises and the mutual agreements, provisions, and covenants herein contained, and as further provided in the Merger Agreement, and for the purposes of prescribing the terms and conditions of the Merger, the mode of carrying the same into effect, the manner and basis of converting the shares of Valley Common Stock into the Common Stock, par value \$5.00 per share, of KeyCorp ("KeyCorp Common Stock"), and such other details and provisions that are deemed necessary or desirable, the parties hereto hereby agree in accordance with the applicable statutes of the State of Idaho that Valley and Key Idaho shall be, and they hereby are, at the Effective Time (as defined in Section 4.1 of this Merger Plan and Section 1.3 of the Merger Agreement), merged into a single corporation existing under the laws of the State of Idaho, to wit: Key Idaho, which shall be the Surviving Corporation, (such corporation in its capacity as such Surviving Corporation being heretofore and hereafter sometimes called the "Surviving Corporation"); and all of the parties signatory hereto adopt and agree to the following agreements, terms, and conditions relating to the Merger and the mode of carrying the same into effect.

ARTICLE I

Surviving Corporation. In accordance with the provisions of the applicable statutes of the State of Idaho, Valley shall be, at the Effective Time, merged into Key Idaho, which shall be the Surviving Corporation; and Key Idaho shall continue to exist as an Idaho corporation in accordance with the laws of the State of Idaho. The corporate existence and rights of Valley shall be merged into Key Idaho, and Key Idaho, as the Surviving Corporation, shall be fully vested therewith. The separate existence and corporate organization of Valley, except insofar as they may be continued by statute, shall cease when the Merger shall become effective. Except as herein specifically set forth, the Surviving Corporation shall possess the rights, privileges, immunities, and franchises, public and private, of the Constituent Corporations. All real, personal, and mixed property, and all debts due, including subscriptions to shares, and other choses in action, and every other interest of or belonging to or due to each of the Constituent Corporations are transferred to and vested in the Surviving Corporation. The title to real estate, or interest in real estate, vested in the Constituent Corporations does not revert nor is it in any way impaired because of the Merger. The Surviving Corporation is liable for the liabilities and obligations of each of the Constituent Corporations. A claim existing or action or proceeding pending by or against the Constituent Corporations may be prosecuted as if the Merger had not taken place, or the Surviving Corporation may be substituted in a Constituent Corporation's place. Neither the rights of creditors nor liens upon the property of the Constituent Corporations shall be impaired by the Merger.

ARTICLE II

2.1 Name. The name of the corporation that survives the Merger shall continue to be, on and after the Effective Time, "Key Bancshares of Idaho Inc." until amended as provided by law.

2.2 Articles of Incorporation. The Articles of Incorporation of Key Idaho, as in effect immediately prior to the Effective Time, shall, from and after the Effective Time, be and shall continue to be the Articles of Incorporation of the Surviving Corporation until amended as provided by law.

2.3 By-Laws. The By-Laws of Key Idaho, as in effect immediately prior to the Effective Time, shall, from and after the Effective Time, be and shall continue to be the By-Laws of the Surviving Corporation until the same shall be altered, amended, or rescinded as therein provided or as provided in the Articles of Incorporation of the Surviving Corporation.

2.4 Directors. The directors of Key Idaho in office immediately prior to the Effective Time shall be the directors of the Surviving Corporation and shall hold office from the Effective Time until their respective successors are elected and qualified in accordance with the law and the By-Laws of the Surviving Corporation.

2.5 Officers. The officers of Key Idaho in office immediately prior to the Effective Time shall be the officers of the Surviving Corporation and shall hold their respective offices from the Effective Time until their respective successors are elected and qualified in accordance with the law and the By-Laws of the Surviving Corporation.

ARTICLE III

3.1 Manner and Basis of Converting Shares. At the Effective Time:

- (a) Each share of Key Idaho Common Stock which is outstanding immediately prior to the Effective Time shall continue to be outstanding without any change therein.
- (b) All shares of Valley Common Stock held in the Treasury of Valley or by KeyCorp, if any, shall be canceled without consideration, and no KeyCorp Common Stock, cash, or other consideration shall be issuable or exchangeable with respect thereto.
- (c) Subject to the provisions of subsections 3.1(b) and 3.1(d) and Sections 3.5 and 3.6, each share of Valley Common Stock which is outstanding immediately prior to the Effective Time shall be converted into 1.49767 shares of KeyCorp Common Stock (the "Merger Price") or into cash as provided in Section 3.6.
- (d) Shares of Valley Common Stock as to which dissenters' rights have been perfected in accordance with Idaho law shall not be converted in the Merger.

3.2 Cessation of Shareholders Status. Holders of certificates which represent shares of Valley Common Stock outstanding immediately prior to the Effective Time (hereinafter called the "Old Certificates" when referring to Valley) shall cease to be, and shall have no rights as, shareholders of Valley as of the Effective Time.

3.3 Exchange Agent. KeyCorp shall appoint its then Stock Transfer Agent as KeyCorp Agent ("Exchange Agent") to accept surrender of the certificates representing shares of Valley Common Stock and to deliver, in exchange for such surrendered certificates, KeyCorp Common Stock (and/or cash pursuant to Sections 3.5 and 3.6 hereof) at the Merger Price for the shares of Valley Common Stock represented by such certificates. The Exchange Agent's authorization may be terminated by KeyCorp at any time after six months following the Effective Time. Upon termination of such authorization, any unclaimed stock or funds for payments or pursuant to Sections 3.5 or 3.6 and any other distributions held by the Exchange Agent shall be transferred to KeyCorp or its designee which shall thereafter perform the obligations of the Exchange Agent. If outstanding certificates for shares of Valley Common Stock are not surrendered or the payment for them not claimed prior to six years after the Effective Time (or, in any particular case, prior to such earlier date on which such payments would otherwise escheat to or become the property of any governmental unit or agency), the unclaimed items shall, to the extent permitted by abandoned property and any other applicable law, become the property of KeyCorp (and, to the extent not in its possession, shall be paid over to it), free and clear of all claims or interest of any person previously entitled to such items. Notwithstanding the foregoing, neither the Exchange Agent nor any party to this Merger Plan shall be liable to any holder of Valley Common Stock for any amount paid to any governmental unit or agency having jurisdiction of such unclaimed items pursuant to the abandoned property or other applicable laws of such jurisdiction.

3.4 Surrender of Old Certificates. After the Effective Time, Old Certificates shall be exchangeable, subject to Sections 3.5 or 3.6 hereof, by the holders thereof in the manner provided in the transmittal materials described below for new certificates for the number of shares of KeyCorp Common Stock to which such holders shall be entitled.

As promptly as administratively practicable, KeyCorp shall send, or cause to be sent, to former shareholders of record of Valley Common Stock transmittal materials for use in exchanging his or her Old Certificates for certificates representing KeyCorp Common Stock. The letter of transmittal will contain instructions with respect to the surrender of Old Certificates.

Whenever a dividend is declared by KeyCorp on the KeyCorp Common Stock on or after the Effective Time, the declaration shall include dividends on all shares issuable hereunder, but no former Valley shareholder shall be entitled to receive his or her distribution of such dividends until physical exchange of his or her Old Certificates shall have been effected. Upon physical exchange of his or her Old Certificates, any such person shall be entitled to receive from KeyCorp an amount equal to all such dividends (without interest thereon and less the amount of taxes, if any, which may have been imposed or paid thereon) due or declared, and for which the payment has occurred, on the shares represented thereby.

At the Effective Time, the Stock Transfer Books of Valley shall be closed by Valley's Transfer Agent, and no transfer of Valley Common Stock shall thereafter be made (except transfers made prior to the Effective Time).

3.5 Cash in Lieu of Fractional Shares. Each holder of Old Certificates who would otherwise have been entitled to receive a fraction of a share of KeyCorp Common Stock (after taking into account all of the shares of the capital stock of Valley represented by the Old Certificates then delivered by such holder) shall receive, in lieu thereof, an amount of cash (without interest) determined by multiplying such fraction by the closing price per share of KeyCorp Common Stock as reported on the New York Stock Exchange Composite Tape for the last business day prior to the Closing Date.

3.6 Cash in Lieu of Odd Lot Payments. Each holder (each an "Odd Lot Shareholder") of Old Certificates who would otherwise have been entitled to receive fewer than one hundred shares of KeyCorp Common Stock (after taking into account all of the shares of the capital stock of Valley represented by the Old Certificates then delivered by such holder) shall receive, in lieu thereof, an amount of cash (without interest) determined by multiplying the number of shares such Odd Lot Shareholder otherwise would have received by the closing price per share of KeyCorp Common Stock as reported on the New York Stock Exchange Composite Tape for the last business day prior to the Closing Date.

ARTICLE IV

4.1 Filing of Merger Articles. On June 4, 1992, or as soon thereafter as practicable, the Merger Plan, and any other certificates, articles, or required documents, executed and verified in accordance with law, shall be delivered for filing to the Secretary of State of the State of Idaho ("Idaho Secretary"). The Merger shall become effective in accordance with the laws of the State of Idaho upon the issuance of a Certificate of Merger by the Idaho Secretary pursuant to the provisions of Business Corporation Act. The time when the Merger shall become effective is herein called the "Effective Time."

4.2 Further Assurances. Each party to this Merger Plan shall take all such action as may be reasonably necessary and appropriate in order to consummate the Merger as promptly as practicable. If at any time after the Effective Time any further action is necessary or desirable to carry out the purposes of this Merger Plan and to vest unto Key Idaho the full right, title, and possession of all of the rights, privileges, immunities, and franchises of either Valley or Key Idaho, the officers and directors of such corporations are fully authorized, in the names of their respective corporations or otherwise, to take, and shall take, all such action and, in doing so, shall be indemnified by Key Idaho to the same extent as they would have been indemnified had such action been taken prior to the Effective Time.

4.3 Counterparts. This Merger Plan may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one agreement.

4.4 Governing Law. This Merger Plan shall be governed in all respects, including, but not limited to, validity, interpretation, effect, and performance, by the laws of the State of Idaho.

4.5 Amendment. Subject to applicable law, this Merger Plan may be amended, modified, or supplemented only by written agreement of KeyCorp, Key Idaho, and Valley, or by the respective officers thereunto duly authorized, at any time prior to the Effective Time, provided, however, that after the adoption of the Merger Agreement by the shareholders of Valley, no such amendment, modification, or supplement shall alter or change the amount of KeyCorp Common Stock to be received on conversion of Valley Common Stock, as provided in this Merger Plan and the Merger Agreement, or alter or change any of the terms and conditions of this Merger Plan or the Merger Agreement if such alteration or change would adversely affect the shareholders of the Constituent Corporations.

4.6 Waiver. Any of the terms or conditions of this Merger Plan may be waived at any time by whichever of the Constituent Corporations is, or the shareholders of which are, entitled to the

benefit thereof by action taken by the Board of Directors of such Constituent Corporation.

4.7 Termination. This Merger Plan shall terminate upon the termination of the Merger Agreement, and there shall be no liability on the part of any of the parties hereto (or any of their respective directors or officers).

IN WITNESS WHEREOF, each of the Constituent Corporations and KeyCorp have caused this Merger Plan to be executed on their behalf by their officers hereunto duly authorized and their respective corporate seals to be affixed hereto, all as of the date first above written.

[SEAL]

VALLEY BANCORPORATION

By: R. Janomiller

and

By: Marilyn L. Kelly

[SEAL]

KEY BANCSHARES OF IDAHO INC.

By: Mike Mooney, VP

and

By: A. Eliot Wilson

KEYCORP hereby joins as a signatory to the foregoing Articles and Plan of Merger and undertakes to be bound thereby and to, respectively, do and perform all acts and things therein referred to or therein provided or contemplated to be done by KEYCORP, and to cause its subsidiary, Key Bancshares of Idaho Inc., to do and perform all acts and things therein referred to or therein provided or contemplated to be done by such subsidiary.

IN WITNESS WHEREOF, KEYCORP has caused this undertaking to be made by a duly authorized officer of KEYCORP.

DATED: June 4, 1992

KEYCORP

By: David J. Brus

STATE OF IDAHO)
) SS.:
COUNTY OF *Bannerville*)

On this 4th day of June, 1992, before me personally came R. James Meikle, who, being by me duly sworn, did depose and say that he is the President of VALLEY BANCORPORATION; that he signed the foregoing Articles and Plan of Merger as President of said Corporation in accordance with a resolution of the Board of Directors of said Corporation; that the statements contained therein are true; and that said Corporation executed the same.

Sharon D. Taylor
NOTARY PUBLIC

NOTARY PAPER

Residing at: Winn Falls, Idaho

My Commission Expires:

2-14-99

STATE OF IDAHO)
COUNTY OF *Ada*)
SS.:)

On this 4th day of June, 1993, before me personally came Mike Nealey, who, being by me duly sworn, did depose and say that he is the Vice President of KEY BANCSHARES OF IDAHO INC.; that he signed the foregoing Articles and Plan of Merger as Vice President of said Corporation in accordance with a resolution of the Board of Directors of said Corporation; that the statements contained therein are true; and that said Corporation executed the same.

Wendy J. Frockton
NOTARY PUBLIC

Residing at: Freie, Edelio

My Commission Expires:

4-30-98

STATE OF Idaho)
) SS.:
COUNTY OF Bonneville)

On this 4th day of June, 1992, before me personally came David F. Klom who, being by me duly sworn, did depose and say that he is the Authorised Representative of KEYCORP; that he signed the foregoing Articles and Plan of Merger as Authorised Representative of said Corporation in accordance with a resolution of the Board of Directors of said Corporation; that the statements contained therein are true; and that said Corporation executed the same.

Sharon L. Taylor
NOTARY PUBLIC

Residing at: Idaho Falls, Idaho

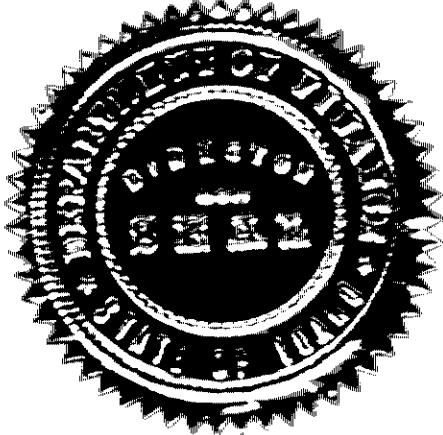
My Commission Expires:

3-14-99

CERTIFICATE OF APPROVAL

This is to certify that I, the undersigned Director of Finance State of Idaho, do hereby approve for filing the attached Articles of Merger of **VALLEY BANCORPORATION** into **KEY BANCSHARES OF IDAHO INC.** dated June 4, 1992.

Dated this 4th day of June, 1992



BELTON J. PATTY, DIRECTOR
IDAHO DEPARTMENT OF FINANCE