

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report: June 13, 2005
(Date of earliest event reported)

BANCWEST CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-7949
(Commission File Number)

99-0156159
(IRS Employer
Identification No.)

999 Bishop Street, Honolulu, Hawaii
(Address of principal executive offices)

96813
(Zip Code)

Registrant's telephone number, including area code: (808) 525-7000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communication pursuant to rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communication pursuant to rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

TABLE OF CONTENTS

[Item 1.01 Entry into a Material Definitive Agreement](#)

[Item 9.01 Financial Statements and Exhibits](#)

[SIGNATURE](#)

[EXHIBIT INDEX](#)

[EXHIBIT 2.1](#)

[EXHIBIT 99.1](#)

[EXHIBIT 99.2](#)

[Table of Contents](#)

Item 1.01 Entry into a Material Definitive Agreement

On June 13, 2005, BancWest Corporation, a Delaware corporation (“BancWest”), and Commercial Federal Corporation (“Commercial Federal”) issued a joint press release announcing that Bank of the West, a California state banking corporation and a subsidiary of BancWest, and Bear Merger Co., Inc., a Nebraska corporation and a wholly owned subsidiary of Bank of the West, entered into an Agreement and Plan of Merger, dated as of June 13, 2005. Under the terms of the merger agreement, Commercial Federal will be acquired by and merged into Bank of the West. Subject to the terms and conditions of the merger agreement, each outstanding share of Commercial Federal common stock will be converted into the right to receive \$34.00 in cash and Commercial Federal may declare and pay a special one-time cash dividend of \$0.50 per share prior to the completion of the merger. The merger is subject to customary closing conditions, including approval of the Commercial Federal shareholders and federal and state banking regulators.

Copies of the merger agreement and press releases are attached hereto as Exhibits 2.1, 99.1 and 99.2, respectively and are incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits.

The following exhibits are filed herewith:

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
2.1	Agreement and Plan of Merger dated as of June 13, 2005 among Bank of the West, Bear Merger Co., Inc., and Commercial Federal Corporation.
99.1	Press release dated June 13, 2005 announcing acquisition of Commercial Federal Corporation.
99.2	Press release issued by BNP Paribas dated June 14, 2005 announcing acquisition of Commercial Federal Corporation.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: June 15, 2005

BANCWEST CORPORATION

By: /s/ DOUGLAS C. GRIGSBY

Douglas C. Grigsby
Executive Vice President, Chief
Financial Officer and Treasurer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit</u>
2.1	Agreement and Plan of Merger dated as of June 13, 2005 among Bank of the West, Bear Merger Co., Inc., and Commercial Federal Corporation.
99.1	Press release dated June 13, 2005 announcing acquisition of Commercial Federal Corporation.
99.2	Press release issued by BNP Paribas dated June 14, 2005 announcing acquisition of Commercial Federal Corporation.

AGREEMENT AND PLAN OF MERGER

DATED AS OF JUNE 13, 2005

AMONG

BANK OF THE WEST,

BEAR MERGER CO., INC.,

AND

COMMERCIAL FEDERAL CORPORATION

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1. DEFINITIONS	1
ARTICLE 2. TERMS OF MERGER	8
2.1. Effect of Merger and Surviving Corporation	8
2.2. Stock of Company	8
2.3. Company Stock Options	8
2.4. Effect on Merger Sub Stock	8
2.5. Exchange Procedures	8
2.6. Adjustments	10
2.7. Directors of Surviving Corporation	10
2.8. Executive Officers of Surviving Corporation	10
2.9. No Further Ownership Rights in Stock	10
2.10. Absence of Control	10
2.11. Articles of Incorporation and Bylaws	10
ARTICLE 3. THE CLOSING	11
3.1. Closing and Closing Date	11
3.2. Articles of Merger	11
3.3. Further Assurances	11
ARTICLE 4. REPRESENTATIONS AND WARRANTIES OF COMPANY	11
4.1. Incorporation, Standing and Power	11
4.2. Capitalization	12
4.3. Subsidiaries	13
4.4. Financial Statements	14
4.5. Reports and Filings	14
4.6. Authority of Company and Bank	15
4.7. Insurance	16
4.8. Personal Property	16
4.9. Real Estate	16
4.10. Litigation	17
4.11. Taxes	17
4.12. Compliance with Charter Provisions and Laws and Regulations	19
4.13. Employees	21
4.14. Brokers, Finders and Financial Advisors	21
4.15. Scheduled Contracts	21
4.16. Performance of Obligations	23
4.17. Certain Material Changes	24
4.18. Licenses and Permits	24
4.19. Undisclosed Liabilities	24
4.20. Employee Benefit Plans	25
4.21. Corporate Records	28
4.22. Accounting Records	28

	<u>Page</u>
4.23. Offices and ATMs	28
4.24. Agreements with Regulators	29
4.25. Vote Required	29
4.26 Power of Attorney	29
4.27. Facts Affecting Regulatory Approvals	29
4.28. Indemnification	29
4.29. Regulatory Capitalization	30
4.30. Derivative Transactions	30
4.31. Trust Powers	30
4.32. Disclosure Documents and Applications	30
4.33. Intellectual Property	31
4.34. State Takeover Laws; Company Rights Plan	31
4.35. Registration Obligation	31
4.36. Opinions of Merrill Lynch & Co., Inc. and Sandler O’Neill & Partners, L.P.	31
4.37. Loans; Investments	32
4.38. Allowance for Loan Losses	33
4.39. Compliance with Servicing Obligations	33
4.40. Fiduciary Responsibilities	33
4.41. Controls and Procedures	33
4.42. CRA, Anti-Money Laundering, OFAC and Customer Information Security	35
4.43. Investment Management and Related Activities	35
 ARTICLE 5. REPRESENTATIONS AND WARRANTIES OF PARENT	 36
5.1. Incorporation, Standing and Power	36
5.2. Authority	36
5.3. Parent Stockholder Consent	37
5.4. Financing	37
5.5. Litigation	37
5.6. Compliance with Laws and Regulations	37
5.7. BNP Paribas’ Status as FHC	38
5.8. Agreements with Regulators	38
5.9. Brokers and Finders	38
5.10. Facts Affecting Regulatory Approvals	38
5.11. CRA	38
5.12. Accuracy of Information Furnished for Company Proxy Statement and Other Filings	39
5.13. Investment in Company Shares	39
 ARTICLE 6. COVENANTS OF COMPANY PENDING EFFECTIVE TIME OF THE MERGER	 39
6.1. Limitation on Conduct Prior to Effective Time of the Merger	39
6.2. Affirmative Conduct Prior to Effective Time of the Merger	43
6.3. Access to Information	44
6.4. Filings	45
6.5. Notices; Reports	45

	<u>Page</u>
6.6. Company Stockholders' Meeting	46
6.7. No Solicitation	47
6.8. Applications	49
6.9. Subsequent Mergers	49
6.10. Takeover Statute	49
 ARTICLE 7. COVENANTS OF PARENT AND MERGER SUB	 50
7.1. Limitation on Conduct Prior to Effective Time of the Merger	50
7.2. Applications	50
7.3. Notices; Reports	51
7.4. Indemnification and Directors' and Officers' Insurance	51
7.5. Limitation on Parent Conduct Prior to Effective Time of the Merger	52
 ARTICLE 8. ADDITIONAL COVENANTS	 52
8.1. Commercially Reasonable Efforts	52
8.2. Public Announcements	52
 ARTICLE 9. CONDITIONS PRECEDENT TO THE MERGER	 53
9.1. Stockholder Approval	53
9.2. No Judgments or Orders	53
9.3. Regulatory Approvals	53
 ARTICLE 10. CONDITIONS PRECEDENT TO THE OBLIGATIONS OF COMPANY	 53
10.1. Representations and Warranties; Performance of Covenants	53
10.2. Officers' Certificate	53
 ARTICLE 11. CONDITIONS PRECEDENT TO OBLIGATIONS OF PARENT AND MERGER SUB	 54
11.1. Representations and Warranties; Performance of Covenants	54
11.2. Authorization of Merger	54
11.3. Officers' Certificate	54
11.4. Employee Benefit Plans	54
 ARTICLE 12. EMPLOYEE BENEFITS	 55
12.1. Employee Benefits	55
12.2. Company Stock Options, Company Awards and the Company Stock Option Plans	57
 ARTICLE 13. TERMINATION	 59
13.1. Termination	59
13.2. Effect of Termination	61
 ARTICLE 14. MISCELLANEOUS	 63
14.1. Expenses	63
14.2. Notices	63
14.3. Assignment	64
14.4. Counterparts	64

	<u>Page</u>
14.5. Effect of Representations and Warranties	64
14.6. Third Parties	64
14.7. Lists; Exhibits; Integration	64
14.8. Knowledge	65
14.9. Governing Law	65
14.10. Captions	65
14.11. Severability	65
14.12. Waiver and Modification; Amendment	65
14.13. Enforcement; Jurisdiction	65
14.14. Waiver of Jury Trial	66
14.15. Attorneys' Fees	66

EXHIBIT A – Form of Articles of Merger

EXHIBIT B - Form of Agreement of Merger

EXHIBIT C - Restated Articles of Incorporation of the Surviving Corporation

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER ("Agreement") is made and entered into as of the 13th day of June, 2005, by and among BANK OF THE WEST, a California state banking corporation ("Parent"), BEAR MERGER CO., INC., a Nebraska corporation and a wholly-owned subsidiary of Parent ("Merger Sub") and COMMERCIAL FEDERAL CORPORATION, a Nebraska corporation ("Company").

WHEREAS, the Boards of Directors of each of Parent, Merger Sub and Company deem advisable and in the best interests of their respective stockholders (a) the merger of Merger Sub with and into Company (the "Merger") upon the terms and conditions set forth herein and in the Articles of Merger in substantially the form of Exhibit A hereto to be entered into hereafter (the "Articles of Merger") and in accordance with the Nebraska Business Corporation Act (the "NBCA") (Company, following the effectiveness of the Merger, being hereinafter sometimes referred to as the "Surviving Corporation") and (b) following, and subject to the consummation of the Merger, the merger of the Surviving Corporation into Parent and immediately thereafter the merger of Company's wholly-owned subsidiary, Commercial Federal Bank, a federal savings bank ("Bank") into Parent, upon the terms and conditions set forth in an Agreement of Merger in substantially the form of Exhibit B hereto (the "Merger Agreement"), to be entered into hereafter and in accordance with the NBCA, the California General Corporation Law (the "CGCL"), the California Financial Code (the "CFC"); and the laws of the United States, in the case of each such laws, to the extent applicable, with Parent being the surviving corporation in each such merger (such mergers being hereinafter sometimes collectively referred to as the "Subsequent Mergers").

WHEREAS, the Boards of Directors of Parent, Merger Sub and Company have approved this Agreement and the Merger pursuant to which Merger Sub will merge with and into Company and each outstanding share of Company common stock, par value \$.01 per share ("Company Stock"), will be converted into the right to receive the Merger Consideration (as defined in Section 2.2(b)) upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, on the basis of the foregoing recitals and in consideration of the respective covenants, agreements, representations and warranties contained herein, the parties hereto agree as follows:

ARTICLE 1.

DEFINITIONS

Except as otherwise expressly provided for in this Agreement, or unless the context otherwise requires, as used throughout this Agreement the following terms shall have the respective meanings specified below:

"Affiliate" of, or a Person "Affiliated" with, a specific Person(s) is a Person that directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person(s) specified.

“Affiliated Group” means, with respect to any entity, a group of entities required or permitted to file consolidated, combined or unitary Tax Returns (as defined herein) including such entity.

“Articles of Merger” has the meaning set forth in the first recital of this Agreement.

“ATMs” has the meaning set forth in Section 4.23.

“Average Net Income” has the meaning set forth in Section 6.1(b).

“Bank” has the meaning set forth in the first recital of this Agreement.

“Bank Merger Act” means 12 U.S.C. § 1828(c).

“Bank Secrecy Act” means the Federal Bank Secrecy Act, as amended, and its implementing regulations.

“BancWest” means BancWest Corporation, a Delaware corporation and the parent of Parent.

“Benefit Arrangements” has the meaning set forth in Section 4.20(b).

“BHC Act” means the Bank Holding Company Act of 1956, as amended.

“BNP Paribas” means BNP Paribas, a société anonyme (limited liability banking corporation) organized under the laws of the Republic of France.

“Bonus Plans” has the meaning set forth in Section 12.2(e).

“Book Entry Shares” has the meaning set forth in Section 2.5(b).

“Business Day” means any day other than a Saturday, Sunday or other day on which banks in San Francisco, California and Omaha, Nebraska, are required or authorized by Law to be closed.

“Certificates” has the meaning set forth in Section 2.5(b).

“CFC” has the meaning set forth in the first recital to this Agreement.

“CGCL” has the meaning set forth in the first recital to this Agreement.

“Change in Company Recommendation” has the meaning set forth in Section 6.6(a).

“Closing” has the meaning set forth in Section 3.1.

“Closing Date” has the meaning set forth in Section 3.1.

“Code” means the Internal Revenue Code of 1986, as amended.

“Company 401(k) Plan” means the Company’s Retirement Savings Plan and 401(k) Plan for Acquired Companies, as amended.

“Company Award” has the meaning set forth in Section 12.2(b).

“Company Disclosure Letter” means that letter designated as such which has been delivered by Company to Parent concurrently with the execution and delivery of this Agreement.

“Company Governmental Filings” has the meaning set forth in Section 4.5(b).

“Company Intellectual Property” has the meaning set forth in Section 4.33.

“Company List” means any list required to be furnished by Company to Parent herewith.

“Company Offices List” has the meaning set forth in Section 4.23.

“Company Option List” has the meaning set forth in Section 4.2(a).

“Company Property” has the meaning set forth in Section 4.12(b).

“Company Recommendation” has the meaning set forth in Section 6.6(a).

“Company SEC Documents” has the meaning set forth in Section 4.5(a).

“Company Stock” has the meaning set forth in the second recital of this Agreement.

“Company Stock Option” means any option granted pursuant to the Company Stock Option Plans.

“Company Stock Option Plans” means, collectively, Company’s 2002 Stock Option and Incentive Plan, Company’s 1996 Stock Option and Incentive Plan As Amended, the Bank Stock Option & Restricted Stock Deferral Plan, the First Colorado Bancorp, Inc. 1996 Stock Option Plan, the Mid Continent Bancshares, Inc. 1994 Stock Option Plan, the Railroad Financial Corporation 1994 Stock Option and Incentive Plan and Company’s 1984 Stock Option and Incentive Plan.

“Company Stockholder Approval” has the meaning set forth in Section 6.6.

“Company Stockholders’ Meeting” means the meeting of Company’s stockholders provided for in Section 6.6.

“Company Subsidiaries” means, collectively, the entities identified in Section 4.1 of the Company Disclosure Letter.

“Company Supplied Information” has the meaning set forth in Section 4.32.

“Company’s Current Premium” has the meaning set forth in Section 7.4(b).

“Competing Transaction” has the meaning set forth in Section 6.7.

“Confidentiality Agreement” means that certain Confidentiality Agreement dated June 2, 2005 by and between Parent and Company.

“Covered Parties” has the meaning set forth in Section 4.28.

“CRA” has the meaning set forth in Section 4.42.

“Deferred Compensation Plan” has the meaning set forth in Section 12.1(d).

“Derivative Transactions” has the meaning set forth in Section 4.30.

“DFI” means the Department of Financial Institutions of the State of California.

“DPC Shares” means shares of Company Stock held by Company or Parent or any of their respective Subsidiaries in respect of a debt previously contracted.

“D&T” means Deloitte & Touche LLP, Company’s independent public accountants.

“Effective Time of the Merger” means the date and time at which the Articles of Merger are filed with the Secretary of State of the State of Nebraska, or at such time thereafter as shall be agreed to by the parties and specified in the Articles of Merger.

“Employee Plans” has the meaning set forth in Section 4.20(a).

“Encumbrance” shall mean any option, pledge, security interest, lien, charge, encumbrance or restriction (whether on voting or disposition or otherwise), whether imposed by agreement, understanding, Law or otherwise.

“Environmental Regulations” has the meaning set forth in Section 4.12(b).

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Exchange Agent” means Wells Fargo Shareowner Services.

“Exchange Fund” has the meaning set forth in Section 2.5(a).

“Expenses” has the meaning set forth in Section 14.1.

“Fannie Mae” has the meaning set forth in Section 4.37.

“FDIC” means the Federal Deposit Insurance Corporation.

“FHLB” has the meaning set forth in Section 4.1.

“Financial Statements of Bank” means the consolidated reports of condition and income of Bank as of December 31, 2002, 2003 and 2004, and as of March 31, 2005, as filed with the OTS.

“Financial Statements of Company” means the consolidated financial statements of Company consisting of (a) the consolidated statements of financial condition as of December 31, 2002, 2003 and 2004, the related consolidated statements of income, comprehensive income, stockholders’ equity and cash flows for the years then ended and the related notes thereto and related opinions of D&T thereon for the years then ended and (b) the unaudited condensed consolidated statement of financial condition as of March 31, 2005 and the related condensed consolidated statements of income, comprehensive income, stockholders’ equity and cash flows for the quarter then ended and the related notes thereto.

“FRB” means the Board of Governors of the Federal Reserve System.

“Freddie Mac” has the meaning set forth in Section 4.37.

“GAAP” means United States generally accepted accounting principles consistently applied during the periods involved.

“Ginnie Mae” has the meaning set forth in Section 4.37.

“Governmental Entity” means any court, tribunal or judicial or arbitral body in any jurisdiction or any United States federal, state, municipal or local or any foreign or other governmental, regulatory or administrative authority, agency or instrumentality or any self-regulatory organization.

“Hazardous Materials” has the meaning set forth in Section 4.12(b).

“HMDA” has the meaning set forth in Section 4.42.

“HOLA” means the Home Owners Loan Act, as amended.

“HUD” has the meaning set forth in Section 4.37.

“Indemnified Liabilities” has the meaning set forth in Section 7.4(a).

“Indemnified Parties” has the meaning set forth in Section 7.4(a).

“Instructions” means the Instructions for preparation of consolidated reports of condition and income, issued by the Federal Financial Institutions Examination Council.

“Investment Security” means any equity security or debt security as defined in Statement of Financial Accounting Standards No. 115.

“IRS” means the Internal Revenue Service.

“Law” means any and all statutes, laws, ordinances, rules, regulations, orders, permits, judgments, injunctions, decrees, case law and other rules of law enacted, promulgated or issued by any Governmental Entity.

“Loan” has the meaning set forth in Section 4.37.

“Management Incentive Plan” has the meaning set forth in Section 12.2(e).

“Material Adverse Effect” means any circumstance, change in or effect (1) that is materially adverse to the financial condition, business, or results of operations of Company and the Company Subsidiaries, taken as a whole, or (2) that materially impairs the ability of Company to consummate the transactions contemplated hereby; provided, however, that in determining whether a Material Adverse Effect has occurred there shall be excluded the effect of: (i) any change in banking and similar Laws of general applicability or interpretations thereof by Governmental Entities, (ii) any change in GAAP or regulatory accounting requirements applicable to banks, savings associations or their holding companies generally, (iii) any general social, political, economic, environmental or natural condition, change, effect, event or occurrence, including changes in prevailing interest rates, currency exchange rates or general economic or market conditions, except for any condition, change, effect, event or occurrence which would have a material adverse effect on Company and the Company Subsidiaries taken as a whole which is substantially disproportionate relative to the effect on comparable financial institutions, (iv) the public announcement of the transactions contemplated by this Agreement and any action or omission by Company or any Company Subsidiary pursuant to the terms of this Agreement or taken with the prior written consent of the other party in contemplation of the transactions contemplated hereby, and (v) any expenses incurred in connection with this Agreement or the transactions contemplated hereby.

“Merrill Lynch Agreement” means the letter agreement dated May 18, 2005, between Company and Merrill Lynch & Co., Inc.

“Merger” has the meaning set forth in the first recital of this Agreement.

“Merger Agreement” has the meaning set forth in the first recital of this Agreement.

“Merger Consideration” has the meaning set forth in Section 2.2(b).

“NBCA” has the meaning set forth in the first recital of this Agreement.

“New Plans” has the meaning set forth in Section 12.1(c).

“OTS” means the Office of Thrift Supervision.

“Parent Supplied Information” has the meaning set forth in Section 5.12.

“Patriot Act” means the USA PATRIOT ACT of 2001 and the regulations promulgated thereunder.

“Payroll Conversion Date” means the date that the payroll system for the Company and Company Subsidiaries is converted to Parent’s payroll system.

“Person” means any individual, corporation, association, partnership, limited liability company, trust, joint venture, other entity, unincorporated organization, government or governmental department or agency.

“Proxy Statement” means the Proxy Statement, together with any supplements thereto, that is used to solicit proxies for the Company Stockholders’ Meeting in connection with the Merger.

“PTO” has the meaning set forth in Section 12.1(c).

“PwC” means PricewaterhouseCoopers LLP, Parent’s independent public accountants.

“Representatives” has the meaning set forth in Section 6.7.

“SAIF” has the meaning set forth in Section 4.1,

“Sandler O’Neill Agreement” means the letter agreement dated June 2, 2005, between Company and Sandler, O’Neill & Partners, L.P.

“Sarbanes-Oxley Act” has the meaning set forth in Section 4.41.

“Scheduled Contract” has the meaning set forth in Section 4.15.

“SEC” means the Securities and Exchange Commission.

“Securities Act” means the Securities Act of 1933, as amended.

“Special Dividend” has the meaning set forth in Section 6.1(b).

“Special Retention Bonus” has the meaning set forth in Section 6.1(f).

“Subsequent Mergers” has the meaning set forth in the first recital of this Agreement.

“Subsidiary” of a Person means any corporation, partnership, limited liability company or other business entity of which more than 50% of the voting power is owned or controlled by such Person.

“Superior Proposal” has the meaning set forth in Section 6.7.

“Surviving Corporation” has the meaning set forth in the first recital of this Agreement.

“Takeover Statute” has the meaning set forth in Section 4.34(a).

“Tank” has the meaning set forth in Section 4.12(b).

“Tax” or “Taxes” means (i) any and all federal, state, local or foreign taxes, imposts, levies or other like assessments, including, without limitation, all net income, gross receipts, capital, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation, property, corporation and estimated taxes, custom duties and other taxes of any kind whatsoever; (ii) all interest, penalties, fines, additions to tax or additional amounts imposed by any taxing authority in connection with any item described in clause (i); and (iii) any transferee liability in respect of any items described in clauses (i) and/or (ii).

“Tax Returns” means all returns, declarations, reports, estimates, information returns, statements, elections, disclosures and schedules required to be filed with any taxing authority in respect of any Taxes (including any attachments thereto or amendments thereof).

“Termination Fee” has the meaning set forth in Section 13.2(b).

“Trust Account Shares” means shares of Company Stock held, directly or indirectly, in trust accounts, managed accounts and the like or otherwise held in a fiduciary or nominee capacity that are beneficially owned by third parties.

“VA” has the meaning set forth in Section 4.37.

ARTICLE 2.

TERMS OF MERGER

2.1. Effect of Merger and Surviving Corporation. At the Effective Time of the Merger, Merger Sub will be merged with and into Company pursuant to the terms, conditions and provisions of this Agreement and the Articles of Merger and in accordance with the applicable provisions of the NBCA, and the separate corporate existence of Merger Sub shall cease. The Merger will have the effects set forth in the NBCA.

2.2. Stock of Company. Subject to Section 2.6, each share of Company Stock issued and outstanding immediately prior to the Effective Time of the Merger shall, without any further action on the part of Company or the holders of such shares, be treated on the basis set forth in this Section 2.2.

(a) Cancellation of Treasury Shares. All shares of Company Stock that are owned by Company as treasury stock and all shares of Company Stock that are owned directly or indirectly by Company or Parent (other than Trust Account Shares and DPC Shares) shall be cancelled and retired and shall cease to exist, and no Merger Consideration shall be delivered in exchange therefor.

(b) Conversion of Company Stock. At the Effective Time of the Merger, each issued and outstanding share of Company Stock (other than shares to be cancelled in accordance with Section 2.2(a)) shall be automatically canceled and cease to be an issued and outstanding share of Company Stock and be converted into the right to receive per share consideration (the “Merger Consideration”) in cash in the amount of \$34.00.

2.3. Company Stock Options. Each Company Stock Option outstanding as of the Effective Time of the Merger shall be treated in accordance with Section 12.2.

2.4. Effect on Merger Sub Stock. At the Effective Time of the Merger, each issued and outstanding share of capital stock of Merger Sub shall be converted into and become one fully paid and nonassessable share of common stock of the Surviving Corporation.

2.5. Exchange Procedures.

(a) At the Effective Time of the Merger, Parent shall deposit with the Exchange Agent for the benefit of the holders of shares of Company Stock outstanding immediately prior to the Effective Time of the Merger, for exchange in accordance with this Section 2.5 through the Exchange Agent, cash in the amount of the aggregate Merger Consideration payable to such holders of Company Stock pursuant to Section 2.2 in exchange for their shares of Company Stock (collectively, the “Exchange Fund”).

(b) Parent shall direct the Exchange Agent to mail, promptly after the Effective Time of the Merger, to each holder of record of shares of Company Stock which are represented by (x) a certificate or certificates which immediately prior to the Effective Time of the Merger represented outstanding shares of Company Stock (the “Certificates”) or (y) an entry to that effect in the shareholder records maintained on behalf of Company by Company’s stock transfer agent (the “Book Entry Shares”), whose shares were converted into the right to receive the Merger Consideration pursuant to Section 2.2 hereof, (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates (if any) shall pass, only upon delivery of the Certificates to the Exchange Agent and shall be in such form and have such other provisions as Parent and Company may reasonably specify), and (ii) instructions for use in effecting the surrender of the Certificates or authorizing transfer and cancellation of Book Entry Shares in exchange for the Merger Consideration. Upon surrender of a Certificate for cancellation to the Exchange Agent or to such other agent or agents as may be appointed by Parent, or authorizing transfer of Book Entry Shares, together with such letter of transmittal, duly executed, the holder of such shares of Company stock shall be entitled to receive in exchange therefor the amount of the Merger Consideration which such holder has the right to receive pursuant to Section 2.2 hereof, and any Certificate so surrendered shall forthwith be canceled. Until surrendered as contemplated by this Section 2.5, each Certificate and any Book Entry Shares shall be deemed at any time after the Effective Time of the Merger to represent only the right to receive upon such surrender the Merger Consideration to be paid in consideration therefor upon surrender of such Certificate or transfer of the Book Entry Shares, as the case may be, as contemplated by this Section 2.5. Notwithstanding anything to the contrary set forth herein, if any holder of shares of Company Stock that are not Book Entry Shares should be unable to surrender the Certificates for such shares, because they have been lost or destroyed, such holder may deliver in lieu thereof a bond in form and substance and with surety reasonably satisfactory to Parent and shall be entitled to receive the Merger Consideration to be paid in consideration therefor in accordance with Section 2.2 hereof.

(c) If, after the Effective Time of the Merger, Certificates or Book Entry Shares are presented to Parent for any reason, they shall be canceled and exchanged as provided in this Agreement.

(d) Any portion of the Exchange Fund which remains undistributed to the stockholders of Company following the passage of twelve months after the Effective Time of the Merger shall be delivered to Parent, upon demand, and any stockholders of Company who have not theretofore complied with this Section 2.5 shall thereafter look

only to Parent for payment of their claim for the Merger Consideration payable in consideration for any Certificate or transfer of any Book Entry Shares.

(e) Except as otherwise required by law, none of Parent, Company or the Surviving Corporation shall be liable to any holder of shares of Company Stock for such cash from the Exchange Fund delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

(f) The parties acknowledge that the dissenters' rights provisions of Sections 21-20,137 to 21-20,150 of the NBCA shall not be applicable to the Merger by reason of Section 21-20,138(3) of the NBCA.

2.6. Adjustments. If after the date hereof and on or prior to the Effective Date of the Merger, the outstanding shares of Company Stock shall be changed into a different number of shares by reason of any reclassification, recapitalization or combination, stock split, reverse stock split, stock dividend or rights issued in respect of such stock, or any similar event shall occur, the Merger Consideration shall be adjusted accordingly to provide to the holders of Company Stock the same economic effect as contemplated by this Agreement prior to such event.

2.7. Directors of Surviving Corporation. At the Effective Time of the Merger, the Board of Directors of the Surviving Corporation shall be comprised of the persons serving as directors of Merger Sub immediately prior to the Effective Time of the Merger. Such persons shall serve until the earlier of their resignation or removal or until their respective successors are duly elected and qualified.

2.8. Executive Officers of Surviving Corporation. At the Effective Time of the Merger, the executive officers of the Surviving Corporation shall be comprised of the persons serving as executive officers of Merger Sub immediately prior to the Effective Time of the Merger. Such persons shall serve until the earlier of their resignation or termination.

2.9. No Further Ownership Rights in Stock. All Merger Consideration delivered upon the surrender for exchange of shares of Company Stock in accordance with the terms hereof shall be deemed to have been delivered in full satisfaction of all rights pertaining to ownership of such shares of stock. At and after the Effective Time of the Merger, there shall be no further registration of transfers on the stock transfer books of the Surviving Corporation of the shares of Company Stock which were outstanding immediately prior to the Effective Time of the Merger, and upon delivery of the Merger Consideration upon surrender for exchange of Company Stock, each such share of Company Stock shall be canceled.

2.10. Absence of Control. Subject to any specific provisions of this Agreement, it is the intent of the parties hereto that neither Parent nor Merger Sub by reason of this Agreement shall be deemed (until consummation of the transactions contemplated hereby) to control, directly or indirectly, Company and shall not exercise, or be deemed to exercise, directly or indirectly, a controlling influence over the management or policies of Company.

2.11. Articles of Incorporation and Bylaws. The Articles of Incorporation of Company as in effect immediately prior to the Effective Time of the Merger, shall be amended

as of the Effective Time of the Merger to read in their entirety as set forth in Exhibit C, and as so amended shall be the Articles of Incorporation of the Surviving Corporation. The Bylaws of Merger Sub as in effect immediately prior to the Effective Time of the Merger shall be the Bylaws of the Surviving Corporation.

ARTICLE 3.

THE CLOSING

3.1. Closing and Closing Date. Subject to the provisions of Articles 9, 10 and 11 hereof, the closing of the transactions contemplated by this Agreement (the "Closing") shall take place no later than the third business day following the satisfaction or waiver of the last of the conditions specified in Articles 9, 10, and 11 hereof (other than any such conditions which are by their terms to be satisfied or waived as of the Closing) but in no event prior to the first Friday of December, 2005, or, if later, the date as of which any notices legally required to be delivered to customers or other Persons with respect to the Subsequent Mergers prior to completion thereof shall have been satisfied; provided that, in any event, Parent may require that the Closing occur on a Friday during such period which is a Business Day. The date on which the Closing actually occurs is referred to as the "Closing Date."

3.2. Articles of Merger. If all conditions to the obligations of the parties shall have been satisfied or waived by the party entitled to the benefits thereof, the parties shall, at the Closing, duly execute the Articles of Merger for filing with the Nebraska Secretary of State and promptly thereafter take all steps necessary or desirable to consummate the Merger in accordance with all applicable Laws.

3.3. Further Assurances. At the Closing, the parties hereto shall deliver, or cause to be delivered, such documents or certificates as may be necessary in the reasonable opinion of counsel for any of the parties, to effectuate the transactions contemplated by this Agreement.

ARTICLE 4.

REPRESENTATIONS AND WARRANTIES OF COMPANY

The following representations and warranties by Company to Parent and Merger Sub are qualified by the Company Disclosure Letter. The Company Disclosure Letter shall refer to the representation or warranty to which exceptions or matters disclosed therein relate; provided, however, that an exception or matter disclosed with respect to one representation or warranty shall also be deemed disclosed with respect to each other warranty or representation to which the exception or matter reasonably relates. The inclusion of any item in such Company Disclosure Letter shall not be deemed an admission that such item is a material fact, event or circumstance or that such item has or had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

4.1. Incorporation, Standing and Power.

(a) Company has been duly organized, is validly existing and in good standing as a corporation under the laws of the State of Nebraska and is duly registered as a savings and loan holding company under HOLA and qualified as a savings and loan holding company of the type described in Section 10(c)(3)(A) of HOLA. Bank is a federal savings bank duly organized, validly existing and in good standing under Section 5 of HOLA and is authorized by the OTS to conduct the business of a savings bank.

(b) Company engages only in activities (and holds properties only of the types) permitted by the State of Nebraska and the OTS and the rules and regulations promulgated thereby (including but not limited to the HOLA). Bank engages only in activities (and holds properties only of the types) permitted by the OTS and the FDIC and the rules and regulations promulgated thereby. Except for its ownership of Bank, Company does not own any stock or equity interest in any depository institution (as defined in 12 U.S.C. Section 1813(c)(1)). Bank is a qualified thrift lender pursuant to Section 10(m) of HOLA, its deposits are insured by the FDIC through the Savings Association Insurance Fund (“SAIF”) in the manner and to the fullest extent provided by law and Bank has paid all deposit insurance premiums and assessments required by applicable law and regulations. Bank is a member in good standing of the Federal Home Loan Bank of Topeka (“FHLB”). Each of the other Company Subsidiaries has been duly organized, is validly existing and in good standing under the laws of its state of incorporation or organization which in each case is set forth in the Company Disclosure Letter. Company and each of the Company Subsidiaries has all requisite corporate power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and is duly licensed or qualified to do business in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties owned or leased by it makes such licensing or qualification necessary, except where the failure to be so licensed or qualified, individually or in the aggregate, would not have nor reasonably be expected to have a Material Adverse Effect. The copies of the Articles of Incorporation and Bylaws of Company which have previously been made available to Parent are true, complete and correct copies of such documents. Company has furnished to Parent true and correct copies of each of the Company Subsidiaries’ Articles of Incorporation or Certificate of Incorporation, as the case may be, and Bylaws, as amended.

4.2. Capitalization.

(a) As of the date of this Agreement, the authorized capital stock of Company consists of 120,000,000 shares of Company Stock, of which 38,150,915 shares are outstanding, and 10,000,000 shares of preferred stock, none of which are outstanding. All of the outstanding shares of Company Stock are duly authorized, validly issued, fully paid and nonassessable and are free of preemptive rights. Except for Company Stock Options covering 4,185,769 shares of Company Stock granted pursuant to the Company Stock Option Plans, there are no outstanding options, warrants or other rights in or with respect to the unissued shares of Company Stock nor any securities convertible into such stock, and Company is not obligated to issue any additional shares of its common stock or any additional options, warrants or other rights in or with respect to the unissued

shares of such stock or any other securities convertible into or exchangeable for such stock. Company has furnished Parent a list (the "Company Option List") setting forth the name of each holder of a Company Stock Option, the number of shares of Company Stock covered by each such option, the exercise price per share and the expiration date of each such option.

(b) The authorized capital stock of Bank consists of 25,000,000 shares of common stock, \$0.01 par value per share, 8,977,560 of which are outstanding and 10,000,000 shares of preferred stock, without par value, of which 600,000 shares have been designated Series A and 150,000 shares have been designated Series B, none of which are outstanding. All of the outstanding shares of such common stock of Bank are duly authorized, validly issued, fully paid and nonassessable, are free of preemptive rights and are owned of record and beneficially by Company free and clear of any Encumbrances. There are no outstanding options, warrants or other rights in or with respect to the unissued or the issued or outstanding shares of such common stock or any other securities convertible into or exchangeable for such stock, and Bank is not obligated to issue any additional shares of its common stock or any options, warrants or other rights in or with respect to the unissued shares of its common stock or any other securities convertible into such stock.

(c) The authorized and outstanding capital stock of each of the Company Subsidiaries other than Bank is as described in the Company Disclosure Letter. All of the outstanding shares of such capital stock are duly authorized, validly issued, fully paid and nonassessable and are owned of record and beneficially by Company or Bank or a Subsidiary of Company or Bank free and clear of any Encumbrances. There are no outstanding options, warrants or other rights in or with respect to the unissued or the issued or outstanding shares of such capital stock or any other securities convertible into such stock, and none of such Company Subsidiaries is obligated to issue any additional shares of its capital stock or any options, warrants or other rights in or with respect to the unissued shares of its capital stock or any other securities convertible into such stock. Each Subsidiary is a legal investment for a unitary savings and loan holding company and, with respect to those owned by Bank, for a federal savings bank.

(d) Neither Company nor any Subsidiary thereof has or is bound by any outstanding subscriptions, options, warrants, calls, commitments or agreements of any character providing for the purchase, sale, or issuance of any shares of capital stock or any other equity security of any Subsidiary of Company or any securities representing the right to purchase or otherwise receive any shares of capital stock or any other equity security of such Subsidiary, other than the Company Stock Options.

(e) No bonds, debentures, notes or other indebtedness having the right generally to vote on any matters on which stockholders of Company may vote are issued and outstanding.

4.3. Subsidiaries. Other than the Company Subsidiaries and as set forth in the Company Disclosure Letter, Company does not have any other Subsidiaries and does not own, directly or indirectly (except as a pledgee pursuant to loans or upon acquisition in satisfaction of

debt previously contracted), the outstanding stock or equity or other voting interest in any Person.

4.4. Financial Statements. Company has previously furnished to Parent a copy of the Financial Statements of Company and the Financial Statements of Bank. The Financial Statements of Company and the Financial Statements of Bank: (a) in the case of Company, present fairly the consolidated financial condition of Company, as of the respective dates indicated and its consolidated statement of income, comprehensive income, stockholders' equity and cash flows, for the respective periods then ended; (b) in the case of Bank, present fairly its financial condition, as of the respective dates indicated, and its statement of income, for the respective periods then ended; and (c) have been prepared in accordance with GAAP consistently applied (except as otherwise indicated therein and subject to normal year-end audit adjustments in the case of unaudited statements, and except that the Financial Statements of Bank have been prepared in accordance with the Instructions thereto).

4.5. Reports and Filings.

(a) Company has timely filed all required reports, proxy statements, schedules, registration statements and other documents with the SEC since December 31, 2001 (the "Company SEC Documents"). As of their respective dates of filing with the SEC (or, if amended, supplemented or superseded by a filing prior to the date hereof, as of the date of such filing), the Company SEC Documents complied in all material respects with the requirements of the Securities Act or the Exchange Act, as the case may be, and the rules and regulations of the SEC thereunder applicable to such Company SEC Documents, and none of the Company SEC Documents when filed contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The consolidated financial statements of Company included in the Company SEC Documents complied as to form, as of their respective dates of filing with the SEC, in all material respects with all applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto.

(b) In addition to the Company SEC Documents, which are addressed in subsection (a) above, each of Company and the Company Subsidiaries have timely filed all reports, returns, registrations and statements, together with any amendments required to be made with respect thereto, that they were required to file since December 31, 2001 with (a) the OTS, (b) the FDIC, and (c) any other applicable Governmental Entity, including taxing authorities (collectively, "Company Governmental Filings"). No administrative actions have been taken or threatened or orders issued in connection with such Company Governmental Filings. As of their respective dates, each of such Company Governmental Filings complied in all material respects with all Laws enforced or promulgated by the Governmental Entity with which it was filed (or was amended so as to be in compliance promptly following discovery of any such noncompliance). Any financial statement contained in any of such Company Governmental Filings fairly presented in all material respects the financial position of Company on a consolidated basis, Company alone or each of the Company Subsidiaries

alone, as the case may be, and was prepared in accordance with GAAP or applicable banking regulations and Instructions applied on a consistent basis during the periods involved, except as may be disclosed therein, as of the dates and for the periods shown. Company has furnished to Parent true and correct copies of all material Company Governmental Filings filed by Company since December 31, 2003.

4.6. Authority of Company and Bank.

(a) The execution and delivery by Company of this Agreement and, subject to the requisite approval of the stockholders of Company of this Agreement and the Merger, the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of Company including, without limitation, the vote of the Board of Directors of Company (which vote was unanimous) approving this Agreement and the Merger. This Agreement is a valid and binding obligation of Company enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, liquidation, receivership, conservatorship, insolvency, moratorium or other similar Laws affecting the rights of creditors generally and by general equitable principles.

(b) Except as set forth in the Company Disclosure Letter, neither the execution and delivery by Company of this Agreement or by the Bank of the Merger Agreement, the consummation of the transactions contemplated herein or therein, nor compliance by Company or Bank with any of the provisions hereof or thereof, will: (a) conflict with or result in a breach of any provision of its or any of the Company Subsidiaries' Articles or Certificates of Incorporation, as amended, or Bylaws, as amended; (b) constitute a breach of or result in a default (or give rise to any rights of termination, cancellation or acceleration, or any right to acquire any securities or assets) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, franchise, license, permit, lease, agreement or other instrument or obligation to which Company or any of the Company Subsidiaries is a party, or by which Company or any of the Company Subsidiaries or any of their respective properties or assets are bound; (c) result in the creation or imposition of any Encumbrance of material consequence on any of the properties or assets of Company or any of the Company Subsidiaries; or (d) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Company or any of the Company Subsidiaries or any of their respective properties or assets, except (other than in the case of clause (a)) as would not reasonably be expected to have a Material Adverse Effect on the Company. No consent of, approval of, notice to or filing with any Governmental Entity having jurisdiction over any aspect of the business or assets of Company or the Company Subsidiaries, and no consent of, approval of or notice to any other Person, is required in connection with the execution and delivery by Company of this Agreement or the consummation by Company of the Merger or the execution and delivery by Bank of the Merger Agreement, except (i) the approval of this Agreement by the stockholders of Company (including the filing of the Proxy Statement with the SEC); (ii) the approval of the FDIC under the Bank Merger Act; (iii) the approval of the OTS under 12 C.F.R. § 574.7 and 563.22(1)(i) and (h)(1); (iv) the approval of the DFI under the CFC; (v) the filing of a notice with the FRB under 12 C.F.R. § 225.12(d)(2); (vi) the filing of the Articles of Merger with the Secretary of

State of the State of Nebraska; (vii) with respect to the Subsequent Mergers, the filing of the Merger Agreement (or the articles of merger provided for therein) with the Secretaries of State of the States of California and Nebraska and the DFI; (viii) filings under state corporate, banking, securities, insurance or other laws in states where the Company or any Company Subsidiary maintains offices or transacts business; and (ix) any filings required to be made with the U.S. Federal Trade Commission or Department of Justice.

4.7. Insurance. Company and its Subsidiaries are insured with reputable insurers against such risks and in such amounts as the management of Company reasonably has determined to be prudent in accordance with industry practices. Set forth in the Company Disclosure Letter is a list, as of the date hereof, of all policies of insurance carried and owned by either Company or the Company Subsidiaries showing the name of the insurance company and agent, the nature of the coverage, the policy limit, the annual premiums and the expiration dates. All such insurance policies and bonds are in full force and effect. No insurer under any such policy or bond has canceled or indicated in writing an intention to cancel or, as of the date hereof, indicated in writing an intention not to renew any such policy or bond or generally disclaimed liability thereunder. None of Company or any of the Company Subsidiaries is in default under any such policy or bond which is material to the operations of Company and the Company Subsidiaries taken as a whole and all material claims thereunder have been filed in a timely fashion. Except for policies insuring against potential liabilities of officers, directors and employees of Company and its Subsidiaries, Company or the relevant Subsidiary thereof is the sole beneficiary of such policies. All premiums and other payments due under any such policy have been paid, and all claims thereunder have been filed, in due and timely fashion.

4.8. Personal Property. Each of Company and the Company Subsidiaries has good title to all its material properties and assets, other than real property, owned or stated to be owned by Company or the Company Subsidiaries, free and clear of all Encumbrances except: (a) as set forth in the Financial Statements of Company; (b) for Encumbrances for current taxes not yet due or taxes being contested in good faith by appropriate proceedings (any such contests existing as of the date hereof being reflected in the Company Disclosure Letter); (c) for Encumbrances incurred or properties or assets sold in the ordinary course of business; or (d) for Encumbrances that are not substantial in character, amount or extent and that do not materially detract from the value, or interfere with present use, of the property subject thereto or affected thereby, or otherwise materially impair the conduct of business of Company or the Company Subsidiaries. All leases of personal property material to Company or any of its Subsidiaries under which Company or any Subsidiary is a lessee are valid and binding in accordance with their respective terms (other than due to the ordinary expiration of the term thereof), there is not under such lease any material existing default by Company or such Subsidiary or any event which with notice or lapse of time or both would constitute such a default, except as would not reasonably be expected to have, in the aggregate, a Material Adverse Effect.

4.9. Real Estate. Each of Company and the Company Subsidiaries has duly recorded or caused to be recorded, in the appropriate county, all recordable interests in all material real property, including leaseholds and other interests in such real property (other than easements or security interests) owned or, if recordable by the Company under applicable law, leased by Company or the Company Subsidiaries. Either Company or the Company Subsidiaries

has good and marketable title to such real property, and valid leasehold interests in such leaseholds, free and clear of all Encumbrances, except (a) for rights of lessors, co-lessees or sublessees in such matters that are reflected in the lease; (b) for current taxes not yet due and payable or taxes being contested in good faith by appropriate proceedings (any such contests existing as of the date hereof being reflected in the Company Disclosure Letter); or (c) for such Encumbrances, if any, as do not materially detract from the value of or materially interfere with the present use, occupancy or operation of such property. All leases of real property material to Company or any of its Subsidiaries under which Company or a Subsidiary is a lessee are valid and binding in accordance with their respective terms (other than due to the ordinary expiration of the term thereof), there is not under such lease any material existing default by Company or such Subsidiary or any event which with notice or lapse of time or both would constitute such a default, and Company or such Subsidiary quietly enjoys the premises provided for in such lease, except as would not reasonably be expected to have, in the aggregate, a Material Adverse Effect.

4.10. Litigation. Except as disclosed in the Company SEC Documents filed prior to the date of this Agreement or as set forth in the Company Disclosure Letter, there is no suit, action, investigation, inquiry or proceeding (whether judicial, arbitral, administrative or other) pending or, to the knowledge of Company, threatened, against or affecting Company or any Subsidiary of Company as to which there is a reasonable possibility of an adverse outcome and which would, individually or in the aggregate, have or reasonably be expected to have a Material Adverse Effect, nor is there any judgment, decree, injunction, rule or order of any Governmental Entity outstanding against Company or any Subsidiary of Company having or which would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. There are no material judgments, decrees, stipulations or orders against Company or the Company Subsidiaries or enjoining their respective directors, officers or employees in respect of, having or which could reasonably be expected to have a Material Adverse Effect or the effect of which is to prohibit any business practice or the acquisition of any property or the conduct of business in any area.

4.11. Taxes.

(a) (i) All Tax Returns which could be of material financial significance to the Company required to be filed by or on behalf of Company or the Company Subsidiaries or the Affiliated Group(s) of which any of them is or was a member, have been duly and timely filed with the appropriate taxing authorities in all jurisdictions in which such Tax Returns are required to be filed (after giving effect to any valid extensions of time in which to make such filings), and all such filed Tax Returns were true, complete and correct in all material respects; (ii) all Taxes due and payable by or on behalf of Company or the Company Subsidiaries, either directly, as part of an Affiliated Group Tax Return, or otherwise, have been fully and timely paid, except to the extent adequately reserved therefor in accordance with GAAP and/or applicable regulatory accounting principles or banking regulations consistently applied on Company's balance sheet, and adequate reserves or accruals for Taxes have been provided in Company's balance sheet with respect to any period through the date thereof for which Tax Returns have not yet been filed or for which Taxes are not yet due and owing; and (iii) no agreement, waiver or other document or arrangement extending or having the effect of extending the period for assessment or collection of Taxes (including,

but not limited to, any applicable statute of limitation) has been executed or filed with any taxing authority by or on behalf of Company, the Company Subsidiaries or any of their Subsidiaries, or any Affiliated Group(s) of which any of them is or was a member.

(b) Company and the Company Subsidiaries have complied in all material respects with all applicable Laws relating to the payment and withholding of Taxes and have duly and timely withheld from any salaries, wages or other compensation paid to any employee or independent contractor, and have paid over to the appropriate taxing authorities, all amounts required to be so withheld and paid over for all periods under all applicable Laws.

(c) Company has furnished to Parent true and correct copies of (i) all income or franchise Tax Returns of Company and the Company Subsidiaries relating to all taxable periods beginning after December 31, 2000, and (ii) any audit report issued within the last three years relating to any Taxes due from or with respect to Company or the Company Subsidiaries with respect to their respective income, assets or operations.

(d) No claim has been made by a taxing authority in a jurisdiction where Company or the Company Subsidiaries do not file an income or franchise Tax Return such that Company or the Company Subsidiaries are or may be subject to income or franchise taxation by that jurisdiction.

(e) (i) All deficiencies asserted or assessments made as a result of any examinations by any taxing authority of the Tax Returns of or covering or including Company or the Company Subsidiaries have been fully paid, and, to the best of Company's knowledge, there are no other audits or investigations by any taxing authority in progress, nor have Company or the Company Subsidiaries received any written notice from any taxing authority that it intends to conduct such an audit or investigation; (ii) no issue has been raised by any taxing authority in any current or prior examination which, by application of the same or similar principles, could reasonably be expected to result in a material proposed deficiency against Company or the Company Subsidiaries for any subsequent taxable period.

(f) Neither Company or the Company Subsidiaries nor any other Person on behalf of Company or the Company Subsidiaries has (i) filed a consent pursuant to Section 341(f) of the Code or agreed to have Section 341(f)(2) of the Code apply to any disposition of a subsection (f) asset (as such term is defined in Section 341(f)(4) of the Code) owned by Company or the Company Subsidiaries, (ii) agreed to or is required to make any adjustments pursuant to Section 481(a) of the Code or any similar provision of state, local or foreign Law by reason of a change in accounting method initiated by Company or the Company Subsidiaries or has any knowledge that the IRS has proposed in writing any such adjustment or change in accounting method, or has any application pending with any taxing authority requesting permission for any changes in accounting methods that relate to the business or operations of Company or the Company Subsidiaries, or (iii) executed or entered into a closing agreement pursuant to Section 7121 of the Code or any predecessor provision

thereof or any similar provision of state, local or foreign Law with respect to Company or the Company Subsidiaries.

(g) No property owned by Company or the Company Subsidiaries is (i) property required to be treated as being owned by another Person pursuant to provisions of Section 168(f)(8) of the Internal Revenue Code of 1954, as amended and in effect immediately prior to the enactment of the Tax Reform Act of 1986, (ii) constitutes “tax exempt use property” within the meaning of Section 168(h)(1) of the Code or (iii) is “tax-exempt bond financed property” within the meaning of Section 168(g)(5) of the Code.

(h) Neither Company (except with the Company Subsidiaries) nor any of the Company Subsidiaries (except with Company and the Company Subsidiaries) is a party to any tax allocation, indemnification or sharing agreement (or similar agreement or arrangement), whether written or not written, pursuant to which it will have any obligation to make any payments after the Closing.

(i) Neither Company nor any of the Company Subsidiaries has been a member of an Affiliated Group (other than a group whose common parent was Company).

(j) Neither Company nor any of the Company Subsidiaries has any liability for the Taxes of any person (other than Company and any of the Company Subsidiaries) under section 1.1502-6 of the Treasury Regulations (or any similar provision of state, local or foreign Law), as a transferee or successor, by contract, or otherwise.

(k) Neither Company nor any of the Company Subsidiaries has any request for a ruling or determination letter in respect of Taxes pending between Company or any Company Subsidiary and any taxing authority.

(l) There are no material liens as a result of any due and unpaid Taxes upon any of the assets of Company or the Company Subsidiaries.

(m) Company and the Company Subsidiaries have disclosed on all relevant Tax Returns all positions taken therein that could reasonably be expected to give rise to a substantial underpayment penalty within the meaning of Section 6662 of the Code (or comparable provisions of applicable state income tax Laws). Neither Company nor any Company Subsidiary has participated in any “reportable transaction” or “listed transaction,” as those terms are defined in Section 6707A(c) of the Code (or comparable provisions of applicable state income tax Laws).

4.12. Compliance with Charter Provisions and Laws and Regulations.

(a) Neither Company nor any of the Company Subsidiaries is in default under or in breach or violation of (i) any provision of its Articles or Certificate of Incorporation, as amended, or Bylaws, as amended, or (ii) any Law, except, with respect to this clause (ii), for such violations as would not have, or would not reasonably be

expected to have, individually or in the aggregate, a Material Adverse Effect. Except for routine examinations by Federal or state Governmental Entities charged with the supervision or regulation of federal savings banks or savings and loan holding companies or engaged in the insurance of bank deposits, to the best knowledge of Company, no investigation or inquiry by any Governmental Entity with respect to Company or any of the Company Subsidiaries is pending or threatened. There are no material unresolved violations, criticisms or exceptions by any Governmental Entity with respect to any report or statement relating to any examination of Company or any of its Subsidiaries.

(b) To Company's knowledge, (i) each of Company and the Company Subsidiaries is in compliance with all Environmental Regulations; (ii) there are no Tanks on or about Company Property; (iii) there are no Hazardous Materials on, below or above the surface of, or migrating to or from Company Property; and (iv) without limiting Section 4.10 hereof or the foregoing representations and warranties contained in clauses (i) through (iii), there is no claim, action, suit, or proceeding or notice thereof before any Governmental Entity pending against Company or the Company Subsidiaries and there is no outstanding judgment, order, writ, injunction, decree, or award against or affecting Company Property relating to the foregoing representations (i)-(iii), in each case the noncompliance with which, or the presence of which, would have or would reasonably be expected to have a Material Adverse Effect. Company has furnished to Parent all environmental assessments or reports with respect to each material piece of Company Property which are in Company's possession or control. For purposes of this Agreement, the term "Environmental Regulations" shall mean all applicable statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, concessions, franchises, and similar items, of all Governmental Entities and all applicable judicial, administrative, and regulatory decrees, judgments, and orders relating to the protection of human health or the environment, including, without limitation, those pertaining to reporting, licensing, permitting, investigation, and remediation of emissions, discharges, releases, or threatened releases of Hazardous Materials, chemical substances, pollutants, contaminants, or hazardous or toxic substances, materials or wastes whether solid, liquid, or gaseous in nature, into the air, surface water, groundwater, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of chemical substances, pollutants, contaminants, or hazardous or toxic substances, materials, or wastes, whether solid, liquid, or gaseous in nature and all requirements pertaining to the protection of the health and safety of employees or the public. "Company Property" shall mean real estate currently owned, leased, or otherwise used by Company or the Company Subsidiaries. "Tank" shall mean treatment or storage tanks, gas or oil wells and associated piping transportation devices. "Hazardous Materials" shall mean any substance: (1) the presence of which requires investigation or remediation under any Law; (2) which is or becomes defined as a hazardous waste, hazardous substance, hazardous material, used oil, pollutant or contaminant under any federal, state or local statute, regulation, rule or ordinance or amendments thereto including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601, *et seq.*); the Resource Conservation and Recovery Act (42 U.S.C. Section 6901, *et seq.*); the Clean Air Act, as amended (42 U.S.C. Section 7401, *et seq.*); the Federal Water Pollution Control Act, as amended (33 U.S.C. Section 1251, *et seq.*);

the Toxic Substances Control Act, as amended (15 U.S.C. Section 9601, *et seq.*); the Occupational Safety and Health Act, as amended (29 U.S.C. Section 651; the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. Section 11001, *et seq.*); the Mine Safety and Health Act of 1977, as amended (30 U.S.C. Section 801, *et seq.*); the Safe Drinking Water Act (42 U.S.C. Section 300f, *et seq.*); and all comparable state and local Laws; (3) comparable Laws of other jurisdictions; or (4) the presence of which causes or threatens to cause a nuisance, trespass or other common law tort upon real property or adjacent properties or poses or threatens to pose a hazard to the health or safety of persons or without limitation, which contains gasoline, diesel fuel or other petroleum hydrocarbons; or (5) polychlorinated biphenyls (PCBs), asbestos, lead-containing paints or urea formaldehyde foam insulation.

4.13. Employees. There are no controversies pending or, to the best of Company's knowledge, threatened between either Company or the Company Subsidiaries and any of their respective employees that would or would reasonably be expected to have a Material Adverse Effect. Neither Company nor any of the Company Subsidiaries is a party to any collective bargaining agreement with respect to any of their respective employees or any labor organization to which their respective employees or any of them belong.

4.14. Brokers, Finders and Financial Advisors. Except for the obligations set forth in the Merrill Lynch Agreement and the Sandler O'Neill Agreement, copies of which have heretofore been delivered to Parent, neither Company nor any of the Company Subsidiaries is a party to or obligated under any agreement with any broker, finder or financial advisor relating to the transactions contemplated hereby, and neither the execution of this Agreement nor the consummation of the transactions provided for herein will result in any liability or any commitment for fees or commissions to any broker, finder or financial advisor.

4.15. Scheduled Contracts. Except as set forth in the Company Disclosure Letter or as disclosed in the Company SEC Documents (each item listed or required to be listed in such Company Disclosure Letter or the Company SEC Documents being referred to herein as a "Scheduled Contract"), neither Company nor the Company Subsidiaries is a party to or otherwise subject to:

(a) any employment, deferred compensation, bonus or consulting contract;

(b) any advertising, brokerage, licensing, dealership, representative or agency relationship or contract requiring payment by Company or the Company Subsidiaries of \$250,000 or more per annum;

(c) any contract or agreement that restricts Company or the Company Subsidiaries (or would restrict any Affiliate of Company or the Company Subsidiaries or the Surviving Corporation (including Merger Sub and its Subsidiaries) after the Effective Time of the Merger) from competing in any line of business with any Person or using or employing the services of any Person;

(d) any lease of real or personal property providing for annual lease payments by or to Company or the Company Subsidiaries in excess of \$250,000 per annum other than (A) financing leases entered into in the ordinary course of business in which Company or the Company Subsidiaries is lessor and (B) leases of real property presently used by the Company Subsidiaries as offices or other facilities;

(e) any mortgage, pledge, conditional sales contract, security agreement, option, or any other similar agreement with respect to any interest of Company or the Company Subsidiaries (other than as mortgagor or pledgor in the ordinary course of its banking business or as mortgagee, secured party or deed of trust beneficiary in the ordinary course of its banking business or as security for deposits of Governmental Entities in the ordinary course of its banking business) in personal property having a value of \$250,000 or more;

(f) any stock purchase, stock option, stock bonus, stock ownership, profit sharing, group insurance, bonus, deferred compensation, severance pay, pension, retirement, savings or other incentive, welfare or employment plan or material agreement providing benefits to any present or former employees, officers or directors of Company or the Company Subsidiaries (including without limitation any agreement, plan or arrangement providing for the payment of any compensation or benefits following a change-of-control with respect to Company, whether or not subject to further triggering events);

(g) any agreement to acquire equipment or any commitment to make capital expenditures of \$250,000 or more;

(h) other than agreements entered into in the ordinary course of business, including sales of other real estate owned, any agreement for the sale of any property or assets in which Company or the Company Subsidiaries has an ownership interest which is of material significance to the operations of the Company or the Bank or for the grant of any preferential right to purchase any such property or asset;

(i) any agreement for the borrowing of any money (other than (i) liabilities or interbank borrowings made in the ordinary course of its banking business and reflected or to be reflected in the financial records of Company or the Company Subsidiaries, (ii) short-term borrowings (including refinancings thereof) made at then prevailing market rates and terms consistent with prior practice and (iii) indebtedness of the Company or any of its wholly-owned Subsidiaries to the Company or any of its wholly-owned Subsidiaries);

(j) any guarantee or indemnification which involves the sum of \$250,000 or more, other than letters of credit or loan commitments issued in the normal course of business and customary director, officer and employee indemnification provisions;

(k) any material agreement which would be terminable other than by Company or the Company Subsidiaries as a result of the consummation of the transactions contemplated by this Agreement;

(l) any contract of participation with any other bank in any loan in excess of \$1 million or any sales of assets of Company or the Company Subsidiaries with recourse of any kind to Company or the Company Subsidiaries except the sale of mortgage loans, servicing rights, repurchase or reverse repurchase agreements, securities or other financial transactions in the ordinary course of business;

(m) any agreement providing for the sale or servicing of any loan or other asset which constitutes a "recourse arrangement" under applicable regulation or policy promulgated by a Governmental Entity (except for agreements for the sale of guaranteed portions of loans guaranteed in part by the U.S. Small Business Administration and related servicing agreements);

(n) any contract relating to the provision of data processing services to Company or the Company Subsidiaries which provides for payments which in the aggregate (including any cancellation or termination payments or the effect of any required minimum notice periods prior to cancellation or termination) exceed \$500,000;

(o) any contract or commitment to purchase or sell bulk packages of mortgage servicing rights; or

(p) any other agreement of any other kind which involves future payments or receipts or performances of services or delivery of items requiring payment of \$250,000 per annum or more to or by Company or the Company Subsidiaries other than payments made under or pursuant to loan agreements, letters of credit and participation agreements entered into in the ordinary course of business.

Complete copies of all Scheduled Contracts, including all amendments and supplements thereto, entered into on or before the date hereof have been delivered or made available to Parent.

4.16. Performance of Obligations. Each Scheduled Contract is valid, binding and in full force and effect and is enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, liquidation, receivership, conservatorship, insolvency, moratorium, or other similar laws affecting the rights of creditors generally and by general equitable principles. Each of Company and the Company Subsidiaries has performed in all material respects all of the obligations required to be performed by it to date and is not in default under or in breach of any material term or provision of any Scheduled Contract to which it is a party, is subject or is otherwise bound, and no event has occurred that, with the giving of notice or the passage of time or both, would constitute such default or breach, except where such failure of performance, breach or default would not have, or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Except for loans, letters of credit and leases made by Company or the Company Subsidiaries in the ordinary course of business, to Company's knowledge, no party to any Scheduled Contract is in default thereunder as of the date hereof.

4.17. Certain Material Changes. Except as specifically required, permitted or effected by this Agreement, or as disclosed in the Company SEC Documents, since March 31, 2005, there has not been, occurred or arisen any of the following (whether or not in the ordinary course of business unless otherwise indicated):

(a) any change in any of the assets, liabilities, results of operations, permits, methods of accounting or accounting practices, business, or manner of conducting business, of Company or the Company Subsidiaries or any other event or development that has had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(b) any damage, destruction or other casualty loss (whether or not covered by insurance) that has had, or would reasonably be expected to have, a Material Adverse Effect;

(c) any amendment, modification or termination of any existing, or entry into any new, material contract or permit that has had, or would reasonably be expected to have, a Material Adverse Effect;

(d) any disposition by Company or the Company Subsidiaries of an asset the lack of which has had, or would reasonably be expected to have, a Material Adverse Effect; or

(e) any direct or indirect redemption, purchase or other acquisition by Company or the Company Subsidiaries of any equity securities or any declaration, setting aside or payment of any dividend or other distribution on or in respect of Company Stock whether consisting of money, other personal property, real property or other things of value (except for dividends permitted by Section 6.1(b), regular quarterly cash dividends and acquisitions of Company Stock pursuant to cashless exercise provisions of any Company Stock Options or pursuant to the surrender of shares to Company or the withholding of shares by Company to cover tax withholding obligations under Company Stock Plans).

4.18. Licenses and Permits. Each of Company and the Company Subsidiaries has all material licenses and permits that are necessary for the conduct of its business, and such licenses are in full force and effect in all material respects. The respective properties, assets, operations and businesses of Company and the Company Subsidiaries are and have been maintained and conducted, in all material respects, in compliance with all such applicable licenses and permits. To the knowledge of Company, no proceeding is pending or threatened by any Governmental Entity which seeks to revoke or limit any such licenses or permits.

4.19. Undisclosed Liabilities. Except for liabilities or obligations which do not have, or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, neither Company nor the Company Subsidiaries has any liabilities or obligations, either accrued or contingent, that have not been: (a) fully reflected or reserved against in the Financial Statements of Company; (b) incurred subsequent to March 31, 2005 in

the ordinary course of business consistent with past practices; or (c) disclosed in the Company Disclosure Letter.

4.20. Employee Benefit Plans.

(a) Company has previously made available to Parent copies of each “employee benefit plan,” as defined in Section 3(3) of ERISA, of which Company or any of the Company Subsidiaries is a sponsor or participating employer or as to which Company or any of the Company Subsidiaries makes contributions or is required to make contributions and which is subject to any provision of ERISA and covers any employee, whether active or retired, of Company or any of the Company Subsidiaries, together with all amendments thereto, all currently effective and related summary plan descriptions, the determination letter from the IRS, the annual reports for the most recent three years (Form 5500 including, if applicable, Schedule B thereto, and Form 11-K, if applicable) and a summary of material modifications prepared in connection with any such plan. Such plans are hereinafter referred to collectively as the “Employee Plans,” and are listed in Section 4.20(a) of the Company Disclosure Letter. No Employee Plan is a “multiemployer plan” within the meaning of Section 3(37) of ERISA. Each Employee Plan that is intended to be qualified in form and operation under Section 401(a) of the Code has received a favorable determination letter from the IRS and the associated trust for each such Employee Plan is exempt from tax under Section 501(a) of the Code. No event has occurred that will subject such Employee Plans to a material amount of tax under Section 511 of the Code. All amendments required to bring each Employee Plan into conformity with all of the applicable provisions of ERISA, the Code and all other applicable Laws have been made, except to the extent that such amendments may be retroactively adopted under Section 401(b) of the Code and the regulations issued thereunder. Except as disclosed in the Company Disclosure Letter, all Employee Plans were in effect prior to January 1, 2005, and there has been no material amendment thereof (other than amendments required to comply with applicable Law).

(b) Company has previously made available to Parent copies or descriptions of each employment agreement, plan or arrangement maintained or otherwise contributed to by Company or any of the Company Subsidiaries which is not an Employee Plan and which (exclusive of base salary and base wages and any benefit required solely under the Law of any state) provides for any form of current or deferred compensation, bonus, stock option, stock awards, stock-based compensation or other forms of incentive compensation or post-termination benefits or insurance, profit sharing, benefit, retirement, severance, change-in-control, group health or insurance, disability, workers’ compensation, vacation benefits, welfare or similar benefits to or for the benefit of any employee or class of employees, or former employees or class of former employees, or directors or former directors, whether active or retired, of Company or any of the Company Subsidiaries. Such plans and arrangements are hereinafter collectively referred to as “Benefit Arrangements” and are listed in Section 4.20(b) of the Company Disclosure Letter. Except as disclosed in the Company Disclosure Letter, all Benefit Arrangements which are in effect were commenced or in effect prior to January 1, 2005. Except as disclosed in the Company Disclosure Letter, there has been no amendment thereof. Except as set forth in the Company Disclosure Letter, there has been no increase

in the compensation of or benefits payable to any senior executive employee of Company or any Company Subsidiary since January 1, 2005 nor any employment, severance or similar contract entered into with any such employee, nor any amendment to any such contract, since January 1, 2005.

(c) With respect to all Employee Plans and Benefit Arrangements, Company and the Company Subsidiaries are in compliance (other than noncompliance the cost or liability for which would not have, or would not reasonably be expected to have, a Material Adverse Effect) with the requirements prescribed by any and all statutes, governmental or court orders, or governmental rules or regulations currently in effect, including but not limited to ERISA and the Code, applicable to such plans or arrangements. All government reports and filings required by Law have been properly and timely filed and all information required to be distributed to participants or beneficiaries has been distributed with respect to each Employee Plan and Benefit Arrangement, including, if applicable, Form S-8 registration statements, Forms 11-K and prospectus disclosures with respect to Company Stock offered under any Employee Plan and Benefit Arrangement (other than noncompliance the cost or liability for which would not have, or would not reasonably be expected to have, a Material Adverse Effect). Company and the Company Subsidiaries have performed all of their obligations under all such Employee Plans and Benefit Arrangements in all material aspects. There is no pending or, to the best of Company's or Company Subsidiaries' knowledge, threatened legal action, proceeding or investigation against or involving any Employee Plan or Benefit Arrangement, other than routine claims for benefits (other than claims which would not have, or would not reasonably be expected to have, a Material Adverse Effect). No condition exists that could constitute grounds for the termination of any Employee Plan under Section 4042 of ERISA. No "prohibited transaction," as defined in Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Employee Plan, or any other employee benefit plan maintained by Company or any of the Company Subsidiaries which is covered by Title I of ERISA, which could subject any person (other than a person for whom Company or any Company Subsidiary is not directly or indirectly responsible) to liability under Title I of ERISA or to the imposition of tax under Section 4975 of the Code (other than any such transaction the cost or liability of which would not have, or would not reasonably be expected to have, a Material Adverse Effect). No Employee Plan subject to Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code, or both, has incurred any "accumulated funding deficiency," as defined in Section 412 of the Code, whether or not waived, nor has Company or any Company Subsidiary failed to make any contribution or pay any amount due and owing as required by the terms of any Employee Plan or Benefit Arrangement. No "reportable event" as defined in ERISA has occurred with respect to any of the Employee Plans. Neither Company nor any of the Company Subsidiaries has incurred nor expects to incur, directly or indirectly, any liability under Title IV of ERISA arising in connection with the termination of, or a complete or partial withdrawal from, any plan covered or previously covered by Title IV of ERISA which could constitute a liability of the Surviving Corporation or of any of its Affiliates (including the Company Subsidiaries) at or after the Effective Time of the Merger (other than plans maintained prior to the Effective Time of the Merger by Parent and any of the Company Subsidiaries).

(d) Neither Company nor any of the Company Subsidiaries has provided or is required to provide security to any Employee Plan pursuant to Section 401(a)(29) of the Code. Each of the Employee Plans that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter from the IRS and neither Company nor any Company Subsidiary knows of any fact that would adversely affect the qualified status of any such Employee Plan and which would not be correctible under the Employee Plans Correction Resolution System (Rev. Proc. 2003-44) without material cost to Company or any of the Company Subsidiaries. All contributions required to be made to each of the Employee Plans under the terms of the Employee Plans, ERISA, the Code or any other applicable laws have been timely made. Except as disclosed in the Company Disclosure Letter, as of the date hereof, the Financial Statements of Company properly reflect all amounts required to be accrued as liabilities to date under each of the Employee Plans. Except as disclosed in the Company Disclosure Letter, the fair market value of the assets of each Employee Plan and Benefit Arrangement that is funded, or required to be funded under the terms of the Employee Plan or Benefit Arrangement, ERISA, the Code or any other applicable Law, equals or exceeds the present value of benefit obligations, of such Employee Plan or Benefit Arrangement. Except as disclosed in the Company Disclosure Letters, Company and the Company Subsidiaries have no obligation to provide post-termination or retiree welfare benefits to any person for any reason, except as may be required by The Consolidated Omnibus Budget Reconciliation Act of 1985, as amended or similar state statute.

(e) Except for the Scheduled Contracts or as set forth in the Company Disclosure Letter, each Employee Plan or Benefit Arrangement and each personal services contract, fringe benefit, consulting contract or similar arrangement with or for the benefit of any officer, director, employee or other person can be terminated by Company within a period of 30 days following the Effective Time of the Merger, without liability to Company or any Company Subsidiaries. There does not now exist, nor do any circumstances exist that could result in, any Controlled Group Liability that would be a material liability of the Company or any of its subsidiaries following the Effective Time. "Controlled Group Liability," means any and all liabilities (i) under Title IV of ERISA, (ii) under Section 302 of ERISA, (iii) under Sections 412 and 4971 of the Code, or (iv) as a result of a failure to comply with the continuation coverage requirements of Section 601 et seq. of ERISA and Section 4980B of the Code.

(f) All group health plans of Company and Company Subsidiaries have been operated in compliance with the group health plan continuation coverage requirements of Section 4980B of the Code and with the group health plan portability, access and renewability requirements of Sections 9801 through 9833 of the Code, and corresponding provisions of ERISA, in all material respects.

(g) Neither Company nor any of the Company Subsidiaries has used the services of (i) workers who have been provided by a third party contract labor supplier for more than six months or who may otherwise be eligible to participate in any of the Employee Plans or to an extent that would result in the disqualification of any of the Employee Plans or the imposition of penalties or excise taxes with respect to the IRS, the Department of Labor, the Pension Benefit Guaranty Corporation or any other

Governmental Entity; (ii) temporary employees who have worked for more than six months or who may otherwise be eligible to participate in any of the Employee Plans or to an extent that would result in the disqualification of any of the Employee Plans or the imposition of penalties or excise taxes with respect to the IRS, the Department of Labor, the Pension Benefit Guaranty Corporation or any other Governmental Entity; (iii) individuals who have provided services to Company or the Company Subsidiaries as independent contractors for more than six months or who may otherwise be eligible to participate in the Employee Plans or to an extent that would result in the disqualification of any of the Employee Plans or the imposition of penalties or excise taxes with respect to the IRS, the Department of Labor, the Pension Benefit Guaranty Corporation or any other Governmental Entity; or (iv) leased employees, as that term is defined in section 414(n) of the Code.

(h) With respect to each Employee Plan that is funded wholly or partially through an insurance policy, there will be no material liability of Company or the Company Subsidiaries, as of the Closing Date, under any such insurance policy or ancillary agreement with respect to such insurance policy in the nature of a retroactive rate adjustment, loss sharing arrangement or other actual or contingent liability arising wholly or partially out of events occurring prior to the Closing Date.

(i) Except as set forth in the Company Disclosure Letter, no Company Employee Plan or Benefit Arrangement provides a gross-up for any Taxes which may be imposed under Section 4999 of the Code relating to parachute payments or for failure to comply with the requirements of Section 409A of the Code.

(j) As of the date hereof, the compensation information that Company has furnished to Parent for purposes of calculating the amount of any "excess parachute payments" (within the meaning of Section 280G of the Code) that may be payable in connection with the Merger, assuming the Merger is consummated in 2005, is true and correct in all respects (except with respect to any omissions or errors that are in the aggregate de minimis in amount.)

4.21. Corporate Records. The minute books of each of Company and the Company Subsidiaries which have heretofore been made available to Parent accurately reflect all material corporate actions taken since January 1, 2003 to this date by the respective stockholders, board of directors and committees of each of Company and the Company Subsidiaries.

4.22. Accounting Records. Each of Company and the Company Subsidiaries maintains accounting records which fairly and accurately reflect, in all material respects, its transactions, and accounting controls exist sufficient to provide reasonable assurances that such transactions are, in all material respects, (i) executed in accordance with its management's general or specific authorization, and (ii) recorded as necessary to permit the preparation of financial statements in conformity with GAAP.

4.23. Offices and ATMs. Company has furnished to Parent a list (the "Company Offices List") setting forth the headquarters of each of Company and the Company Subsidiaries (identified as such) and, as of the date hereof, each of the offices and automated

teller machines (“ATMs”) maintained and operated by Company or the Company Subsidiaries (including, without limitation, representative and loan production offices and operations centers) and the location thereof. Except as set forth on the Company Offices List, as of the date hereof, neither Company nor any of the Company Subsidiaries maintains any other office or ATM or conducts business at any other location, and neither Company nor the Company Subsidiaries has applied for or received permission to open any additional branch or operate at any other location.

4.24. Agreements with Regulators. Except as set forth in the Company Disclosure Letter, neither Company nor any Subsidiary of Company is a party to any supervisory agreement, consent decree or memorandum of understanding with, or a party to any commitment letter or similar undertaking to, or is subject to any cease-and-desist or other similar order or directive by, or is a recipient of any extraordinary supervisory letter from, or has adopted any board resolutions specifically applicable to Company or any Subsidiary of Company at the request of, any Governmental Entity which restricts materially the conduct of its business, or in any manner relates to its capital adequacy, its credit or risk management policies or its management, nor has Company been advised by any Governmental Entity that it is contemplating issuing or requesting (or is considering the appropriateness of issuing or requesting) any such supervisory agreement, decree, memorandum of understanding, extraordinary supervisory letter, commitment letter, order, directive or similar submission, or any such board resolutions which would reasonably be expected to have a Material Adverse Effect.

4.25. Vote Required. The affirmative vote of the holders of two-thirds of the outstanding shares of Company Stock to adopt this Agreement is the only vote of the holders of any class or series of Company capital stock necessary to approve and adopt this Agreement and the transactions contemplated hereby (including the Merger).

4.26. Power of Attorney. Neither Company nor any of the Company Subsidiaries has granted any Person a power of attorney or similar authorization that is presently in effect or outstanding except in the ordinary course of business consistent with prior practice.

4.27. Facts Affecting Regulatory Approvals. To the best knowledge of Company, there is no fact, event or condition applicable to Company or the Company Subsidiaries which will, or reasonably could be expected to, adversely affect the likelihood of securing, or unduly delay the receipt of, the requisite approvals or consents of any Governmental Entity to the Merger and the transactions contemplated by this Agreement.

4.28. Indemnification. Other than pursuant to the provisions of their respective Certificate of Incorporation or Articles of Association, as the case may be, or Bylaws, or as disclosed in the Company Disclosure Letter, the Company SEC Filings, the Merrill Lynch Agreement, the Sandler O’Neill Agreement, the Scheduled Contracts, or pursuant to non-material leases, vendor or other similar contracts entered into in the ordinary course of business, neither Company nor any of the Company Subsidiaries is a party to any indemnification agreement with any of its present or past officers, directors, employees, agents or other persons who serve or served in any other capacity with any other enterprise at the request of Company or the Company Subsidiaries (“Covered Parties”), and, to the best knowledge of Company, there are no claims for which any Covered Party would be entitled to indemnification by Company or the Company Subsidiaries if such provisions were deemed in effect.

4.29. Regulatory Capitalization. Bank is, and immediately prior to the Effective Time of the Merger will be, “well capitalized,” as such term is defined in the rules and regulations of the OTS, and is, and will be at such time, in full compliance with any capital commitments to the OTS.

4.30. Derivative Transactions.

(a) Except as would not have, or would not reasonably be expected to have, a Material Adverse Effect, all Derivative Transactions (as defined herein) entered into by Company or any of its Subsidiaries were entered into in accordance with applicable rules, regulations and policies of any Governmental Entity, and in accordance with the investment, securities, commodities, risk management and other policies, practices and procedures employed by Company and the Company Subsidiaries, and were entered into with counterparties who were believed at the time to be financially responsible and able to understand (either alone or in consultation with their advisers) and to bear the risks of such Derivative Transactions; and Company and each of its Subsidiaries have duly performed all of their obligations under the Derivative Transactions to the extent that such obligations to perform have accrued, and, to Company’s knowledge, there are no material breaches, violations or defaults or allegations or assertions of such by any party thereunder. Company and the Company Subsidiaries have adopted policies and procedures consistent with the publications of applicable Governmental Entities with respect to their derivatives programs.

(b) For purposes of this Section 4.30, “Derivative Transactions” means any swap transaction, option, warrant, forward purchase or sale transaction, futures transaction, cap transaction, floor transaction or collar transaction relating to one or more currencies, commodities, bonds, equity securities, loans, interest rates, credit-related events or conditions or any indexes, or any other similar transaction or combination of any of these transactions, including collateralized mortgage obligations or other similar instruments or any debt or equity instruments evidencing or embedding any such types of transactions, and any related credit support, collateral or other similar arrangements related to such transactions; provided that, for the avoidance of doubt, the term “Derivative Transactions” shall not include any Company Stock Options.

4.31. Trust Powers. Bank does not presently maintain trust or exercise trust powers, nor does any other Subsidiary of Company.

4.32. Disclosure Documents and Applications. None of the information supplied or to be supplied by Company in writing (“Company Supplied Information”) for inclusion in any documents to be filed with the SEC, the FDIC, the OTS, the FRB, the DFI or any other Governmental Entity in connection with the transactions contemplated in this Agreement, will, at the respective times such documents are filed or become effective, or with respect to the Proxy Statement when mailed, with respect to the Company Supplied Information, contain any untrue statement of a material fact, or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

4.33. Intellectual Property. To the best knowledge of Company, Company and the Company Subsidiaries own or have a valid license to use all patents, trade secrets, trademarks, trade names and service marks (including any registrations or applications for registration of any of the foregoing) (collectively, "Company Intellectual Property") necessary to carry on their business substantially as currently conducted, except where such failures to own or validly license such Company Intellectual Property would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Other than in respect of Intellectual Property licensed in the ordinary course of business, neither Company nor any of the Company Subsidiaries has any obligation to compensate any Person for the use of any of the Company Intellectual Property and Company has not granted to any Person any license, option or other rights to use in any manner any of the Company Intellectual Property, whether requiring the payment of royalties or not. The Company Intellectual Property will not be impaired by reason of the performance of this Agreement or the consummation of the transactions contemplated hereby, except as would not, individually or in the aggregate, in either such case, would reasonably be expected to have a Material Adverse Effect. Neither Company nor any of the Company Subsidiaries has received any notice of infringement of or conflict with, and to Company's knowledge, there are no infringements of or conflicts with, the rights of others with respect to the use of any Company Intellectual Property that, individually or in the aggregate, in either such case, would reasonably be expected to have a Material Adverse Effect.

4.34. State Takeover Laws; Company Rights Plan.

(a) No "fair price," "moratorium," "control share acquisition" or other similar anti-takeover statute or regulation (each, a "Takeover Statute") or, any anti-takeover provision in the Articles or Certificate of Incorporation or Bylaws of Company or any Subsidiary is, or at the Effective Time of the Merger will be, applicable to the Merger or any other transactions contemplated by this Agreement.

(b) Company has no stockholder rights plan, "poison pill" or other similar plan, such previously existing plan of Company having been terminated effective February 28, 2005.

4.35. Registration Obligation. Neither Company nor any of the Company Subsidiaries is under any obligation, contingent or otherwise, to register any of their respective securities under the Securities Act, other than Company Stock issued or issuable under Company's equity compensation plans.

4.36. Opinions of Merrill Lynch & Co., Inc. and Sandler O'Neill & Partners, L.P. Company has received the opinions of Merrill Lynch & Co., Inc. and Sandler O'Neill & Partners, L.P., dated as of the date hereof, to the effect that, based upon and subject to the matters set forth in the opinions, the Merger Consideration, in combination with the special \$0.50 dividend to be declared by Company immediately prior to the Closing, is fair from a financial point of view to the holders of the Company Stock.

4.37. Loans; Investments.

(a) (i) The Company Disclosure Letter sets forth all evidences of indebtedness reflected as assets on the books and records of Company and its Subsidiaries ("Loans") by Company and the Company Subsidiaries to executive officers (as such term is defined in Part 215 of Title 12 of the Code of Federal Regulations) of Company or any of the Company Subsidiaries; (ii) there are no Loans to any employee, officer, director of other Affiliate of Company or any of the Company Subsidiaries on which the borrower is paying a rate other than that reflected in the note or the relevant credit agreement or on which the borrower is paying a rate which was below market at the time the Loan was made; and (iii) except as listed on the Company Disclosure Letter, all such Loans are and were made in compliance in all material respects with all applicable Laws, are evidenced in all material respects by appropriate and sufficient documentation and, to Company's knowledge, each constitutes the legal, valid and binding obligation of the obligor named therein, subject to bankruptcy, liquidation, receivership, conservatorship, insolvency, moratorium, or other similar laws affecting the rights of creditors generally and by general equitable principles.

(b) Each outstanding Loan and each commitment to extend credit has been solicited and originated and is administered and serviced in all material respects in accordance with the relevant loan documents, Company's underwriting standards and with all applicable requirements of Laws.

(c) Except as set forth on the Company Disclosure Letter, none of the agreements pursuant to which Company or any of the Company Subsidiaries has sold Loans or pools of Loans or participations in Loans or pools of Loans contains any obligation to repurchase or substitute such Loans or interests therein solely on account of a payment default by the obligor on any such Loan.

(d) Each of Company and Bank is approved by and is in good standing: (i) as a supervised mortgagee by the Department of Housing and Urban Development ("HUD") to originate and service Title I and Title I FHA mortgage loans; (ii) as a GNMA I and II Issuer by the Government National Mortgage Association ("Ginnie Mae"); (iii) by the Veteran's Administration ("VA") to originate and service VA loans; and (iv) as a seller/servicer by Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac") to originate and service conventional residential and multi-family mortgage loans.

(e) Except for indemnity agreements with any of such persons entered into in the ordinary course of business consistent with prior practice, none of Company or any of the Company Subsidiaries is now nor has ever been subject to any fine, suspension, settlement or other agreement or other administrative agreement or sanction by, or any obligation to indemnify, HUD, Ginnie Mae, VA, Fannie Mae, Freddie Mac or other investor, or any federal or state agency relating to the origination, sale or servicing of mortgage or consumer loans.

(f) Each of Company and the Company Subsidiaries is in compliance in all material respects with all applicable Laws pertaining to its or their lending activities, including, without limitation, the Truth-In-Lending Act and Regulation Z, the Equal Credit Opportunity Act and Regulation B, the Real Estate Settlement Procedures Act and Regulation X, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Office of Foreign Asset Control rules and regulations and all HUD, Ginnie Mae, Fannie Mae, Freddie Mac, other investor and mortgage insurance company requirements relating to the origination, sale and servicing of mortgage and consumer loans.

(g) All United States Treasury securities, obligations of other United States Government agencies and corporations, obligations of States of the United States and their political subdivisions, and other investment securities classified as “held to maturity” and “available for sale” held by Company, Bank and the Company Subsidiaries (other than Bank), as reflected in the Financial Statements of Company, were classified and accounted for in accordance with Statement of Financial Accounting Standards No. 115 and the intentions of management.

4.38. Allowance for Loan Losses. Company’s allowance for loan losses was determined by application of Company’s policies and procedures, as those policies and procedures may have been amended from time to time in the ordinary course of business, on a basis consistently applied from prior periods and represents management’s good faith estimate of reasonably expectable losses, net of recoveries relating to loans and leases previously charged off, on loans and leases outstanding (including accrued interest receivable) as of that date.

4.39. Compliance with Servicing Obligations. Company and the Company Subsidiaries are in compliance in all material respects with all contract, agency and investor requirements and guidelines, and all applicable Laws, relating to the servicing and administration of loans by them, or any of them, including properly and timely making interest rate adjustments to adjustable rate loans.

4.40. Fiduciary Responsibilities. Company and the Company Subsidiaries have performed in all material respects all of their respective duties as a trustee, custodian, guardian or as an escrow agent in a manner which complies in all material respects with all applicable Laws.

4.41. Controls and Procedures.

(a) Each of the principal executive officer and the principal financial officer of Company (or each former principal executive officer and former principal financial officer of Company, as applicable) has made all certifications required under Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 and the related rules and regulations promulgated thereunder and under the Exchange Act (collectively, the “Sarbanes-Oxley Act”) with respect to the Company SEC Documents, and Company has delivered to Parent a summary of any disclosure made by management to Company’s auditors and audit committee since January 1, 2003 referred to in such certifications. For purposes of the preceding sentence, “principal executive officer” and “principal financial officer” shall have the meanings given to such terms in the Sarbanes-Oxley Act.

(b) Company has (i) designed and maintained disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) to ensure that material information required to be disclosed by Company in the reports it files or furnishes under the Exchange Act is communicated to its management by others within those entities as appropriate to allow timely decisions regarding required disclosure, (ii) disclosed, based on its most recent evaluation, to its auditors and the audit committee of its Board of Directors (A) any significant deficiencies or material weaknesses in the design or operation of internal controls over financial reporting which could adversely affect its ability to record, process, summarize and report financial data and (B) any fraud, whether or not material, that involves management or other employees who have a significant role in its internal controls over financial reporting and (iii) identified for Company's auditors any material weaknesses in internal controls. Company has provided to Parent true and correct copies of any of the foregoing disclosures to the auditors or audit committee that have been made in writing from January 1, 2003 through the date hereof, and will promptly provide to Parent true and correct copies of any such disclosure that is made after the date hereof.

(c) Company has designed and maintains a system of internal controls over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) sufficient to provide reasonable assurance concerning the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP, including reasonable assurance (i) that transactions are executed in accordance with management's general or specific authorizations and recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability and (ii) regarding prevention or timely detection of any unauthorized acquisition, use or disposition of assets that could have a material effect on Company's financial statements. Company's management, with the participation of Company's principal executive and financial officers, has completed an assessment of the effectiveness of Company's internal controls over financial reporting in compliance with the requirements of Section 404 of the Sarbanes-Oxley Act for the year ended December 31, 2004, and such assessment concluded that such internal controls were effective using the framework specified in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004.

(d) No personal loan or other extension of credit by Company or any Company Subsidiary to any of its or their executive officers or directors has been made or modified (other than as permitted by Section 13 of the Exchange Act and Section 402 of the Sarbanes-Oxley Act) since July 31, 2002.

(e) Since January 1, 2003, (i) neither Company nor any of the Company Subsidiaries nor, to Company's knowledge, any director, officer, employee, auditor, accountant or representative of Company or any of the Company Subsidiaries has received any written complaint, allegation, assertion, or claim that Company or any of the Company Subsidiaries has engaged in improper or illegal accounting or auditing practices or maintains improper or inadequate internal accounting controls and (ii) no attorney representing Company or any of the Company Subsidiaries, whether or not employed by Company or any of the Company Subsidiaries, has reported evidence of a

material violation of U.S. federal or state securities Laws, a material breach of fiduciary duty or similar material violation by Company, any of the Company Subsidiaries or any of their respective officers, directors, employees or agents to any officer of Company, the Board of Directors of Company or any member or committee thereof. For purposes of this Agreement, "knowledge" of any Person means the actual knowledge of any officer (as such term is defined in Rule 16a-1(f) under the Exchange Act) of such Person.

4.42. CRA, Anti-Money Laundering, OFAC and Customer Information Security. Bank has received a rating of "Outstanding" in its most recent examination or interim review with respect to the Community Reinvestment Act ("CRA"). Neither Company nor Bank is aware of, has been advised of, or has reason to believe (because of Bank's Home Mortgage Disclosure Act ("HMDA") data for the year ended December 31, 2004 filed with the OTS on or prior to March 1, 2005, or otherwise) that any facts or circumstances exist, which would cause Bank or any other Company Subsidiary: (i) to be deemed not to be in satisfactory compliance in any material respect with the CRA, and the regulations promulgated thereunder, or to be assigned a rating for CRA purposes by federal or state bank regulators of lower than "satisfactory"; or (ii) to be deemed to be operating in violation in any material respect of the Bank Secrecy Act, the Patriot Act, any order issued with respect to anti-money laundering by the U.S. Department of the Treasury's Office of Foreign Assets Control, or any other applicable anti-money laundering statute, rule or regulation (collectively, the "anti-money laundering laws"); or (iii) to be deemed not to be in satisfactory compliance in any material respect with the applicable privacy of customer information requirements contained in any federal and state privacy laws and regulations, including without limitation, in Title V of the Gramm-Leach-Bliley Act of 1999 and the regulations promulgated thereunder, as well as the provisions of the information security program adopted by Bank pursuant to 12 C.F.R. Part 570. Neither Company nor Bank is aware of any facts or circumstances which would cause either to believe that any non-public customer information has been disclosed to or accessed by an unauthorized third party in a manner which would cause either Company or Bank or any other Company Subsidiary to undertake any remedial action, except for such facts or circumstances, individually or in the aggregate, as would not reasonably be expected to have a Material Adverse Effect. The board of directors of Bank (or where appropriate of any other Company Subsidiary) has adopted, and Bank (or such other Company Subsidiary) has implemented, an anti-money laundering program that contains adequate and appropriate customer identification verification procedures that comply with Section 326 of the Patriot Act and such anti-money laundering program meets the requirements in all material respects of Section 352 of the Patriot Act and the regulations thereunder, and Bank (or such other Company Subsidiary) has complied in all material respects with any requirements to file reports and other necessary documents as required by the Patriot Act and the regulations thereunder.

4.43. Investment Management and Related Activities. Except as set forth in the Company Disclosure Letter, none of Company, any of the Company Subsidiaries or Company's or the Company Subsidiaries' directors, officers or employees is required to be registered, licensed or authorized under any applicable Law as an investment adviser, a broker, dealer, an insurance agency or company, a commodity trading adviser, a commodity pool operator, a futures commission merchant, an introducing broker, a registered representative or associated person, investment adviser, representative or solicitor, a counseling officer, an insurance agent or broker, a sales person or in any similar capacity with a Governmental Entity.

ARTICLE 5.

REPRESENTATIONS AND WARRANTIES OF PARENT

Parent represents and warrants to Company as follows, except as set forth in the Parent Disclosure Letter:

5.1. Incorporation, Standing and Power. Parent has been duly organized, is validly existing and in good standing as a corporation under the laws of the State of California. Parent is duly licensed to conduct a commercial banking business under the laws of the State of California and its deposits are insured by the FDIC in the manner and to the fullest extent permitted under applicable law. Merger Sub has been duly organized, is validly existing and in good standing as a corporation under the laws of the State of Nebraska. Merger Sub has conducted no business or operations and has no material liabilities other than its obligations under this Agreement.

5.2. Authority. The execution and delivery by Parent of this Agreement, and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of Parent. The execution and delivery by Merger Sub of this Agreement, and the consummation of the transactions contemplated hereby, have been duly and validly authorized by all necessary corporate action on the part of Merger Sub. Except for the approval described in Section 5.3 and previously obtained, no other corporate actions or proceedings by any affiliate or any direct or indirect stockholder of Parent is required in connection with the execution and delivery by Parent and Merger Sub of this Agreement or the consummation of the transactions contemplated hereby. This Agreement is a valid and binding obligation of Parent and Merger Sub, in each case enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, liquidation, receivership, conservatorship, insolvency, moratorium or other similar Laws affecting the rights of creditors generally and by general equitable principles. Neither the execution and delivery by Parent or Merger Sub of this Agreement, the consummation of the transactions contemplated herein, nor compliance by Parent and Merger Sub with any of the provisions hereof, will: (a) conflict with or result in a breach of any provision of its respective Certificate of Incorporation, as amended, or Bylaws, as amended; (b) constitute a breach of or result in a default (or give rise to any rights of termination, cancellation or acceleration, or any right to acquire any securities or assets) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, franchise, license, permit, agreement or other instrument or obligation to which Parent or any Subsidiary of Parent is a party, or by which Parent or any Subsidiary of Parent or any of its properties or assets is bound (except as would not be reasonably likely to have a material adverse effect on the ability of Parent and Merger Sub to consummate the transactions contemplated by this Agreement); or (c) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Parent or any Subsidiary of Parent or any of its respective properties or assets. No consent of, approval of, notice to or filing with any Governmental Entity having jurisdiction over any aspect of the business or assets of Parent or any of its Subsidiaries, or any of their Affiliates or direct or indirect stockholders, and no consent of, approval of or notice to any other Person, is required in connection with the execution and delivery by Parent or Merger Sub of this Agreement or the Merger Agreement, or the consummation by Parent and Merger Sub of the Merger or the Subsequent Mergers or the

transactions contemplated hereby or thereby, except (i) the approval of this Agreement by the stockholders of Company (including the filing of the Proxy statement with the SEC); (ii) the approval of the FDIC under the Bank Merger Act; (iii) the approval of the OTS under 12 C.F.R. § 574.7 and 563.22(b)(i) and (h)(1); (iv) the approval of the DFI under the CFC; (v) the filing of a notice with the FRB under 12 C.F.R. § 225.12(d)(2); (vi) the filing of the Articles of Merger with the Secretary of State of the State of Nebraska; (vii) with respect to the Subsequent Mergers, the filing of the Merger Agreement (or the articles of merger provided for therein) with the Secretaries of State of the States of California and Nebraska and the DFI; (viii) filings under U.S. state corporate, banking, securities, insurance or other laws in U.S. states where the Company or any Company Subsidiary maintains offices or transacts business; and (ix) any filings required to be made with the U.S. Federal Trade Commission or Department of Justice.

5.3. Parent Stockholder Consent. BancWest, acting as the controlling stockholder of Parent, has approved this Agreement and the transactions contemplated hereby.

5.4. Financing. Parent has available sufficient cash or other liquid assets or financial resources which may be used to fund the Merger and perform its other obligations hereunder.

5.5. Litigation. No claim, action, proceeding or investigation is pending or, to the knowledge of Parent, threatened, that seeks to delay or prevent the consummation of, or that would be reasonably likely to materially adversely affect Parent's or Merger Sub's ability to consummate the transactions contemplated by this Agreement.

5.6. Compliance with Laws and Regulations.

(a) Neither Parent nor any of its Subsidiaries is in violation of any Law, except for such violations as would not have, or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Except for routine examinations by Governmental Entities charged with the supervision or regulation of banking organizations, to the knowledge of Parent, no investigation or inquiry by any Governmental Entity with respect to Parent or any of its Subsidiaries is pending or threatened other than, in each case, those the outcome of which, individually or in the aggregate, would not have a Material Adverse Effect.

(b) Parent is not aware of, has not been advised of, and has no reason to believe that any facts or circumstances exist, which would cause Parent or any its Subsidiaries to be deemed to be operating in violation in any material respect of the anti-money laundering laws, or to be deemed not to be in satisfactory compliance in any material respect with the applicable privacy of customer information requirements contained in any federal and state privacy laws and regulations, including without limitation, in Title V of the Gramm-Leach-Bliley Act of 1999 and the regulations promulgated thereunder. The board of directors of Parent has adopted and has implemented, an anti-money laundering program that contains adequate and appropriate customer identification verification procedures that comply with Section 326 of the Patriot Act and such anti-money laundering program meets the requirements in all material respects of Section 352 of the Patriot Act and the regulations thereunder and

Parent has complied in all material respects with any requirements to file reports and other necessary documents as required by the Patriot Act and the regulations thereunder. Parent is not aware of any facts or circumstances which would cause it to believe that any non-public customer information has been disclosed to or accessed by an unauthorized third party in a manner which would cause Parent to undertake any remedial action, except for such facts or circumstances, individually or in the aggregate, as would not reasonably be expected to have a Material Adverse Effect.

5.7. BNP Paribas' Status as FHC. BNP Paribas has duly elected to become, and meets the applicable requirements for qualification as, a financial holding company pursuant to Section 4(l) of the BHC Act. To Parent's knowledge, there are no facts or circumstances that are reasonably likely to result in BNP Paribas ceasing to meet any such requirements.

5.8. Agreements with Regulators. Neither Parent nor any of its Subsidiaries, nor BancWest, is a party to any supervisory agreement, consent decree or memorandum of understanding with, or a party to any commitment letter or similar undertaking to, or is subject to any cease-and-desist or other order or directive by, or is a recipient of any extraordinary supervisory letter from, or has adopted board resolutions at the request of, any Governmental Entity other than in each case, which, individually or in the aggregate, would not have a Material Adverse Effect, nor has Parent been advised by any Governmental Entity that it is contemplating issuing or requesting (or is considering the appropriateness of issuing or requesting) any such supervisory agreement, decree, memorandum of understanding, extraordinary supervisory letter, commitment letter, order, directive or similar submission, or any such board resolutions which would reasonably be expected to have a Material Adverse Effect.

5.9. Brokers and Finders. Parent is not a party to or obligated under any agreement with any broker or finder relating to the transactions contemplated hereby, and neither the execution of this Agreement nor the consummation of the transactions provided for herein will result in any liability to any broker or finder.

5.10. Facts Affecting Regulatory Approvals. To the best knowledge of Parent, there is no fact, event or condition applicable to Parent or any of its Subsidiaries, or any of their Affiliates or direct or indirect stockholders, which will, or reasonably could be expected to, adversely affect the likelihood of promptly securing, or unduly delay the receipt of, the requisite approvals or consents of any Governmental Entity to the Merger and the transactions contemplated by this Agreement.

5.11. CRA. Parent has received a rating of "satisfactory" in its most recent examination or interim review with respect to the CRA. Parent has not been advised of any material supervisory concerns regarding Parent's compliance with the Community Reinvestment Act. Parent is not aware of, has not been advised of, and has no reason to believe (because of Parent's December 31, 2004 HMDA data filed with the FDIC on or prior to March 1, 2005, or otherwise) that any facts or circumstances exist, which would cause Parent to be deemed not to be in satisfactory compliance in any material respect with the CRA or the regulations thereunder or to be assigned a rating for CRA purposes of lower than "satisfactory."

5.12. Accuracy of Information Furnished for Company Proxy Statement and Other Filings. None of the information supplied or to be supplied by Parent in writing ("Parent Supplied Information") for inclusion in any documents to be filed by Company with the SEC, the FDIC, the OTS, or any other Governmental Entity in connection with the transactions contemplated in this Agreement, will, at the respective times such documents are filed or become effective, or with respect to the Proxy Statement when mailed, with respect to the Parent Supplied Information, contain any untrue statement of a material fact, or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

5.13. Investment in Company Shares. Neither Parent nor Merger Sub nor any Affiliate of Parent or Merger Sub owns or controls, directly or indirectly, any capital stock of Company, other than in accordance with and as permitted by the Confidentiality Agreement.

ARTICLE 6.

COVENANTS OF COMPANY PENDING EFFECTIVE TIME OF THE MERGER

Company covenants and agrees with Parent and Merger Sub as follows:

6.1. Limitation on Conduct Prior to Effective Time of the Merger. Between the date hereof and the earlier of the Effective Time of the Merger or the termination of the Agreement, except as contemplated by this Agreement and subject to requirements of Law, Company agrees to conduct its business (and to cause the Company Subsidiaries to conduct their respective businesses) in the ordinary course in substantially the manner heretofore conducted and in accordance with sound banking practices, and Company shall not (and shall cause the Company Subsidiaries to not), except as provided in Section 6.1 of the Company Disclosure Letter, without the prior written consent of Parent:

(a) issue, sell or grant any Company Stock (except pursuant to the exercise of Company Stock Options outstanding as of the date hereof), any other securities (including long term debt) of Company or the Company Subsidiaries, or any rights, stock appreciation rights, options or securities to acquire any Company Stock, or any other securities (including long term debt) of Company or the Company Subsidiaries or enter into any agreements to take any such actions;

(b) (i) other than dividends by a direct or indirect wholly-owned Subsidiary of Company to its parent, declare, set aside or pay any dividend or make any other distribution upon any of the capital stock of Company or the Company Subsidiaries; provided, however, that Company may declare and pay the regular quarterly cash dividend in respect of the second fiscal quarter of 2005 which shall not exceed \$0.145 per share of Company Stock, and for fiscal quarters thereafter, consistent with its customary declaration, record and payment dates, regular quarterly cash dividends in respect of each fully completed fiscal quarter prior to the Closing Date, not to exceed the lesser of (x) \$0.145 per share of Company Stock or (y) an amount per share of Company Stock equal to the quotient obtained by dividing (A) 50% of the Average Net Income of Company (where "Average Net Income" is equal to the quotient obtained by dividing

(a) the sum of the net income of Company (1) for the fiscal quarter in respect of which the dividend has been declared and (2) the immediately preceding fiscal quarter by (b) two) by (B) the number of outstanding shares of Company Stock on the record date for such dividend, determined in each case without regard to any expenses or costs associated with or arising as a result of transactions contemplated by this Agreement or any non-recurring charges that would not reasonably be expected to have been incurred had the transactions contemplated by this Agreement not occurred); provided, further, however, that in addition to any other dividends and distributions permitted by this Agreement, the Company may also declare and pay, immediately prior to the Closing, a special cash dividend in an amount not to exceed \$0.50 per share of Company Stock (the "Special Dividend"); or (ii) split, combine or reclassify any shares of capital stock or other securities of Company or the Company Subsidiaries;

(c) purchase, redeem or otherwise acquire any capital stock or other securities of Company or the Company Subsidiaries or any rights, options, or securities to acquire any capital stock or other securities of Company or the Company Subsidiaries (other than the redemption upon maturity of Company's subordinated notes, acquisitions of Company Stock pursuant to cashless exercise provisions of any Company Stock Options or pursuant to the surrender of shares to Company or the withholding of shares by Company to cover tax withholding obligations under Company Stock Plans, and the issuance of Company Stock upon the exercise of Company Stock Options that are outstanding as of the date hereof in accordance with their present terms);

(d) except as may be required to effect the transactions contemplated herein, amend its Articles of Incorporation, as the case may be, or Bylaws;

(e) grant any general or uniform increase in the rate of pay of employees or employee benefits;

(f) except as provided in the Company Disclosure Letter and in Section 12.1, grant any increase in salary, incentive compensation or employee benefits or pay any bonus to any Person or voluntarily accelerate the vesting of any employee benefits, other than payments of bonuses consistent with past practice pursuant to plans in effect on the date hereof and disclosed in the Company Disclosure Letter and increases in salary consistent with the Company's Compensation Guidelines for 2005 to Persons eligible for such salary increases, provided that the percentage increase in salaries for all such Persons shall not exceed 3.5 percent on average and other than a retention bonus (the "Special Retention Bonus") which may be paid to the holders of the Company Stock Options and Company Awards (other than restricted shares of Company Stock) which shall be outstanding immediately prior to the Effective Time of the Merger in an amount which shall be equal to the product of (x) \$0.50 and (y) the number of shares of Company Stock which shall be subject to each such outstanding Company Stock Option and Company Award;

(g) make any capital expenditure or commitments with respect thereto in excess of \$250,000 with respect to any item or project or in the aggregate with respect

to any related items or projects, except for capital expenditures described in the Company Disclosure letter and ordinary repairs, renewals and replacements;

(h) compromise or otherwise settle or adjust any assertion or claim of a material deficiency in taxes (or interest thereon or penalties in connection therewith), extend the statute of limitations with any tax authority or file any pleading in court in any tax litigation or any appeal from an asserted deficiency, or file or amend any income or other material federal, foreign, state or local tax return, or make any material tax election that is inconsistent with Company's current tax election practices or that concerns a matter as to which the Company has no current tax election practice;

(i) change its tax or accounting policies and procedures or any method or period of accounting unless required by GAAP, regulatory accounting principles, changes in Law or a Governmental Entity;

(j) other than in the ordinary course and in compliance with applicable Law, grant or commit to grant any extension of credit or amend the terms of any such credit outstanding on the date hereof to any executive officer, director or holder of 10% or more of the outstanding Company Stock, or any Affiliate of such Person;

(k) close or relocate any offices at which business is conducted or open any new offices, except as described in the Company Disclosure Letter;

(l) except as provided in the Company Disclosure Letter and in Section 12.1, adopt or enter into any new employment agreement or other employee benefit plan or arrangement or amend or modify any employment agreement or employee benefit plan or arrangement of any such type except for such amendments as are required by Law;

(m) grant any Person a power of attorney or similar authority, other than in the ordinary course of business consistent with past practice;

(n) make any investment by purchase of stock or securities (including an Investment Security), contributions to capital, property transfers or otherwise in any other Person, except for federal funds, obligations of the United States Treasury or an agency of the United States Government the obligations of which are entitled to or implied to have the full faith and credit of the United States government and which have an original maturity not in excess of one year, bank qualified investment grade municipal bonds, in any case, in the ordinary course of business consistent with past practices and which are not designated as trading;

(o) amend, modify or renew any Scheduled Contract or enter into any agreement or contract that would be required to be a Scheduled Contract under Section 4.15; provided, that Company and any Company Subsidiary may (i) renew an existing Scheduled Contract in the ordinary course of business on substantially equivalent terms if the total obligation of the Company and any Company Subsidiary thereunder (including any cancellation or termination payments or the effect of any required minimum notice periods prior to cancellation or termination) shall not exceed \$500,000,

and (ii) enter into ordinary course business and operations transaction agreements that (A) do not restrict Company or the Company Subsidiaries (or any Affiliate of Company or the Company Subsidiaries or the Surviving Corporation (including Merger Sub and its Subsidiaries) after the Effective Time of the Merger) from competing in any line of business with any Person or using or employing the services of any Person or (B) call for aggregate annual payments of \$250,000 or more and is not terminable on 60 days or less notice without payment of any material termination fee or penalty;

(p) sell, transfer, mortgage, encumber or otherwise dispose of any assets material to the business or financial position of the Company or any Company Subsidiary or release or waive any material claim, except in the ordinary course of business and consistent with past practices;

(q) take any action which would or could reasonably be expected to (i) materially adversely affect the ability of Company to obtain any necessary approval of any Governmental Entity required for the transactions contemplated hereby; (ii) materially adversely affect Company's ability to perform its covenants and agreements under this Agreement; or (iii) result in any of the conditions to the performance of Parent's or Company's obligations hereunder, as set forth in Articles 9, 10 or 11 herein not being satisfied;

(r) make any special or extraordinary distributions or payments not in the ordinary course of business to any Person;

(s) reclassify any Investment Security from held-to-maturity or available for sale to trading, unless required by changes in GAAP or regulatory accounting requirements applicable to federal savings banks and their holding companies generally or, other than in the ordinary course of business and in prior consultation with Parent, restructure or materially change its investment policies, investment securities portfolio, its hedging strategy or its gap position, through purchases, sales or otherwise, or the manner in which the portfolio is classified or reported;

(t) sell any security other than in the ordinary course of business, except as provided in the Company Disclosure Letter;

(u) take title to any real property without conducting prior thereto any environmental investigation ordinarily undertaken consistent with past practice;

(v) settle any material claim, action or proceeding involving any material liability for monetary damages or enter into any settlement agreement containing material obligations;

(w) make, acquire a participation in, or reacquire an interest in a participation sold of, any loan, commitment to make a loan or other extension of credit, that is not in compliance with its normal credit underwriting standards, policies and procedures as in effect on December 31, 2004 or which would involve a credit exposure on the part of Company or any Company Subsidiary, greater than that set forth in Section 6.1(w) of the Company Disclosure Letter;

(x) incur any indebtedness for borrowed money or assume, guaranty, endorse or otherwise as an accommodation become responsible for the obligations of any other person, except for (i) in connection with banking transactions in the ordinary course of business, (ii) short-term borrowings (including refinancings thereof) made at prevailing market rates and terms consistent with prior practice or (iii) interbank borrowings made in the ordinary course of its banking business or (iv) indebtedness of the Company or any of its wholly-owned Subsidiaries to the Company or any of its wholly-owned Subsidiaries;

(y) enter into any new material line of business;

(z) engage in any material transaction or incur or sustain any material obligation not in the ordinary course of business consistent with past practice;

(aa) adopt any stockholder rights plan, “poison pill” or similar plan; or

(bb) agree or make any commitment to take any actions prohibited by this Section 6.1.

6.2. Affirmative Conduct Prior to Effective Time of the Merger. Between the date hereof and the Effective Time of the Merger, Company shall (and shall cause the Company Subsidiaries to):

(a) use its commercially reasonable efforts consistent with this Agreement to maintain and preserve intact its present business organization and to maintain and preserve its relationships and goodwill with account holders, borrowers, key employees and others having business relationships with Company or the Company Subsidiaries;

(b) use its commercially reasonable efforts to keep in full force and effect all of the existing material permits and licenses of Company and the Company Subsidiaries;

(c) use its commercially reasonable efforts to maintain insurance coverage at least equal to that now in effect on all properties which it owns or leases and on its business operations;

(d) use its commercially reasonable efforts to perform its material contractual obligations and not become in material default on any such obligations;

(e) use its commercially reasonable efforts to duly observe and conform in all material respects to all lawful requirements applicable to its business;

(f) maintain its assets and properties in good condition and repair, normal wear and tear excepted;

(g) file all Tax Returns required to be filed with any tax authority in accordance with all applicable Laws, timely pay all Taxes due and payable as shown in

the respective Tax Returns that are so filed and ensure that the Tax Returns will, as of the time of filing, be based on tax positions that have substantial support under all applicable Laws;

(h) promptly notify Parent regarding receipt from any tax authority of any written notification of the commencement of an audit which could involve material financial consequences for the Company, any request to extend the statute of limitations, any statutory notice of deficiency, any revenue agent's report, any notice of proposed assessment, or any other similar written notification of potential adjustments to the Tax liabilities or attributes of Company which could involve material financial consequences for the Company, or any actual or threatened collection enforcement activity of which Company is aware by any Tax authority with respect to tax liabilities of Company;

(i) make available to Parent monthly unaudited balance sheets and income statements of Company and Bank, as soon as available, but in no event later than within 15 days after the end of each calendar month;

(j) use its commercially reasonable efforts to obtain any third party consent with respect to any contract, agreement, lease, license, arrangement, permit or release that is material to the business of Company and the Company Subsidiaries on a consolidated basis or that is contemplated in this Agreement as required in connection with the Merger or the Subsequent Mergers;

(k) maintain an allowance for loan losses consistent with practices and methodology as in effect on the date of the execution of this Agreement provided that the dollar amount of such allowance shall be, in any event (but subject to applicable GAAP and regulatory accounting requirements and Law), maintained at a level which is at least equal to the amount thereof at December 31, 2004; and

(l) except as otherwise required by applicable Law, manage Company's and the Company Subsidiaries' respective assets and liabilities in all material respects in accordance with Company's asset and liability management policy as in effect on the date hereof as previously disclosed to Parent, unless otherwise agreed by the parties.

6.3. Access to Information. Company will afford, upon reasonable notice, to Parent and its representatives, counsel, accountants, agents and employees reasonable access during normal business hours to all of their business, operations, employees, properties, books, files and records and will do everything reasonably necessary to enable Parent and its representatives, counsel, accountants, agents and employees to make a complete examination of the financial statements, business, assets and properties of Company and the Company Subsidiaries and the condition thereof and to update such examination at such intervals as Parent shall deem appropriate. Such examination shall be conducted in cooperation with the officers of Company and the Company Subsidiaries and in such a manner as to minimize any disruption of, or interference with, the normal business operations of Company and the Company Subsidiaries. Upon the request of Parent, and upon Parent's execution and delivery of a customary waiver, Company will request D&T to provide reasonable access to representatives of PwC working on

behalf of Parent to auditors' work papers with respect to the business and properties of Company and the Company Subsidiaries, including tax accrual work papers prepared for Company and the Company Subsidiaries during the preceding 60 months, other than (a) books, records and documents covered by the attorney-client privilege, or that are attorneys' work product, and (b) books, records and documents that Company or the Company Subsidiaries are legally obligated to keep confidential. No examination or review conducted under this section shall constitute a waiver or relinquishment on the part of Parent of the right to rely upon the representations and warranties made by Company herein. All documents and information concerning Company and the Company Subsidiaries so obtained from any of them (except to the extent that such documents or information are a matter of public record or require disclosure in the Proxy Statement or any of the public portions of any applications required to be filed with any Governmental Entity to obtain the approvals and consents required to effect the transactions contemplated hereby), shall be subject to the Confidentiality Agreement.

6.4. Filings. Company agrees that it will use all reasonable efforts through the Effective Time of the Merger to cause each of Company's or the Company Subsidiaries' reports, proxy statements, registrations, statements and other filings required to be filed with any applicable Governmental Entity will comply in all material respects with all the applicable statutes, rules and regulations enforced or promulgated by the Governmental Entity with which it will be filed and none will contain any untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Any financial statement contained in any such report, proxy statement, registration, statement or other filing that is intended to present the financial position of the entity to which it relates will fairly present the financial position of such entity and will be prepared in accordance with GAAP or applicable banking regulations consistently applied during the periods involved.

6.5. Notices; Reports. Company will promptly notify Parent of any event of which Company obtains knowledge which has had or may reasonably be expected to have a Material Adverse Effect, or in the event that Company determines that it is unable to fulfill any of the conditions to the performance of Parent's obligations hereunder, as set forth in Articles 9 or 11 herein, and Company will furnish Parent (i) as soon as available, and in any event within five Business Days after it is mailed or delivered to the Board of Directors of Company or the Company Subsidiaries or committees thereof, any report by Company or the Company Subsidiaries for submission to the Board of Directors of Company or the Company Subsidiaries or committees thereof, relating to any such Material Adverse Effect or event, provided, however, that Company need not furnish to Parent communications of Company's legal counsel regarding Company's rights and obligations under this Agreement or the transactions contemplated hereby, or books, records and documents covered by confidentiality agreements or the attorney-client privilege, or which are attorneys' work product, (ii) as soon as available, all proxy statements, information statements, financial statements, reports, letters and communications sent by Company to its stockholders or other security holders, and, subject to applicable Law, all reports filed by Company or the Company Subsidiaries with the SEC, the OTS or other Governmental Entities, and (iii) such other existing reports as Parent may reasonably request relating to Company or the Company Subsidiaries.

6.6. Company Stockholders' Meeting.

(a) As promptly as practicable after the execution of this Agreement, Company will take action necessary in accordance with applicable Law and its Articles of Incorporation and Bylaws to convene a meeting of its stockholders (the "Company Stockholders' Meeting") to consider and vote upon the approval of this Agreement and the transactions contemplated hereby so as to permit the consummation of the transactions contemplated hereby (such approval, the "Company Stockholder Approval"). Except as permitted by Section 6.6(b) below, the Board of Directors of Company shall recommend approval and adoption of this Agreement and the Merger by Company's stockholders (the "Company Recommendation") and shall include such recommendation in the Proxy Statement. Unless permitted by Section 6.6(b), neither the Board of Directors of Company nor any committee thereof shall (i) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to Parent, the approval of this Agreement, the Merger or the Company Recommendation (any of the foregoing, a "Change in the Company Recommendation"), or (ii) approve or recommend, or propose publicly to approve or recommend, any Competing Transaction. For purposes of this Agreement, a Change in the Company Recommendation shall include any approval or recommendation (or public proposal to approve or recommend) by the Board of Directors of Company or any committee thereof of a Competing Transaction, or any failure by Company's Board of Directors to recommend against a Competing Transaction within the 10 business day period specified in Rule 14e-2(a) under the Exchange Act.

(b) The Board of Directors of Company shall be permitted to effect a Change in the Company Recommendation, only if and to the extent that all of the following conditions are met: (v) the Company Stockholder Approval has not been obtained, (w) the Board of Directors of Company concludes in good faith (after consulting with outside legal counsel) that failure to effect such Change in the Company Recommendation would be inconsistent with its fiduciary duties under applicable Law; (x) before taking any such action, Company promptly gives Parent (orally and in writing) notice advising Parent of the decision of the Board of Directors of Company to take such action, including the reasons therefor and, in the event that such decision relates to a Competing Transaction, such notice specifies the material terms and conditions of such Competing Transaction and identifies the Person making such Competing Transaction (and Company will also promptly give Parent such a notice with respect to any subsequent change in such proposal) and Company has given Parent at least three (3) Business Days after delivery of each such notice to propose revisions to the terms of this Agreement (or to make another proposal) in response to such Competing Transaction and has negotiated in good faith with Parent with respect to such proposed revisions or other proposal, if any, (y) if such Change in the Company Recommendation relates to a Competing Transaction received by Company or made directly to Company's stockholders, such Competing Transaction constitutes a Superior Proposal; and (z) Company has complied with its obligations set forth in Section 6.7. Nothing contained in this Agreement shall prevent the Board of Directors of Company from (i) complying with Rules 14d-9 and/or 14e-2 under the Exchange Act with regard to a Competing Transaction or (ii) making any disclosure if the Board of Directors of Company concludes in good faith (after consulting with outside legal counsel) failure to

so disclose would be inconsistent with its fiduciary duties under applicable Law; provided, however, that any such disclosure that relates to a Competing Transaction (other than a “stop, look and listen” letter or similar communication of the type contemplated by Rule 14d-9(f) under the Exchange Act) shall be deemed to be a Change in Company Recommendation unless Company’s Board of Directors reaffirms the Company Recommendation in such disclosure.

(c) Subject to Section 6.6(b), Company will use its reasonable best efforts to obtain the Company Stockholder Approval at the Company Stockholders’ Meeting and shall cause its executive officers to use their reasonable best efforts in connection with the foregoing. Company shall otherwise coordinate and cooperate with Parent with respect to the timing of the Company Stockholders’ Meeting and will otherwise comply with all legal requirements applicable to the Company Stockholder Meeting.

6.7. No Solicitation. Company shall not initiate, solicit or knowingly encourage (including by way of furnishing information or assistance), or take any other action to facilitate, any inquiries or the making of any proposal which constitutes, or would reasonably be expected to lead to, any Competing Transaction (as such term is defined below), or negotiate or have any discussions with any person in furtherance of such inquiries or to obtain a Competing Transaction, or disclose any nonpublic information or afford access to its or the Company Subsidiaries’ personnel, properties, books or records to, any Person that has made, or to Company’s knowledge, is considering making, a proposal for a Competing Transaction, or agree to or endorse any Competing Transaction, or approve or recommend, or propose to approve or recommend, or execute or enter into, any letter of intent, agreement in principle, merger agreement, asset purchase or share exchange or issuance agreement, option agreement, or other similar agreement related to any Competing Transaction or propose or agree to do any of the foregoing, or authorize any of its or the Company Subsidiaries’ officers, directors or employees or any investment banker, financial advisor, attorney, accountant or any other representative retained by it or any of its Affiliates (the “Representatives”) to take any such action, and will cause the Representatives and the Company Subsidiaries not to take any such action, and Company shall promptly notify Parent (orally and in writing) of all of the relevant details relating to all inquiries and proposals which it may receive after the date hereof relating to any of such matters, including the identity of the offeror or Person making the request or inquiry. For purposes of this Agreement, “Competing Transaction” shall mean any of the following involving any Person other than Parent or any of its Affiliates: any merger, consolidation, share exchange or other business combination with or into the Company or any Company Subsidiary; a sale, lease, exchange, mortgage, pledge, transfer or other disposition of assets of Company or the Company Subsidiaries representing 15% or more of the consolidated assets of Company and the Company Subsidiaries; a sale of shares of capital stock (or securities convertible or exchangeable into or otherwise evidencing, or any agreement or instrument evidencing, the right to acquire capital stock), representing 15% or more of the voting power of Company or any of the Company Subsidiaries; or a tender offer or exchange offer for at least 15% of the outstanding shares of Company. Company will immediately cease and cause to be terminated (and will cause the Company Subsidiaries to cease and terminate) any existing activities, discussions or negotiations with any parties (other than Parent and its Affiliates and representatives) conducted heretofore with respect to any of the foregoing. Company shall (and shall cause the Company

Subsidiaries to) take the necessary steps to inform promptly the appropriate individuals or entities referred to above of the obligations undertaken in this Section. Company shall notify Parent (orally and in writing) within 24 hours of the receipt of any such inquiries, proposals or offers, the request for any such information, or the initiation or continuation of any such negotiations or discussions which are sought to be initiated or continued with Company and the Company Subsidiaries. Company shall promptly request each other Person, other than Parent or its Affiliates, that has, in the past twelve months, executed a confidentiality agreement in connection with its consideration of entering into a business combination with Company and the Company Subsidiaries (other than a business combination in which Company or a Company Subsidiary would acquire control of such Person) to return all confidential information heretofore furnished to such person by or on behalf of Company and the Company Subsidiaries and enforce any such confidentiality agreements. Notwithstanding any other provision in this Section 6.7 or any other provision of this Agreement, prior to (but not after) the date of the Company Stockholder Approval, and subject to compliance with the other terms of this Section 6.7, and to first entering into a confidentiality agreement with any such Person having provisions that are no less favorable to Company than those contained in the Confidentiality Agreement, the Board of Directors of Company shall be permitted to engage in discussions or negotiations with, and provide nonpublic information or data to, any Person in response to a *bona fide* written proposal for a Competing Transaction by such Person first made after the date hereof which was not solicited, initiated or knowingly encouraged by Company or any of its Affiliates or any Representative on or after the date hereof and which the Board of Directors of Company concludes in good faith (after consultation with a financial advisor of nationally recognized reputation in similar transactions) constitutes or is reasonably likely to result in a Superior Proposal (as defined below), if and only to the extent that the Board of Directors of Company reasonably determines in good faith (after consultation with outside legal counsel) that failure to do so would be inconsistent with its fiduciary duties under applicable Law; provided, that Company shall have given Parent (orally and in writing) at least three (3) Business Days prior written notice of its intent to do so before taking the first of any such actions with any one such Person; provided, further, that Company and the Board of Directors of Company shall keep Parent informed of the status and terms of any such proposals, offers, discussions or negotiations on a prompt basis, including by providing a copy of all material documentation or correspondence relating thereto. For purposes of this Agreement, "Superior Proposal" shall mean a *bona fide* unsolicited written proposal for a Competing Transaction which the Board of Directors concludes in good faith, after consultation with a financial advisor of nationally recognized reputation in similar transactions and its legal advisors, taking into account all legal, financial, regulatory and other aspects of the proposal (including, without limitation, all the terms and conditions of such proposal, including any break-up fees, expense reimbursement provisions and conditions to consummation, as well as any revisions to the terms of the Merger or this Agreement proposed by Parent) and the Person making the proposal (i) is more favorable to Company's stockholders from a financial point of view, than the transactions contemplated by this Agreement and (ii) is fully financed or reasonably capable of being fully financed, reasonably likely to receive all required governmental approvals on a timely basis and otherwise reasonably capable of being completed on the terms proposed; provided, that, for purposes of this definition of "Superior Proposal" the term Competing Transaction shall have the meaning assigned to such term in this Section 6.7, except that the reference to "15% or more" in the definition of Competing Transaction shall be deemed to be a reference to "a majority";

6.8. Applications. Company will promptly prepare or cause to be prepared the Proxy Statement and will duly send the same to the holders of the Company Stock in connection with the Company Stockholders' Meeting, and further agrees to provide any information requested by Parent for the preparation of any applications necessary to consummate the transactions contemplated hereby. Company shall afford Parent a reasonable opportunity to review and comment on the Proxy Statement and all amendments and supplements thereto before the filing thereof with the SEC. Company covenants and agrees that, with respect to the information relating to Company or the Company Subsidiaries, the Proxy Statement will comply in all material respects with the provisions of applicable Law, and will not contain any untrue statement of material fact or omit to state any material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading. Company will use its commercially reasonable efforts to assist Parent in obtaining all approvals or consents of Governmental Entities necessary to effect the Merger and the transactions contemplated herein.

6.9. Subsequent Mergers. Company shall, and shall cause Bank to, cooperate in all reasonable respects with Parent in Parent's efforts to obtain the approval of or consent to the Subsequent Mergers by all Governmental Entities whose approval or consent is required for the consummation thereof (including without limitation the execution and filing by Bank along with Parent of an application to the FDIC under the Bank Merger Act). Company and Parent shall take all action necessary and appropriate to cause the merger of Bank with and into Parent, with Parent as the surviving institution, immediately following the Merger, including by executing (in the case of Parent) and causing Bank to execute (in the case of Company), upon request of Parent, the Merger Agreement. After such approvals or consents have been obtained with respect to the Subsequent Mergers, as well as all required approvals or consents by any Governmental Entity with respect to the Merger, or prior thereto if notices are being sent pursuant to Section 7.2, Company and Bank will cooperate in all reasonable respects with Parent to facilitate the mailing or posting in a timely fashion of any notices to customers of the Bank or other Persons with respect to the Subsequent Mergers deemed necessary or appropriate by Parent, the cost thereof to be borne by Parent. At Parent's request, and at its expense, Company and the Company Subsidiaries shall cooperate in all reasonable respects to facilitate the divestiture to third parties of any branches or assets of Company or any Company Subsidiary which may be required by any Governmental Entity as a condition to approval or consent to the Merger, any such divestiture to be subject to consummation of the Merger. By its execution of this Agreement, Company, in its capacity as the sole shareholder of Bank, shall be deemed to have duly approved the Merger Agreement and the transactions contemplated therein. For the avoidance of doubt, the consummation of the Subsequent Mergers pursuant to the Merger Agreement shall be subject to and conditioned upon the prior consummation of the Merger pursuant to the terms and provisions of this Agreement, and the Subsequent Mergers shall be consummated immediately following the Merger, subject to the terms and conditions hereof.

6.10. Takeover Statute. If any Takeover Statute is or may become applicable to the Merger or the other transactions contemplated by this Agreement, each of Parent and Company and their respective Board of Directors shall grant such approvals and take such actions as are necessary so that such transactions may be consummated as promptly as practicable on the terms contemplated by this Agreement or by the Merger, and otherwise act to eliminate or minimize the effects of such statute or regulation on such transactions.

ARTICLE 7.

COVENANTS OF PARENT AND MERGER SUB

Parent and Merger Sub covenant and agree with Company as follows:

7.1. Limitation on Conduct Prior to Effective Time of the Merger. Between the date hereof and the Effective Time of the Merger, except as contemplated by this Agreement and subject to requirements of Law, each of Parent and its Subsidiaries shall not, without the prior written consent of Company:

(a) take any action which would or is reasonably likely to (i) adversely affect the ability to obtain any necessary approvals of any Governmental Entity required for the transactions contemplated hereby; (ii) adversely affect Parent's ability to perform its covenants and agreements under this Agreement; or (iii) result in any of the conditions to the performance of Company's or Parent's obligations hereunder, as set forth in Articles 10 or 11 herein not being satisfied; or

(b) agree or make any commitment to take any actions prohibited by this Section 7.1.

7.2. Applications. Parent will, as promptly as practicable, prepare and file in final form or cause to be prepared and filed in final form (it being recognized that the FDIC or other applicable Governmental Entities may require supplemental filings after such filing in final form) (i) an application for approval of the Merger with the FDIC (which shall be filed not later than 30 days from the date hereof); (ii) an application for approval of the Merger with the OTS; (iii) a notice to the FRB under 12 C.F.R. § 225.12(d)(2); and (iv) any other applications or notices necessary to consummate the transactions contemplated hereby, and further agrees to provide any information reasonably requested by Company required for the preparation of any applications necessary to consummate the transactions contemplated hereby. Parent shall afford Company a reasonable opportunity to review, subject to applicable Law, all such applications (except for confidential portions thereof) and all correspondence, amendments and supplements thereto before the filing thereof and provide Company with copies of any such correspondence, amendments or supplements at the time that they are filed. With the cooperation of Company and Bank pursuant to Section 6.9, Parent will provide (or cooperate to enable Company or Bank to provide notices required by Company or Bank) as promptly as practicable any required notices to customers or other Persons with respect to the Subsequent Mergers in order to facilitate the Closing at the earliest date practical, consistent with Section 3.1, including providing such notices in advance of receipt of the required approvals or consents for the Subsequent Mergers if the date thereof can be reasonably anticipated. Parent agrees to timely provide any information reasonably requested by Company which is necessary for the preparation of the Proxy Statement and all amendments and supplements thereto, and agrees that the information provided by it for use in the Proxy Statement will comply in all material respects with the provisions of applicable Law, and will not contain any untrue statement of material fact or omit to state any material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

7.3. Notices; Reports. Parent will promptly notify Company in the event that Parent determines that it is unable to fulfill any of the conditions to the performance of Company's obligations hereunder, as set forth in Articles 9 or 10 herein.

7.4. Indemnification and Directors' and Officers' Insurance.

(a) From and after the Effective Time of the Merger, Parent shall, to the fullest extent permitted by applicable Law, indemnify, defend and hold harmless, and provide advancement of expenses to, each person who is now, or has been at any time prior to the date hereof or who becomes prior to the Effective Time of the Merger, an officer or director of Company or any of its Subsidiaries and any such person presently or formerly serving at the request of Company or any of its Subsidiaries as a director, officer, employee, agent, trustee or fiduciary of another corporation, partnership, joint venture, trust or other enterprise, or under or with respect to any employee benefit plan (the "Indemnified Parties") against all losses, claims, damages, costs, expenses, liabilities, penalties, or judgments or amounts that are paid in settlement of or in connection with any claim, action, suit, proceeding or investigation whether civil, criminal, or administrative, based in whole or in part on or arising in whole or in part out of the fact that such person is or was a director or officer of Company or any Subsidiary of Company, or pertaining to any matter existing or occurring, or any acts or omissions occurring, at or prior to the Effective Time of the Merger, whether asserted or claimed prior to, or at or after, the Effective Time of the Merger (including matters, acts or omissions occurring in connection with the approval of this Agreement and the consummation of the transactions contemplated hereby) ("Indemnified Liabilities") (x) to the same extent such persons are indemnified or have the right to advancement of expenses as of the date of this Agreement by Company pursuant to Company's Articles of Incorporation, Bylaws and indemnification agreements, if any, in existence on the date hereof (all such agreements being listed in the Company Disclosure Letter) with any directors or officers of Company and its Subsidiaries and (y) without limitation of, and in addition to clause (x), to the fullest extent permitted by Law.

(b) For a period of six years after the Effective Time of the Merger, Parent shall cause to be maintained in effect the current policies of directors' and officers' liability insurance maintained by Company (provided, that the Surviving Corporation may substitute therefor policies with a substantially comparable insurer of at least the same coverage, amounts and retentions containing terms and conditions which are no less advantageous to the insured) with respect to claims arising from facts or events which occurred at or before the Effective Time of the Merger; provided, however, that the Surviving Corporation shall not be obligated to make annual premium payments for such insurance to the extent such premiums exceed 200% of the premiums paid as of the date hereof by Company for such insurance ("Company's Current Premium"), and if such premiums for such insurance would at any time exceed 200% of Company's Current Premium, then the Surviving Corporation shall cause to be maintained policies of insurance which, in the Surviving Corporation's good faith determination, provide the maximum coverage available at an annual premium equal to 200% of Company's Current Premium.

(c) Parent shall pay (as incurred) all expenses, including reasonable fees and expenses of counsel, that an Indemnified Person may incur in enforcing the indemnity and other obligations provided for in this Section 7.4.

(d) If the Surviving Corporation or any of its successors or assigns (i) consolidates with or merges into any other person and shall not be the continuing or surviving corporation or entity of such consolidation or merger, or (ii) transfers or conveys all or substantially all of its properties and assets to any person, then, and in each such case, to the extent necessary, proper provision shall be made so that the successors and assigns of the Surviving Corporation, as the case may be, shall assume the obligations set forth in this Section 7.4.

(e) The provisions of this Section 7.4, (i) are intended to be for the benefit of, and shall be enforceable by, each Indemnified Party, his or her heirs and representatives and (ii) are in addition to, and not in substitution for, any other rights to indemnification or contribution that any such person may have or contract or otherwise.

7.5. Limitation on Parent Conduct Prior to Effective Time of the Merger. Parent agrees that it shall not, and it shall not permit Merger Sub, to take any action which would or could reasonably be expected to (i) materially adversely affect the ability of Parent to obtain any necessary approval of any Governmental Entity required for the transactions contemplated hereby; (ii) materially adversely affect Parent's ability to perform its covenants and agreements under this Agreement; or (iii) result in any of the conditions to the performance of Parent's or Company's obligations hereunder, as set forth in Articles 9, 10 or 11 herein not being satisfied.

ARTICLE 8.

ADDITIONAL COVENANTS

The parties hereto hereby mutually covenant and agree with each other as follows:

8.1. Commercially Reasonable Efforts. Subject to the terms and conditions of this Agreement, each party will use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable Laws to consummate the transactions contemplated by this Agreement as promptly as practicable.

8.2. Public Announcements. No press release or other public disclosure of matters related to this Agreement or any of the transactions contemplated hereby shall be made by Parent or Company unless the other party shall have provided its prior consent (which shall not be unreasonably withheld, delayed or conditioned) to the form and substance thereof; provided, however, that nothing herein shall be deemed to prohibit any party hereto from making any disclosure which its counsel deems necessary or advisable in order to fulfill such party's disclosure obligations imposed by Law.

ARTICLE 9.

CONDITIONS PRECEDENT TO THE MERGER

The obligations of each of the parties hereto to consummate the transactions contemplated herein are subject to the satisfaction, on or before the Closing Date, of the following conditions:

9.1. Stockholder Approval. The Agreement and the transactions contemplated hereby shall have received all requisite approvals of the stockholders of Company.

9.2. No Judgments or Orders. No judgment, decree, injunction, order or proceeding shall be outstanding by any Governmental Entity of competent jurisdiction which prohibits the Merger.

9.3. Regulatory Approvals. To the extent required by applicable Law, all approvals or consents of any Governmental Entity, including, without limitation, those of the FDIC, the OTS and the DFI, shall have been obtained or granted for the Merger and the applicable waiting period under all Laws shall have expired; provided, that, no such approvals or consents shall have imposed any condition or restriction as a result of the combination of Company and Bank with Parent that would reasonably be expected to have a Material Adverse Effect (measured on a scale relative to Company) on Parent. All other statutory or regulatory requirements for the valid completion of the transactions contemplated hereby shall have been satisfied.

ARTICLE 10.

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF COMPANY

All of the obligations of Company to effect the transactions contemplated hereby shall be subject to the satisfaction, on or before the Closing Date, of the following conditions, any of which may be waived in writing by Company:

10.1. Representations and Warranties; Performance of Covenants. All the covenants, terms and conditions of this Agreement to be complied with and performed by Parent or Merger Sub on or before the Closing Date shall have been complied with and performed in all material respects. Each of the representations and warranties of Parent contained in Article 5 hereof shall have been true and correct in all material respects on and as of the date of this Agreement and (except to the extent such representations and warranties speak as of an earlier date or for changes expressly contemplated by this Agreement) on and as of the Closing Date.

10.2. Officers' Certificate. There shall have been delivered to Company on the Closing Date a certificate executed by the Chief Executive Officer and the Chief Financial Officer of Parent and Merger Sub certifying, to the best of their knowledge, compliance with all of the provisions of Section 10.1.

ARTICLE 11.

CONDITIONS PRECEDENT TO OBLIGATIONS OF PARENT AND MERGER SUB

All of the obligations of Parent and Merger Sub to effect the transactions contemplated hereby shall be subject to the satisfaction, on or before the Closing Date, of the following conditions, any of which may be waived in writing by Parent:

11.1. Representations and Warranties; Performance of Covenants. All the covenants, terms and conditions of this Agreement to be complied with and performed by Company at or before the Closing Date shall have been complied with and performed in all material respects. Each of the representations and warranties of Company contained in Article 4 hereof shall have been true and correct in all respects on and as of the date of this Agreement and (except to the extent such representations and warranties speak as of an earlier date or for changes expressly contemplated by this Agreement) on and as of the Closing Date, subject to such exceptions as would not (individually or in the aggregate) have, or would not be reasonably expected to have, a Material Adverse Effect, with the same effect as though such representations and warranties had been made on and as of the Closing Date (it being understood that, for purposes of determining the effect of such exceptions, all Material Adverse Effect and materiality qualifications contained in such representations and warranties shall be disregarded); provided that the representations and warranties of Company contained in Sections 4.1(a), 4.6(a), 4.25, 4.34(b) and 4.36 shall be true and correct in all respects and Section 4.2 shall be true and correct other than in any immaterial respects.

11.2. Authorization of Merger. All corporate actions of the Company necessary to authorize the execution, delivery and performance of this Agreement by Company and the consummation of the transactions contemplated hereby shall have been duly and validly taken by the Board of Directors and stockholders of Company.

11.3. Officers' Certificate. There shall have been delivered to Parent on the Closing Date a certificate executed by the Chief Executive Officer and the Chief Financial Officer of Company certifying, to the best of their knowledge, compliance with all of the provisions of Sections 11.1 and 11.2.

11.4. Employee Benefit Plans. Parent shall have received satisfactory evidence that Company has complied in all material respects with its obligations with respect to employee benefit plans, programs and arrangements, including, without limitation, the Company 401(k) Plan and the Company Stock Options, under Article 12 of this Agreement.

ARTICLE 12.

EMPLOYEE BENEFITS

12.1. Employee Benefits.

(a) After the Effective Time of the Merger, Parent shall continue the Company 401(k) Plans for the benefit of employees of Company and the Company Subsidiaries who continue to be employed by the Surviving Corporation after the Effective Time of the Merger (“Continuing Employees”), provided that Parent in its sole discretion, may elect to cease contributions to the Company 401(k) Plans on or after the Payroll Conversion Date. Continuing Employees shall be eligible to participate in equivalent plans maintained by Parent (including the 401(k) and pension plans of Parent) on and after the Payroll Conversion Date.

(b) Following the Effective Time of the Merger and until on or after the Payroll Conversion Date, Continuing Employees shall continue to participate in the Company Employee Plans and Benefit Arrangements (other than equity-based plans or arrangements). On and after the Payroll Conversion Date, Continuing Employees shall become eligible for the compensation and employee benefit plans and benefit arrangements of Parent (including, without limitation, the medical, dental, vision, 401(k) and pension plans of Parent) on the same terms as such plans and arrangements are generally offered from time to time to employees of Parent in comparable positions with Parent (subject to any applicable restrictions or limitations on new entrants or categories of entrants), it being understood that, except as otherwise provided in this Section 12.1 or under the terms of any such Company Employee Plan or Benefit Arrangement, or compensation and employee benefit plans and arrangements or applicable Law, Parent shall be entitled from time to time to modify, terminate or supplement any such employee plans or benefit arrangements or to substitute new employee plans or benefit arrangements for such employee plans or benefit arrangements in the exercise of their business judgment.

(c) With respect to any employee plans and benefit arrangements of Parent in which any Continuing Employee first becomes eligible to participate on or after the Effective Time of the Merger (“New Plans”), Parent shall (i) waive all pre-existing conditions, exclusions and waiting periods with respect to participation and coverage requirements under any such New Plans, except to the extent such conditions or exclusions would have been recognized under the Company Employee Plans or Benefit Arrangements, (ii) recognize service of the Continuing Employees which was credited under Company Employee Plans or Benefit Arrangements prior to the Payroll Conversion Date for purposes of eligibility, vesting and benefit accruals under the New Plans (but not for purposes of benefit accrual under any employee pension plans), (iii) credit any deductibles, co-payments or other out-of-pocket expenses for the current calendar year for each employee and dependent recognized or recognizable under the Company Employee Plans or Benefit Arrangements, and (iv) apply any increase in any of the employee’s portion of the premium cost, deductibles, co-payments and other out-of-pocket costs no earlier than the later of the first day of the first plan year beginning after

the Effective Time of the Merger of either the Company Employee Plan or Benefit Arrangement or the employee plan or benefit arrangement of the Parent. In addition to the foregoing, with respect to all vacation, volunteer time, funeral time, school conferences, sick time, personal time, and sabbatical leave that has been accrued through the Effective Time of the Merger (“PTO”) by any Continuing Employee under the applicable PTO Plan, Parent shall, or shall cause its Subsidiaries to, at its discretion, either pay the Continuing Employee his or her PTO as soon as practicable after the Effective Time of the Merger or allow such Continuing Employee to convert such PTO into vacation or sick leave (or a combination thereof); provided, however, that any such converted PTO may be subject to a maximum cap, with any excess PTO to be paid in cash to the Continuing Employee as soon as practicable after the Effective Time of the Merger. Company agrees that it will accrue as a liability on its financial statements prior to the Closing its good faith estimate of the dollar amount attributable to such PTO and will advise Parent in writing of the amount of such accrual at least five (5) Business Days prior to the Closing Date. Notwithstanding anything in this Agreement to the contrary, those individuals who are currently receiving retiree welfare benefits from the Company and individuals who retire within the twelve month period following the Effective Time of the Merger and are eligible for retiree welfare benefits from the Company under the terms of the applicable retiree welfare plan as in effect immediately prior to the Effective Time of the Merger, shall be entitled to retiree welfare benefits in effect immediately prior to the Effective Time of the Merger for employees of the Company and its Subsidiaries. Continuing Employees who retire after the twelve month period following the Effective Time of the Merger shall be eligible for retiree welfare benefits of Parent as may be in effect from time to time for similarly situated employees of the Parent.

(d) Parent agrees that after the Effective Time of the Merger, Parent will pay or provide for the year ending December 31, 2005, to those persons employed by Company or the Company Subsidiaries immediately prior to the Effective Time of the Merger and who are eligible, a credit to the employee’s account under the Commercial Federal Bank Amended and Restated Deferred Compensation Plan for Highly Compensated Employees (the “Deferred Compensation Plan”) a percentage of compensation through December 31, 2005, or if earlier, the date of termination of employment (provided such termination of employment shall be involuntary and not due to death, Disability or Cause) as a result of the consummation of the transactions contemplated under this Agreement in accordance with the terms of the Deferred Compensation Plan as in effect immediately prior to the Effective Time of the Merger. Company agrees that it will accrue as a liability on its financial statements prior to the Closing its good faith estimate of the dollar amount attributable to such deferred compensation account credit and will advise Parent in writing of the amount of such accrual at least five (5) Business Days prior to the Closing Date. Company also represents and warrants that the only employees of Company and the Company Subsidiaries who are participating in the Deferred Compensation Plan are those that are identified as such in the Company Disclosure Letter and agrees that after the execution and delivery of this Agreement, no other employees shall be designated as participants therein.

(e) (i) Except with respect to employees described in Section 12.1(e)(ii) below, Parent will pay and provide to employees of Company or the Company Subsidiaries whose employment terminates on or within twelve months after the Effective Date of the Merger as a result of the consummation of the transactions contemplated under this Agreement severance benefits under conditions and in an amount that are no less favorable to the employee than those contained in the Company Severance Plan as disclosed in the Company Disclosure Letter as in effect on the date this Agreement is executed.

(ii) Parent will pay and provide to Employees of the Company or the Company Subsidiaries whose employment terminates on or after the Effective Time of the Merger and who, as a result, become eligible for benefits under the terms of the Change in Control Agreements as disclosed in the Company Disclosure Letter, the benefits to which the employee is entitled under the terms of the Change in Control Agreements.

(f) Parent will cause the Surviving Corporation to assume and perform all of the obligations of Company under the terms of the Deferred Compensation Plan and any directors plans, subject to Parent's right to amend such plans in accordance with their terms, other than to reduce the amount of benefits previously accrued or required to be credited under Section 12.1(d) hereof or to adversely affect the timing or manner of payment of any benefits due or the intended tax effect to any participant (other than the right, after the Effective Time of the Merger, to receive distributions in the form of Company Stock).

12.2. Company Stock Options, Company Awards and the Company Stock Option Plans.

(a) As soon as practicable following the date of this Agreement, the Board of Directors of Company (or, if appropriate, any committee administering the Company Stock Option Plans) shall adopt such resolutions or take such other actions as are required (including, if necessary, amending any of the Company Stock Option Plans) to provide for the cancellation of all outstanding Company Stock Options upon the Effective Time of the Merger, in exchange for a cash payment by Parent of an amount equal to (i) the excess, if any, of (x) the Merger Consideration plus the Special Dividend less the amount, if any, of the Special Retention Bonus paid over (y) the exercise price per share of Company Stock subject to such Company Stock Option, multiplied by (ii) the number of shares of Company Stock subject to such Company Stock Option for which such Company Stock Option shall not theretofore have been exercised, whether vested or unvested and whether or not then exercisable. Such payment shall be made by Parent as soon as practicable, but no more than two business days after the Effective Time of the Merger.

(b) At the Effective Time of the Merger, each right of any kind, contingent or accrued, to receive shares of Company Stock or benefits measured by the value of a number of shares of Company Stock, granted under the Employee Plans and Benefit Arrangements (including, stock appreciation rights, restricted stock units,

deferred stock units, phantom units and other deferral amounts), other than Company Stock Options and shares of Company Stock subject to restriction (each, a "Company Award"), which is outstanding immediately prior to the Effective Time of the Merger shall cease to represent a right or award with respect to shares of Company Stock and shall be converted, at the Effective Time of the Merger, into a right or award with respect to (i) the Merger Consideration plus the Special Dividend less the amount, if any, of the Special Retention Bonus paid multiplied by (ii) the number of shares of Company Stock subject to such Company Award, whether vested or unvested (and the Company Awards otherwise shall remain subject to the terms of the Employee Plans and Benefit Arrangements and the agreements or letters evidencing grants thereunder). Company agrees that it or its relevant committee shall take such action prior to the Effective Time of the Merger as may be required under the terms of any Company Employee Plan or Benefit Arrangement to pay such Company Awards in cash.

(c) All amounts payable pursuant to this Section 12.2 shall be subject to any required withholding of taxes and shall be paid without interest. It is understood that any payments made by Parent to holders of Company Stock Options and Company Awards pursuant to this Section 12.2 shall be allocable to the portion of the Closing Date following the Effective Time of the Merger for purposes of Section 1.1502-76(b)(1)(ii)(B) of the Treasury Regulations.

(d) The Board of Directors of Company (or, if appropriate, any committee administering the Company Stock Option Plans and the Employee Plans and Benefit Arrangements) shall adopt such resolutions or take such actions as are required to delete as of the Effective Time of the Merger the provision in any other Benefit Arrangements of Company providing for the issuance, transfer or grant of Company Stock or any interest in respect of Company Stock and to ensure that following the Effective Time of the Merger no holder of a Company Stock Option or Company Award or any participant in any Company Stock Option Plan or other Employee Plan or Benefit Arrangements shall have any right thereunder to acquire any Company Stock or any capital stock of the Surviving Corporation.

(e) (i) Parent shall, or shall cause the Surviving Corporation to, continue to maintain the Company's 2005 annual bonus plan(s) (other than the Management Incentive Plan) (the "Bonus Plans") for the 2005 fiscal year and shall pay in cash to employees all bonus amounts due under such Bonus Plans pursuant to the terms of the Bonus Plans. Any participant in the Bonus Plans who incurs an involuntary termination of employment without cause following the Effective Time of the Merger and prior to the date on which bonuses are paid under the Bonus Plans shall be paid a bonus at such time as bonuses are paid to similarly situated active participants equal to the product of (x) the amount of bonus that would have been paid to such participant had such participant continued in the employ of the Company through the applicable payment date and (y) a fraction, the numerator of which is the number of days in the bonus plan year during which the participant was employed by the Company and the denominator of which is 365. Company agrees that it will accrue as a liability on its financial statements prior to the Closing its good faith estimate of the dollar amount attributable to such bonus amounts and will advise Parent in writing of the amount of such accrual at least five (5)

Business Days prior to the Closing Date. Bonuses for the 2005 fiscal year will be paid no later than 2 1/2 months following the end of the fiscal year.

(ii) Parent shall continue to maintain the Company's Management Incentive Plan (the "Management Incentive Plan") for the 2005 fiscal year and shall pay in cash to participants who are employed on February 28, 2006, 50% of the maximum amount due under such Management Incentive Plan for 2005 pursuant to the terms of the Management Incentive Plan, regardless of whether Bank meets its performance goal(s) for 2005. Any participant in the Management Incentive Plan who incurs an involuntary termination of employment without cause following the Effective Time of the Merger and prior to February 28, 2006 shall be paid a bonus under the Management Incentive Plan at such time as bonuses are paid to similarly situated active participants equal to the product of (x) the amount of bonus that would have been paid to such participant had such participant continued in the employ of the Company through the applicable payment date and (y) a fraction, the numerator of which is the number of days in the Management Incentive Plan year during which the participant was employed by the Company and the denominator of which is 365. Company agrees that it will accrue as a liability on its financial statements prior to the Closing its good faith estimate of the dollar amount attributable to such bonus amounts payable under the Management Incentive Plan and will advise Parent in writing of the amount of such accrual at least five (5) Business Days prior to the Closing Date. Bonuses for the 2005 fiscal year will be paid no later than 2 1/2 months following the end of the fiscal year.

ARTICLE 13.

TERMINATION

13.1. Termination. This Agreement may be terminated at any time prior to the Effective Time of the Merger, whether before or after approval of this Agreement by the stockholders of Company, upon the occurrence of any of the following:

(a) By mutual agreement of the parties, in writing;

(b) By Parent or Company upon the failure of the stockholders of Company to give the Company Stockholder Approval at the duly convened Company Stockholders' Meeting;

(c) By Company, upon written notice to Parent, if there shall have been a breach by Parent or Merger Sub of any of the covenants or agreements or any of the representations or warranties set forth in this Agreement on the part of Parent or Merger Sub, which breach, either individually or in the aggregate, would result in the failure of the condition set forth in Section 10.1 and which breach has not been cured within 60 days following written notice thereof to Parent or, by its nature, cannot be cured within such time period;

(d) By Parent, upon written notice to Company, if there shall have been a breach by Company of any of the covenants or agreements or any of the

representations or warranties set forth in this Agreement on the part of Company, which breach, either individually or in the aggregate, would result in the failure of the condition set forth in Section 11.1 and which breach has not been cured within 60 days following written notice thereof to Company or, by its nature, cannot be cured within such time period;

(e) By Company or Parent if (i) there shall be enacted or adopted hereafter any Law or regulation that makes consummation of the Merger illegal or otherwise prohibited or if any judgment, injunction, order or decree enjoining Parent or Company from consummating the Merger is entered by any Governmental Entity of competent jurisdiction and such judgment, injunction, order or decree shall become final and nonappealable, or (ii) any Governmental Entity which must grant a regulatory approval or consent required for consummation of the Merger has denied such approval or consent and such denial has become final and nonappealable; provided, however, that such right to terminate this Agreement under clause (ii) of this Section 13.1(e) shall not be available to Company or Parent if either such party's failure to comply in all material respects with Section 6.8 or 7.2, respectively, was a cause of such action;

(f) By Company or Parent if any conditions set forth in Article 9 shall not have been met by March 31, 2006; provided, however, that this Agreement shall not be terminated pursuant to this Section 13.1(f) if the relevant condition shall have failed due to the failure of the party seeking to terminate to comply in all material respects with its obligations under this Agreement;

(g) By Company if any of the conditions set forth in Article 10 shall not have been met or waived (to the extent such can be legally waived) by March 31, 2006; provided, however, that this Agreement shall not be terminated pursuant to this Section 13.1(g) if the relevant condition shall have failed due to the failure of Company to comply in all material respects with its obligations under this Agreement;

(h) By Parent if any of the conditions set forth in Article 11 shall not have been met or waived (to the extent such can be legally waived) by March 31, 2006; provided, however, that this Agreement shall not be terminated pursuant to this Section 13.1(h) if the relevant condition shall have failed due to the failure of Parent to comply in all material respects with its obligations under this Agreement;

(i) By Parent if Company or the Company Subsidiaries shall have breached in any material respect any of their obligations contained in Sections 6.6 or 6.7 or Company shall have breached in any material respect its obligation under Section 6.8 to promptly prepare or cause to be prepared the Proxy Statement and to send the same to the holders of Company Stock in connection with the Company Stockholders' Meeting;

(j) By Parent if the Board of Directors of Company shall have failed to recommend adoption of this Agreement at the duly convened Company Stockholders' Meeting, or there has otherwise been a Change in Company Recommendation, whether or not permitted by the terms hereof; or

(k) By Company if the Board of Directors of Company shall, concurrently with such termination, authorize Company to enter into an agreement with respect to a Competing Transaction; provided, however, that Company may only exercise its right to terminate this Agreement pursuant to this Section 13.1(k) if (i) Company shall have complied in all material respects with Section 6.7 (including, without limitation, providing to Parent at least three (3) Business Days prior written notice of its intention to take such termination action); (ii) the Board of Directors of Company concludes in good faith (after consultation with a financial advisor of nationally recognized reputation in similar transactions) that such Competing Transaction constitutes a Superior Proposal; (iii) the Board of Directors of Company reasonably determines in good faith (after consultation with outside legal counsel) that the failure to exercise such right of termination would be inconsistent with its fiduciary duties under applicable Law; and (iv) simultaneously with such termination, Company shall make a payment to Parent in an amount equal to the Termination Fee (as such term is defined below) ; provided, that for purposes of this Section 13.1(k) the term “Competing Transaction” shall have the meaning set forth in Section 6.7, except that the reference to “15% or more” in the definition of Competing Transaction shall be deemed to be a reference to “a majority.”

13.2. Effect of Termination.

(a) In the event of termination of this Agreement by either Company or Parent as provided in Section 13.1, neither Company nor Parent shall have any further obligation or liability to the other party except with respect to the last sentence of Section 6.3, Section 13.1(k)(iv) and this Section 13.2; provided, however, that nothing herein shall relieve any party from liability for any willful and material breach of the warranties and representations made by it, or willful and material failure in performance of any of its covenants, agreements or obligations hereunder.

(b) Company shall pay Parent (by Fed wire transfer of immediately available funds to such account as may be designated by Parent in writing to Company) an amount equal to \$40,000,000 (the “Termination Fee”) if this Agreement is terminated as follows:

(i) if Parent shall terminate this Agreement pursuant to Sections 13.1(i) or (j) then Company shall pay Parent the Termination Fee on the Business Day following such termination;

(ii) if (A) either party shall terminate this Agreement pursuant to Section 13.1(b) and (B) at any time after the date of this Agreement and before the date of the Company Stockholders’ Meeting, a *bona fide* Competing Transaction (or a proposal therefor) shall have been publicly announced or otherwise publicly communicated to Company’s stockholders; and if (C) within twelve (12) months of the date of such termination of this Agreement, Company or any of its Subsidiaries executes any definitive agreement with respect to, or consummates, any Competing Transaction, then Company shall pay to Parent the Termination Fee on the Business Day following such execution or consummation; provided, that for purposes of this paragraph (ii) the term “Competing

Transaction” shall have the meaning set forth in Section 6.7, except that the reference to “15% or more” in the definition of Competing Transaction shall be deemed to be a reference to “a majority”; and

(iii) if (A) either party shall terminate this Agreement pursuant to Sections 13.1(f), (g) or (h) or Parent shall terminate this Agreement pursuant to Section 13.1(d), (B) at any time after the date of this Agreement and before such termination a *bona fide* Competing Transaction (or a proposal therefor) shall have been publicly announced or otherwise communicated to the Board of Directors of Company and (C) following such public announcement or communication of such Competing Transaction (or a proposal therefor), Company shall have intentionally breached (and not cured after notice thereof) any of its representations, warranties, covenants or agreements set forth in this Agreement, which breach shall have materially contributed to the failure of the Effective Time of the Merger to occur prior to the termination of this Agreement, then Company shall pay to Parent 50% of the Termination Fee on the Business Day following such termination; and if (D) within twelve (12) months of the date of such termination of this Agreement, Company or any of its Subsidiaries executes any definitive agreement with respect to, or consummates, any Competing Transaction, then Company shall pay to Parent the remaining 50% of the Termination Fee on the Business Day following such execution or consummation; provided, that for purposes of this paragraph (iii) the term “Competing Transaction” shall have the meaning set forth in Section 6.7, except that the reference to “15% or more” in the definition of Competing Transaction shall be deemed to be a reference to “a majority.”

(c) If Company fails to pay all amounts due to Parent on the dates specified in this Section 13.2, then Company shall pay all costs and expenses (including legal fees and expenses) incurred by Parent in connection with any action or proceeding (including the filing of any lawsuit) taken by it to collect such unpaid amounts, together with interest on such unpaid amounts at the prime lending rate prevailing at such time, as published in the Wall Street Journal, from the date such amounts were required to be paid until the date actually received by Parent.

(d) Parent (for itself and its Affiliates) hereby agrees that, upon any termination of this Agreement under circumstances where Parent is entitled to a Termination Fee under this Section 13.2 and Parent receives such Termination Fee, Parent and its Affiliates shall be precluded from any other remedy against Company, at law or in equity or otherwise, and neither Parent nor any of its Affiliates shall seek (and Parent shall cause its Affiliates not to seek) to obtain any recovery, judgment, or damages of any kind, including consequential, indirect, or punitive damages, against Company or any Company Subsidiary or any of their respective directors, officers, employees, partners, managers, members or stockholders in connection with this Agreement or the transactions contemplated hereby.

ARTICLE 14.

MISCELLANEOUS

14.1. Expenses. Except as otherwise provided herein, all Expenses incurred by Parent, Merger Sub and Company in connection with or related to the authorization, preparation and execution of this Agreement, the solicitation of stockholder approvals and all other matters related to the closing of the transactions contemplated hereby, including, without limitation of the generality of the foregoing, all fees and expenses of agents, representatives, counsel and accountants employed by either such party or its Affiliates, shall be borne solely and entirely by the party which has incurred the same. "Expenses" as used in this Agreement shall include all reasonable out-of-pocket expenses (including all fees and expenses of attorneys, accountants, investment bankers, experts and consultants to the party and its Affiliates) incurred by the party or on its behalf in connection with the consummation of the transactions contemplated by this Agreement.

14.2. Notices. Any notice, request, instruction or other document to be given hereunder by any party hereto to another shall be in writing and delivered personally or by confirmed facsimile transmission or sent by a recognized overnight courier service or by registered or certified mail, postage prepaid, with return receipt requested, addressed as follows:

To Parent or Merger Sub:

Bank of the West
180 Montgomery Street, 25th Floor
San Francisco, California 94104
Attention: Douglas C. Grigsby
Vice Chairman - Finance
and
J. Michael Shepherd, Esq.,
Senior Executive Vice President and
General Counsel
Facsimile Number: (415) 765-4895

With a copy to:

Pillsbury Winthrop Shaw Pittman LLP
50 Fremont Street, 10th Floor
San Francisco, California 94105
Attention: Rodney R. Peck, Esq.
Patricia F. Young, Esq.
Facsimile Number: (415) 983-1200

To Company:

Commercial Federal Corporation
13220 California Street
Omaha, Nebraska 68154
Attention: David S. Fisher
Executive Vice President and
Chief Financial Officer
Facsimile Number: (402) 514-5304

With a copy to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
Attention: Craig M. Wasserman
Nicholas G. Demmo
Facsimile Number: (212) 403-2000

Any such notice, request, instruction or other document shall be deemed received (i) on the date delivered personally or delivered by confirmed facsimile transmission, (ii) on the next Business Day after it was sent by overnight courier, delivery charges prepaid; or (iii) on the fourth Business Day after it was sent by registered or certified mail, postage prepaid. Any of the persons shown above may change its address for purposes of this section by giving notice in accordance herewith.

14.3. Assignment. All terms and conditions of this Agreement shall be binding upon and shall inure, to the extent permitted by Law, to the benefit of the parties hereto and their respective permitted transferees and successors and permitted assigns; provided, however, that this Agreement and all rights, privileges, duties and obligations of the parties hereto, without the prior written approval of the other parties hereto, may not be transferred, assigned or delegated by any party hereto (by operation of Law or otherwise) and any such attempted transfer, assignment or delegation shall be null and void.

14.4. Counterparts. This Agreement and any exhibit hereto may be executed in one or more counterparts, all of which, taken together, shall constitute one original document and shall become effective when one or more counterparts have been signed by the appropriate parties and delivered to each party hereto.

14.5. Effect of Representations and Warranties. The representations and warranties contained in this Agreement shall terminate immediately after the Effective Time of the Merger.

14.6. Third Parties. Each party hereto intends that this Agreement shall not benefit or create any right or cause of action to any person other than parties hereto, except as provided in Section 7.4(e). As used in this Agreement the term "parties" shall refer only to Parent, Merger Sub and Company as the context may require.

14.7. Lists; Exhibits; Integration. The Confidentiality Agreement and each Exhibit and the Company Disclosure Letter and the Parent Disclosure Letter delivered pursuant to this Agreement shall be in writing and shall constitute a part of this Agreement, although the Confidentiality Agreement and each such Exhibit and the Company Disclosure Letter and the Parent Disclosure Letter need not be attached to each copy of this Agreement. This Agreement, together with the Confidentiality Agreement and each Exhibit and the Company Disclosure Letter and the Parent Disclosure Letter, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements and understandings of the parties in connection therewith.

14.8. Knowledge. Whenever any statement herein or in any list, certificate or other document delivered to any party pursuant to this Agreement is made “to the knowledge” or “to the best knowledge” of any party or another Person, such party or other Person shall make such statement based upon the actual knowledge of an executive officer of such Person.

14.9. Governing Law. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of California, regardless of the Laws that might otherwise govern under applicable principles of conflict of Laws thereof (except to the extent that mandatory provisions of federal Law or the NBCA are applicable).

14.10. Captions. The captions contained in this Agreement are for convenience of reference only and do not form a part of this Agreement and shall not affect the interpretation hereof.

14.11. Severability. If any portion of this Agreement shall be deemed by a court of competent jurisdiction to be unenforceable, the remaining portions shall be valid and enforceable only if, after excluding the portion deemed to be unenforceable, the remaining terms hereof shall provide for the consummation of the transactions contemplated herein in substantially the same manner and with substantially the same effect as originally set forth at the date this Agreement was executed.

14.12. Waiver and Modification; Amendment. No waiver of any term, provision or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, provision or condition of this Agreement. Except as otherwise required by Law, this Agreement, when executed and delivered, may be modified or amended by action of the Boards of Directors of Parent, Merger Sub and Company without action by their respective stockholders. This Agreement may be modified or amended or any provision hereof waived only by an instrument of equal formality signed by the parties or their duly authorized agents.

14.13. Enforcement; Jurisdiction. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached, for which monetary damages would not be an adequate remedy, and accordingly, each party agrees that the other party shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which the parties are entitled at law or in equity. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby or thereby may be brought in any federal or state court located in the States of California or Nebraska, and each of the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by Law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any

such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 14.2 shall be deemed effective service of process on such party.

14.14. Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

14.15. Attorneys' Fees. If any legal action or any arbitration upon mutual agreement is brought for the enforcement of this Agreement or because of an alleged dispute, controversy, breach, or default in connection with this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and all other reasonable costs and expenses incurred in that action or proceeding, in addition to any other relief to which it may be entitled.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties to this Agreement have duly executed this Agreement as of the day and year first above written.

BANK OF THE WEST

By: /s/ Don J. McGrath
Its: Chairman and Chief Executive Officer

BEAR MERGER CO., INC.

By: /s/ Douglas C. Grigsby
Its: President and Chief Executive Officer

COMMERCIAL FEDERAL CORPORATION

By: /s/ William A. Fitzgerald
Its: Chairman and Chief Executive Officer



FOR IMMEDIATE RELEASE



MEDIA CONTACTS:

BancWest Corporation:

John Stafford (415) 765-4850

Gerry Keir (808) 525-7086

Commercial Federal Corporation:

Hal Garyn (402) 514-5336 (analysts)

Roger Lewis (402) 514-5315 (media)

BANCWEST CORPORATION ANNOUNCES ACQUISITION

OF COMMERCIAL FEDERAL CORPORATION BY BANK OF THE WEST

(SAN FRANCISCO, Calif. and OMAHA, Neb., June 13, 2005) — BancWest Corporation announced today that its Bank of the West subsidiary has signed a definitive agreement to acquire Commercial Federal Corporation (NYSE: CFB). In a cash transaction valued at \$1.36 billion, Bank of the West will pay \$34 for each Commercial Federal share, with a special 50-cent-per-share dividend paid at closing.

Omaha-based Commercial Federal is the parent company of Commercial Federal Bank, the nation's 12th-largest thrift, which operates 198 branches in seven states in the Midwest, Colorado and Arizona. As of March 31, 2005, Commercial Federal Corporation had total assets of \$10.4 billion, deposits of \$6.5 billion and loans of \$7.8 billion. In 2004, the company earned \$76.4 million.

BancWest Corporation, whose principal subsidiaries are Bank of the West and First Hawaiian Bank, is the seventh largest bank holding company operating in the Western United States with assets of \$51.4 billion. BancWest is a wholly owned subsidiary of BNP Paribas, which has previously announced plans to increase its retail banking presence in the Western United States. The transaction solidifies BancWest's position in the Midwest and adds significant market share in several major metropolitan areas.

After the deal closes, Commercial Federal branches will become part of San Francisco-based Bank of the West, which will be the third largest commercial bank headquartered west of the Mississippi River. The acquisition will add three new states (Missouri, Oklahoma and Kansas) to BancWest's branch footprint. Following the acquisition, BancWest will have approximately \$64 billion in assets and serve more than 4 million customer accounts through 739 locations in 20 states.

(more)

“Commercial Federal’s service-oriented philosophy is a perfect match for Bank of the West. It’s a logical extension of Bank of the West’s expansion into the Midwest begun with last year’s acquisition of Community First Bancshares,” said BancWest President and Chief Executive Officer Don J. McGrath.

“Commercial Federal operates in high-growth retail markets that complement our existing footprint and provide us with opportunities for additional fill-in acquisitions. We’ll add dramatically to our market share in Denver – we’ll have nearly 100 Colorado branches. We will also become one of the leading banks in Omaha and Des Moines.

“Although the sign on the door will change, Commercial Federal customers will find the same familiar faces in their branches. And they’ll receive the same personal service they expect, because that’s been a Bank of the West tradition since 1874,” said McGrath, who is also chairman and chief executive officer of Bank of the West.

“Commercial Federal has already begun to make a transition from a traditional thrift to a commercial bank, and we see opportunities as we continue along that path to offer a broader array of business banking and consumer products,” McGrath said.

William Fitzgerald, Commercial Federal chairman and chief executive officer, said: “This merger offers a compelling value for our shareholders and provides an opportunity for our employees to join another strong and caring company that is growing rapidly. Our customers will have access to a wider selection of products and services in consumer and commercial banking, investments and insurance. I know Bank of the West has the same commitment that we have to supporting the communities where they do business. We’re pleased that this tradition of community support will continue here in Omaha and everywhere Commercial Federal operates.”

The purchase price represents 1.8 times book value, 14.8 times consensus 2006 earnings and a 27 percent premium to the average closing price of Commercial Federal stock over the past six months.

The boards of directors of BNP Paribas, BancWest Corporation and Commercial Federal Corporation have approved the transaction. The merger requires approval from Commercial Federal shareholders and federal and state banking regulators. Once all approvals have been received, the merger is expected to close in the fourth quarter of this year.

(more)

BancWest's track record – 15 acquisitions across 17 states since 1990 – demonstrates its ability to manage integrations seamlessly, McGrath said. Its most recent acquisitions were the 2002 purchase of United California Bank (\$10.5 billion assets, 115 branches in California) and last year's purchase of Community First Bancshares (\$5.5 billion assets, 166 locations in 12 states) and USDB Bancorp (\$1.2 billion assets, 19 California branches).

“With each acquisition, we've added assets and customers and improved our operating efficiency,” McGrath added.

About Commercial Federal Corporation

Commercial Federal Corporation (NYSE:CFB) is the parent company of Commercial Federal Bank (www.comfedbank.com), a \$10.4-billion federal savings bank founded in Omaha in 1887. It has 198 branches in Nebraska, Iowa, Colorado, Kansas, Oklahoma, Missouri and Arizona. Commercial Federal operations include consumer and commercial banking services, including retail banking, commercial and industrial lending, small business banking, construction lending, cash management, and insurance and investment services.

About Bank of the West

Bank of the West (www.bankofthewest.com), which is based in San Francisco, has \$41.0 billion in assets. It has 480 banking locations in 16 Western and Midwestern states: California, Oregon, Washington, Idaho, Nevada, Utah, Arizona, New Mexico, Colorado, Wyoming, Nebraska, North and South Dakota, Minnesota, Iowa and Wisconsin. Founded in San Jose, California in 1874 as Farmers National Gold Bank, Bank of the West is the fourth-largest commercial bank headquartered west of the Mississippi.

About BancWest

BancWest Corporation (www.bancwestcorp.com) is a bank holding company with assets of \$51.4 billion and headquarters offices in Honolulu, Hawaii, and San Francisco, California. Besides Bank of the West, BancWest's other principal subsidiary First Hawaiian Bank (56 branches in Hawaii, three in Guam and two in Saipan). BancWest is a wholly owned subsidiary of BNP Paribas (www.bnpparibas.com), a European leader in banking and financial services, with a significant and growing presence in the United States and leading positions in Asia. The most profitable bank in the Euro zone, it has a presence in over 85 countries with close to 100,000 employees.

###

This release contains forward-looking statements, including statements regarding anticipated timing of the transaction and possible performance of the combined company after the transaction is completed. Such statements reflect management's best judgment as of this date, but they involve risks and uncertainties that could cause actual results to differ materially from those presented. Factors that could cause such differences include, without limitation: (1) the possibility that regulatory approvals may be delayed or denied or that burdensome conditions may be imposed in connection with such approvals; (2) the possibility of customer or employee attrition following this transaction; (3) failure to fully realize expected cost savings from the transaction; (4) lower than expected revenues following the transaction; (5) problems or delays in bringing together the two companies; (6) the possibility of adverse changes in global, national or local economic or monetary conditions, (7) competition and change in the financial services business, and (8) other factors described in our recent filings with the Securities and Exchange Commission. Those factors or others could result, for example, in delay or termination of the transaction discussed above. Readers should carefully consider those risks and uncertainties in reading this release. Except as otherwise required by law, BancWest and Commercial Federal Corporation disclaim any obligation to update any forward-looking statements included herein to reflect future events or developments.

###

In connection with the proposed transaction, Commercial Federal will be filing proxy statements and other materials with the Securities and Exchange Commission. Investors are urged to read the proxy statement and these materials when they are available because they contain important information.

###

Commercial Federal and its officers and directors may be deemed to be participants in the solicitation of proxies with respect to the proposed transaction matters. Information regarding such individuals is included in Commercial Federal's proxy statements and Annual Reports on Form 10-K previously filed with the Securities and Exchange Commission, and in the proxy statement relating to the merger when it becomes available. Investors may obtain a free copy of the proxy statements and other relevant documents when they become available as well as other materials filed with the Securities and Exchange Commission concerning Commercial Federal and these individuals at the Securities and Exchange Commission's website at <http://www.sec.gov>. These materials and other documents may also be obtained for free from Commercial Federal Corporation by sending an e-mail to investorrelations@commercialfed.com.

###



14th June 2005

Acquisition of Commercial Federal Corporation :**A further step in BNP Paribas' retail banking expansion
in the Western US**

BNP Paribas takes a further step in its expansion strategy in the Western US through BancWest Corporation ("BancWest"), its wholly owned subsidiary.

BancWest announced today that its subsidiary, Bank of the West, has reached an agreement to acquire Commercial Federal Corporation ("Commercial Federal"), a NYSE listed company (CFB), headquartered in Omaha, Nebraska.

BancWest currently operates through 541 branches in 17 Western states, primarily California and Hawaii. It operates under the brands of First Hawaiian Bank in Hawaii, and Bank of the West on the Western US Mainland. Commercial Federal operates through 198 branches in 7 states.

This transaction underscores BNP Paribas' expansion strategy in US retail banking and its disciplined acquisition policy. Following the transaction, BancWest will have in excess of 4.2 million accounts and over 700 branches, enhancing its presence in high growth markets. BancWest will operate in 20 states with 100 million inhabitants, and benefit from some of the strongest demographic growth trends in the US.

On Monday 13th of June 2005, the Board of Directors of Commercial Federal approved an agreement for the sale of 100% of the company to Bank of the West. The transaction was also approved by the boards of BNP Paribas, BancWest and Bank of the West. Commercial Federal shareholders will receive at closing US \$34.5 per share, of which a cash payment of US \$34.0 from BancWest and US \$0.5 as a special one-time dividend. In total, this US \$1.36 billion (1.12 billion Euros) purchase price represents a 27% premium to the average closing stock price of Commercial Federal over the past six months, and is equivalent to 14.8 times 2006 consensus earnings and 1.8 times book value as at 31 March 2005. Subsequent to the transaction, all Commercial Federal activities will continue under the Bank of the West brand.

In 2004, Commercial Federal reported total revenues of US \$382 million, net income of US \$76 million, and a RoE of 10.1%. The bank had US \$10.4 billion of assets as of March 31st, 2005. Bank of the West will accelerate the growth of the franchise, by enhancing product offering, increasing sales efficiency, generating pre-tax revenue synergies estimated at US \$ 12 million in 2007, net of associated costs.

The merger will also generate significant pre-tax cost synergies estimated at US \$54 million, decreasing the cost-income ratio of Commercial Federal towards Bank of the West standard, creating shareholder value from 2006 onwards. The transaction presents limited execution risk given BancWest's proven integration track record and the similarity between both banks' business models and operating systems.

In a statement following the agreement, Baudouin Prot, CEO of BNP Paribas said: "I recently reiterated that the US is one of our major priorities for expansion in retail banking. This transaction is a good example of our well-defined and focused expansion strategy. It is in line with our policy of value-creating transactions in businesses and geographies with strong growth potential where there is limited execution risk. This acquisition also represents a great example of our efficient use of capital".

In addition, Don McGrath, President and CEO of BancWest said: "Commercial Federal is an excellent franchise that has built strong relationships with its clients and is an excellent fit for Bank of the West. It operates in high-growth retail markets that complement our existing footprint. We will add substantially to our market share in Denver, and become one of the leading banks in Omaha and Des Moines. We see great opportunities to leverage this franchise. It offers significant potential for BancWest's further organic growth in that region."

The transaction, recommended by the Board of Directors, is currently subject to approval by Commercial Federal's shareholders and by various regulatory agencies in the US. The transaction is expected to close in the fourth quarter of 2005. BNP Paribas was advised by Morgan Stanley, Lehman Brothers and Goldman Sachs.

About BNP Paribas and BancWest

BNP Paribas (www.bnpparibas.com) is a European leader in banking and financial services, with a significant and growing presence in the United States and leading positions in Asia. BNP Paribas is the leading bank in the Euro zone in terms of net income in 2004. The group has one of the largest

international banking networks, present in over 85 countries with close to 100,000 employees, including 67,000 in Europe. BNP Paribas enjoys key positions in its three core businesses: Corporate and Investment Banking, Asset Management & Services and Retail Banking.

BancWest Corporation is a wholly-owned subsidiary of BNP Paribas with assets of US \$51.4 billion and headquarters offices in Honolulu, Hawaii and San Francisco, California. Its subsidiaries Bank of the West and First Hawaiian Bank, are respectively the 5th largest commercial bank in California and the largest bank in Hawaii.

Press contacts:

Michèle SICARD	(33) 1 40 14 70 61	michele.sicard@bnpparibas.com
Carine LAURU	(33) 1 42 98 15 91	carine.lauru@bnpparibas.com
Céline CASTEX	(33) 1 40 14 65 16	celine.castex@bnpparibas.com
Christelle MALDAGUE	(33) 1 42 98 56 48	christelle.maldague@bnpparibas.com
Hélène REGNARD	(33) 1 40 14 65 14	helene.regnard@bnpparibas.com