

State of Idaho

Department of State

CERTIFICATE OF EXCHANGE

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Exchange of TRI-STATE BANK, an Idaho Corporation, and ZIONS BANCORPORATION, a Utah corporation, duly executed 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 exchange, and attach hereto a duplicate original of the Articles of Share Exchange.

Dated: July 11, 1997



Pete T. Cenarrusa
SECRETARY OF STATE

By *Sally J. Clark*

(Idaho Version)

Jul 11 4 25 PM '97

SECRETARY OF STATE
STATE OF IDAHO

EFFECTIVE DATE: July 11, 1997
EFFECTIVE TIME: 4:55 p.m.
Mountain Time

ARTICLES OF SHARE EXCHANGE

between

TRI-STATE BANK

and

ZIONS BANCORPORATION

These ARTICLES OF SHARE EXCHANGE are made and entered into as of July 11, 1997 by and between ZIONS BANCORPORATION, a corporation organized and existing under the laws of the State of Utah, with its principal office in Salt Lake City, County of Salt Lake, State of Utah ("Zions Bancorporation"), and TRI-STATE BANK, a banking association organized and existing under the laws of the State of Idaho, with its principal office located in Montpelier, County of Bear Lake, State of Idaho ("the Bank"), pursuant to the requirements of Idaho Code § 30-1-1105. The terms and conditions of the Share Exchange between Zions Bancorporation and the Bank, (the "Share Exchange") are set forth in the Agreement and Plan of Reorganization made as of April 25, 1997 and amended as of July 10, 1997, by and between Zions Bancorporation, the Bank, Frank Chadwick and Clair Chadwick, included herewith as Exhibit A and made a part hereof (the "Reorganization Agreement").

ARTICLE ONE

Pursuant to the Reorganization Agreement, all issued and outstanding shares of capital stock of the Bank will be acquired by Zions Bancorporation in exchange for shares of the common stock of Zions Bancorporation.

ARTICLE TWO

The principal office address of Zions Bancorporation is set forth below:

Zions Bancorporation
One South Main Street, Suite 1380
Salt Lake City, Utah 84111

IDAHO SECRETARY OF STATE

07/14/1997 09:00
CK: none CT: 1117 BH: 20921

@ 30.00 = 30.00 AMEND PROF

ARTICLE THREE

The name and address of the registered agent in Idaho of Zions Bancorporation is set forth below:

CT Corporation System
300 North 6th Street
Boise, Idaho 83701

ARTICLE FOUR

a. Approval of the Reorganization Agreement by shareholders of Zions Bancorporation is not required.

b. The number of shares of stock outstanding of the Bank, the number of shares entitled to vote with respect to the adoption of the Reorganization Agreement and the designation of shares entitled to vote as a class with respect thereto, are set forth below:

<u>Class of Shares</u>	<u>Total Number of Shares Outstanding</u>	<u>Number of Shares Entitled to Vote</u>	<u>Designation of Shares Entitled to Vote as a Class</u>
Common	26,430	26,430	None

ARTICLE FIVE

The number of shares of stock of the Bank voted for and against the Reorganization Agreement at a special meeting of shareholders held this date, is set forth below:

<u>Class of Shares</u>	<u>Number of Shares Voted For</u>	<u>Number of Shares Voted Against</u>
Common	25,991	None

The number of votes cast in favor of the Reorganization Agreement by shareholders of the Bank as a voting group is sufficient for approval thereof.

ARTICLE SIX

The Reorganization Agreement and the performance of its terms by the Bank and Zions Bancorporation, respectively, have been duly authorized by all action required by the terms thereof,

the laws of the United States of America and the States of Idaho and Utah and the articles of incorporation and bylaws of the respective corporations.

ARTICLE SEVEN

The effective time of the Share Exchange shall be 4:55 p.m., Mountain Time on July 11, 1997.

The undersigned hereby affirm that they have read the foregoing Articles of Share Exchange, are familiar with the contents thereof, and verify and affirm the truthfulness thereof.

IN WITNESS WHEREOF, Zions Bancorporation and the Bank have caused these Articles of Share Exchange to be executed on their behalf by their respective officers thereunto duly authorized, and their respective corporate seals affixed hereto, all as of the date first written above.

[The remainder of this page is intentionally left blank.]

[SEAL]

ZIONS BANCORPORATION

Attest: *Stanley R. Jolley*

By: *Harris H. Simmons*

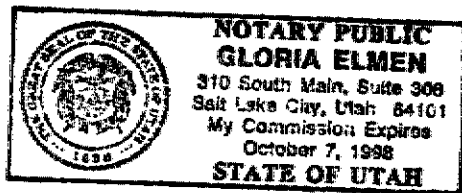
Harris H. Simmons
President and
Chief Executive Officer

STATE OF UTAH)

: ss.

COUNTY OF SALT LAKE)

On this 10 day of July, 1997, personally appeared before me Harris H. Simmons, known or proved to me to be the President and Chief Executive Officer of Zions Bancorporation and to be the person who signed the foregoing Articles of Share Exchange on behalf of such corporation by authority of its bylaws and or a resolution adopted by its board of directors, and he acknowledged to me that such corporation executed the same, and verified that the information contained therein is true and correct.



Gloria Elmer
Notary Public

My Commission Expires:

Residing at:

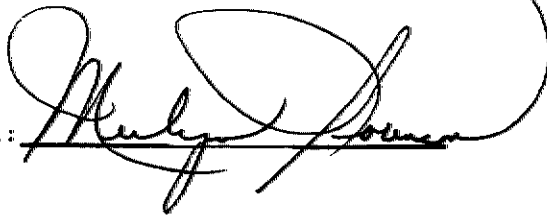
10-7-98

Salt Lake

[SEAL]

TRI-STATE BANK

Attest:



By:



Ronald O. Peterson
President and Chief
Executive Officer

STATE OF IDAHO)

:

SS.

COUNTY OF BEAR LAKE)

On this ____ day of July, 1997, personally appeared before me Ronald O. Peterson, known or proved to me to be the President and Chief Executive Officer of Tri-State Bank and to be the person who signed the forgoing Articles of Share Exchange on behalf of such corporation by authority of its bylaws and or a resolution adopted by its board of directors, and he acknowledged to me that such corporation executed the same, and verified that the information contained therein is true and correct.


Notary Public

My Commission Expires:

Residing at:

7-22-03

Montpelier

AGREEMENT AND PLAN OF REORGANIZATION

**Pursuant to Section 30-1-72A et seq.
of the Idaho Business Corporation Act**

THIS AGREEMENT AND PLAN OF REORGANIZATION made as of the twenty-third day of April, 1997, between ZIONS BANCORPORATION ("Zions Bancorp"), a Utah corporation having its principal office in Salt Lake City, Utah, TRI-STATE BANK (the "Bank"), an Idaho banking association having its principal office in Montpelier, Idaho, FRANK CHADWICK, an adult resident of the State of Idaho, and CLAIR CHADWICK, an adult resident of the State of Idaho (Frank Chadwick and Clair Chadwick together the "Chadwicks")

WITNESSETH THAT:

WHEREAS, Zions Bancorp is a bank holding company which desires to affiliate with the Bank;

WHEREAS, the Chadwicks have full dispositive power over not less than 97 percent of the outstanding capital stock of the Bank;

WHEREAS, the Board of Directors of the Bank has determined that it would be in the best interests of the Bank, its shareholders, its customers and the areas served by the Bank to become affiliated with Zions Bancorp;

WHEREAS, the respective Boards of Directors of the Bank and Zions Bancorp have agreed to the acquisition by Zions Bancorp of all of the issued and outstanding shares of capital stock of the Bank ("Bank Common Stock") in exchange for shares of the common stock of Zions Bancorp (the "Share Exchange") pursuant to the provisions of section 30-1-72A et seq. of the Idaho Business Corporation Act; and

WHEREAS, the parties intend that the Share Exchange qualify as a tax-free reorganization under section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code");

NOW, THEREFORE, in consideration of these premises and the mutual agreements hereinafter set forth, the parties agree as follows:

1. Reorganization

1.1 Form of Reorganization.

(a) On the date upon which the Share Exchange shall become effective, as determined in accordance with Section 2 of this Agreement (the "Effective Date"), Zions Bancorp shall, without any further action on its part or on the part of the holders of Bank Common Stock, automatically and by operation of law acquire and become the owner for all purposes of all the then issued and outstanding shares of Bank Common Stock and shall be entitled to have issued to it by the Bank a certificate or certificates representing such shares. Thereafter, Zions Bancorp shall have full and exclusive power to vote such shares of Bank Common Stock, to receive dividends thereon, and to exercise all rights as an owner thereof.

(b) On the Effective Date, the holders of the then issued and outstanding shares of Bank Common Stock shall, without any further action on their part or on the part of Zions Bancorp, automatically and by operation of law cease to own such shares. Each holder of a stock certificate or certificates representing outstanding shares of Bank Common Stock immediately prior to the Effective Date, upon surrender of such certificate or certificates after the Effective Date, shall be entitled to receive in exchange therefor such consideration as is provided in Section 1.2 hereof, for his or her shares of Bank Common Stock outstanding on the Effective Date. All theretofore-unexercised options to purchase shares of Bank Common Stock shall be canceled on and as of the Effective Date.

1.2. Consideration for Acquisition.

(a) Exchange Ratio. Subject to the terms, conditions, and limitations set forth herein, upon surrender of his or her certificate or certificates in accordance with Section 1.1 hereof, each holder of shares of Bank Common Stock shall be entitled to receive, in exchange for each share of Bank Common Stock held of record by such stockholder as of the Effective Date, 2.4023 shares of the common stock of Zions Bancorp, no par value (the "Zions Bancorp Stock").

(b) Adjustments for Certain Events. The exchange ratio set forth in subsection (a) of this section is declared by the parties to have been based upon a closing price of \$118.125 per share of Zions Bancorp Stock on April 8, 1997 and, anything in this agreement to the contrary notwithstanding, shall be appropriately adjusted to account for subsequent stock dividends, split-ups, mergers, recapitalizations, combinations, conversions, exchanges of shares or the like, but not for normal and recurring cash dividends declared or paid in a manner consistent with the established practice of Zions Bancorp.

1.3. No Fractional Shares. Zions Bancorp will not issue fractional shares of Zions Bancorp Stock. In lieu of fractional shares of Zions Bancorp Stock, if any, each shareholder of the Bank who is entitled to a fractional share of Zions Bancorp Stock shall receive an amount of cash equal to the product of such fraction times \$118.125 (or such other number of

dollars and cents as shall reflect those stock dividends, split-ups, mergers, recapitalizations, combinations, conversions, exchanges of shares or the like which occasion adjustments to the exchange ratio set forth in section 1.2(a) of this Agreement). Such fractional share interest shall not include the right to vote or to receive dividends or any interest thereon.

1.4. Dividends; Interest. No shareholder of the Bank will be entitled to receive dividends on his or her Zions Bancorp Stock until he or she exchanges his or her certificates representing Bank Common Stock for Zions Bancorp Stock. Any dividends declared on Zions Bancorp Stock (which stock is to be delivered pursuant to this Agreement) to holders of record on or after the Effective Date shall be paid to the Exchange Agent (as designated in Section 1.5 of this Agreement) and, upon receipt of the certificates representing shares of Bank Common Stock, the Exchange Agent shall forward to the former shareholders of the Bank entitled to receive Zions Bancorp Stock (i) certificates representing their shares of Zions Bancorp Stock, (ii) dividends declared thereon subsequent to the Effective Date (without interest) and (iii) the cash value of any fractional shares determined in accordance with Section 1.3 hereof.

1.5. Designation of Exchange Agent. The Bank and Zions Bancorp hereby designate Zions First National Bank, Salt Lake City, Utah ("Zions Bank") as Exchange Agent to effect the exchange contemplated hereby. Zions Bancorp will, promptly after the Effective Date, issue and deliver to Zions Bank the share certificates representing shares of Zions Bancorp Stock and the cash in lieu of fractional shares to be paid to holders of Bank Common Stock in accordance with this Agreement.

1.6. Notice of Exchange. Promptly after the Effective Date, Zions Bank shall mail to each holder of one or more certificates formerly representing Bank Common Stock, except to such holders as shall have waived the notice required by this Section 1.6, a notice specifying the Effective Date and notifying such holder to surrender his or her certificate or certificates to Zions Bank for exchange. Such notice shall be mailed to holders by regular mail at their addresses on the records of the Bank.

1.7. Voting Agreements. Each of the Chadwicks:

(a) agrees that at the Bank Shareholders' Meeting contemplated by Section 4.1 of this Agreement (the "Meeting"), and any adjournment thereof, he will, in person or by proxy, vote or cause to be voted in favor of the Agreement and the Share Exchange and the proposal described in section 1.10(d) of this Agreement the shares of Bank Common Stock beneficially owned by him individually or, to the extent of his proportionate voting interest, jointly with other persons, as well as, to the extent of his proportionate voting interest, any other shares of Bank Common Stock over which he may acquire beneficial ownership in such capacities subsequent to the date of this Agreement, including, without limitation, shares owned of record by the following persons:

Chadwick, Clair
Chadwick, Clair & Evelyn
Chadwick, Clair & Frank
Chadwick, Frank
Chadwick, Nicki Jo
Chadwick, Matthew Frank
Chadwick, Garrett Paul
Security State Corp.

(b) agrees that he will use his best efforts to cause any other shares of Bank Common Stock over which he has or shares voting power to be voted in favor of the Agreement and the Share Exchange; and

(c) represents, warrants, and agrees that beginning upon the date of this Agreement until the earlier of (i) the consummation of the Share Exchange or (ii) the termination of the Agreement in accordance with its terms, he will not, directly or indirectly:

(i) vote any of the Shares, or cause or permit any of the Shares to be voted, in favor of any other sale of control, merger, consolidation, plan of liquidation, sale of assets, reclassification, or other transaction involving the Bank which would have the effect of assisting or facilitating the acquisition of control by any person other than Zions Bancorp or an affiliate thereof over the Bank or any substantial portion of its assets or assisting or facilitating the acquisition of control by any person other than Zions Bancorp or an affiliate of any substantial portion of its assets. As used in this section 1.7, the term "control" means (A) the ability to direct the voting of 10% or more of the outstanding voting securities of a person having ordinary voting power in the election of directors or in the election of any other body having similar functions or (B) the ability to direct the management and policies of a person, whether through ownership of securities, through any contract, arrangement, or understanding or otherwise;

(ii) voluntarily sell or otherwise transfer any of the Shares, or cause or permit any of the Shares to be sold or otherwise transferred (A) pursuant to any tender offer, exchange offer, or similar proposal made by any person other than Zions Bancorp or an affiliate thereof, (B) to any person seeking to obtain control (as the term "control" is defined in paragraph (c)(i), above) of the Bank or any substantial portion of its assets or to any other person (other than Zions Bancorp or an affiliate thereof) under circumstances where such sale or transfer may reasonably be expected to assist a person seeking to obtain such control, (C) for the purpose of avoiding any of the obligations of the undersigned under this Agreement, or (D) to any transferee unless such transferee expressly agrees in writing to be bound by the terms of this section 1.7 in all events.

1.8. Employee Benefits.

(a) All persons who were employed by the Bank on April 8, 1997 and who shall remain employed by the Bank through the Effective Date shall be offered employment positions with Zions Bancorp or one of its subsidiaries at levels of compensation that are comparable to their respective levels of compensation at the Bank as of April 8, 1997.

(b) Each employee of the Bank who becomes a participant in any employment benefit plan, practice, or policy of Zions Bancorp or one of its subsidiaries shall be given credit under such plan, practice, or policy for all service prior to the Effective Date with the Bank for purposes of eligibility and vesting, but not for benefit accrual purposes, for which such service is taken into account or recognized, provided that there be no duplication of such benefits as are provided under any employee benefit plans, practices, or policies of the Bank that continue in effect following the Effective Date.

1.9. Dissenting Shares.

(a) Notwithstanding anything to the contrary herein, each share of Bank Common Stock held by a shareholder of the Bank who has timely and properly exercised his or her dissenters' rights in accordance with all applicable laws (the "Appraisal Laws"), and whose holder as of the Effective Date has not effectively withdrawn or lost his or her dissenters' rights under the Appraisal Laws (a "Dissenting Share"), shall not be converted into or represent a right to receive Zions Bancorp Stock, but the holder thereof shall be entitled only to such rights as are granted by the Appraisal Laws.

(b) Each holder of Dissenting Shares who becomes entitled to payment for his Bank Common Stock pursuant to the provisions of the Appraisal Laws shall receive payment therefor from the Bank (but only after the amount thereof shall have been agreed upon or finally determined pursuant to such provisions).

(c) The Appraisal Laws as in existence on the date of this Agreement are set forth as Exhibit I annexed hereto.

1.10. Special Meeting of Bank Stockholders; Information Statement.

(a) The Share Exchange and the transactions contemplated by this Agreement shall be submitted for consideration and approval to the shareholders of the Bank at the Meeting. The Bank shall call the Meeting, to be held as soon as reasonably practicable and, at any rate, not later than June 10, 1997, in accordance with Idaho law.

(b) In connection with the Meeting the Bank shall prepare an information statement reasonably acceptable in form and substance to counsel for Zions Bancorp (the "Information Statement") and mail it to the Bank's shareholders in accordance with Idaho law. None of the information presented in the Information Statement will, as of the date of mailing

of the Information Statement and as of the date of the Meeting, be false or misleading with regard to any material fact, or omit to state any material fact necessary in order to make the statements therein not misleading; and the Bank shall amend or supplement the Information Statement in order that it not be false or misleading with regard to any material fact at the time of the Meeting or omit to state any material fact necessary to correct any statement in any earlier communication with regard to the Meeting. The Information Statement shall comply in all material respects with the provisions of applicable law and will be complete and accurate in all material respects. The Bank shall immediately notify Zions Bancorp if any such information shall become false, misleading, incorrect, or incomplete in any material respect up to and including the Effective Date.

(c) The Bank and the Chadwicks hereby agree to indemnify and hold harmless Zions Bancorp and its officers, directors, employees, shareholders, attorneys and agents, and the successors and assigns of each of them, from and against any and all losses, claims, fines, penalties, demands, judgments, damages, expenses or liabilities which any of them incur or to which any of them become subject, and the Bank and the Chadwicks will promptly reimburse Zions Bancorp and any of the other indemnified parties for any legal or other expenses reasonably incurred by any of them, in connection with investigating or defending any actions, whether or not resulting in any liability, insofar as such losses, claims, fines, penalties, demands, judgments, damages, expenses, liabilities or actions arise out of or are based upon any untrue statement of a material fact contained in the Information Statement or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein, or necessary in order to make statements therein not misleading.

(d) The matters to be considered at the Meeting will include a proposed amendment to the articles of incorporation of the Bank to change the name of the Bank, effective as of the Effective Date, to a name selected by Zions Bank.

1.11. Wells Fargo Transaction. The parties agree to employ their respective best efforts:

(a) to enter into such agreements with Wells Fargo Bank, National Association ("Wells") on or before April 29, 1997 (or, if that is not possible, as soon thereafter as is reasonably practicable) as are reasonably necessary to accomplish the acquisition of branches of Wells situated in Bonners Ferry, Burley, Gooding, Lewiston, Lewiston Orchards, Moscow, New Plymouth, Richfield, Weiser, and Wilder, Idaho (the "Wells Purchase"), provided that nothing in this section 1.11(a) shall obligate the Bank or the Chadwicks to expend significant time or effort beyond their review and execution of such agreements, reasonably acceptable to the Bank, as have been or will be negotiated between Zions Bancorp and Wells; and

(b) to file such regulatory applications on or before April 29, 1997 (or, if that is not possible, as soon thereafter as is reasonably practicable) as are reasonably necessary

to accomplish the Wells Purchase, provided that nothing in this section 1.11(b) shall obligate the Bank or the Chadwicks to expend significant time or effort beyond their review and execution of such applications, reasonably acceptable to the Bank, as have been or will be prepared by Zions Bancorp and Wells; and

(c) to accomplish the Wells Purchase on the Effective Date or, if that is not possible, as soon thereafter as is reasonably practicable.

1.12. No Requirement for Approval by Shareholders of Zions Bancorp. The approval of the shareholders of Zions Bancorp is not required in connection with the Share Exchange.

2. Effective Date.

The Effective Date shall be the date which is the latest of:

2.1. Shareholder Approval. The date following the day upon which the shareholders of the Bank approve, ratify, and confirm the transactions contemplated by this Agreement; or

2.2. Federal Reserve Approval. The first to occur of (a) the date thirty days following the date of the order of the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of San Francisco acting pursuant to authority delegated to it by the Board of Governors of the Federal Reserve System (collectively, the "Board of Governors") approving the Share Exchange, or (b) if, pursuant to section 321(a) of the Riegle Community Development and Regulatory Improvement Act of 1994 (the "Riegle Act"), the Board of Governors shall have prescribed a shorter period of time with the concurrence of the Attorney General of the United States, the date on which such shorter period of time shall elapse, or

2.3. Idaho Approval. The date following the date of the order of the Director of Finance of the State of Idaho (the "Director") approving the transactions contemplated by this Agreement; or

2.4. Utah Approval. If such an order shall be required by law, the date following the date of the order of the Commissioner of Financial Institutions of the State of Utah (the "Commissioner") approving the transactions contemplated by this Agreement; or

2.5. Other Regulatory Approvals. The date upon which any other material order, approval, or consent of a federal or state regulator of financial institutions or financial institution holding companies authorizing consummation of the transactions contemplated by this Agreement is obtained or any waiting period mandated by such order, approval, or consent has run; or

2.6. Expiration of Stays. Three business days after any stay of the approvals of any of the Board of Governors, the Director, or the Commissioner of the transactions contemplat-

ed by this Agreement or any injunction against closing of said transactions is lifted, discharged, or dismissed; or

2.7. Mutual Agreement. Such other date as shall be mutually agreed to by the parties to this Agreement.

3. Conditions Precedent to Performance of Obligations of the Parties.

The obligations of Zions Bancorp and the Bank to consummate the Share Exchange shall be subject to the conditions that on or before the Effective Date:

3.1. Shareholder Approval. This Agreement and the reorganization contemplated hereby shall have been duly and validly approved, ratified, and confirmed at a meeting of shareholders duly and properly called for such purpose, by the holders of not less than a majority of the outstanding shares of Bank Common Stock, in accordance with the applicable laws of the State of Idaho.

3.2. Regulatory Approvals. Orders, consents, and approvals, in form and substance reasonably satisfactory to Zions Bancorp and the Bank, shall have been entered by the requisite governmental authorities, granting the authority necessary for consummation of the transactions contemplated by this Agreement and the operation by Zions Bancorp of the business of the Bank, including the right to establish and operate branches throughout the State of Idaho, pursuant to the provisions of applicable law; and all other requirements prescribed by law or by the rules and regulations of any other regulatory authority having jurisdiction over such transactions shall have been satisfied.

3.3. Absence of Litigation. No action, suit, or proceeding shall have been instituted or shall have been threatened before any court or other governmental body or by any public authority to restrain, enjoin, or prohibit the Share Exchange, or which would reasonably be expected to restrict materially the operation of the business of the Bank or the exercise of any rights with respect thereto or to subject either of the parties hereto or any of their subsidiaries, directors, or officers to any liability, fine, forfeiture, divestiture, or penalty on the ground that the transactions contemplated hereby, the parties hereto, or their subsidiaries, directors, or officers have breached or will breach any applicable law or regulation or have otherwise acted improperly in connection with the transactions contemplated hereby and with respect to which the parties hereto have been advised by counsel that, in the opinion of such counsel, such action, suit, or proceeding raises substantial questions of law or fact which could reasonably be decided materially adversely to either party hereto or its subsidiaries, directors, or officers.

3.4. Federal Income Taxation. Zions Bancorp and the Bank shall have received a written opinion of [____], or of Duane, Morris & Heckscher, or of another firm mutually agreeable to Zions Bancorp and the Bank, applying existing law, that the reorganization

contemplated by this Agreement shall qualify as a tax-free reorganization under the Code and the regulations and rulings promulgated thereunder.

3.5. Adverse Legislation. Subsequent to the date of this Agreement no legislation shall have been enacted and no regulation or other governmental requirement shall have been adopted or imposed that renders or will render consummation of any of the material transactions contemplated by this Agreement, or the ability of the Bank to establish and operate branches throughout the State of Idaho, impossible, or that would materially and adversely affect the business, operations, financial condition, properties, or assets of the Bank or otherwise materially impair the value of the Bank to Zions Bancorp.

4. Conditions Precedent to Performance of the Obligations of Zions Bancorp.

The obligations of Zions Bancorp hereunder are subject to the satisfaction, on or prior to the Effective Date, of all the following conditions, compliance with which or the occurrence of which may be waived in whole or in part by Zions Bancorp in writing:

4.1. Approval by Shareholders of the Bank. The shareholders of the Bank, acting at a regular or special meeting of the shareholders pursuant to an information statement in form and substance satisfactory to Zions Bancorp and its counsel, shall have authorized, ratified, and confirmed the Share Exchange by not less than the requisite percentage of the outstanding voting stock of each class of the Bank, in accordance with the applicable laws of the State of Idaho.

4.2. Representations and Warranties; Performance of Obligations. All representations and warranties of the Bank and the Chadwicks contained in this Agreement shall be true and correct in all material respects as of the Effective Date with the same effect as if such representations and warranties had been made or given at and as of such date, except that representations and warranties of the Bank and the Chadwicks contained in this Agreement which specifically relate to an earlier date shall be true and correct in all material respects as of such earlier date. All covenants and obligations to be performed or met by the Bank or the Chadwicks on or prior to the Effective Date shall have been so performed or met. On the Effective Date, the president and chief executive officer and the chief financial officer of the Bank and each of the Chadwicks shall deliver to Zions Bancorp a certificate to that effect. The delivery of such officers' and shareholders' certificate shall in no way diminish the warranties, representations, covenants, and obligations of the Bank and the Chadwicks made in this Agreement.

4.3. No Adverse Developments.

(a) During the period from December 31, 1996 to the Effective Date, (i) there shall not have been any material adverse change in the financial position or results of operations of the Bank, nor shall the Bank have sustained any material loss or damage to its

properties, whether or not insured, which materially affects its ability to conduct its business; and (ii) none of the events described in clauses (a) through (f) of Section 6.16 of this Agreement shall have occurred, and each of the practices and conditions described in clauses (x) through (z) of that section shall have been maintained.

(b) As of the Effective Date, the capital structure of the Bank shall be as stated in section 6.9.

(c) As of the Effective Date, other than liabilities incurred in the ordinary course of business subsequent to December 31, 1996, there shall be no liabilities of the Bank which are material to the Bank which were not reflected on the statement of condition of the Bank as of December 31, 1996 or in the related notes.

(d) Zions Bancorp shall have received a certificate dated the Effective Date, signed by the chairman and president and the chief financial officer of the Bank and by the Chadwicks, certifying to the matters set forth in paragraphs (a), (b), and (c) of this section 4.3. The delivery of such officers' and shareholders' certificates shall in no way diminish the warranties and representations of the Bank and the Chadwicks made in this Agreement.

4.4. Net Worth. On and as of the Effective Date, the net worth of the Bank as determined in accordance with generally accepted accounting principles shall not be less than \$2,339,000.

4.5. Loan Loss Reserves. On and as of the Effective Date, the aggregate reserve for loan losses of the Bank as determined in accordance with generally accepted accounting principles shall not be less than \$444,000.

4.6. CRA Rating. The CRA rating of the Bank shall be no lower than "satisfactory."

5. Conditions Precedent to Performance of Obligations of the Bank and the Chadwicks.

The obligations of the Bank and the Chadwicks hereunder are subject to the satisfaction, on or prior to the Effective Date, of all the following conditions, compliance with which or the occurrence of which may be waived in whole or in part by the Bank and the Chadwicks in writing:

5.1. Representations and Warranties; Performance of Obligations. All representations and warranties of Zions Bancorp contained in this Agreement shall be true and correct in all material respects as of the Effective Date with the same effect as if such representations and warranties had been made or given at and as of such date, except that representations and warranties of Zions Bancorp contained in this Agreement which

specifically relate to an earlier date shall be true and correct in all material respects as of such earlier date. All covenants and obligations to be performed or met by Zions Bancorp on or prior to the Effective Date shall have been so performed or met. On the Effective Date, either the Chairman of the Board or the President of Zions Bancorp shall deliver to the Bank a certificate to that effect. The delivery of such officer's certificate shall in no way diminish the warranties, representations, covenants, and obligations of Zions Bancorp made in this Agreement.

5.2. No Adverse Developments. During the period from December 31, 1996 to the Effective Date, there shall not have been any material adverse change in the financial position or results of operations of Zions Bancorp nor shall Zions Bancorp have sustained any material loss or damage to its properties, whether or not insured, which materially affects its ability to conduct its business; and the Bank shall have received a certificate dated the Effective Date signed by either the Chairman of the Board or the President of Zions Bancorp to the foregoing effect. The delivery of such officer's certificate shall in no way diminish the warranties and representations of Zions Bancorp made in this Agreement.

6. Representations and Warranties of the Bank and the Chadwicks.

The Bank and the Chadwicks represent and warrant to Zions Bancorp as follows:

6.1. Organization, Powers, and Qualification. The Bank is a corporation which is duly organized, validly existing, and in good standing under the laws of the State of Idaho and has all requisite corporate power and authority to own and operate its properties and assets, to lease properties used in its business, and to carry on its business as now conducted. The Bank owns or possesses in the operation of its business all franchises, licenses, permits, branch certificates, consents, approvals, waivers, and other authorizations, governmental or otherwise, which are necessary for it to conduct its business as now conducted, except for those where the failure of such ownership or possession would not adversely affect the operation and properties of the Bank in any material respect. The Bank is duly qualified and licensed to do business and is in good standing in every jurisdiction with respect to which the failure to be so qualified or licensed could result in material liability or adversely affect the operation and properties of the Bank in any material respect.

6.2. Execution and Performance of Agreement. The Bank has all requisite corporate power and authority to execute and deliver this Agreement and to perform its respective terms.

6.3. Absence of Violations.

(a) The Bank is not in violation of its charter documents or bylaws, nor of any applicable federal, state, or local law or ordinance nor any order, rule, or regulation of any federal, state, local, or other governmental agency or body, in any material respect, or in default with respect to any order, writ, injunction, or decree of any court, or in default under

any order, license, regulation, or demand of any governmental agency, any of which violations or defaults could reasonably be expected to have a materially adverse effect on its business, properties, liabilities, financial position, results of operations, or prospects; and the Bank has not received any claim or notice of violation with respect thereto.

(b) Neither the Bank nor any member of its management is a party to any assistance agreement, supervisory agreement, memorandum of understanding, consent order, cease and desist order or condition of any regulatory order or decree with or by the Board of Governors, the Federal Deposit Insurance Corporation (the "FDIC"), any other banking or securities authority of the United States or the State of Idaho, or any other regulatory agency that relates to the conduct of the business of the Bank or its assets; and except as previously disclosed to Zions Bancorp in writing, no such agreement, memorandum, order, condition, or decree is pending or threatened.

6.4. Compliance with Agreements. The Bank is not in violation of any material term of any material security agreement, mortgage, indenture, or any other contract, agreement, instrument, lease, or certificate. The capital ratios of the Bank comply fully with all terms of all currently outstanding supervisory and regulatory requirements and with the conditions of all regulatory orders and decrees.

6.5. Binding Obligations; Due Authorization. Subject to the approval of its shareholders, this Agreement constitutes valid, legal, and binding obligations of the Bank, enforceable against it in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, moratorium or similar law, or by general principles of equity. The execution, delivery, and performance of this Agreement and the transactions contemplated thereby have been duly and validly authorized by the board of directors of the Bank. Subject to approval by the shareholders of the Bank of this Agreement, no other corporate proceedings on the part of the Bank are necessary to authorize this Agreement or the carrying out of the transactions contemplated hereby.

6.6. Absence of Default. None of the execution or the delivery of this Agreement, the consummation of the transactions contemplated thereby, or the compliance with or fulfillment of the terms thereof will conflict with, or result in a breach of any of the terms, conditions, or provisions of, or constitute a default under the organizational documents or bylaws of the Bank. Such execution, consummation or fulfillment will not (a) conflict with, or result in a material breach of the terms, conditions, or provisions of, or constitute a material violation, conflict, or default under, or give rise to any right of termination, cancellation, or acceleration with respect to, or result in the creation of any lien, charge, or encumbrance upon, any property or assets of the Bank pursuant to any material agreement or instrument under which the Bank is obligated or by which any of its properties or assets may be bound, including without limitation any material lease, contract, mortgage, promissory note, deed of trust, loan, credit arrangement, or other commitment or arrangement of the Bank in respect of which it is an obligor; (b) if the Share Exchange is approved by the Board of Governors under the Bank Holding Bank Act of 1956, as amended (the "BHC Act"), and if

the transactions contemplated by this Agreement are approved by the Director and the Commissioner, violate any law, statute, rule, or regulation of any government or agency to which the Bank is subject and which is material to its operations; or (c) violate any judgment, order, writ, injunction, decree, or ruling to which the Bank or any of its properties or assets is subject or bound. None of the execution or delivery of this Agreement nor the consummation of the transactions contemplated thereby or the compliance with or fulfillment of the terms thereof will require any authorization, consent, approval, or exemption by any person which has not been obtained, or any notice or filing which has not been given or done, other than approval of the transactions contemplated by this Agreement by the Board of Governors, the Director, and the Commissioner.

6.7. Corporate Structure. No corporation or other entity is registered or is required to be registered as a bank holding company under the BHC Act by virtue of its control over the Bank or over any company that directly or indirectly has control over the Bank.

6.8. Subsidiaries.

(a) The Bank has no subsidiaries and does not directly or indirectly own, control, or hold with the power to vote any shares of the capital stock of any company (except shares held by the Bank for the account of others in a fiduciary or custodial capacity in the ordinary course of its business).

(b) The Bank does not have a direct or indirect equity or ownership interest which represents 5 percent or more of the aggregate equity or ownership interest of any entity (including, without limitation, corporations, partnerships, and joint ventures).

6.9. Capital Structure.

(a) The authorized capital stock of the Bank consists of [] shares of Bank Common Stock, [] par value, of which, as of the date of this Agreement, 26,430 shares have been duly issued and are validly outstanding, fully paid, and non-assessable, and are held by 34 shareholders of record. The aforementioned shares of Bank Common Stock are the only voting securities of the Bank authorized, issued, or outstanding as of such date; and no subscriptions, warrants, options, rights, convertible securities, or similar arrangements or commitments in respect of securities of the Bank are authorized, issued, or outstanding which would enable the holder thereof to purchase or otherwise acquire shares of any class of capital stock of the Bank. No shares of Bank Common Stock are held by the Bank as treasury shares. None of the Bank Common Stock is subject to any restrictions upon the transfer thereof under the terms of the corporate charter or bylaws of the Bank.

(b) None of the shares of Bank Common Stock has been issued in violation of the preemptive rights of any shareholder.

(c) As of the date hereof, to the best of the knowledge of the Bank and the Chadwicks, and except for this Agreement, there are no shareholder agreements, or other agreements, understandings, or commitments relating to the right of any holder or beneficial owner of more than one percent of the issued and outstanding shares of any class of the capital stock of the Bank to vote or to dispose of his or its shares of capital stock.

6.10. Articles of Incorporation, Bylaws, and Minute Books. The copies of the articles of incorporation and all amendments thereto and of the bylaws, as amended, of the Bank that have been provided to Zions Bancorp and certified by the Bank as complete and true copies are true, correct, and complete copies thereof. The minute books of the Bank which have been made available to Zions Bancorp for its continuing inspection until the Effective Date contain accurate minutes of all meetings and accurate consents in lieu of meetings of the board of directors (and any committee thereof) and of the shareholders of the Bank since its inception. These minute books accurately reflect all transactions referred to in such minutes and consents in lieu of meetings and disclose all material corporate actions of the shareholders and boards of directors of the Bank and all committees thereof. Except as reflected in such minute books, there are no minutes of meetings or consents in lieu of meetings of the board of directors (or any committee thereof) or of shareholders of the Bank

6.11. Books and Records. The books and records of the Bank fairly reflect the transactions to which it is a party or by which its properties are subject or bound. Such books and records have been properly kept and maintained and are in compliance in all material respects with all applicable legal and accounting requirements. The Bank follows generally accepted accounting principles applied on a consistent basis in the preparation and maintenance of its books of account and financial statements, including but not limited to the application of the accrual method of accounting for interest income on loans, leases, discounts, and investments, interest expense on deposits and all other liabilities, and all other items of income and expense. The Bank has made all accruals in amounts which fairly report income and expense in the proper periods in accordance with generally accepted accounting principles. The Bank has filed all material reports and returns required by any law or regulation to be filed by it.

6.12. Regulatory Approvals and Filings, Contracts, Commitments, etc. The Bank has made or will, no later than ten business days after the date hereof, make available to Zions Bancorp or grant to Zions Bancorp continuing access until the Effective Date to originals or copies of the following documents:

(a) All regulatory approvals received since January 1, 1991, of the Bank relating to all bank and nonbank acquisitions or the establishment of de novo operations;

(b) All employment contracts, election contracts, retention contracts, deferred compensation, non-competition, bonus, stock option, profit-sharing, pension, retirement, consultation after retirement, incentive, insurance arrangements or plans (including medical, disability, group life or other insurance plans), and any other remuneration or fringe

benefit arrangements applicable to employees, officers, or directors of the Bank, accompanied by any agreements, including trust agreements, embodying such contracts, plans, or arrangements, and all employee manuals and memoranda relating to employment and benefit policies and practices of any nature whatsoever (whether or not distributed to employees or any of them), and any actuarial reports and audits relating to such plans;

(c) All material contracts, agreements, leases, mortgages, and commitments, except those entered into in the ordinary course of business, to which the Bank is a party or may be bound; or, if any of the same be oral, true, accurate, and complete written summaries of all such oral contracts, agreements, leases, mortgages, and commitments;

(d) All material contracts, agreements, leases, mortgages, and commitments, whether or not entered into in the ordinary course of business, to which the Bank is a party or may be bound and which require the consent or approval of third parties to the execution and delivery of this Agreement or to the consummation or performance of any of the transactions contemplated thereby, or, if any of the same be oral, true, accurate, and complete written summaries of all such oral contracts, agreements, leases, mortgages, and commitments;

(e) All deeds, leases, contracts, agreements, mortgages, and commitments, whether or not entered into in the ordinary course of business, to which the Bank is a party or may be bound and which relate to land, buildings, fixtures, or other real property upon or within which the Bank operates its businesses or is authorized to operate its businesses, or with respect to which the Bank has any application pending for authorization to operate its businesses;

(f) Any pending application, including any documents or materials related thereto, which has been filed by the Bank with any federal or state regulatory agency with respect to the establishment of a new office or the acquisition or establishment of any additional banking or nonbanking subsidiary; and

(g) All federal and state tax returns filed by the Bank for the years 1991 through 1996, a copy of the most recent audit examination of each of the Bank by the Internal Revenue Service ("IRS"), if any, a copy of the most recent state revenue agency examination, if any, of the Bank and all tax rulings with respect to the Bank received from the IRS since January 1, 1988.

6.13. **Financial Statements.** The Bank has furnished to Zions Bancorp its statement of condition as of each of December 31, 1994, December 31, 1995, and December 31, 1996, and its related statement of income, statement of changes in financial position, and statement of changes in stockholders' equity for each of the periods then ended, and the notes thereto (collectively, the "Bank Financial Statements"). Except, for the pendency of normal year-end adjustments and the omission of notes to such statements, all of the Bank Financial Statements,

including the related notes, (a) were prepared in accordance with generally accepted accounting principles applied in all material respects, and (b) are in accordance with the books and records of the Bank which have been maintained in accordance with generally accepted accounting principles or the requirements of financial institution regulatory authorities, as the case may be, and (c) fairly reflect the financial position of the Bank as of such dates, and the results of operations of the Bank for the periods ended on such dates, and do not fail to disclose any material extraordinary or out-of-period items, and (d) reflect, in accordance with generally accepted accounting principles applied in all material respects, adequate provision for, or reserves against, the possible loan losses of the Bank as of such dates.

6.14. Call Reports.

(a) The Bank has made available to Zions Bancorp its Consolidated Reports of Condition and Consolidated Reports of Income for the calendar quarters dated March 31, 1995 and thereafter. All of such Consolidated Reports of Condition and Consolidated Reports of Income, including the related schedules and memorandum items, were prepared in accordance with generally accepted accounting principles applied in all material respects or, to the extent different from generally accepted accounting principles, accounting principles mandated by the respectively applicable instructions to such Consolidated Reports of Condition, and Consolidated Reports of Income.

(b) No adjustments are required to be made to the equity capital account of the Bank as reported on any of the Consolidated Reports of Condition referred to in Subsection 6.14(a) hereof, in any material amount, in order to conform such equity capital account to equity capital as would be determined in accordance with generally accepted accounting principles as of such date.

6.15. Absence of Undisclosed Liabilities. At December 31, 1996, the Bank had no obligation or liability of any nature (whether absolute, accrued, contingent, or otherwise, and whether due or to become due) which was material, or that when combined with all similar obligations or liabilities would have been material, to the Bank, except (a) as disclosed in the Bank Financial Statements, or (b) for unfunded loan commitments made by the Bank in the ordinary course of their business consistent with past practice. The amounts set up as current liabilities for taxes in the Bank Financial Statements are sufficient for the payment of all taxes (including, without limitation, federal, state, local, and foreign excise, franchise, property, payroll, income, capital stock, and sales and use taxes) accrued in accordance with generally accepted accounting principles and unpaid at December 31, 1996. Since December 31, 1996, neither the Bank has incurred or paid any obligation or liability that would be material to the Bank, except (y) for obligations incurred or paid in connection with transactions by it in the ordinary course of its business consistent with past practices, or (z) as expressly contemplated herein.

6.16. Absence of Certain Developments. Since December 31, 1996, there has been (a) no material adverse change in the condition, financial or otherwise, or to the assets,

properties, liabilities, or business of the Bank, taken as a whole; (b) no material deterioration in the quality of the loan portfolio of the Bank, and no material increase in the level of nonperforming assets or non-accrual loans at the Bank or in the level of its provision for credit losses or its reserve for possible credit losses; (c) no declaration, setting aside, or payment by the Bank of any regular dividend, special dividend, or other distribution with respect to any class of capital stock of the Bank, other than customary cash dividends paid by the Bank whose amounts have not exceeded past practice and the intervals between which dividends have not been more frequent than past practice; (d) no repurchase by the Bank of any of its capital stock; (e) no material loss, destruction, or damage to any material property of the Bank, which loss, destruction, or damage is not covered by insurance; and (f) no material acquisition or disposition of any asset, nor any material contract outside the ordinary course of business entered into by the Bank nor any substantial amendment or termination of any material contract outside the ordinary course of business to which the Bank is a party, nor any other transaction by the Bank involving an amount in excess of \$15,000 other than for fair value in the ordinary course of its business. Since December 31, 1996, (x) the Bank has conducted its business only in the ordinary course of such business and consistent with past practice; (y) the Bank has maintained the quality of its loan portfolio at approximately the same level as existed at December 31, 1996; and (z) the Bank has administered its investment portfolio pursuant to essentially the same policies and procedures as existed during 1995 and 1996 and has taken no action to lengthen the average maturity of the investment portfolio, or of any significant category thereof, to any material extent.

6.17. Reserve for Possible Credit Losses. The Bank's reserve for possible credit losses is adequate to absorb reasonably anticipated losses in the loan and lease portfolios of the Bank, in view of the size and character of such portfolios, current economic conditions, and other pertinent factors. Management periodically reevaluates the adequacy of such reserve based on portfolio performance, current economic conditions, and other factors.

6.18. Tax Matters.

(a) All federal, state, local, and foreign tax returns and reports (including, without limitation, all income tax, unemployment compensation, social security, payroll, sales and use, excise, privilege, property, ad valorem, franchise, license, school, and any other tax under laws of the United States or any state or municipal or political subdivision thereof) required to be filed by or on behalf of the Bank have been timely filed with the appropriate governmental agencies in all jurisdictions in which such returns and reports are required to be filed, or requests for extensions have been timely filed, granted, and have not expired for periods ending on or before December 31, 1996, and all returns filed are complete and accurate to the best information and belief of the management of the Bank and properly reflect its taxes for the periods covered thereby. All taxes shown on filed returns have been paid. As of the date hereof, there is no audit examination, deficiency, or refund litigation or tax claim or any notice of assessment or proposed assessment by the IRS or any other taxing authority, or any other matter in controversy with respect to any taxes that might result in a determination adverse to the Bank, except as reserved against in the Bank Financial State-

ments. All federal, state, and local taxes, assessments, interest, additions, deficiencies, fees, penalties, and other governmental charges or impositions due with respect to completed and settled examinations or concluded litigation have been properly accrued or paid.

(b) The Bank has not executed an extension or waiver of any statute of limitations on the assessment or collection of any tax due that is currently in effect.

(c) To the extent any federal, state, local, or foreign taxes are due from the Bank for the period or periods beginning January 1, 1997 or thereafter through and including the Effective Date, adequate provision on an estimated basis has been or will be made for the payment of such taxes by establishment of appropriate tax liability accounts on the last monthly financial statements of the Bank prepared before the Effective Date.

(d) Deferred taxes of the Bank have been provided for in accordance with generally accepted accounting principles as in effect on the date of this Agreement.

(e) Other than liens arising under the laws of the State of Idaho with respect to taxes assessed and not yet due and payable, there are no tax liens on any of the properties or assets of the Bank.

(f) The Bank has timely filed all information returns required by the Code and has exercised due diligence in obtaining certified taxpayer identification numbers as required pursuant to Treasury Regulations adopted thereunder.

(g) The taxable year end of the Bank for federal income tax purposes is, and since the inception of the Bank has continuously been, December 31.

6.19. Net Worth. The net worth of the Bank on the date of this Agreement, as determined in accordance with generally accepted accounting principles, is not less than \$[2,879,000].

6.20. Examinations. To the extent consistent with law, the Bank has heretofore disclosed to Zions Bancorp relevant information contained in the most recent safety-and-soundness, compliance, Community Reinvestment Act, and other Reports of Examination with respect to the Bank issued by the FDIC and the Director. Such information so disclosed consists of all material information with respect to the financial condition of the entity under examination which is included in such reports, and does not omit or will not omit any information necessary to make the information disclosed not misleading.

6.21. Reports. Since January 1, 1994, the Bank has effected all registrations and filed all reports and statements, together with any amendments required to be made with respect thereto, which it was required to effect or file with (a) the Board of Governors, (b) the FDIC, (c) the United States Department of the Treasury, (d) the Division, and (e) any other governmental or regulatory authority or agency having jurisdiction over its operations. Each of such registrations, reports, and documents, including the financial statements, exhibits, and

schedules thereto, does not contain any statement which, at the time and in the light of the circumstances under which it was made, is false or misleading with respect to any material fact or which omits to state any material fact necessary in order to make the statements contained therein not false or misleading.

6.22. FIRA Compliance and Other Transactions with Affiliates. Except as set forth on Schedule 6.22 hereof, (a) none of the officers, directors, or beneficial holders of 5 percent or more of the common stock of the Bank and no person "controlled" (as that term is defined in the Financial Institutions Regulatory and Interest Rate Control Act of 1978) by the Bank (collectively, "Insiders") has any ongoing material transaction with the Bank on the date of this Agreement; (b) no Insider has any ownership interest in any business, corporate or otherwise, which is a party to, or in any property which is the subject of, business arrangements or relationships of any kind with the Bank not in the ordinary course of business; and (c) all other extensions of credit by the Bank to any Insider have heretofore been disclosed in writing by the Bank to Zions Bancorp.

6.23. SEC Registered Securities. No equity or debt securities of the Bank are registered or required to be registered under the Securities Act or the Securities Exchange Act of 1934, as amended (the "Exchange Act").

6.24. Legal Proceedings.

(a) Except as disclosed in the Bank Financial Statements, there is no claim, action, suit, arbitration, investigation, or other proceeding pending before any court, governmental agency, authority or commission, arbitrator, or "impartial mediator" (of which the Bank has been served with process or otherwise been given notice) or, to the best of the knowledge of the Bank and the Chadwicks, threatened or contemplated against or affecting it or its property, assets, interests, or rights, or any basis therefor of which notice has been given, which, if adversely determined, would have a material adverse effect (financial or otherwise) on the business, operating results, or financial condition of the Bank or which otherwise could prevent, hinder, or delay consummation of the transactions contemplated by this Agreement.

(b) All pending legal or governmental proceedings to which the Bank is a party or to which any of its property or assets is the subject, including ordinary routine litigation incidental to its business, are, considered in the aggregate, not material.

6.25. Absence of Governmental Proceedings. The Bank is not a party defendant or respondent to any pending legal, equitable, or other proceeding commenced by any governmental agency and, to the best of the knowledge of the Bank and the Chadwicks, no such proceeding is threatened.

6.26. Federal Deposit Insurance.

(a) The deposits held by the Bank are insured within statutory limits by the Bank Insurance Fund of the FDIC pursuant to the provisions of the Federal Deposit Insurance Act, as amended (12 U.S.C. § 1811 et seq.), and the Bank has paid all assessments and filed all related reports and statements required under the Federal Deposit Insurance Act.

(b) The Bank is a member of and pays insurance assessments to the Bank Insurance Fund of the FDIC ("BIF"), and its deposits are insured by the BIF. None of the deposits of the Bank are insured by the Savings Association Insurance Fund of the FDIC ("SAIF"), and the Bank pays no insurance assessments to the SAIF.

(c) To the best of the knowledge of the Bank and the Chadwicks, no proceedings for the termination of the federal deposit insurance of the Bank are pending or threatened.

6.27. Other Insurance. Schedule 6.27 hereof lists each policy of insurance carried by the Bank including blanket bond coverage. All such policies of insurance are in full force and effect, and no notice of cancellation has been received. All premiums to date have been paid in full. The Bank is not in default with respect to any such policy which is material to it.

6.28. Labor Matters. The Bank is not a party to or bound by any collective bargaining contracts with respect to any employees of the Bank. Since January 1, 1974, there has not been, nor to the best of the knowledge of the Bank and the Chadwicks was there or is there threatened, any strike, slowdown, picketing, or work stoppage by any union or other group of employees against the Bank or any of its premises, or any other labor trouble or other occurrence, event, or condition of a similar character. As of the date hereof, neither the Bank nor the Chadwicks is aware of any attempts to organize a collective bargaining unit to represent any of the employee groups of the Bank.

6.29. Employee Benefit Plans.

(a) Schedule 6.29 hereto contains a list or brief descriptions of all pension, retirement, stock purchase, stock bonus, stock ownership, stock option, performance share, stock appreciation right, phantom stock, savings, or profit-sharing plans, any employment, deferred compensation, consultant, bonus, or collective bargaining agreement, or group insurance contract or any other incentive, welfare, life insurance, death or survivor's benefit, health insurance, sickness, disability, medical, surgical, hospital, severance, layoff or vacation plans, contracts, and arrangements or employee benefit plans or agreements sponsored, maintained, or contributed to by the Bank for the employees or former employees of the Bank. The Bank has previously made available and will continue to make available to Zions Bancorp for its continuing review until the Effective Date true, complete, and accurate copies of all plans and arrangements listed on Schedule 6.29, together with (i) the most recent actuarial and financial report prepared with respect to any such plans which constitute "qualified plans"

under section 401(a) of the Code, and (ii) the most recent annual reports, if any, filed with any government agency and all IRS rulings and determination letters and any open requests for such rulings and letters that pertain to any such plan.

(b) Except for liabilities to the Pension Benefit Guaranty Corporation ("PBGC") pursuant to section 4007 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), all of which have been fully paid, and except for liabilities to the IRS under section 4971 of the Code, all of which have been fully paid, the Bank does not have any liability with respect to any pension plan qualified under section 401 of the Code. The Bank does not sponsor or maintain any defined benefit plan and has never sponsored or maintained any defined benefit plan.

(c) All "employee benefit plans," as defined in section 3(3) of ERISA, that cover one or more employees employed by the Bank (each individually a "Plan" and collectively the "Plans"), comply in all material respects with ERISA and, where applicable for tax-qualified or tax-favored treatment, with the Code. As of December 31, 1996, the Bank had no material liability under any Plan which is not reflected on the Bank Financial Statements as of such date (other than such normally unrecorded liabilities under the Plans for sick leave, holiday, education, bonus, vacation, incentive compensation, and anniversary awards, provided that such liabilities are not in any event material). None of the Plans, the Bank, nor any trustee or administrator of the Plans has ever engaged in a "prohibited transaction" with respect to the Plans within the meaning of section 406 of ERISA or, where applicable, section 4975 of the Code for which no exemption is applicable, nor have there been any "reportable events" within section 4043 of ERISA for which the thirty-day notice therefor has not been waived. The Bank has not incurred any liability under section 4201 of ERISA for a complete or partial withdrawal from a multi-employer plan.

(d) No action, claim, or demand of any kind has been brought or threatened by any potential claimant or representative of such a claimant under any plan, contract, or arrangement referred to in Subsection (a) of this section, where the Bank may be either (i) liable directly on such action, claim, or demand; or (ii) obligated to indemnify any person, group of persons, or entity with respect to such action, claim, or demand which is not fully covered by insurance maintained with reputable, responsible financial insurers or by a self-insured plan.

6.30. Employee Relations. As of the date hereof, the Bank is, to the best of the knowledge of the Bank, in compliance in all material respects with all federal and state laws, regulations, and orders respecting employment and employment practices (including Title VII of the Civil Rights Act of 1964), terms and conditions of employment, and wages and hours; and the Bank is not engaged in any unfair labor practice. As of the date hereof, no dispute exists between the Bank and any of its employee groups regarding any employee organization, wages, hours, or conditions of employment which would materially interfere with the business or operations of the Bank.

6.31. Fiduciary Activities. The Bank is duly qualified and registered and in good standing in accordance with the laws of each jurisdiction in which it is required to so qualify or register as a result of or in connection with its fiduciary or custodial activities as conducted as of the date hereof. The Bank is duly registered under and in compliance with all requirements of the federal Investment Advisers Act of 1940 as amended, or is exempt from registration thereunder and from compliance with the requirements thereof. Since its inception the Bank has conducted, and currently is conducting, all fiduciary and custodial activities in all material respects in accordance with all applicable law.

6.32. Environmental Liability.

(a) The Bank is not in material violation of any judgment, decree, order, law, license, rule or regulation pertaining to environmental matters, including those arising under the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, the Federal Water Pollution Control Act, the Federal Clean Air Act, the Toxic Substances Control Act or any state or local statute, regulation, ordinance, order or decree relating to health, safety or the environment ("Environmental Laws").

(b) Neither the Bank nor, to the best of the knowledge of the Bank and the Chadwicks, any borrower of the Bank has received notice that it has been identified by the United States Environmental Protection Agency as a potentially responsible party under CERCLA with respect to a site listed on the National Priorities List, 40 C.F.R. Part 300 Appendix B, nor has the Bank or, to the best of the knowledge of the Bank and the Chadwicks, any borrower of the Bank received any notification that any hazardous waste, as defined by 42 U.S.C. § 6903(5), any hazardous substances, as defined by 42 U.S.C. § 9601(14), any "pollutant or contaminant," as defined by 42 U.S.C. § 9601(33), or any toxic substance, hazardous materials, oil, or other chemicals or substances regulated by any Environmental Laws ("Hazardous Substances") that it has disposed of has been found at any site at which a federal or state agency is conducting a remedial investigation or other action pursuant to any Environmental Law.

(c) No portion of any real property at any time owned or leased by the Bank (the "Bank Real Estate") has been used by the Bank for the handling, processing, storage or disposal of Hazardous Substances in a manner which violates any Environmental Laws and, to the best of the knowledge of the Bank and the Chadwicks, no underground tank or other underground storage receptacle for Hazardous Substances is located on any of the Bank Real Estate. In the course of its activities, the Bank has not generated and is not generating any hazardous waste on any of the Bank Real Estate in a manner which violates any Environmental Laws. There has been no past or present releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping (collectively, a "Release") of Hazardous Substances by the Bank on, upon, or into any of the Bank Real Estate. In addition, to the best of the knowledge of the Bank and the Chadwicks, there have been no such Releases on, upon, or into any real property in the vicinity of any of the

Bank Real Estate that, through soil or groundwater contamination, may be located on any of such Bank Real Estate.

(d) With respect to any real property at any time held as collateral for any outstanding loan by the Bank (the "Collateral Real Estate"), the Bank has not since January 1, 1987 received notice from any borrower thereof or third party, and neither the Bank nor the Chadwicks has any knowledge, that such borrower has generated or is generating any hazardous waste on any of the Collateral Real Estate in a manner which violates any Environmental Laws or that there has been any Release of Hazardous Substances by such borrower on, upon, or into any of the Collateral Real Estate, or that there has been any Release on, upon, or into any real property in the vicinity of any of the Collateral Real Estate that, through soil or groundwater contamination, may be located on any of such Collateral Real Estate.

(e) As used in this Section 6.32, the term "Bank" includes the Bank and any partnership or joint venture in which it has an interest.

6.33. Intangible Property. To the best of the knowledge of the Bank and the Chadwicks, the Bank owns or possesses the right, free of the claims of any third party, to use all material trademarks, service marks, trade names, copyrights, patents, and licenses currently used by it in the conduct of its business. To the best of the knowledge of the Bank and the Chadwicks, no material product or service offered and no material trademark, service mark, or similar right used by the Bank infringes any rights of any other person, and, as of the date hereof, neither the Bank nor the Chadwicks has received any written or oral notice of any claim of such infringement.

6.34. Real and Personal Property. Except for property and assets disposed of in the ordinary course of business, the Bank possesses good and marketable title to and owns, free and clear of any mortgage, pledge, lien, charge, or other encumbrance or other third party interest of any nature whatsoever which would materially interfere with the business or operations of the Bank its real and personal property and other assets, including without limitation those properties and assets reflected in the Bank Financial Statements as of December 31, 1996, or acquired by the Bank subsequent to the date thereof. The leases pursuant to which the Bank leases real or personal property are valid and effective in accordance with their respective terms; and there is not, under any such lease, any material existing default or any event which, with the giving of notice or lapse of time or otherwise, would constitute a material default. The real and personal property leased by the Bank is free from any adverse claim which would materially interfere with its business or operation taken as a whole. The material properties and equipment owned or leased by the Bank are in normal operating condition, free from any known defects, except such minor defects as do not materially interfere with the continued use thereof in the conduct of its normal operations.

6.35. Loans, Leases, and Discounts.

(a) To the best of the knowledge of the Bank and the Chadwicks, each loan, lease, and discount reflected as an asset of the Bank in the Bank Financial Statements as of December 31, 1996, or acquired since that date, is the legal, valid, and binding obligation of the obligor named therein, enforceable in accordance with its terms; and no loan, lease, or discount having an unpaid balance (principal and accrued interest) in excess of \$15,000 is subject to any asserted defense, offset, or counterclaim known to the Bank or the Chadwicks.

(b) Except as set forth on Schedule 6.35 hereof, the Bank does not (i) hold any loans or loan-participation interests purchased from another or (ii) participate in any loans originated by another.

6.36. Material Contracts. Neither the Bank nor any of its assets, businesses, or operations is as of the date hereof a party to, or bound or affected by, or receives benefits under any material agreement, arrangement, or commitment not cancelable by it without penalty, other than (a) the agreements set forth on Schedule 6.36 hereof, and (b) agreements, arrangements, or commitments entered into in the ordinary course of its business consistent with past practice, or, if there has been no past practice, consistent with prudent banking practices.

6.37. Employment and Severance Arrangements. Schedule 6.37 hereof sets forth

(a) all employment contracts granted by the Bank to any of its officers, directors, consultants, or other management officials or shareholders providing for increased or accelerated compensation in the event of a change of control with respect to the Bank or any other event affecting the ownership, control, or management of the Bank; and

(b) all employment and severance contracts, agreements, and arrangements between the Bank and any officer, director, consultant, or other management official or shareholder of the Bank.

6.38. Material Contract Defaults. All contracts, agreements, leases, mortgages, or commitments referred to in Section 6.12(c) hereof are valid and in full force and effect on the date hereof. As of the date of this Agreement and as of the Effective Date, the Bank is not and will not be in default in any material respect under any material contract, agreement, commitment, arrangement, lease, insurance policy, or other instrument to which it is a party or by which its assets, business, or operations may be bound or affected or under which it or its assets, business, or operations receive benefits; and there has not occurred any event that with the lapse of time or the giving of notice or both would constitute such a default.

6.39. Capital Expenditures. Except as set forth on Schedule 6.39 hereof, the Bank does not have any outstanding commitments in the nature of capital expenditures which in the aggregate exceed \$15,000.

6.40. Repurchase Agreements. With respect to all agreements pursuant to which the Bank has purchased securities subject to an agreement to resell, it has a valid, perfected first lien or security interest in the securities securing the agreement, and the value of the collateral securing each such agreement equals or exceeds the amount of the debt secured by such collateral under such agreement.

6.41. Internal Controls. The Bank maintains internal controls to provide reasonable assurance to its board of directors and officers that its assets are safeguarded, its records and reports are prepared in compliance with all applicable legal and accounting requirements and with its internal policies and practices, and applicable federal, state, and local laws and regulations are complied with. These controls extend to the preparation of its financial statements to provide reasonable assurance that the statements are presented fairly in conformity with generally accepted accounting principles or, to the extent different from generally accepted accounting principles, accounting principles mandated by the federal banking regulatory agency with principal jurisdiction over the Bank. The controls contain self-monitoring mechanisms, and appropriate actions are taken on significant deficiencies as they are identified.

6.42. Dividends. The Bank has not paid any dividend to its shareholders which caused its regulatory capital to be less than the amount then required by applicable law, or which exceeded any other limitation on the payment of dividends imposed by law, agreement, or regulatory policy.

6.43. Brokers and Advisers. Except as set forth on Schedule 6.43 hereof, (a) there are no claims for brokerage commissions, finder's fees, or similar compensation arising out of or due to any act of the Bank or the Chadwicks or either of them in connection with the transactions contemplated by this Agreement or based upon any agreement or arrangement made by or on behalf of the Bank or the Chadwicks or either of them, and (b) neither the Bank nor the Chadwicks or either of them has entered into any agreement or understanding with any party relating to financial advisory services provided or to be provided with respect to the transactions contemplated by this Agreement.

6.44. Interest Rate Risk Management Instruments. The Bank is not a party to any interest-rate swaps, caps, floors, or options agreements or other interest-rate risk management arrangements, and none of the properties or assets of the Bank may be bound by any such agreements or arrangements.

6.45. Disclosure. No representation or warranty hereunder and no certificate, statement, or other document delivered by the Bank or the Chadwicks hereunder or in connection with this Agreement or any of the transactions contemplated thereunder contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein, in light of the circumstances under which they were made, not misleading. There is no fact known to the Bank or the Chadwicks which reasonably might materially adversely affect the business, assets, liabilities, financial condition, results of

operations, or prospects of the Bank which has not been disclosed in the Bank Financial Statements or a certificate delivered to Zions Bancorp by the Bank. Copies of all documents referred to in this Agreement, unless prepared solely by Zions Bancorp or solely by Zions Bancorp and third parties hereto, are true, correct, and complete copies thereof and include all amendments, supplements, and modifications thereto and all waivers thereunder.

6.46. Regulatory and Other Approvals. As of the date hereof, neither the Bank nor the Chadwicks is aware of any reason why all material consents and approvals shall not be procured from all regulatory agencies having jurisdiction over the transactions contemplated by this Agreement, as shall be necessary for (a) consummation of the transactions contemplated by this Agreement, and (b) the continuation after the Effective Date of the business of the Bank as such business is carried on immediately prior to the Effective Date, free of any conditions or requirements which, in the reasonable opinion of the Bank, could have a material adverse effect upon the business, operations, activities, earnings, or prospects of the Bank. As of the date hereof, neither the Bank nor the Chadwicks is aware of any reason why all material consents and approvals shall not be procured from all other persons and entities whose consent or approval shall be necessary for (y) consummation of the transactions contemplated by this Agreement, or (z) the continuation after the Effective Date of the business of the Bank as such business is carried on immediately prior to the Effective Date.

7. Covenants of the Bank and the Chadwicks.

The Bank and the Chadwicks hereby covenant and agree as follows:

7.1. Rights of Access. In addition and not in limitation of any other rights of access provided to Zions Bancorp herein, until the Effective Date the Bank will give to Zions Bancorp and to its representatives, including its certified public accountants, KPMG Peat Marwick, full access during normal business hours to all of the property, documents, contracts, books, and records of the Bank, and such information with respect to its business affairs and properties as Zions Bancorp from time to time may reasonably request; provided that copies of documents may be redacted to remove material whose disclosure is, in the judgment of independent counsel to the Bank, inconsistent with the fiduciary obligations of the directors of the Bank.

7.2. Corporate Records, Contracts, etc.

(a) The Bank will make available to Zions Bancorp copies of its articles of incorporation, bylaws, and minute books, all of which shall be certified to be complete and true copies.

(b) The Bank will make available copies of all contracts or agreements involving amounts in excess of \$15,000 to which the Bank is a party, including but not limited to data processing contracts, service contracts, contracts to purchase or lease real property or

equipment, guaranties, employment contracts, and insurance contracts pertaining to fire, accident, indemnity, fidelity, health, life, hospitalization, or other employee benefits.

(c) The Bank will furnish to Zions Bancorp the following information with respect to properties owned by the Bank: (i) a brief description and location of each parcel of real property owned by the Bank, (ii) a brief description of real property covered by lease or other rental arrangements to which the Bank is a party, including a copy of the relevant leases; and (iii) a brief description of personal property with a value in excess of \$15,000 covered by lease or other rental arrangements to which the Bank is a party, including a copy of the relevant leases.

7.3. Monthly and Quarterly Financial Statements: Minutes of Meetings and Other Materials.

(a) The Bank will continue to prepare all of the monthly and quarterly financial statements and financial reports to regulatory authorities for the months and quarterly periods ending between January 1, 1997 and the Effective Date which it customarily prepared during the period between January 1, 1994 and December 31, 1996 and shall promptly provide Zions Bancorp with copies of all such financial statements and reports. Such financial statements and reports shall be verified by the chief financial officer of the Bank. All of such financial statements and reports, including the related notes, schedules, and memorandum items, will have been prepared in accordance with generally accepted accounting principles applied in all material respects (except that Consolidated Reports of Condition and Consolidated Reports of Income required to be filed under federal law may be prepared in accordance with the official instructions applicable thereto at the time of filing).

(b) The Bank shall promptly provide Zions Bancorp with (i) copies of all of its periodic reports to directors and to shareholders, whether or not such reports were prepared or distributed in connection with a meeting of the board of directors or a meeting of the shareholders, prepared or distributed between the date of this Agreement and the Effective Date, and (ii) complete copies of all minutes of meetings of its board of directors and shareholders which meetings take place between the date of this Agreement and the Effective Date, certified by the secretary or cashier or an assistant secretary or assistant cashier of the Bank; provided that the copies so provided may be redacted to remove material whose disclosure is, in the judgment of independent counsel to the Bank, inconsistent with the fiduciary obligations of the directors of the Bank.

7.4. Extraordinary Transactions. Without the prior written consent of Zions Bancorp, the Bank will not on or after the date of this Agreement: (a) declare or pay any cash dividends or property dividends with respect to any class of its capital stock, except for cash dividends in an amount not in excess of \$0.75 per share in any calendar quarter; (b) declare or distribute any stock dividend, authorize a stock split, or authorize, issue or make any distribution of its capital stock or any other securities, or grant any options to acquire such additional securities, or sell shares of Bank Common Stock from the treasury of the Bank; (c) merge

into, consolidate with, or sell its assets to any other corporation or person, or enter into any other transaction or agree to effect any other transaction not in the ordinary course of its business except as explicitly contemplated herein, or engage in any discussions concerning such a possible transaction except as explicitly contemplated herein; (d) convert its charter or form of entity from that in existence on the date of this Agreement to any other charter or form of entity; (e) make any direct or indirect redemption, purchase, or other acquisition of any of its capital stock; (f) except in the ordinary course of its business or to accomplish the transactions contemplated by this Agreement, incur any liability or obligation, make any commitment or disbursement, acquire or dispose of any property or asset, make any contract or agreement, or engage in any transaction; (g) other than in the ordinary course of business, subject any of its properties or assets to any lien, claim, charge, option, or encumbrance; (h) except for increases in the ordinary course of business in accordance with past practices, which together with all other compensation rate increases do not exceed 4.5 percent per annum of the aggregate payroll as of January 1, 1997, increase the rate of compensation of any employee or enter into any agreement to increase the rate of compensation of any employee; (i) create or modify any pension or profit sharing plan, bonus, deferred compensation, death benefit, or retirement plan, or the level of benefits under any such plan, nor increase or decrease any severance or termination pay benefit or any other fringe benefit; (j) enter into any employment or personal services contract with any person or firm, including without limitation any contract, agreement, or arrangement described in Section 6.37(a) hereof, except directly to facilitate the transactions contemplated by this Agreement; nor (k) purchase any loans or loan-participation interests or participate in any loans originated by another. Nothing in this section 7.4 shall prohibit the Bank from paying bonuses for 1997 to those of its officers and employees listed on Schedule 7.4 attached hereto (the "Scheduled Employees"), provided that the aggregate amount of such bonuses shall not exceed one-twelfth of the aggregate amount of bonuses paid in respect of 1996 to the Scheduled Employees times the number of whole calendar months between January 1, 1997 and the Effective Date.

7.5. Preservation of Business. The Bank will (a) carry on its business and manage its assets and properties diligently and substantially in the same manner as heretofore; (b) maintain the ratio of its loans to its deposits at approximately the same level as existed at December 31, 1996, as adjusted to allow for seasonal fluctuations of loans and deposits of a kind and amount experienced traditionally by it; (c) manage its investment portfolio in substantially the same manner and pursuant to substantially the same investment policies as in 1995 and 1996, and take no action to change the percentage which its investment portfolio bears to its total assets, or to lengthen the average maturity of its investment portfolio, or of any significant category thereof, to any material extent; (d) continue in effect its present insurance coverage on all properties, assets, business, and personnel; (e) use its best efforts to preserve its business organization intact; except as otherwise consented to by Zions Bancorp, to keep available its present employees; and to preserve its present relationships with customers and others having business dealings with it; (f) not do anything and not fail to do anything which will cause a breach of or default in any contract, agreement, commitment, or obligation to which it is a party or by which it may be bound; (g) not amend its articles of

incorporation or bylaws except as explicitly provided herein; and (h) not grant or expand any shareholders' rights to dissent from any merger.

7.6. Registration Matters. The Bank will furnish to Zions Bancorp all information concerning the Bank's shareholders as Zions Bancorp may reasonably request in connection with the obligations of Zions Bancorp under Section 11.8(b) of this Agreement.

7.7. Shareholders' Agreements. The Bank will furnish to Zions Bancorp a list of all shareholders of record at the date of mailing of the information statement with respect to the Meeting. The Bank will use its best efforts to cause each such shareholder to deliver to Zions Bancorp not later than thirty days prior to the Effective Date a written agreement providing that such person is acquiring the shares of Zions Bancorp Stock for his or her own account, for investment purposes only and not with a view to distribution, that such shareholder knows and understands that such shares are not registered under the Securities Act of 1933, and that such shareholder has no present plan to enter into any contract, undertaking, agreement, or arrangement for resale, distribution, subdivision, transfer, or assignment of such shares and will not sell, pledge, transfer or otherwise dispose of the shares of Zions Bancorp Stock to be received by such person in the Share Exchange except in compliance with the applicable provisions of the Securities Act and the rules and regulations thereunder.

7.8 Inconsistent Activities. Unless and until the Share Exchange has been consummated or this Agreement has been terminated in accordance with its terms, neither the Bank nor the Chadwicks or either of them will (a) solicit or encourage, directly or indirectly, any inquiries or proposals to acquire more than one percent of the Bank Common Stock or any significant portion of its assets (whether by tender offer, merger, purchase of assets or other transactions of any type); (b) afford any third party which may be considering any such transaction access to its properties, books or records except as required by mandatory provisions of law; (c) enter into any discussions or negotiations for, or enter into any agreement or understanding which provides for, any such transaction, or (d) authorize or permit any of the directors, officers, employees or agents of the Bank to do or permit any of the foregoing. If the Bank or the Chadwicks or either of them becomes aware of any offer or proposed offer to acquire any shares of its capital stock or any significant portion of its assets (regardless of the form of the proposed transaction) or of any other matter which could adversely affect this Agreement or the Share Exchange, such person shall immediately give notice thereof to Zions Bancorp.

8. Representations and Warranties of Zions Bancorp.

Zions Bancorp represents and warrants to the Bank and the Chadwicks as follows:

8.1. Organization, Powers, and Qualification. It is a corporation which is duly organized, validly existing, and in good standing under the laws of the State of Utah and has all requisite corporate power and authority to own and operate its properties and assets, to

lease properties used in its business, and to carry on its business as now conducted. It owns or possesses in the operation of its business all franchises, licenses, permits, branch certificates, consents, approvals, waivers, and other authorizations, governmental or otherwise, which are necessary for it to conduct its business as now conducted, except for those where the failure of such ownership or possession would not adversely affect its operation and properties in any material respect. It is duly qualified and licensed to do business and is in good standing in every jurisdiction in which such qualification or license is required or with respect to which the failure to be so qualified or licensed could result in material liability or adversely affect its operation and properties in any material respect.

8.2. Execution and Performance of Agreement. It has all requisite corporate power and authority to execute and deliver this Agreement and to perform its respective terms.

8.3. Binding Obligations; Due Authorization. This Agreement constitutes its valid, legal, and binding obligations enforceable against it in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, moratorium or similar law, or by general principles of equity. The execution, delivery, and performance of this Agreement and the transactions contemplated thereby have been duly and validly authorized by its board of directors. No other corporate proceedings on its part are necessary to authorize this Agreement or the carrying out of the transactions contemplated hereby.

8.4. Absence of Default. None of the execution or the delivery of this Agreement, the consummation of the transactions contemplated thereby, or the compliance with or fulfillment of the terms thereof will conflict with, or result in a breach of any of the terms, conditions, or provisions of, or constitute a default under its organizational documents or bylaws. None of such execution, consummation, or fulfillment will (a) conflict with, or result in a material breach of the terms, conditions, or provisions of, or constitute a material violation, conflict, or default under, or give rise to any right of termination, cancellation, or acceleration with respect to, or result in the creation of any lien, charge, or encumbrance upon, any of its property or assets pursuant to any material agreement or instrument under which it is obligated or by which any of its properties or assets may be bound, including without limitation any material lease, contract, mortgage, promissory note, deed of trust, loan, credit arrangement or other commitment or arrangement of it in respect of which it is an obligor, or (b) if the Share Exchange is approved by the Board of Governors under the BHC Act, and if the transactions contemplated by this Agreement are approved by the Commissioner and the Division, violate any law, statute, rule, or regulation of any government or agency to which it is subject and which is material to its operations, or (c) violate any judgment, order, writ, injunction, decree, or ruling to which it or any of its properties or assets is subject or bound. None of the execution or delivery of this Agreement, the consummation of the transactions contemplated thereby, or the compliance with or fulfillment of the terms thereof will require any authorization, consent, approval, or exemption by any person which has not been obtained, or any notice or filing which has not been given or done, other than approval of or waiver of jurisdiction over the transactions contemplated by this Agreement by the Board of Governors, the Commissioner, and the Division.

8.5. Brokers and Advisers.

(a) There are no claims for brokerage commissions, finder's fees, or similar compensation arising out of or due to any act of its in connection with the transactions contemplated by this Agreement or based upon any agreement or arrangement made by or on behalf of it.

(b) It has not entered into any agreement or understanding with any party relating to financial advisory services provided or to be provided with respect to the transactions contemplated by this Agreement.

8.6. Books and Records. Its books and records fairly reflect the transactions to which it is a party or by which its properties are subject or bound. Such books and records have been properly kept and maintained and are in compliance in all material respects with all applicable legal and accounting requirements. It follows generally accepted accounting principles applied on a consistent basis in the preparation and maintenance of its books of account and financial statements, including but not limited to the application of the accrual method of accounting for interest income on loans, leases, discounts, and investments, interest expense on deposits and all other liabilities, and all other items of income and expense. It has made all accruals in amounts which accurately report income and expense in the proper periods in accordance with generally accepted accounting principles. It has filed all material reports and returns required by any law or regulation to be filed by it.

8.7. Financial Statements. Zions Bancorp has furnished to the Bank and the Chadwicks its consolidated statement of condition as of each of December 31, 1994, December 31, 1995, and December 31, 1996, and its related consolidated statement of income, consolidated statement of changes in financial position, and consolidated statement of changes in stockholders' equity for each of the periods then ended, and the notes thereto (collectively, the "Zions Bancorp Financial Statements"). All of the Zions Bancorp Financial Statements, including the related notes, (a) were prepared in accordance with generally accepted accounting principles applied in all material respects, and (b) are in accordance with the books and records of Zions Bancorp which have been maintained in accordance with generally accepted accounting principles, and (c) fairly reflect the consolidated financial position of Zions Bancorp as of such dates, and the consolidated results of operations of Zions Bancorp for the periods ended on such dates, and do not fail to disclose any material extraordinary or out-of-period items, and (d) reflect, in accordance with generally accepted accounting principles applied in all material respects, adequate provision for, or reserves against, the possible loan losses of Zions Bancorp as of such dates.

8.8. Absence of Certain Developments. Since December 31, 1996, there has been (a) no material adverse change in the condition, financial or otherwise, assets, properties, liabilities, or businesses of Zions Bancorp, and (b) no material deterioration in the quality of the loan portfolio of Zions Bancorp or of any major component thereof, and no material

increase in the level of nonperforming assets or nonaccrual loans at Zions Bancorp or in the level of its provision for credit losses or its reserve for possible credit losses.

8.9. Disclosure. No representation or warranty hereunder and no certificate, statement, or other document delivered by it hereunder or in connection with this Agreement or any of the transactions contemplated thereunder contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein, in light of the circumstances under which they were made, not misleading. There is no fact known to it which might materially adversely affect its business, assets, liabilities, financial condition, results of operations, or prospects which has not been disclosed in the Zions Bancorp Financial Statements or a certificate delivered by it to the Bank and the Chadwicks. Copies of all documents referred to in this Agreement, unless prepared solely by the Bank and the Chadwicks or solely by the Bank and the Chadwicks and third parties hereto, are true, correct, and complete copies thereof and include all amendments, supplements, and modifications thereto and all waivers thereunder.

9. Closing.

9.1. Place and Time of Closing. Closing shall take place at the offices of Zions Bancorp, Suite 1380, One South Main Street, Salt Lake City, Utah, or such other place as the parties choose, commencing at 10:00 a.m., local time, on the Effective Date, provided that all conditions precedent to the obligations of the parties hereto to close have then been met or waived.

9.2. Events To Take Place at Closing. At the Closing, the following actions will be taken:

(a) Such certificates and other documents as are required by this Agreement to be executed and delivered on or prior to the Effective Date and have not been so executed and delivered, and such other certificates and documents as are mutually deemed by the parties hereto to be otherwise desirable for the effectuation of the Closing, will be so executed and delivered; and then

(b) The Share Exchange and the issuance of shares incident thereto shall be effected; provided, however, that the administrative and ministerial aspects of the issuance of shares incident to the Share Exchange will be settled as soon thereafter as shall be reasonable under the circumstances.

10. Termination, Damages for Breach, Waiver, and Amendment.

10.1. Termination by Reason of Lapse of Time. This Agreement may be terminated by either party on or after November 30, 1997, by instrument duly authorized and executed

and delivered to the other party, unless the Effective Date shall have occurred on or before such date.

10.2. Grounds for Termination. This Agreement may be terminated by written notice of termination at any time before the Effective Date (whether before or after action by shareholders of the Bank):

(a) by mutual consent of the parties hereto;

(b) by Zions Bancorp, upon written notice to the Bank and the Chadwicks given at any time (i) if any of the representations and warranties of the Bank or the Chadwicks contained in Section 6 hereof was materially incorrect when made, or (ii) in the event of a material breach or material failure by the Bank or the Chadwicks or either of them of any covenant or agreement of its or theirs contained in this Agreement which has not been, or cannot be, cured within thirty days after written notice of such breach or failure is given to such person;

(c) by the Bank or the Chadwicks, upon written notice to Zions Bancorp given at any time (i) if any of the representations and warranties of Zions Bancorp contained in Section 8 hereof was materially incorrect when made, or (ii) in the event of a material breach or material failure by Zions Bancorp of any covenant or agreement of Zions Bancorp contained in this Agreement which has not been, or cannot be, cured within thirty days after written notice of such breach or failure is given to Zions Bancorp;

(d) by either Zions Bancorp or the Bank upon written notice given to the other if the board of directors of either Zions Bancorp or the Bank shall have determined in its sole judgment made in good faith, after due consideration and consultation with counsel, that the Share Exchange has become inadvisable or impracticable by reason of the institution of litigation by the federal government or the government of either the State of Idaho or the State of Utah to restrain or invalidate the transactions contemplated by this Agreement.

10.3. Effect of Termination. In the event of the termination and abandonment hereof pursuant to the provisions of Section 10.1 or Section 10.2, this Agreement shall become void and have no force or effect, without any liability on the part of Zions Bancorp, the Bank, the Chadwicks, or the directors or officers or shareholders of either Zions Bancorp or the Bank in respect of this Agreement. Notwithstanding the foregoing, (a) as provided in Section 11.4 of this Agreement, the confidentiality agreement contained in that section shall survive such termination, and (b) if such termination is a result of any of the representations and warranties of a party being materially incorrect when made or a result of the material breach or material failure by a party of a covenant or agreement hereunder, such party whose representations and warranties were materially incorrect or who materially breached or failed to perform its covenant or agreement shall be liable in the amount of \$500,000 to the other party or parties hereto that are not affiliated with it or him.

10.4. Waiver of Terms or Conditions. Any of the terms or conditions of this Agreement may be waived at any time prior to the Effective Date by the corporate party which is, or whose shareholders are, entitled to the benefit thereof, by action taken by the board of directors of such party, or by its chairman, or by its president; provided that such waiver shall be in writing and shall be taken only if, in the judgment of the board of directors or officer taking such action, such waiver will not have a materially adverse effect on the benefits intended hereunder to the shareholders of its or his corporation; and the other parties hereto may rely on the delivery of such a waiver as conclusive evidence of such judgment and the validity of the waiver.

10.5. Amendment.

(a) Anything herein or elsewhere to the contrary notwithstanding, to the extent permitted by law, this Agreement and the exhibits hereto may be amended, supplemented, or interpreted at any time prior to the Effective Date by written instrument duly authorized and executed by each of the parties hereto; provided, however, that this Agreement may not be amended after the action by shareholders of the Bank in any respect that would prejudice the economic interests of such Bank shareholders, or any of them, except as specifically provided herein or by like action of such shareholders.

(b) If Zions Bancorp and the Bank should mutually determine (following receipt of advice of legal or other counsel) that it has become inadvisable or inexpedient to effectuate the transactions contemplated by this Agreement through means of a Share Exchange such as is contemplated herein, then the parties hereto agree to effect such change in the form of transaction as described especially in Sections 1.1 and 9.2 of this Agreement by written instrument in amendment of this Agreement.

11. General Provisions.

11.1. Allocation of Costs and Expenses. Each party hereto shall pay its own fees and expenses, including without limitation the fees and expenses of its own counsel and its own accountants and tax advisers, incurred in connection with this Agreement and the transactions contemplated thereby. For purposes of this Section, (i) the cost of drafting, printing and delivering the information statement and other material to be transmitted to shareholders of the Bank shall be deemed to be incurred on behalf of the Bank, and (ii) the cost of registering under federal and state securities laws the stock of Zions Bancorp to be received by the shareholders of the Bank shall be deemed to be incurred on behalf of Zions Bancorp.

11.2. Mutual Cooperation.

(a) Subject to the terms and conditions herein provided, each party shall use its best efforts, and shall cooperate fully with the other parties, in carrying out the provisions of this Agreement and in making all filings and obtaining all necessary governmental

approvals, and shall execute and deliver, or cause to be executed and delivered, such governmental notifications and additional documents and instruments and do or cause to be done all additional things necessary, proper, or advisable under applicable law to consummate and make effective the transactions contemplated hereby.

(b) Zions Bancorp and the Bank agree to consult with respect to the amount and timing of the July 1997 dividend to holders of Zions Bancorp Stock and the July 1997 dividend, if any, to holders of Bank Common Stock, with the objective of assuring that the shareholders of the Bank do not receive a shortfall or a premium based on the record and payment dates of those respective dividends.

11.3. Form of Public Disclosures. Zions Bancorp and the Bank shall mutually agree in advance upon the form and substance of all public disclosures concerning this Agreement and the transactions contemplated hereby.

11.4. Confidentiality. Zions Bancorp on the one hand, and the Bank and the Chadwicks on the other hand, shall use all information that each obtains from the other pursuant to this Agreement solely for the effectuation of the transactions contemplated by this Agreement or for other purposes consistent with the intent of this Agreement. Neither Zions Bancorp nor the Bank or the Chadwicks shall use any of such information for any other purpose, including, without limitation, the competitive detriment of the other party. Zions Bancorp on the one hand and the Bank and the Chadwicks on the other hand shall maintain as strictly confidential all information each learns from the other and shall, at any time, upon the request of the other, return promptly to it all documentation provided by it or made available to third parties. Each of the parties may disclose such information to its respective affiliates, counsel, accountants, tax advisers, and consultants. The confidentiality agreement contained in this Section 11.4 shall remain operative and in full force and effect, and shall survive the termination of this Agreement.

11.5. Indemnification.

(a) Claims of Brokers.

(i) The Bank and the Chadwicks shall indemnify, defend, and hold Zions Bancorp harmless for, from, and against any claim, suit, liability, fees, or expenses (including, without limitation, attorneys' fees and costs of court) arising out of any claim for brokerage commissions, finder's fees, or similar compensation arising out of or due to any act of the Bank or the Chadwicks in connection with the transactions contemplated by this Agreement or based upon any agreement or arrangement made by or on behalf of the Bank or the Chadwicks with respect to Zions Bancorp.

(ii) Zions Bancorp shall indemnify, defend, and hold the Bank and the Chadwicks harmless for, from, and against any claim, suit, liability, fees, or expenses (including, without limitation, attorneys' fees and costs of court) arising out of any claim for

brokerage commissions, finder's fees, or similar compensation arising out of or due to any act of Zions Bancorp in connection with any of the transactions contemplated by this Agreement or based upon any agreement or arrangement made by or on behalf of Zions Bancorp with respect to the Bank or the Chadwicks.

(b) Claims Based Upon Breach of Representations and Warranties. From and after the Effective Date:

(i) the Chadwicks jointly and severally shall indemnify and hold harmless Zions Bancorp against and in respect of, and shall reimburse Zions Bancorp on demand for any payment made by Zions Bancorp at any time after the Effective Date in respect of,

(A) any material liability of the Bank, whether accrued, absolute, contingent, or otherwise, existing at the Effective Date in respect of any damage or deficiency resulting from any misrepresentation, breach of warranty, or nonfulfillment of any agreement on the part of the Bank or the Chadwicks under this Agreement, or from any misrepresentation in or omission from any certificate or other instrument furnished or to be furnished to Zions Bank hereunder; and

(B) all actions, suits, proceedings, demands, assessments, judgments, costs, attorney's fees, and expenses incident to the foregoing; and

(ii) Zions Bancorp shall indemnify and hold harmless the Chadwicks and the other shareholders of the Bank against and in respect of, and shall reimburse the Chadwicks and the other shareholders of the Bank on demand for any payment made by Zions Bancorp at any time after the Effective Date in respect of,

(A) any material liability of Zions Bancorp, whether accrued, absolute, contingent, or otherwise, existing at the Effective Date in respect of any damage or deficiency resulting from any misrepresentation, breach of warranty, or nonfulfillment of any agreement on the part of Zions Bancorp under this Agreement, or from any misrepresentation in or omission from any certificate or other instrument furnished or to be furnished to the Bank or the Chadwicks hereunder; and

(B) all actions, suits, proceedings, demands, assessments, judgments, costs, attorney's fees, and expenses incident to the foregoing.

(c) Notice and Opportunity to Cure or Mitigate. Any party entitled to indemnification under this section 11.5 will, prior to making any claim for indemnification and only to the extent reasonable under the circumstances, provide notice to the party from whom indemnification may be sought under this section 11.5 (the "Indemnifying Party") a reasonable period of time in advance of making any payment subject to indemnification under this section 11.5, of the facts related to the anticipated payment in order that the Indemnifying Party may attempt to cure or mitigate the liability or claim that may be subject to indemnification. As used

in the previous sentence, "reasonable period of time" shall mean not less than thirty days unless the circumstances do not permit such notice, in which case "reasonable period of time" shall mean the period of time that is reasonable under the circumstances.

11.6. Information for Applications and Registration Statement.

(a) Each party represents and warrants that all information concerning it which is included in any statement and application made to any governmental agency in connection with the transactions contemplated by this Agreement shall not, with respect to such party, omit any material fact required to be stated therein or necessary to make the statements made, in light of the circumstances under which they were made, not misleading. The party so representing and warranting will indemnify, defend, and hold harmless the others, each of their directors and officers, each underwriter and each person, if any, who controls the other parties within the meaning of the Securities Act, for, from and against any and all losses, claims, suits, damages, expenses, or liabilities to which any of them may become subject under applicable laws (including, but not limited to, the Securities Act and the Exchange Act) and rules and regulations thereunder and will reimburse them for any legal or other expenses reasonably incurred by them in connection with investigating or defending any actions whether or not resulting in liability, insofar as such losses, claims, damages, expenses, liabilities, or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any such application or statement or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein, or necessary in order to make the statements therein not misleading, but only insofar as any such statement or omission was made in reliance upon and in conformity with information furnished in writing by the representing and warranting party expressly for use therein. Each party agrees at any time upon the request of any of the other parties not affiliated with it to furnish to such other a written letter or statement confirming the accuracy of the information contained in any proxy or information statement, registration statement, report, or other application or statement, and confirming that the information contained in such document was furnished expressly for use therein or, if such is not the case, indicating the inaccuracies contained in such document or draft or indicating the information not furnished expressly for use therein. The indemnity agreement contained in this Section 11.6(a) shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of any other party, and shall survive the termination of this Agreement or the consummation of the transactions contemplated thereby.

(b) In order to provide for just and equitable contribution in circumstances in which the indemnity agreement contained in Section 11.6(a) of this Agreement is for any reason held by a court of competent jurisdiction to be unenforceable as to any or every party, then the parties in such circumstances shall contribute to the aggregate losses, claims, damages and liabilities (including any investigation, legal and other expenses incurred in connection with, and any amounts paid in settlement of, any action, suit or proceeding or any claims asserted) to which any party may be subject in such proportion as the court of law determines based on the relative fault of the parties.

11.7. Standard of Materiality.

(a) For purposes of Sections 4, 6, 7, and 11.5(b)(i) of this Agreement, the terms "material" and "materially," when used with reference to items normally expressed in dollars, shall be deemed to refer to amounts individually and in the aggregate in excess of 3 percent of the shareholders' equity of the Bank as of December 31, 1996, as determined in accordance with generally accepted accounting principles.

(b) For purposes of Sections 5, 8, and 11.5(b)(ii) of this Agreement, the terms "material" and "materially," when used with reference to items normally expressed in dollars, shall be deemed to refer to amounts individually and in the aggregate in excess of 3 percent of the shareholders' equity of Zions Bancorp as of December 31, 1996, as determined in accordance with generally accepted accounting principles.

(c) For other purposes and, notwithstanding subsections (a) and (b) of this section 11.7, when used anywhere in this Agreement with explicit reference to any of the federal securities laws or to the Registration Statement, the terms "material" and "materially" shall be construed and understood in accordance with standards of materiality as judicially determined under the federal securities laws.

11.8. Covenants of Zions Bancorp.

(a) From the date hereof to the Effective Date, Zions Bancorp shall, contemporaneously with the filing with the SEC of any periodic or current report pursuant to section 13 of the Exchange Act, deliver a copy of such report to the Bank.

(b) Not later than the first anniversary of the Effective Date, Zions Bancorp at its own expense shall (i) file a registration statement on Form S-3 (or such other appropriate form) with the SEC in order to permit the sharers of Zions Common Stock to be issued in the Share Exchange to become registered under the Securities Act, (ii) file all such statements, notices, applications, reports, irrevocable consents for service of process, and other documents with various states of residence of the Bank's shareholders, as Zions Bancorp is advised by counsel are necessary to cause the shares of Zions Bancorp Stock to be issued in the Share Exchange to be qualified or exempted from qualification in said states, and (iii) following the filings referred to in clauses (i) and (ii) of this Section 11.8(b), diligently pursue the registration and qualification processes which it shall thereby have initiated.

(c) Following the Effective Date Zions Bancorp will take no action, and will cause its subsidiaries to take no action, to abrogate or diminish any right accorded under the articles of incorporation or by-laws of the Bank as they existed immediately prior to the Effective Date to any person who, on or prior to the Effective Date, was a director or officer of the Bank to indemnification from or against losses, expenses, claims, demands, damages, liabilities, judgments, fines, penalties, costs, expenses (including without limitation reasonable attorneys fees) and amounts paid in settlement pertaining to or incurred in connection with any

threatened or actual action, suit, claim, or proceeding (whether civil, criminal, administrative, arbitration, or investigative) arising out of events, matters, actions, or omissions occurring on or prior to the Effective Date. To the extent not provided by the foregoing, following the Effective Date and to the extent permitted by law, all rights to such indemnification accorded under the articles of incorporation and by-laws of the Bank to any person who, on or prior to the Effective Date, was a director or officer of the Bank shall survive the Effective Date and, following the Share Exchange, to the extent permitted by law, Zions Bancorp will honor such obligations in accordance with their terms with respect to events, acts, or omissions occurring prior to the Effective Date.

(d) The shares of Zions Bancorp Stock to be issued pursuant to the Agreement will be, when issued, duly authorized and legally issued, fully paid, and non-assessable.

11.9. Time of the Essence. Time is of the essence of this Agreement.

11.10. Counterparts. This Agreement may be executed in two or more counterparts each of which shall be deemed to constitute an original, but such counterparts together shall be deemed to be one and the same instrument and to become effective when one or more counterparts have been signed by each of the parties hereto. It shall not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for the other counterpart.

11.11. Entire Agreement. This Agreement sets forth the entire understanding of the parties hereto with respect to their commitments to each other and their undertakings vis-a-vis each other on the subject matter hereof. Any previous agreements or understandings between the parties regarding the subject matter hereof are merged into and superseded by this Agreement. Nothing in this Agreement express or implied is intended or shall be construed to confer upon or to give any person, other than Zions Bancorp, the Bank and the Chadwicks and the respective shareholders of Zions Bancorp and the Bank, any rights or remedies under or by reason of this Agreement.

11.12. Survival of Representations, Warranties, and Covenants. The respective representations, warranties, and covenants of each party to this Agreement are hereby declared by the other parties to have been relied on by such other parties and shall survive the Effective Date. Each party shall be deemed to have relied upon each and every representation and warranty of the other parties regardless of any investigation heretofore or hereafter made by or on behalf of such party.

11.13. Officers' Certificates. Each certificate executed and delivered by an officer of a corporate party pursuant to this Agreement shall be deemed to have been executed and delivered by such officer in his or her capacity as an officer of the party on whose behalf the certificate is executed and delivered, and not in his or her personal capacity, and such officer shall have no personal liability by reason of his or her execution or delivery of any such

certificate in the absence of fraud, deliberate misrepresentation, other intentional tortious conduct, or gross negligence on the part of that officer.

11.14. Section Headings. The section and subsection headings herein have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof. Any reference to a "person" herein shall include an individual, firm, corporation, partnership, trust, government or political subdivision or agency or instrumentality thereof, association, unincorporated organization, or any other entity.

11.15. Notices. All notices, consents, waivers, or other communications which are required or permitted hereunder shall be in writing and deemed to have been duly given if delivered personally or by messenger, transmitted by telex or telegram, by express courier, or sent by registered or certified mail, return receipt requested, postage prepaid. All communications shall be addressed to the appropriate address of each party as follows:

If to Zions Bancorp:

Zions Bancorporation
One South Main Street, Suite 1380
Salt Lake City, Utah 84111

Attention: Mr. Harris H. Simmons
President and Chief Executive Officer

If to the Bank:

Tri-State Bank
902 Washington Street
Montpelier, Idaho 83254

Attention: Mr. Ronald O. Peterson
President and Chief Executive Officer

All such notices shall be deemed to have been given on the date delivered, transmitted, or mailed in the manner provided above.

11.16. Choice of Law and Venue. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Utah, without giving effect to the principles of conflict of law thereof. The parties hereby designate Salt Lake County, Utah to be the proper jurisdiction and venue for any suit or action arising out of this Agreement. Each of the parties consents to personal jurisdiction in such venue for such a proceeding and agrees that it may be served with process in any action with respect to this Agreement or the transactions contemplated thereby by certified or registered mail, return receipt requested, or

to its registered agent for service of process in the State of Utah. Each of the parties irrevocably and unconditionally waives and agrees, to the fullest extent permitted by law, not to plead any objection that it may now or hereafter have to the laying of venue or the convenience of the forum of any action or claim with respect to this Agreement or the transactions contemplated thereby brought in the courts aforesaid.

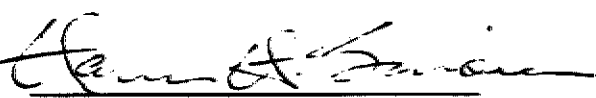
11.17. Knowledge of a Party. References in this Agreement to the knowledge of a party shall mean the knowledge possessed by any of such parties or the present executive officers of such party including, without limitation, information which is or has been in the books and records of such party.

11.18. Binding Agreement. This Agreement shall be binding upon the parties and their respective successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.


ZIONS BANCORPORATION

Attest: 

By: 
Harris H. Simmons
President and
Chief Executive Officer

TRI-STATE BANK

Attest: 

By: 
Ronald O. Peterson
President and
Chief Executive Officer

FRANK CHADWICK

Witness: *J. Peronetti*

Frank Chadwick

CLAIR CHADWICK

Witness: *J. Peronetti*

Clair Chadwick

State of Utah

County of Salt Lake

)
)
) ss.
)
)

On this twenty-third day of April, 1997, before me personally appeared Harris H. Simmons, to me known to be the President and Chief Executive Officer of Zions Bancorporation, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.



Notary Public

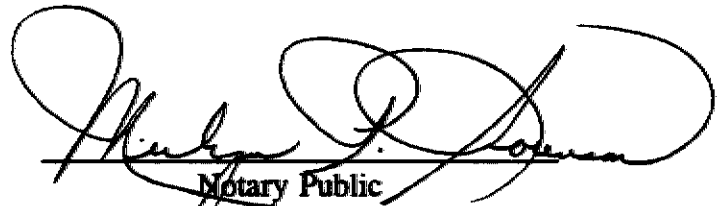
State of Idaho)

County of Bear Lake)

ss.

On this twenty-third day of April, 1997, before me personally appeared Ronald O. Peterson, to me known to be the President and Chief Executive Officer of Tri-State Bank, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.



Notary Public

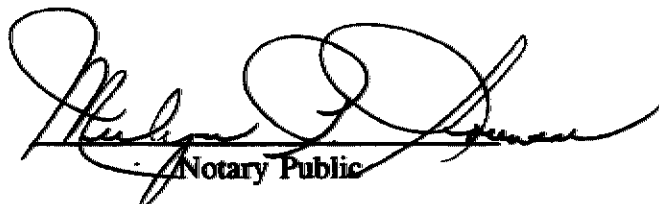
State of Idaho

County of Bear Lake

)
)
) SS.
)
)

On this twenty-third day of April, 1997, before me personally appeared Frank Chadwick and Clair Chadwick, each to me known, and each of whom acknowledged said instrument to be the free and voluntary act and deed of said individual, for the uses and purposes therein mentioned.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.


Notary Public

The undersigned members of the Board of Directors of Tri-State Bank (the "Bank"), acknowledging that Zions Bancorporation ("Zions Bancorp") has relied upon the action heretofore taken by the board of directors in entering into the Agreement, and has required the same as a prerequisite to Zions Bancorp's execution of the Agreement, do hereby consent to the aforesaid Agreement and do individually and as a group agree to support the Agreement, to vote the shares of capital of stock of the Bank each of the undersigned owns in favor of the Agreement, and to recommend its adoption by the other shareholders of the Bank.

The undersigned do hereby, individually and as a group, until the Effective Date or termination of the Agreement, further agree to refrain from soliciting or negotiating or accepting any offer of merger, consolidation, or acquisition of any of the shares or all or substantially all of the assets of the Bank from the date of the Agreement through the special meeting of the shareholders of the Bank at which the transactions contemplated by the Agreement will be considered and the Effective Date of the Share Exchange.

Gerald E. Pheasant

R. D. Smith

J. P. Peronetti

John L. Leland

Reuben G. Russell

EXHIBIT I

APPRAISAL LAWS

Idaho Code Section 30-1-80 (1996)

Section 30-1-80. Right of shareholders to dissent and obtain payment for shares

(a) Any shareholder of a corporation shall have the right to dissent from, and to obtain payment for his shares in the event of any of the following corporate actions:

(1) Any plan of merger or consolidation to which the corporation is a party, except as provided in subsection (c) of this section;

(2) Any sale, lease, exchange, or other disposition of all or substantially all of the property and assets of the corporation not made in the usual or regular course of its business, including a sale in dissolution, but not including a sale pursuant to an order of a court having jurisdiction in the premises or a sale for cash on terms requiring that all or substantially all of the net proceeds of sale be distributed to the shareholders in accordance with their respective interests within one (1) year after the date of sale;

(3) Any plan of exchange to which the corporation is a party, as the corporation the shares of which are to be acquired;

(4) Any amendment of the articles of incorporation which materially and adversely affects the rights appurtenant to the shares of the dissenting shareholder in that it:

(i) Alters or abolishes a preferential right of such shares;

(ii) Creates, alters or abolishes a right in respect of the redemption of such shares, including a provision respecting a sinking fund for the redemption or repurchase of such shares;

(iii) Alters or abolishes a preemptive right of the holder of such shares to acquire shares or other securities;

(iv) Excludes or limits the right of the holder of such shares to vote on any matter, or to cumulate his votes, except as such right may be limited by dilution through the issuance of shares or other securities with similar voting rights; or

(5) Any other corporate action taken pursuant to a shareholder vote with respect to which the articles of incorporation, the bylaws, or a resolution of the board of directors directs that dissenting shareholders shall have a right to obtain payment for their shares.

(b) (1) A record holder of shares may assert dissenters' rights as to less than all of the shares registered in his name only if he dissents with respect to all the shares beneficially owned by any one (1) person, and discloses the name and address of the persons on whose behalf he dissents. In that event, his rights shall be determined as if the shares as to

which he has dissented and his other shares were registered in the names of different shareholders.

(2) A beneficial owner of shares who is not the record holder may assert dissenters' rights with respect to shares held on his behalf, and shall be treated as a dissenting shareholder under the terms of this section and section 30-1-31, Idaho Code, if he submits to the corporation at the time of or before the assertion of these rights a written consent of the record holder.

(c) The right to obtain payment under this section shall not apply to the shareholders of the surviving corporation in a merger if a vote of the shareholders of such corporation is not necessary to authorize such merger.

(d) A shareholder of a corporation who has a right under this section to obtain payment for his shares shall have no right at law or in equity to attack the validity of the corporate action that gives rise to his right to obtain payment, nor to have the action set aside or rescinded, except when the corporate action is unlawful or fraudulent with regard to the complaining shareholder or to the corporation.

Idaho Code Section 30-1-81 (1996)

Section 30-1-81. Procedures for protection of dissenters' rights

(a) As used in this section:

(1) "Dissenter" means a shareholder or beneficial owner who is entitled to and does assert dissenters' rights under section 30-1-80, Idaho Code, and who has performed every act required up to the time involved for the assertion of such rights.

(2) "Corporation" means the issuer of the shares held by the dissenter before the corporate action or the successor by merger or consolidation of that issuer.

(3) "Fair value" of shares means their value immediately before the effectuation of the corporate action to which the dissenter objects, excluding any appreciation or depreciation in anticipation of such corporate action unless such exclusion would be inequitable.

(4) "Interest" means interest from the effective date of the corporate action until the date of payment at the average rate currently paid by the corporation on its principal bank loans, or, if none, at such rate as is fair and equitable under all the circumstances.

(b) If a proposed corporate action which would give rise to dissenters' rights under subsection (a) of section 30-1-80, Idaho Code, is submitted to a vote at a meeting of shareholders, the notice of meeting shall notify all shareholders that they have or may have a right to dissent and obtain payment for their shares by complying with the terms of this section, and shall be accompanied by a copy of sections 30-1-80 and 30-1-81, Idaho Code.

(c) If the proposed corporate action is submitted to a vote at a meeting of shareholders, any shareholder who wishes to dissent and obtain payment for his shares shall refrain from voting his shares in approval of such action. A shareholder who votes in favor of such action shall acquire no right to payment for his shares under this section or section 30-1-80, Idaho Code.

(d) If the proposed corporate action is approved by the required vote at a meeting of shareholders, the corporation shall mail a further notice to all shareholders who refrained from voting in favor of the proposed action. If the proposed corporate action is to be taken without a vote of shareholders, the corporation shall send to all shareholders who are entitled to dissent and demand payment for their shares a notice of the adoption of the plan of corporate action. The notice shall:

(1) State where and when a demand for payment must be sent and certificates of certificated shares must be deposited in order to obtain payment;

(2) Inform holders of uncertificated shares to what extent transfer of shares will be restricted from the time that demand for payment is received;

(3) Supply a form for demanding payment which includes a request for certification of the date on which the shareholder, or the person on whose behalf the shareholder dissents, acquired beneficial ownership of the shares; and

(4) Be accompanied by a copy of sections 30-1-80 and 30-1-81, Idaho Code. The time set for the demand and deposit shall be not less than thirty (30) days from the mailing of the notice.

(e) A shareholder who fails to demand payment, or fails (in the case of certificated shares) to deposit certificates, as required by a notice pursuant to subsection (d) of this section shall have no right under this section or section 30-1-80, Idaho Code, to receive payment for his shares. If the shares are not represented by certificates, the corporation may restrict their transfer from the time of receipt of demand for payment until effectuation of the proposed corporate action, or the release of restrictions under the terms of subsection (f) of this section. The dissenter shall retain all other rights of a shareholder until these rights are modified by effectuation of the proposed corporate action.

(f) (1) Within sixty (60) days after the date set for demanding payment and depositing certificates, if the corporation has not effectuated the proposed corporate action and remitted payment for shares pursuant to paragraph (3) of this subsection, it shall return any certificates that have been deposited, and release uncertificated shares from any transfer restrictions imposed by reason of the demand for payment.

(2) When uncertificated shares have been released from transfer restrictions, and deposited certificates have been returned, the corporation may at any later time send a new notice conforming to the requirements of subsection (d) of this section, with like effect.

(3) Immediately upon effectuation of the proposed corporate action, or upon receipt of demand for payment if the corporate action has already been effectuated, the corporation shall remit to dissenters who have made demand and (if their shares are certificated) have deposited their certificates, the amount which the corporation estimates to be the fair value of the shares, with interest if any has accrued. The remittance shall be accompanied by:

(i) The corporation's closing balance sheet and statement of income for a fiscal year ending not more than sixteen (16) months before the date of remittance, together with the latest available interim financial statements;

(ii) A statement of the corporation's estimate of fair value of the shares; and

(iii) A notice of the dissenter's right to demand supplemental payment.

(g) (1) If the corporation fails to remit as required by subsection (f) hereof, or if the dissenter believes that the amount remitted is less than the fair value of his shares, or that the interest is not correctly determined, he may send the corporation his own estimate of the value of the shares or of the interest and demand payment of the deficiency.

(2) If the dissenter does not file such an estimate within thirty (30) days after the corporation's mailing of its remittance, he shall be entitled to no more than the amount remitted.

(h) (1) Within sixty (60) days after receiving a demand for payment pursuant to subsection (g) hereof, if any such demands for payment remain unsettled, the corporation shall file in an appropriate court a petition requesting that the fair value of the shares and interest thereon be determined by the court.

(2) An appropriate court shall be the district court in the county of this state where the registered office of the corporation is located. If, in the case of a merger or consolidation or exchange of shares, the corporation is a foreign corporation without a registered office in this state, the petition shall be filed in the county where the registered office of the foreign corporation was last located. If there is no known registered office, the petition may be filed in Ada County, Idaho.

(3) All dissenters, wherever residing, whose demands have not been settled shall be made parties to the proceeding as in an action against their shares. A copy of the petition shall be served on each such dissenter. If a dissenter is a nonresident, the copy may be served on him by registered or certified mail or by publication as provided by law.

(4) The jurisdiction of the court shall be plenary and exclusive. The court may appoint one (1) or more persons as appraisers to receive evidence and recommend a decision on the question of fair value. The appraisers shall have such power and authority as shall be specified in the order of their appointment or in any amendment thereof. The dissenters shall be entitled to discovery in the same manner as parties in other civil suits.

(5) All dissenters who are made parties shall be entitled to judgment for the amount by which the fair value of their shares is found to exceed the amount previously remitted, with interest.

(6) If the corporation fails to file a petition as provided in paragraph (1) of this subsection (h), each dissenter who made a demand and who has not already settled his claim against the corporation shall be paid by the corporation the amount demanded by him, with interest, and may sue therefor in an appropriate court.

(i) (1) The costs and expenses of any proceeding under subsection (h) of this section, including the reasonable compensation and expenses of appraisers appointed by the court, shall be determined by the court and assessed against the corporation, except that any part of the costs and expenses may be apportioned and assessed as the court may deem equitable against all or some of the dissenters who are parties and whose action in demanding supplemental payment the court finds to be arbitrary, vexatious, or not in good faith.

(2) Fees and expenses of counsel and of experts for the respective parties may be assessed as the court may deem equitable against the corporation and in favor of any or all dissenters if the corporation failed to comply substantially with the requirements of this section, and may be assessed against either the corporation or a dissenter, in favor of any other party, if the court finds that the party against whom the fees and expenses are assessed acted arbitrarily, vexatiously, or not in good faith in respect to the rights provided by this section and section 30-1-80, Idaho Code.

(3) If the court finds that the services of counsel for any dissenter were of substantial benefit to other dissenters similarly situated and should not be assessed against the corporation, it may award to counsel reasonable fees to be paid out of the amounts awarded to the dissenters who were benefitted.

(j) (1) Notwithstanding the foregoing provisions of this section, the corporation may elect to withhold the remittance required by subsection (f) of this section from any dissenter with respect to shares of which the dissenter (or the person on whose behalf the dissenter acts) was not the beneficial owner on the date of the first announcement to news media or to shareholders of the terms of the proposed corporate action. With respect to such shares, the corporation shall, upon effectuating the corporate action, state to each dissenter its estimate of the fair value of the shares, state the rate of interest to be used (explaining the basis thereof), and offer to pay the resulting amounts on receiving the dissenter's agreement to accept them in full satisfaction.

(2) If the dissenter believes that the amount offered is less than the fair value of the shares and interest determined according to this section, he may within thirty (30) days after the date of mailing of the corporation's offer, mail the corporation his own estimate of fair value and interest, and demand their payment. If the dissenter fails to do so, he shall be entitled to no more than the corporation's offer.

(3) If the dissenter makes a demand as provided in paragraph (2) of this subsection (j), the provisions of subsections (h) and (i) of this section shall apply to further proceedings on the dissenter's demand.

**FIRST AMENDMENT TO
AGREEMENT AND PLAN OF REORGANIZATION**

This First Amendment to Agreement and Plan of Reorganization ("First Amendment") made as of the 10th day of July, 1997, between ZIONS BANCORPORATION ("Zions Bancorp"), a corporation having its principal office in Salt Lake City, Utah, TRI-STATE BANK (the "Bank"), an Idaho banking association having its principal office in Montpelier, Idaho, FRANK CHADWICK, an adult resident of the State of Idaho, and CLAIR CHADWICK, an adult resident of the State of Idaho (Frank Chadwick and Clair Chadwick together the "Chadwicks")

WITNESSETH THAT:

WHEREAS, Zion Bancorp, the Bank and the Chadwicks (the "Parties") entered into an Agreement and Plan of Reorganization made as of April 23, 1997 (the "Reorganization Agreement") pursuant to which the Parties agreed to the acquisition by Zions Bancorp of all of the issued and outstanding shares of the capital stock of the Bank (the "Share Exchange");

WHEREAS, the Reorganization Agreement contemplates that the effective date of the Share Exchange (the "Effective Date") will be the latest to occur of certain dates set forth therein, including, without limitation, the date following the day upon which the shareholders of the Bank approve, ratify, and confirm the transactions contemplated by the Agreement and Plan of Reorganization; and

WHEREAS, the Parties now desire that the Effective Date be able to occur on the day upon which the shareholders of the Bank approve, ratify, and confirm the transactions contemplated in Agreement and Plan of Reorganization;

NOW, THEREFORE, in consideration of these premises and the mutual agreements hereinafter set forth and those set forth in the Reorganization Agreement, the Parties agree to amend, and accordingly do hereby amend, the Reorganization Agreement in the manner set forth below:

Section 2.1 of the Agreement and Plan of Reorganization is amended and restated to read in its entirety as follows:

2.1 Shareholder Approval. The date upon which the shareholders of the Bank approve, ratify, and confirm the transactions contemplated by this Agreement; or

Miscellaneous Provisions

(A) This First Amendment may be executed in two or more counterparts each of which shall be deemed to constitute an original, but such counterparts together shall be deemed to be one and the same instrument and to become effective when one or more counterparts have been signed by each of the Parties. It shall not be necessary in making proof of this First Amendment or any counterpart hereof to produce or account for the other counterpart.

(E) This First Amendment shall be governed by, construed, and enforced in accordance with the laws of the State of Utah, without giving effect to the principles of conflict of law thereof.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

ZIONS BANCORPORATION

Attest: *Jennifer R. Jolley*
Jennifer R. Jolley
Assistant Corporate Secretary

By: *Harold H. Simmons*
Harold H. Simmons
President and
Chief Executive Officer

TRI-STATE BANK

Attest: _____ By: _____
Ronald O. Peterson
President and
Chief Executive Officer

FRANK CHADWICK

Attest: _____ By: _____

CLAIR CHADWICK

Attest: _____ By: _____

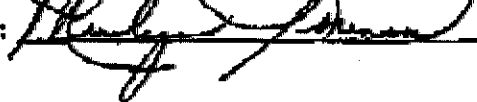

(B) This First Amendment shall be governed by, construed, and enforced in accordance with the laws of the State of Utah, without giving effect to the principles of conflict of law thereof.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

ZIONS BANCORPORATION

Attest: _____ By: _____
Harris H. Simmons
President and
Chief Executive Officer

TRI-STATE BANK

Attest:  By: 
Ronald O. Peterson
President and
Chief Executive Officer

FRANK CHADWICK

Attest:  By: 

CLAIR CHADWICK

Attest:  By: 

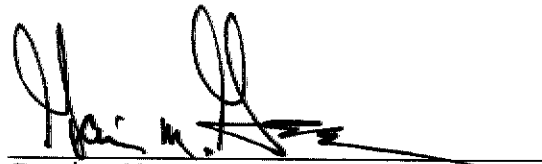
CERTIFICATE OF APPROVAL Jul 11 4 23 PM '97

Secretary of State
State of Idaho
Statehouse
Boise, Idaho

SECRETARY OF STATE
STATE OF IDAHO

This is to certify that I, the undersigned, Director of Finance, State of Idaho, do hereby approve for filing the attached Articles of Share Exchange between Tri-State Bank and Zions Bancorporation and Articles of Amendment to the Articles of Incorporation of Tri-State Bank dated the 11th day of July, 1997.

DATED This 11th day of July, 1997.

A handwritten signature in black ink, appearing to read 'Gavin M. Gee', is written over a horizontal line.

Gavin M. Gee
Director of Finance