

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

POST - EFFECTIVE AMENDMENT NO. 1
ON
FORM S-8
TO
REGISTRATION STATEMENT ON FORM S-4
UNDER
THE SECURITIES ACT OF 1933

NationsBank Corporation
(Exact Name of Registrant as Specified in Its Charter)

North Carolina (State or Other Jurisdiction of Incorporation or Organization)	NationsBank Corporate Center 100 North Tryon Street Charlotte, North Carolina (Address of Principal Executive Offices)	28255 (Zip Code)	56-0906609 (I.R.S. Employer Identification No.)
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Boatmen's Bancshares, Inc. Amended 1981 Incentive Stock Option Plan
Boatmen's Bancshares, Inc. 1987 Non-Qualified Stock Option Plan
Boatmen's Bancshares, Inc. 1991 Incentive Stock Option Plan
Centerre Bancorporation 1987 Stock Incentive Plan
First Interstate of Iowa, Inc. 1991 Stock Incentive Plan
Sunwest Financial Services, Inc. 1987 Incentive Stock Option Plan
First Amarillo Bancorporation, Inc. and Subsidiaries Incentive Stock Option
Plan (Number 1)
First Amarillo Bancorporation, Inc. and Subsidiaries Incentive Stock Option
Plan (Number 2)
Westside Bancshares, Incorporated Incentive Stock Option Plan
Amended and Restated Fourth Financial Corporation 1981 Incentive Stock
Option Plan
Amended and Restated Fourth Financial Corporation 1986 Incentive Stock
Option Plan
Fourth Financial Corporation 1993 Incentive Stock Option Plan
Fourth Financial Corporation 1993 Non-Employee Directors Stock Option Plan
Worthen Banking Corporation 1984 Amended and Substituted Stock Option Plan
Worthen Banking Corporation 1993 Stock Option Plan
First New Mexico Bancshare Corporation 1983 Stock Option Plan
(Full Title of the Plans)

PAUL J. POLKING, ESQ.
Executive Vice President
and General Counsel
NationsBank Corporation
NationsBank Corporate Center
100 North Tryon Street
Charlotte, North Carolina 28255
(Name and Address of Agent for Service)

(704) 386-5000
(Telephone Number, Including Area Code, of Agent for Service)

This Post-Effective Amendment No. 1 covers shares of the Registrant's
Common Stock originally registered on the Registration Statement on Form
S-4 to which this is an amendment. The registration fees in respect of
such shares of Common Stock were paid at the time of the original filing
of the Registration Statement on Form S-4 relating thereto.

PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

The documents constituting a Prospectus (a "Prospectus") with respect
to this Post-Effective Amendment No. 1 on Form S-8 to the Registration Statement
on Form S-4 of NationsBank Corporation (the "Registrant") are kept on file at

the offices of the Registrant in accordance with Rule 428 promulgated pursuant to the Securities Act of 1933, as amended (the "Securities Act"). The Registrant will provide without charge to participants in the Boatmen's Bancshares, Inc. Amended 1981 Incentive Stock Option Plan, Boatmen's Bancshares, Inc. 1987 Non-Qualified Stock Option Plan, Boatmen's Bancshares, Inc. 1991 Incentive Stock Option Plan, Centerre Bancorporation 1987 Stock Incentive Plan, First Interstate of Iowa, Inc. 1991 Stock Incentive Plan, Sunwest Financial Services, Inc. 1987 Incentive Stock Option Plan, First Amarillo Bancorporation, Inc. and Subsidiaries Incentive Stock Option Plan (Number 1), First Amarillo Bancorporation, Inc. and Subsidiaries Incentive Stock Option Plan (Number 2), Westside Bancshares, Incorporated Incentive Stock Option Plan, Amended and Restated Fourth Financial Corporation 1981 Incentive Stock Option Plan, Amended and Restated Fourth Financial Corporation 1986 Incentive Stock Option Plan, Fourth Financial Corporation 1993 Incentive Stock Option Plan, Fourth Financial Corporation 1993 Non-Employee Directors Stock Option Plan, Worthen Banking Corporation 1984 Amended and Substituted Stock Option Plan, Worthen Banking Corporation 1993 Stock Option Plan, and First New Mexico Bancshares Corporation 1983 Stock Option Plan (collectively the "Plans"), on the written or oral request of any such person, a copy of any or all of the documents constituting a Prospectus. Written requests for such copies should be directed to Charles J. Cooley, Principal Corporate Personnel Officer, NationsBank Corporation, NationsBank Corporate Center, 100 North Tryon Street, Charlotte, North Carolina 28255. Telephone requests may be directed to (704) 386-5000.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents, which have been heretofore filed by the Registrant with the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), are incorporated by reference herein:

(a) The Registrant's Annual Report on Form 10-K for the year ended December 31, 1995;

(b) The Registrant's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1996, June 30, 1996 and September 30, 1996 and Current Reports on Form 8-K filed January 12, 1996, February 1, 1996, March 8, 1996, April 17, 1996, May 16, 1996, July 5, 1996, July 31, 1996, September 6, 1996 (as amended by Form 8-K/A-1 filed September 11, 1996 and by Form 8-K/A-2 filed November 13, 1996), September 20, 1996 (as amended by Form 8-K/A-1 filed September 23, 1996), October 25, 1996, November 14, 1996, December 4, 1996 and December 17, 1996; and

(c) The description of the Registrant's Common Stock contained in its registration statement filed pursuant to Section 12 of the Exchange Act, and any amendment or report filed for the purpose of updating such description.

All documents filed by the Registrant with the Commission pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act subsequent to the effectiveness of this Registration Statement and prior to the filing of a post-effective amendment hereto that either indicates that all securities offered hereby have been sold or register all securities then remaining unsold shall be deemed to be incorporated by reference in this Registration Statement and to be a part hereof from the date of filing of such documents. Any statement contained in a document

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incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

The Registrant will provide without charge to each person to whom a Prospectus constituting a part of this Registration Statement is delivered, on the written or oral request of any such person, a copy of any or all of the documents incorporated herein by reference (other than exhibits to such documents which are not specifically incorporated by reference in such documents). Written requests for such copies should be directed to Charles J. Cooley, Principal Corporate Personnel Officer, NationsBank Corporation, NationsBank Corporate Center, 100 North Tryon Street, Charlotte, North Carolina 28255. Telephone requests may be directed to (704) 386-5000.

Item 5. Interests of Named Experts and Counsel.

The legality of the Registrant's Common Stock to be issued in connection with the Plans has been passed upon by Paul J. Polking, Esq., Executive Vice President and General Counsel of the Registrant. As of the date of this Post-Effective Amendment No. 1 on Form S-8, Mr. Polking beneficially owned an aggregate of approximately 35,986 shares of the Registrant's Common Stock.

Item 6. Indemnification of Directors and Officers.

There are no provisions in the Registrant's Restated Articles of Incorporation, and no contracts between the Registrant and its directors and officers, relating to indemnification. The Registrant's Restated Articles of Incorporation prevent the recovery by the Registrant of monetary damages against its directors. However, in accordance with the provisions of the North Carolina Business Corporation Act (the "Act"), the Registrant's Amended and Restated Bylaws provide that, in addition to the indemnification of directors and officers otherwise provided by the Act, the Registrant shall, under certain circumstances, indemnify its directors, executive officers and certain other designated officers against any and all liability and litigation expense, including reasonable attorneys' fees, arising out of their status or activities as directors and officers, except for liability or litigation expense incurred on account of activities that were at the time known or reasonably should have been known by such director or officer to be clearly in conflict with the best interests of the Registrant. Pursuant to such Bylaws and as authorized by statute, the Registrant maintains insurance on behalf of its directors and officers against liability asserted against such persons in such capacity whether or not such directors or officers have the right to indemnification pursuant to the Bylaws or otherwise.

In addition to the above-described provisions, Sections 55-8-50 through 55-8-58 of the Act contain provisions prescribing the extent to which directors and officers shall or may be indemnified. Section 55-8-51 of the Act permits a corporation, with certain exceptions, to indemnify a current or former director against liability if (i) he conducted himself in good faith, (ii) he reasonably believed (x) that his conduct in his official capacity with the corporation was in its best interests and (y) in all other cases his conduct was at least not opposed to the corporation's best interests, and (iii) in the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful. A corporation may not indemnify a current or former director in connection with a proceeding by or in the right of the corporation in which the director was adjudged liable to the corporation or in connection with a proceeding charging improper personal benefit to him in which he was adjudged liable on such basis. The above standard of conduct is determined by the Board of Directors or a committee thereof, special legal counsel or the shareholders as prescribed in Section 55-8-55 of the Act.

Sections 55-8-52 and 55-8-56 of the Act require a corporation to indemnify a director or officer in the defense of any proceeding to which he was a party because of his capacity as a director or officer against reasonable expenses when he is wholly successful in his defense, unless the articles of incorporation provide otherwise. Upon application, the court may order indemnification of the director or officer if he is adjudged fairly and reasonably so entitled under Section 55-8-54. Section 55-8-56 of the Act allows a corporation to indemnify

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and advance to an officer, employee or agent who is not a director to the same extent as a director or as otherwise set forth in the corporation's articles of incorporation or bylaws or by a resolution of the board of directors.

In addition, Section 55-8-57 of the Act permits a corporation to provide for indemnification of directors, officers, employees or agents, in its articles of incorporation or bylaws or by contract or resolution, against liability in various proceedings and to purchase and maintain insurance policies on behalf of these individuals.

The foregoing is only a general summary of certain aspects of North Carolina law dealing with indemnification of directors and officers and does not purport to be complete. It is qualified in its entirety by reference to the relevant statutes which contain detailed specific provisions regarding the circumstances under which and the person for whose benefit indemnification shall or may be made and accordingly are incorporated herein by reference.

Item 8. Exhibits.

The following exhibits are filed with or incorporated by reference in this Registration Statement.

<TABLE>
<CAPTION>

Exhibit No. <S>	Description of Exhibit <C>
5.1	Opinion of Paul J. Polking, Esq. as to the legality of the securities *
23.1	Consent of Price Waterhouse LLP
23.2	Consent of Paul J. Polking, Esq. (included in Exhibit 5.1) *
24.1	Power of Attorney and Certified Resolutions *
99.1	Boatmen's Bancshares, Inc. Amended 1981 Incentive Stock Option Plan
99.2	Boatmen's Bancshares, Inc. 1987 Non-Qualified Stock Option Plan
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99.10	Amended and Restated Fourth Financial Corporation 1981 Incentive Stock Option Plan
99.11	Amended and Restated Fourth Financial Corporation 1986 Incentive Stock Option Plan
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99.12	Fourth Financial Corporation 1993 Incentive Stock Option Plan
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99.14	Worthen Banking Corporation 1984 Amended and Substituted Stock Option Plan
99.15	Worthen Banking Corporation 1993 Stock Option Plan
99.16	First New Mexico Bancshare Corporation 1983 Stock Option Plan
99.17	Provisions of North Carolina Business Corporation Act, as amended, relating to indemnification of directors and officers (incorporated herein by reference to Exhibit 99.1 of the NationsBank Corporation Registration Statement on Form S-3, Registration No. 33-63097)

</TABLE>

* Previously filed as an exhibit to the Registrant's Registration Statement on Form S-4 to which this is Post-Effective Amendment No. 1

Item 9. Undertakings.

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to the Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

Provided, however, that paragraphs (a) (1) (i) and (a) (1) (ii) do not apply if the Registration Statement is on Form S-3 or Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

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(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the Registration Statement shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Post-Effective Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Charlotte, State of North Carolina, on January 9, 1997.

NATIONSBANK CORPORATION

By: *
Hugh L. McColl, Jr.
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Post-Effective Amendment No. 1 to the Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<TABLE>
<CAPTION>

Signature	Title	Date
<S>	<C>	<C>
* Hugh L. McColl, Jr.	Chief Executive Officer and Director (Principal Executive Officer)	January 9, 1997

James H. Hance, Jr.	*	Vice Chairman and Chief Financial Officer (Principal Financial Officer)	January 9, 1997
Marc D. Oken	*	Executive Vice President and Chief Accounting Officer (Principal Accounting Officer)	January 9, 1997
Andrew B. Craig, III		Chairman of the Board and Director	January __, 1997
Ronald W. Allen	*	Director	January 9, 1997
Ray C. Anderson	*	Director	January 9, 1997
William M. Barnhardt	*	Director	January 9, 1997
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B. A. Bridgewater, Jr.		Director	January __, 1997
Thomas E. Capps		Director	January __, 1997
Charles W. Coker	*	Director	January 9, 1997
Thomas G. Cousins	*	Director	January 9, 1997
Alan T. Dickson	*	Director	January 9, 1997
W. Frank Dowd, Jr.		Director	January __, 1997
Paul Fulton	*	Director	January 9, 1997
Timothy L. Guzzle	*	Director	January 9, 1997
C. Ray Holman		Director	January __, 1997
W. W. Johnson	*	Director	January 9, 1997
Russell W. Meyer, Jr.		Director	January __, 1997
John J. Murphy	*	Director	January 9, 1997
Richard B. Priory		Director	January __, 1997
John C. Slane	*	Director	January 9, 1997

O. Temple Sloan, Jr.	Director	January __, 1997
John W. Snow	* Director	January 9, 1997
Meredith R. Spangler	* Director	January 9, 1997
Robert H. Spilman	* Director	January 9, 1997
Albert E. Suter	Director	January __, 1997
Ronald Townsend	* Director	January 9, 1997
E. Craig Wall, Jr.	* Director	January 9, 1997
Jackie M. Ward	* Director	January 9, 1997
Virgil R. Williams	* Director	January 9, 1997

*By: /s/ Charles M. Berger

Charles M. Berger
Attorney-in-Fact
</TABLE>

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INDEX TO EXHIBITS

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</TABLE>

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 Previously filed as an exhibit to the Registrant's Registration
 Statement on Form S-4 to which this is Post-Effective Amendment No. 1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Post-Effective Amendment No. 1 on Form S-8 to the Registration Statement on Form S-4 (Registration No. 333-16189) of NationsBank Corporation of our report dated January 12, 1996, which appears on page 46 of NationsBank Corporation's 1995 Annual Report to Shareholders, which is incorporated by reference in NationsBank Corporation's Annual Report on Form 10-K for the year ended December 31, 1995.

/s/ Price Waterhouse LLP

PRICE WATERHOUSE LLP
Charlotte, North Carolina
January , 1997

1983 INCENTIVE STOCK OPTION PLAN

FOR

FIRST NEW MEXICO BANKSHARE CORPORATION

ARTICLE 1

PURPOSE OF PLAN

This Incentive Stock Option Plan (the "Plan") is intended as an incentive and to encourage stock ownership by certain officers and key executive employees of First New Mexico Bankshare Corporation (the "Corporation") and its subsidiary corporations so that they may acquire or increase their proprietary interest in the success of the Corporation and Subsidiaries, and to encourage them to remain in the employ of the Corporation or the Subsidiaries. It is intended that this purpose be achieved through grants under the plan of options to purchase shares of the Corporation's Capital Stock and related stock appreciation Rights ("SARs") and limited SARs (such options, SARs and Limited SARs sometimes herein collectively referred to as "Rights"). It is further intended that options issued pursuant to this Plan shall constitute incentive stock options within the meaning of Section 422A of the Internal Revenue Code of 1954, as amended.

Participating subsidiaries shall be the subsidiaries of the Corporation that both qualify as a "subsidiary corporation" as defined in Section 425(f) of the Internal Revenue Code of 1954, as amended, and are designated from time to time by the Board of Directors as Participating Companies. Currently, Bankshare; Albuquerque National Bank; First National Bank in Raton; The Merchants Bank; The First National Bank of Rio Arriba; Security National Bank of Roswell; The Capital Bank; The Clovis National Bank; Grant County Bank; Valley Bank; Bank of Las Cruces, N.A.; and Southwest National Bank are participating companies under the Plan.

ARTICLE II

ADMINISTRATION

The Plan shall be administered by the Incentive Compensation Committee (the "Committee") appointed by the Board of Directors of the Corporation. The Committee shall consist of not less than three members of the Corporation's Board of Directors. The Board of Directors may from time to time remove members from, or add members to, the Committee. Vacancies on the Committee, howsoever caused, shall be filled by the Board of Directors. The Committee shall select one of its members as Chairman, and shall hold meeting at such times and places as it may determine. A majority of the Committee at which a quorum is present, or acts reduced to or approved in writing by a majority of the members of the Committee, shall be the valid acts of the Committee. The Committee shall from time to time at its discretion make recommendations to the Board of Directors with respect to the key executive employees who shall be granted Rights and the amount of Rights to be granted to each.

No director shall be designated as or continue to be a member of the Committee unless he shall at the time of designation and throughout his service be a "disinterested person". A "disinterested person" is one who is not at the time he exercises discretion in administering the Plan eligible and has not at any time within

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one year prior thereto been eligible for selection as a person to whom rights may be granted pursuant to the Plan or any other plan of the Corporation or any of its affiliates entitling the participants therein to acquire stock, stock options or stock appreciation rights of the Corporation or any of its affiliates, or one who otherwise satisfies the definition of "disinterested person" under SEC Rule 16b-3 under the Securities Exchange Act of 1934, as the same may be now or hereafter amended. The Board of Directors of the Corporation shall not act upon matters affecting or relating to the Plan unless a majority of the Board and a majority of those acting in the matter are disinterested persons.

The interpretation and construction by the Committee of any provisions of the Plan or of any option granted under it shall be final unless otherwise determined by the Board of Directors. No member of the Board of Directors or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any option granted under it.

ARTICLE III

ELIGIBILITY

The persons who shall be eligible to receive options shall be such key executive employees (including officers, whether or not they are Directors) of the Corporation or its Subsidiaries existing from time to time as the Board of Directors shall select from time to time from among those nominated by the Committee. An optionee may hold more than one option, but only on the terms and subject to the restrictions hereafter set forth. No person shall be eligible to receive an option for a larger number of shares than is recommended for him by the Committee.

ARTICLE IV

STOCK

The stock subject to the options shall be shares of the Corporation's authorized but unissued or reacquired common stock hereafter sometimes called Capital Stock. The aggregate number of shares which may be issued under options under this plan shall not exceed 100,000 shares of Capital Stock. The maximum number of shares which may be optioned in any one calendar year shall not exceed 25,000; provided, however, that any shares not optioned may be carried over and optioned in the following calendar year(s) in addition to the shares available in that calendar year. The number of shares with respect to which options may be granted to any individual under any and all options under this plan which are issued to him by the Corporation shall not exceed 10,000 shares. The aggregate fair market value (determined as of the time the option is granted) of the Capital Stock for which any employee may be granted Incentive Stock Options in any calendar year under the Plan and all such other plans of the Corporation and its Subsidiaries shall not exceed \$100,000 plus any unused limit carry-over to such year as defined under Section 422A of the Internal Revenue Code of 1954, as amended. The limitations established by this paragraph shall be subject to adjustment as provided in Article V(i) of the Plan.

In the event that any outstanding options under the Plan for any reason expires or is terminated, the shares of Capital Stock allocable to the unexercised portion of such option may again be subjected to an option under the Plan.

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ARTICLE V

TERMS AND CONDITIONS OF OPTIONS

Stock options granted pursuant to the Plan shall be authorized by the Board of Directors and shall be evidenced by agreements in such form as the Committee shall from time to time recommend and the Board of Directors shall from time to time approve, which agreements shall comply with and be subject to the following terms and conditions.

(a) Number of Shares

Each option shall state the number of shares to which it pertains.

(b) Option Price

Each option shall state the option price, which shall not be less than 100% of the fair market value of the shares of Capital Stock of the Corporation on the date of the granting of the option. If an individual owns stock possessing more than ten percent of the total combined voting power of all classes of stock of the Corporation or any of its parent or subsidiary corporations (hereinafter referred to as a "10 percent employee-stockholder"), the option price must be at least 110 percent of the fair market value of the stock on the date of the grant.

During such time as such stock is not listed upon an established stock exchange the fair market value per share shall be the mean between representative dealer "bid" and "ask" prices of the Capital Stock in the over-the-counter market on the day the option is granted, as quoted on the NATIONAL ASSOCIATION OF SECURITIES DEALERS AUTOMATED QUOTATIONS SERVICE (NASDAQ). If the stock is listed upon an established stock exchange or exchanges such fair market value shall be deemed to be the highest closing price of the Capital Stock on such stock exchange or exchanges on the date the option is granted or if no sales of the Corporation's Capital Stock shall have been made on any stock exchange on that day, on the next preceding day on which there was a sale of such stock. Subject to the foregoing the Board of Directors and the Committee in fixing the option price shall have full authority and discretion and be fully protected in doing so.

(c) Medium and Time of Payment

The option price shall be payable in United States dollars upon the exercise of the option and may be paid in cash or by check. Payment with previously acquired Capital Stock or with a combination of Capital Stock and cash is also allowable. Capital Stock used to satisfy the exercise price of an option shall be valued at the fair market value of such stock determined as of the date of the exercise in the manner specified in Article V(b) above.

(d) Term and Exercise of Option

No option shall be exercisable either in whole or in part prior to twenty-four months from the date it is granted. Subject to the right of cumulation provided in the last sentence of this subdivision each option shall be exercisable as to not more than one-half of the total number of shares covered thereby during each twelve month period commencing twenty-four months from the date of the granting of the option until all shares covered by the option shall become purchasable. The Committee may provide, however, for the exercise of options after the initial twenty-four month period, either as to an increased percentage of shares per year or as to all remaining shares, if the employee shall, with the approval of the Corporation, retire. No option shall be exercisable after the expiration of ten years from the date it is granted, but if it is granted to a more than 10 percent employee-shareholder, then the exercise

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period is reduced to 5 years. Not less than one hundred shares may be purchased at any one time unless the number purchased is the total number at the time purchasable under the option. During the lifetime of the optionee, the option shall be exercisable only by him and shall not be assignable or transferable by him and no other persons shall acquire any rights therein. To the extent not exercised, installments shall accumulate and be exercisable, in whole or in part, in any subsequent period but not later than ten years from the date the option is granted, or five years in the case of a 10 percent employee-shareholder.

(e) Stock-Appreciation Rights

(1) In General. A Stock Appreciation Right (SAR) is a right to surrender in whole or in part a stock option granted under this Plan (the "Related Option") in exchange for the payment of an amount equal to the number of shares of Capital Stock covered by the surrendered portion of the Related Option times the per share difference between the option price and the (fair market value of the Capital Stock) subject to the Related Option on the date of exercise of the SAR. The "payment" may be made in cash, in shares of Capital Stock or in a combination of the two. If shares of Capital Stock are used for payment, they will be valued at the fair market value of the Capital Stock at the date of the exercise of the SAR.

(2) Discretionary SAR's. The Board of Directors shall have the authority, upon the recommendation of the Committee, to grant SAR's in connection with a grant of any stock option under this plan upon such terms and conditions consistent with the provisions of this Plan as it may deem appropriate, subject to the following further limitations.

a. Unless the Board of Directors otherwise specifies, an SAR may only be granted with respect to an option at the time of the grant of the Related Option.

b. SAR's may only be exercised to the extent that the underlying option is exercisable, and only when the market price of the Capital Stock subject to the Related Option exceeds the exercise price of the related option.

c. Upon the exercise of a SAR, the Related Option shall be deemed to have been exercised to the extent of the shares of Capital Stock with respect to which the SAR is exercised so that such number of shares shall no longer be available for issuance pursuant to the Plan.

d. No SAR shall be transferable except by will or by the laws of descent and distribution. During the life of a holder of a SAR, the SAR shall be exercisable only by him.

e. To exercise an SAR, the holder shall (i) give written notice thereof to the Corporation in form satisfactory to the Committee addressed to the Secretary of the Corporation specifying the number of shares of Capital Stock with respect to which he is exercising the SAR, and (ii) if requested by the Corporation, deliver the agreements evidencing the rights being exercised to the Secretary of the Corporation who shall endorse

thereon a notation of such exercise and return the agreements to the holder thereof. The date of exercise of a SAR which is validly exercised shall be deemed to be the date on which the Corporation shall have received the instruments referred to in the immediately preceding sentence.

f. SAR's granted or held by Officers and Directors of the Corporation shall contain such further limitations as may be necessary to satisfy SEC Rule 16b-3 under the Securities Exchange Act of 1934, as now or hereafter amended.

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g. Any terms of the SAR not specifically described herein shall be set forth in the Option Agreement for the Related Option.

(3) Limited SAR's. Every holder of a stock option granted hereunder ("Related Option") who may be restricted from exercising the option and reselling the Capital Stock acquired thereunder within 6 months due to his being an "officer" or "director" of the Corporation within the meaning of Section 16(b) of the Securities Exchange Act of 1934 shall be deemed to have been granted at the date of the grant of the Related Option a limited SAR upon the following terms and conditions:

a. Such limited SAR shall be subject to all of the limitations specified in the Article V.(e)2.a. through Article V.(e)2.f. above.

b. The limited SAR may be exercised only during the period beginning on the first day following the date of expiration of any tender offer or exchange offer for shares of Capital Stock (other than one made by the Corporation), provided that shares of Capital Stock are acquired pursuant to such offer (the "Offer"), and ending on the 30th day following such date.

c. The limited SAR may only be exercised for cash.

d. The amount of the payment to be made upon the exercise of the limited SAR shall be an amount in cash equal to the product obtained by multiplying (i) the excess of (A) the "offer price per share of Capital Stock" (as hereinafter defined) over (B) the Option Price per share of Capital Stock under the Related Option by (ii) the number of shares of Capital Stock with respect to which such limited SAR is being exercised. The phrase "Offer Price per share of Capital Stock" shall mean with respect to the exercise of any limited SAR, the highest price per share of Capital Stock paid in any Offer which Offer is in effect at any time during the period beginning on the 60th day prior to the date on which such limited SAR is exercised. Any securities or property which are a part or all of the consideration paid for shares of Capital Stock in the Offer shall be valued in determining the Offer Price per share of Capital Stock at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity making such Offer, or (B) the valuation placed on such securities or property by the Committee.

(f) Prior Outstanding Option.

No option (for purposes of this Article V(f) called New Option) shall be exercisable while there is outstanding any incentive stock option (as defined in Section 422A of the 1954 Internal Revenue Code, as amended, which incentive stock option was granted, before the granting of the New Option, to the person to whom the New Option is granted, to purchase stock in the Corporation or in a corporation which, at the time the New Option is granted, is a parent or subsidiary corporation (as those terms are defined in Section 425 of the 1954 Internal Revenue Code, as amended) of the Corporation, or is a predecessor corporation of the Corporation or such parent of subsidiary corporation.

(g) Termination of Employment Except Death

In the event that an optionee shall cease to be employed by the Corporation or Subsidiaries for any reason other than his death and shall be no longer in the employ of any of them, subject to the condition that no option shall be exercised after the expiration of ten years from the date it is granted, and five years in the case of a ten percent employee-shareholder, such optionee shall have the right to exercise the Rights at any time within three months after such termination of employment or twelve months if disabled, to the extent that his right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan and had not previously been

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exercised at the date of such termination. Whether authorized leave of absence or absence for military or governmental service shall constitute termination of employment, for the purposes of the Plan, shall be determined by the Committee, which determination, unless overruled by the Board of Directors, shall be final and conclusive.

(h) Death of Optionee and Transfer of Option. If the optionee shall die while in the employ of the Corporation or a Subsidiary or within a period of three months after the termination of his employment with the Corporation and all Subsidiaries and shall not have fully exercised the option, the Rights may be exercised subject to the condition that no option shall be exercisable after the expiration of ten years from the date it is granted and five years in the case of a ten percent employee-shareholder, to the extent that the optionee's right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan at the time of his death and had not previously been exercised, at any time within one year after the optionee's death, by the executors or administrators of the optionee or by any person or persons who shall have acquired the option directly from the optionee by bequest or inheritance.

No option or right shall be transferable by the optionee otherwise than by will or the laws of descent and distribution.

(i) Recapitalization.

If the Corporation shall at any time increase or decrease the number of its outstanding shares of Capital Stock or change in any way the rights and privileges of such shares by means of the payment of a stock dividend, or the making of any other distribution upon such shares payable in Capital Stock, or through a Capital Stock split or subdivision of shares, or a consolidation or combination of shares, or through a reclassification or recapitalization involving the Capital Stock, then the numbers, rights and privileges of the following shall be increased, decreased or changed in like manner as if they had been issued and outstanding, fully paid and nonassessable at the time of such occurrence:

(a) The shares of Capital Stock on which Rights may be granted under the Plan:

(b) The maximum number of shares of Capital Stock with respect to which an employee may receive a Right hereunder; and

(c) The shares of Capital Stock then included in each outstanding Right granted hereunder.

Subject to any required action by the stockholders, if the Corporation shall be the surviving corporation in any merger or consolidation, each outstanding Right shall pertain to and apply to the securities to which a holder of the number of shares of Capital Stock subject to the Right would have been entitled.

A dissolution or liquidation of the Corporation or a merger or consolidation in which the Corporation is not the surviving corporation, shall cause each outstanding Right to terminate, provided that each optionee shall, in such event, have the right immediately prior to such dissolution or liquidation, or merger or consolidation in which the Corporation is not the surviving corporation, to exercise his Rights, in whole or in part without regard to the installment provisions contained in the first three (3) sentences of Article V(d) of the Plan. Each holder of Rights shall have the right (a) during the terms of a "Tender Offer", as to an option or SAR other than a limited SAR, or (b) during the thirty (30) days following a "Tender Offer", as to a

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limited SAR, to exercise such Rights in whole or in part without regard to the installment provisions contained in the first three sentences of Article V(d) of the Plan. For the purposes of this paragraph, a "Tender Offer" means a tender offer or exchange offer for shares of Capital Stock made by a person other than the Corporation.

To the extent that the foregoing adjustments relate to stock or securities of the Corporation, such adjustments shall be made by the Committee, whose determination in that respect shall be final, binding and conclusive, provided that each Right granted pursuant to the Plan shall not be adjusted in a manner which causes the option to fail to continue to qualify as an incentive stock option within the meaning of section 422A of the 1954 Internal Revenue Code.

Except as hereinbefore expressly provided in this Article V(i), the optionee shall have no rights by reason of any subdivision or consolidation of shares of stock of any class or the payment of any stock dividend or any

other increase or decrease in the number of shares of stock of any class or by any reason of any dissolution, liquidation, merger or consolidation or spin-off of assets or stock of another corporation, and any issue by the Corporation of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to the number or price of shares of Capital Stock subject to the Right.

The grant of any Right pursuant to the Plan shall not affect in any way the right or power of the Corporation to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge or to consolidate or to dissolve, liquidate or sell or transfer all or any part of its business or assets.

(j) Rights as a Stockholder.

An optionee or a transferee of an option shall have no rights as a stockholder with respect to any shares covered by his option until the date of the issuance of a stock certificate to him for such shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date such stock certificate is issued, except as provided in Article V(i) hereof.

(k) Modification, Extension and Renewal of Rights.

Subject to the terms and conditions and within the limitations of the Plan, the Board of Directors may modify, extend or renew outstanding Rights granted under the Plan, or accept the surrender of such outstanding Rights (to the extent not theretofore exercised) and authorize the granting of new Rights in substitution therefor (to the extent not theretofore exercised). The Board of Directors shall not, however, modify any outstanding Rights so as to specify a lower price or accept the surrender of outstanding options or rights and authorize the granting of new Rights in substitution therefor specifying a lower price. Notwithstanding the foregoing, however, no modification of any Rights shall, without the consent of the optionee, alter or impair any rights or obligations under any Rights theretofore granted under the Plan.

(l) Investment Purpose

Each option under the Plan shall be granted on the condition that he purchases of stock thereunder shall be for investment purposes, and not with a view to resale or distribution except that in the event the stock subject to such option is registered under the Securities Act of 1933, as amended, or in the event a resale of such stock without such registration would otherwise be permissible, such condition

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shall be inoperative if in the opinion of counsel for the Corporation such condition is not required under the Securities Act of 1933 or any other applicable law, regulation, or rule of any governmental agency.

(m) Other Provisions.

The option agreements authorized under the Plan shall contain such other provisions, including, without limitation, restrictions upon the exercise of the Rights, as the Committee and Board of Directors of the Corporation shall deem advisable. Any such option agreement shall contain such limitations and restrictions upon the exercise of the option as shall be necessary in order that such option will be an "incentive stock option" as defined in Section 422A of the Internal Revenue Code of 1954 or to conform to any change in the law.

ARTICLE VI

TERM OF PLAN

Rights may be granted pursuant to the Plan from time to time within a period of ten years from the date the Plan is adopted, or the date the Plan is approved by the Stockholders, whichever is earlier.

ARTICLE VII

INDEMNIFICATION OF COMMITTEE

In addition to such other rights of indemnification as they may have as distributors or members of the Committee, the members of the Committee shall be indemnified by the Corporation against the reasonable expenses, including attorneys' fees actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan or of any option granted

thereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Corporation) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee member is liable of negligence or misconduct in the performance of his duties; provided that within 60 days after institution of any such action, suit or proceedings, Committee member shall in writing offer, the Corporation the opportunity, at its own expense, to handle and defend the same.

ARTICLE VIII

AMENDMENT OF THE PLAN

The Board of Directors of the Corporation may, insofar as permitted by law, suspend or discontinue the Plan or revise or amend it in any respect whatsoever except that no amendment or discontinuance of the Plan by the Board of Directors of shareholders shall adversely affect, without the consent of the holder thereof, any outstanding stock option or right theretofore granted; and except that without the affirmative vote of the holders of a majority of the shares of the Corporation's Common Stock present or represented and entitled to vote at a meeting duly held, no revision or amendment shall change the number of shares subject to the Plan, change the designation of the class of employees eligible to receive options, decrease the price at which options may be granted, remove the administration of the Plan from the Committee, or render any member of the Committee eligible to receive an option under the Plan while

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servicing thereon. Furthermore, the Plan may not, without the approval of the stockholders, be amended in any manner that will cause options issued under it to fail to meet the requirements of incentive stock options as defined in Section 422A of the Internal Revenue Code of 1954, as amended.

ARTICLE IX

APPLICATION OF FUNDS

The proceeds received by the Corporation from the sale of Common Stock pursuant to options will be used for general corporate purposes.

ARTICLE X

NO OBLIGATION TO EXERCISE OPTION

The granting of an option shall impose no obligation upon the optionee to exercise such option.

ARTICLE XI

APPROVAL OF STOCKHOLDERS

The Plan shall become effective when it has received the approval of the holders of a majority of the Corporation's Common Stock present or represented, and entitled to vote at a duly called stockholders' meeting, which approval must occur within the period beginning twelve months before and ending twelve months after the date the Plan is adopted by the Board of Directors.

Date Plan adopted by Board of Directors: August 25, 1982

Date Plan approved by Stockholders: March 23, 1983

As amended by Board of Directors and
approved by Stockholders: March 26, 1986

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1983 INCENTIVE STOCK OPTION PLAN

FOR

FIRST NEW MEXICO BANKSHARE CORPORATION

ARTICLE 1

PURPOSE OF PLAN

This Incentive Stock Option Plan (the "Plan") is intended as an incentive and to encourage stock ownership by certain officers and key executive employees of First New Mexico Bankshare Corporation (the "Corporation") and its subsidiary corporations so that they may acquire or increase their proprietary interest in the success of the Corporation and Subsidiaries, and to encourage them to remain in the employ of the Corporation or the Subsidiaries. It is intended that this purpose be achieved through grants under the plan of options to purchase shares of the Corporation's Capital Stock and related stock appreciation Rights ("SARs") and limited SARs (such options, SARs and Limited SARs sometimes herein collectively referred to as "Rights"). It is further intended that options issued pursuant to this Plan shall constitute incentive stock options within the meaning of Section 422A of the Internal Revenue Code of 1954, as amended.

Participating subsidiaries shall be the subsidiaries of the Corporation that both qualify as a "subsidiary corporation" as defined in Section 425(f) of the Internal Revenue Code of 1954, as amended, and are designated from time to time by the Board of Directors as Participating Companies. Currently, Bankshare; Albuquerque National Bank; First National Bank in Raton; The Merchants Bank; The First National Bank of Rio Arriba; Security National Bank of Roswell; The Capital Bank; The Clovis National Bank; Grant County Bank; Valley Bank; Bank of Las Cruces, N.A.; and Southwest National Bank are participating companies under the Plan.

ARTICLE II

ADMINISTRATION

The Plan shall be administered by the Incentive Compensation Committee (the "Committee") appointed by the Board of Directors of the Corporation. The Committee shall consist of not less than three members of the Corporation's Board of Directors. The Board of Directors may from time to time remove members from, or add members to, the Committee. Vacancies on the Committee, howsoever caused, shall be filled by the Board of Directors. The Committee shall select one of its members as Chairman, and shall hold meeting at such times and places as it may determine. A majority of the Committee at which a quorum is present, or acts reduced to or approved in writing by a majority of the members of the Committee, shall be the valid acts of the Committee. The Committee shall from time to time at its discretion make recommendations to the Board of Directors with respect to the key executive employees who shall be granted Rights and the amount of Rights to be granted to each.

No director shall be designated as or continue to be a member of the Committee unless he shall at the time of designation and throughout his service be a "disinterested person". A "disinterested person" is one who is not at the time he exercises discretion in administering the Plan eligible and has not at any time within

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one year prior thereto been eligible for selection as a person to whom rights may be granted pursuant to the Plan or any other plan of the Corporation or any of its affiliates entitling the participants therein to acquire stock, stock options or stock appreciation rights of the Corporation or any of its affiliates, or one who otherwise satisfies the definition of "disinterested person" under SEC Rule 16b-3 under the Securities Exchange Act of 1934, as the same may be now or hereafter amended. The Board of Directors of the Corporation shall not act upon matters affecting or relating to the Plan unless a majority of the Board and a majority of those acting in the matter are disinterested persons.

The interpretation and construction by the Committee of any provisions of the Plan or of any option granted under it shall be final unless otherwise determined by the Board of Directors. No member of the Board of Directors or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any option granted under it.

ARTICLE III

ELIGIBILITY

The persons who shall be eligible to receive options shall be such key executive employees (including officers, whether or not they are Directors) of the Corporation or its Subsidiaries existing from time to time as the Board of Directors shall select from time to time from among those nominated by the Committee. An optionee may hold more than one option, but only on the terms and subject to the restrictions hereafter set forth. No person shall be eligible to receive an option for a larger number of shares than is recommended for him by the Committee.

ARTICLE IV

STOCK

The stock subject to the options shall be shares of the Corporation's authorized but unissued or reacquired common stock hereafter sometimes called Capital Stock. The aggregate number of shares which may be issued under options under this plan shall not exceed 100,000 shares of Capital Stock. The maximum number of shares which may be optioned in any one calendar year shall not exceed 25,000; provided, however, that any shares not optioned may be carried over and optioned in the following calendar year(s) in addition to the shares available in that calendar year. The number of shares with respect to which options may be granted to any individual under any and all options under this plan which are issued to him by the Corporation shall not exceed 10,000 shares. The aggregate fair market value (determined as of the time the option is granted) of the Capital Stock for which any employee may be granted Incentive Stock Options in any calendar year under the Plan and all such other plans of the Corporation and its Subsidiaries shall not exceed \$100,000 plus any unused limit carry-over to such year as defined under Section 422A of the Internal Revenue Code of 1954, as amended. The limitations established by this paragraph shall be subject to adjustment as provided in Article V(i) of the Plan.

In the event that any outstanding options under the Plan for any reason expires or is terminated, the shares of Capital Stock allocable to the unexercised portion of such option may again be subjected to an option under the Plan.

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ARTICLE V

TERMS AND CONDITIONS OF OPTIONS

Stock options granted pursuant to the Plan shall be authorized by the Board of Directors and shall be evidenced by agreements in such form as the Committee shall from time to time recommend and the Board of Directors shall from time to time approve, which agreements shall comply with and be subject to the following terms and conditions.

(a) Number of Shares

Each option shall state the number of shares to which it pertains.

(b) Option Price

Each option shall state the option price, which shall not be less than 100% of the fair market value of the shares of Capital Stock of the Corporation on the date of the granting of the option. If an individual owns stock possessing more than ten percent of the total combined voting power of all classes of stock of the Corporation or any of its parent or subsidiary corporations (hereinafter referred to as a "10 percent employee-stockholder"), the option price must be at least 110 percent of the fair market value of the stock on the date of the grant.

During such time as such stock is not listed upon an established stock exchange the fair market value per share shall be the mean between representative dealer "bid" and "ask" prices of the Capital Stock in the over-the-counter market on the day the option is granted, as quoted on the NATIONAL ASSOCIATION OF SECURITIES DEALERS AUTOMATED QUOTATIONS SERVICE (NASDAQ). If the stock is listed upon an established stock exchange or exchanges such fair market value shall be deemed to be the highest closing price of the Capital Stock on such stock exchange or exchanges on the date the option is granted or if no sales of the Corporation's Capital Stock shall have been made on any stock exchange on that day, on the next preceding day on which there was a sale of such stock. Subject to the foregoing the Board of Directors and the Committee in fixing the option price shall have full authority and discretion and be fully protected in doing so.

(c) Medium and Time of Payment

The option price shall be payable in United States dollars upon the exercise of the option and may be paid in cash or by check. Payment with previously acquired Capital Stock or with a combination of Capital Stock and cash is also allowable. Capital Stock used to satisfy the exercise price of an option shall be valued at the fair market value of such stock determined as of the date of the exercise in the manner specified in Article V(b) above.

(d) Term and Exercise of Option

No option shall be exercisable either in whole or in part prior to twenty-four months from the date it is granted. Subject to the right of cumulation provided in the last sentence of this subdivision each option shall be exercisable as to not more than one-half of the total number of shares covered thereby during each twelve month period commencing twenty-four months from the date of the granting of the option until all shares covered by the option shall become purchasable. The Committee may provide, however, for the exercise of options after the initial twenty-four month period, either as to an increased percentage of shares per year or as to all remaining shares, if the employee shall, with the approval of the Corporation, retire. No option shall be exercisable after the expiration of ten years from the date it is granted, but if it is granted to a more than 10 percent employee-shareholder, then the exercise

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period is reduced to 5 years. Not less than one hundred shares may be purchased at any one time unless the number purchased is the total number at the time purchasable under the option. During the lifetime of the optionee, the option shall be exercisable only by him and shall not be assignable or transferable by him and no other persons shall acquire any rights therein. To the extent not exercised, installments shall accumulate and be exercisable, in whole or in part, in any subsequent period but not later than ten years from the date the option is granted, or five years in the case of a 10 percent employee-shareholder.

(e) Stock-Appreciation Rights

(1) In General. A Stock Appreciation Right (SAR) is a right to surrender in whole or in part a stock option granted under this Plan (the "Related Option") in exchange for the payment of an amount equal to the number of shares of Capital Stock covered by the surrendered portion of the Related Option times the per share difference between the option price and the (fair market value of the Capital Stock) subject to the Related Option on the date of exercise of the SAR. The "payment" may be made in cash, in shares of Capital Stock or in a combination of the two. If shares of Capital Stock are used for payment, they will be valued at the fair market value of the Capital Stock at the date of the exercise of the SAR.

(2) Discretionary SAR's. The Board of Directors shall have the authority, upon the recommendation of the Committee, to grant SAR's in connection with a grant of any stock option under this plan upon such terms and conditions consistent with the provisions of this Plan as it may deem appropriate, subject to the following further limitations.

a. Unless the Board of Directors otherwise specifies, an SAR may only be granted with respect to an option at the time of the grant of the Related Option.

b. SAR's may only be exercised to the extent that the underlying option is exercisable, and only when the market price of the Capital Stock subject to the Related Option exceeds the exercise price of the related option.

c. Upon the exercise of a SAR, the Related Option shall be deemed to have been exercised to the extent of the shares of Capital Stock with respect to which the SAR is exercised so that such number of shares shall no longer be available for issuance pursuant to the Plan.

d. No SAR shall be transferable except by will or by the laws of descent and distribution. During the life of a holder of a SAR, the SAR shall be exercisable only by him.

e. To exercise an SAR, the holder shall (i) give written notice thereof to the Corporation in form satisfactory to the Committee addressed to the Secretary of the Corporation specifying the number of shares of Capital Stock with respect to which he is exercising the SAR, and (ii) if requested by the Corporation, deliver the agreements evidencing the rights being exercised to the Secretary of the Corporation who shall endorse

thereon a notation of such exercise and return the agreements to the holder thereof. The date of exercise of a SAR which is validly exercised shall be deemed to be the date on which the Corporation shall have received the instruments referred to in the immediately preceding sentence.

f. SAR's granted or held by Officers and Directors of the Corporation shall contain such further limitations as may be necessary to satisfy SEC Rule 16b-3 under the Securities Exchange Act of 1934, as now or hereafter amended.

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g. Any terms of the SAR not specifically described herein shall be set forth in the Option Agreement for the Related Option.

(3) Limited SAR's. Every holder of a stock option granted hereunder ("Related Option") who may be restricted from exercising the option and reselling the Capital Stock acquired thereunder within 6 months due to his being an "officer" or "director" of the Corporation within the meaning of Section 16(b) of the Securities Exchange Act of 1934 shall be deemed to have been granted at the date of the grant of the Related Option a limited SAR upon the following terms and conditions:

a. Such limited SAR shall be subject to all of the limitations specified in the Article V.(e)2.a. through Article V.(e)2.f. above.

b. The limited SAR may be exercised only during the period beginning on the first day following the date of expiration of any tender offer or exchange offer for shares of Capital Stock (other than one made by the Corporation), provided that shares of Capital Stock are acquired pursuant to such offer (the "Offer"), and ending on the 30th day following such date.

c. The limited SAR may only be exercised for cash.

d. The amount of the payment to be made upon the exercise of the limited SAR shall be an amount in cash equal to the product obtained by multiplying (i) the excess of (A) the "offer price per share of Capital Stock" (as hereinafter defined) over (B) the Option Price per share of Capital Stock under the Related Option by (ii) the number of shares of Capital Stock with respect to which such limited SAR is being exercised. The phrase "Offer Price per share of Capital Stock" shall mean with respect to the exercise of any limited SAR, the highest price per share of Capital Stock paid in any Offer which Offer is in effect at any time during the period beginning on the 60th day prior to the date on which such limited SAR is exercised. Any securities or property which are a part or all of the consideration paid for shares of Capital Stock in the Offer shall be valued in determining the Offer Price per share of Capital Stock at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity making such Offer, or (B) the valuation placed on such securities or property by the Committee.

(f) Prior Outstanding Option.

No option (for purposes of this Article V(f) called New Option) shall be exercisable while there is outstanding any incentive stock option (as defined in Section 422A of the 1954 Internal Revenue Code, as amended, which incentive stock option was granted, before the granting of the New Option, to the person to whom the New Option is granted, to purchase stock in the Corporation or in a corporation which, at the time the New Option is granted, is a parent or subsidiary corporation (as those terms are defined in Section 425 of the 1954 Internal Revenue Code, as amended) of the Corporation, or is a predecessor corporation of the Corporation or such parent of subsidiary corporation.

(g) Termination of Employment Except Death

In the event that an optionee shall cease to be employed by the Corporation or Subsidiaries for any reason other than his death and shall be no longer in the employ of any of them, subject to the condition that no option shall be exercised after the expiration of ten years from the date it is granted, and five years in the case of a ten percent employee-shareholder, such optionee shall have the right to exercise the Rights at any time within three months after such termination of employment or twelve months if disabled, to the extent that his right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan and had not previously been

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exercised at the date of such termination. Whether authorized leave of absence or absence for military or governmental service shall constitute termination of employment, for the purposes of the Plan, shall be determined by the Committee, which determination, unless overruled by the Board of Directors, shall be final and conclusive.

(h) Death of Optionee and Transfer of Option. If the optionee shall die while in the employ of the Corporation or a Subsidiary or within a period of three months after the termination of his employment with the Corporation and all Subsidiaries and shall not have fully exercised the option, the Rights may be exercised subject to the condition that no option shall be exercisable after the expiration of ten years from the date it is granted and five years in the case of a ten percent employee-shareholder, to the extent that the optionee's right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan at the time of his death and had not previously been exercised, at any time within one year after the optionee's death, by the executors or administrators of the optionee or by any person or persons who shall have acquired the option directly from the optionee by bequest or inheritance.

No option or right shall be transferable by the optionee otherwise than by will or the laws of descent and distribution.

(i) Recapitalization.

If the Corporation shall at any time increase or decrease the number of its outstanding shares of Capital Stock or change in any way the rights and privileges of such shares by means of the payment of a stock dividend, or the making of any other distribution upon such shares payable in Capital Stock, or through a Capital Stock split or subdivision of shares, or a consolidation or combination of shares, or through a reclassification or recapitalization involving the Capital Stock, then the numbers, rights and privileges of the following shall be increased, decreased or changed in like manner as if they had been issued and outstanding, fully paid and nonassessable at the time of such occurrence:

(a) The shares of Capital Stock on which Rights may be granted under the Plan:

(b) The maximum number of shares of Capital Stock with respect to which an employee may receive a Right hereunder; and

(c) The shares of Capital Stock then included in each outstanding Right granted hereunder.

Subject to any required action by the stockholders, if the Corporation shall be the surviving corporation in any merger or consolidation, each outstanding Right shall pertain to and apply to the securities to which a holder of the number of shares of Capital Stock subject to the Right would have been entitled.

A dissolution or liquidation of the Corporation or a merger or consolidation in which the Corporation is not the surviving corporation, shall cause each outstanding Right to terminate, provided that each optionee shall, in such event, have the right immediately prior to such dissolution or liquidation, or merger or consolidation in which the Corporation is not the surviving corporation, to exercise his Rights, in whole or in part without regard to the installment provisions contained in the first three (3) sentences of Article V(d) of the Plan. Each holder of Rights shall have the right (a) during the terms of a "Tender Offer", as to an option or SAR other than a limited SAR, or (b) during the thirty (30) days following a "Tender Offer", as to a

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limited SAR, to exercise such Rights in whole or in part without regard to the installment provisions contained in the first three sentences of Article V(d) of the Plan. For the purposes of this paragraph, a "Tender Offer" means a tender offer or exchange offer for shares of Capital Stock made by a person other than the Corporation.

To the extent that the foregoing adjustments relate to stock or securities of the Corporation, such adjustments shall be made by the Committee, whose determination in that respect shall be final, binding and conclusive, provided that each Right granted pursuant to the Plan shall not be adjusted in a manner which causes the option to fail to continue to qualify as an incentive stock option within the meaning of section 422A of the 1954 Internal Revenue Code.

Except as hereinbefore expressly provided in this Article V(i), the optionee shall have no rights by reason of any subdivision or consolidation of shares of stock of any class or the payment of any stock dividend or any

other increase or decrease in the number of shares of stock of any class or by any reason of any dissolution, liquidation, merger or consolidation or spin-off of assets or stock of another corporation, and any issue by the Corporation of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to the number or price of shares of Capital Stock subject to the Right.

The grant of any Right pursuant to the Plan shall not affect in any way the right or power of the Corporation to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge or to consolidate or to dissolve, liquidate or sell or transfer all or any part of its business or assets.

(j) Rights as a Stockholder.

An optionee or a transferee of an option shall have no rights as a stockholder with respect to any shares covered by his option until the date of the issuance of a stock certificate to him for such shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date such stock certificate is issued, except as provided in Article V(i) hereof.

(k) Modification, Extension and Renewal of Rights.

Subject to the terms and conditions and within the limitations of the Plan, the Board of Directors may modify, extend or renew outstanding Rights granted under the Plan, or accept the surrender of such outstanding Rights (to the extent not theretofore exercised) and authorize the granting of new Rights in substitution therefor (to the extent not theretofore exercised). The Board of Directors shall not, however, modify any outstanding Rights so as to specify a lower price or accept the surrender of outstanding options or rights and authorize the granting of new Rights in substitution therefor specifying a lower price. Notwithstanding the foregoing, however, no modification of any Rights shall, without the consent of the optionee, alter or impair any rights or obligations under any Rights theretofore granted under the Plan.

(l) Investment Purpose

Each option under the Plan shall be granted on the condition that he purchases of stock thereunder shall be for investment purposes, and not with a view to resale or distribution except that in the event the stock subject to such option is registered under the Securities Act of 1933, as amended, or in the event a resale of such stock without such registration would otherwise be permissible, such condition

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shall be inoperative if in the opinion of counsel for the Corporation such condition is not required under the Securities Act of 1933 or any other applicable law, regulation, or rule of any governmental agency.

(m) Other Provisions.

The option agreements authorized under the Plan shall contain such other provisions, including, without limitation, restrictions upon the exercise of the Rights, as the Committee and Board of Directors of the Corporation shall deem advisable. Any such option agreement shall contain such limitations and restrictions upon the exercise of the option as shall be necessary in order that such option will be an "incentive stock option" as defined in Section 422A of the Internal Revenue Code of 1954 or to conform to any change in the law.

ARTICLE VI

TERM OF PLAN

Rights may be granted pursuant to the Plan from time to time within a period of ten years from the date the Plan is adopted, or the date the Plan is approved by the Stockholders, whichever is earlier.

ARTICLE VII

INDEMNIFICATION OF COMMITTEE

In addition to such other rights of indemnification as they may have as distributors or members of the Committee, the members of the Committee shall be indemnified by the Corporation against the reasonable expenses, including attorneys' fees actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan or of any option granted

thereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Corporation) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee member is liable of negligence or misconduct in the performance of his duties; provided that within 60 days after institution of any such action, suit or proceedings, Committee member shall in writing offer, the Corporation the opportunity, at its own expense, to handle and defend the same.

ARTICLE VIII

AMENDMENT OF THE PLAN

The Board of Directors of the Corporation may, insofar as permitted by law, suspend or discontinue the Plan or revise or amend it in any respect whatsoever except that no amendment or discontinuance of the Plan by the Board of Directors of shareholders shall adversely affect, without the consent of the holder thereof, any outstanding stock option or right theretofore granted; and except that without the affirmative vote of the holders of a majority of the shares of the Corporation's Common Stock present or represented and entitled to vote at a meeting duly held, no revision or amendment shall change the number of shares subject to the Plan, change the designation of the class of employees eligible to receive options, decrease the price at which options may be granted, remove the administration of the Plan from the Committee, or render any member of the Committee eligible to receive an option under the Plan while

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servicing thereon. Furthermore, the Plan may not, without the approval of the stockholders, be amended in any manner that will cause options issued under it to fail to meet the requirements of incentive stock options as defined in Section 422A of the Internal Revenue Code of 1954, as amended.

ARTICLE IX

APPLICATION OF FUNDS

The proceeds received by the Corporation from the sale of Common Stock pursuant to options will be used for general corporate purposes.

ARTICLE X

NO OBLIGATION TO EXERCISE OPTION

The granting of an option shall impose no obligation upon the optionee to exercise such option.

ARTICLE XI

APPROVAL OF STOCKHOLDERS

The Plan shall become effective when it has received the approval of the holders of a majority of the Corporation's Common Stock present or represented, and entitled to vote at a duly called stockholders' meeting, which approval must occur within the period beginning twelve months before and ending twelve months after the date the Plan is adopted by the Board of Directors.

Date Plan adopted by Board of Directors: August 25, 1982

Date Plan approved by Stockholders: March 23, 1983

As amended by Board of Directors and
approved by Stockholders: March 26, 1986

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1983 INCENTIVE STOCK OPTION PLAN

FOR

FIRST NEW MEXICO BANKSHARE CORPORATION

ARTICLE 1

PURPOSE OF PLAN

This Incentive Stock Option Plan (the "Plan") is intended as an incentive and to encourage stock ownership by certain officers and key executive employees of First New Mexico Bankshare Corporation (the "Corporation") and its subsidiary corporations so that they may acquire or increase their proprietary interest in the success of the Corporation and Subsidiaries, and to encourage them to remain in the employ of the Corporation or the Subsidiaries. It is intended that this purpose be achieved through grants under the plan of options to purchase shares of the Corporation's Capital Stock and related stock appreciation Rights ("SARs") and limited SARs (such options, SARs and Limited SARs sometimes herein collectively referred to as "Rights"). It is further intended that options issued pursuant to this Plan shall constitute incentive stock options within the meaning of Section 422A of the Internal Revenue Code of 1954, as amended.

Participating subsidiaries shall be the subsidiaries of the Corporation that both qualify as a "subsidiary corporation" as defined in Section 425(f) of the Internal Revenue Code of 1954, as amended, and are designated from time to time by the Board of Directors as Participating Companies. Currently, Bankshare; Albuquerque National Bank; First National Bank in Raton; The Merchants Bank; The First National Bank of Rio Arriba; Security National Bank of Roswell; The Capital Bank; The Clovis National Bank; Grant County Bank; Valley Bank; Bank of Las Cruces, N.A.; and Southwest National Bank are participating companies under the Plan.

ARTICLE II

ADMINISTRATION

The Plan shall be administered by the Incentive Compensation Committee (the "Committee") appointed by the Board of Directors of the Corporation. The Committee shall consist of not less than three members of the Corporation's Board of Directors. The Board of Directors may from time to time remove members from, or add members to, the Committee. Vacancies on the Committee, howsoever caused, shall be filled by the Board of Directors. The Committee shall select one of its members as Chairman, and shall hold meeting at such times and places as it may determine. A majority of the Committee at which a quorum is present, or acts reduced to or approved in writing by a majority of the members of the Committee, shall be the valid acts of the Committee. The Committee shall from time to time at its discretion make recommendations to the Board of Directors with respect to the key executive employees who shall be granted Rights and the amount of Rights to be granted to each.

No director shall be designated as or continue to be a member of the Committee unless he shall at the time of designation and throughout his service be a "disinterested person". A "disinterested person" is one who is not at the time he exercises discretion in administering the Plan eligible and has not at any time within

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one year prior thereto been eligible for selection as a person to whom rights may be granted pursuant to the Plan or any other plan of the Corporation or any of its affiliates entitling the participants therein to acquire stock, stock options or stock appreciation rights of the Corporation or any of its affiliates, or one who otherwise satisfies the definition of "disinterested person" under SEC Rule 16b-3 under the Securities Exchange Act of 1934, as the same may be now or hereafter amended. The Board of Directors of the Corporation shall not act upon matters affecting or relating to the Plan unless a majority of the Board and a majority of those acting in the matter are disinterested persons.

The interpretation and construction by the Committee of any provisions of the Plan or of any option granted under it shall be final unless otherwise determined by the Board of Directors. No member of the Board of Directors or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any option granted under it.

ARTICLE III

ELIGIBILITY

The persons who shall be eligible to receive options shall be such key executive employees (including officers, whether or not they are Directors) of the Corporation or its Subsidiaries existing from time to time as the Board of Directors shall select from time to time from among those nominated by the Committee. An optionee may hold more than one option, but only on the terms and subject to the restrictions hereafter set forth. No person shall be eligible to receive an option for a larger number of shares than is recommended for him by the Committee.

ARTICLE IV

STOCK

The stock subject to the options shall be shares of the Corporation's authorized but unissued or reacquired common stock hereafter sometimes called Capital Stock. The aggregate number of shares which may be issued under options under this plan shall not exceed 100,000 shares of Capital Stock. The maximum number of shares which may be optioned in any one calendar year shall not exceed 25,000; provided, however, that any shares not optioned may be carried over and optioned in the following calendar year(s) in addition to the shares available in that calendar year. The number of shares with respect to which options may be granted to any individual under any and all options under this plan which are issued to him by the Corporation shall not exceed 10,000 shares. The aggregate fair market value (determined as of the time the option is granted) of the Capital Stock for which any employee may be granted Incentive Stock Options in any calendar year under the Plan and all such other plans of the Corporation and its Subsidiaries shall not exceed \$100,000 plus any unused limit carry-over to such year as defined under Section 422A of the Internal Revenue Code of 1954, as amended. The limitations established by this paragraph shall be subject to adjustment as provided in Article V(i) of the Plan.

In the event that any outstanding options under the Plan for any reason expires or is terminated, the shares of Capital Stock allocable to the unexercised portion of such option may again be subjected to an option under the Plan.

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ARTICLE V

TERMS AND CONDITIONS OF OPTIONS

Stock options granted pursuant to the Plan shall be authorized by the Board of Directors and shall be evidenced by agreements in such form as the Committee shall from time to time recommend and the Board of Directors shall from time to time approve, which agreements shall comply with and be subject to the following terms and conditions.

(a) Number of Shares

Each option shall state the number of shares to which it pertains.

(b) Option Price

Each option shall state the option price, which shall not be less than 100% of the fair market value of the shares of Capital Stock of the Corporation on the date of the granting of the option. If an individual owns stock possessing more than ten percent of the total combined voting power of all classes of stock of the Corporation or any of its parent or subsidiary corporations (hereinafter referred to as a "10 percent employee-stockholder"), the option price must be at least 110 percent of the fair market value of the stock on the date of the grant.

During such time as such stock is not listed upon an established stock exchange the fair market value per share shall be the mean between representative dealer "bid" and "ask" prices of the Capital Stock in the over-the-counter market on the day the option is granted, as quoted on the NATIONAL ASSOCIATION OF SECURITIES DEALERS AUTOMATED QUOTATIONS SERVICE (NASDAQ). If the stock is listed upon an established stock exchange or exchanges such fair market value shall be deemed to be the highest closing price of the Capital Stock on such stock exchange or exchanges on the date the option is granted or if no sales of the Corporation's Capital Stock shall have been made on any stock exchange on that day, on the next preceding day on which there was a sale of such stock. Subject to the foregoing the Board of Directors and the Committee in fixing the option price shall have full authority and discretion and be fully protected in doing so.

(c) Medium and Time of Payment

The option price shall be payable in United States dollars upon the exercise of the option and may be paid in cash or by check. Payment with previously acquired Capital Stock or with a combination of Capital Stock and cash is also allowable. Capital Stock used to satisfy the exercise price of an option shall be valued at the fair market value of such stock determined as of the date of the exercise in the manner specified in Article V(b) above.

(d) Term and Exercise of Option

No option shall be exercisable either in whole or in part prior to twenty-four months from the date it is granted. Subject to the right of cumulation provided in the last sentence of this subdivision each option shall be exercisable as to not more than one-half of the total number of shares covered thereby during each twelve month period commencing twenty-four months from the date of the granting of the option until all shares covered by the option shall become purchasable. The Committee may provide, however, for the exercise of options after the initial twenty-four month period, either as to an increased percentage of shares per year or as to all remaining shares, if the employee shall, with the approval of the Corporation, retire. No option shall be exercisable after the expiration of ten years from the date it is granted, but if it is granted to a more than 10 percent employee-shareholder, then the exercise

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period is reduced to 5 years. Not less than one hundred shares may be purchased at any one time unless the number purchased is the total number at the time purchasable under the option. During the lifetime of the optionee, the option shall be exercisable only by him and shall not be assignable or transferable by him and no other persons shall acquire any rights therein. To the extent not exercised, installments shall accumulate and be exercisable, in whole or in part, in any subsequent period but not later than ten years from the date the option is granted, or five years in the case of a 10 percent employee-shareholder.

(e) Stock-Appreciation Rights

(1) In General. A Stock Appreciation Right (SAR) is a right to surrender in whole or in part a stock option granted under this Plan (the "Related Option") in exchange for the payment of an amount equal to the number of shares of Capital Stock covered by the surrendered portion of the Related Option times the per share difference between the option price and the (fair market value of the Capital Stock) subject to the Related Option on the date of exercise of the SAR. The "payment" may be made in cash, in shares of Capital Stock or in a combination of the two. If shares of Capital Stock are used for payment, they will be valued at the fair market value of the Capital Stock at the date of the exercise of the SAR.

(2) Discretionary SAR's. The Board of Directors shall have the authority, upon the recommendation of the Committee, to grant SAR's in connection with a grant of any stock option under this plan upon such terms and conditions consistent with the provisions of this Plan as it may deem appropriate, subject to the following further limitations.

a. Unless the Board of Directors otherwise specifies, an SAR may only be granted with respect to an option at the time of the grant of the Related Option.

b. SAR's may only be exercised to the extent that the underlying option is exercisable, and only when the market price of the Capital Stock subject to the Related Option exceeds the exercise price of the related option.

c. Upon the exercise of a SAR, the Related Option shall be deemed to have been exercised to the extent of the shares of Capital Stock with respect to which the SAR is exercised so that such number of shares shall no longer be available for issuance pursuant to the Plan.

d. No SAR shall be transferable except by will or by the laws of descent and distribution. During the life of a holder of a SAR, the SAR shall be exercisable only by him.

e. To exercise an SAR, the holder shall (i) give written notice thereof to the Corporation in form satisfactory to the Committee addressed to the Secretary of the Corporation specifying the number of shares of Capital Stock with respect to which he is exercising the SAR, and (ii) if requested by the Corporation, deliver the agreements evidencing the rights being exercised to the Secretary of the Corporation who shall endorse

thereon a notation of such exercise and return the agreements to the holder thereof. The date of exercise of a SAR which is validly exercised shall be deemed to be the date on which the Corporation shall have received the instruments referred to in the immediately preceding sentence.

f. SAR's granted or held by Officers and Directors of the Corporation shall contain such further limitations as may be necessary to satisfy SEC Rule 16b-3 under the Securities Exchange Act of 1934, as now or hereafter amended.

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g. Any terms of the SAR not specifically described herein shall be set forth in the Option Agreement for the Related Option.

(3) Limited SAR's. Every holder of a stock option granted hereunder ("Related Option") who may be restricted from exercising the option and reselling the Capital Stock acquired thereunder within 6 months due to his being an "officer" or "director" of the Corporation within the meaning of Section 16(b) of the Securities Exchange Act of 1934 shall be deemed to have been granted at the date of the grant of the Related Option a limited SAR upon the following terms and conditions:

a. Such limited SAR shall be subject to all of the limitations specified in the Article V.(e)2.a. through Article V.(e)2.f. above.

b. The limited SAR may be exercised only during the period beginning on the first day following the date of expiration of any tender offer or exchange offer for shares of Capital Stock (other than one made by the Corporation), provided that shares of Capital Stock are acquired pursuant to such offer (the "Offer"), and ending on the 30th day following such date.

c. The limited SAR may only be exercised for cash.

d. The amount of the payment to be made upon the exercise of the limited SAR shall be an amount in cash equal to the product obtained by multiplying (i) the excess of (A) the "offer price per share of Capital Stock" (as hereinafter defined) over (B) the Option Price per share of Capital Stock under the Related Option by (ii) the number of shares of Capital Stock with respect to which such limited SAR is being exercised. The phrase "Offer Price per share of Capital Stock" shall mean with respect to the exercise of any limited SAR, the highest price per share of Capital Stock paid in any Offer which Offer is in effect at any time during the period beginning on the 60th day prior to the date on which such limited SAR is exercised. Any securities or property which are a part or all of the consideration paid for shares of Capital Stock in the Offer shall be valued in determining the Offer Price per share of Capital Stock at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity making such Offer, or (B) the valuation placed on such securities or property by the Committee.

(f) Prior Outstanding Option.

No option (for purposes of this Article V(f) called New Option) shall be exercisable while there is outstanding any incentive stock option (as defined in Section 422A of the 1954 Internal Revenue Code, as amended, which incentive stock option was granted, before the granting of the New Option, to the person to whom the New Option is granted, to purchase stock in the Corporation or in a corporation which, at the time the New Option is granted, is a parent or subsidiary corporation (as those terms are defined in Section 425 of the 1954 Internal Revenue Code, as amended) of the Corporation, or is a predecessor corporation of the Corporation or such parent of subsidiary corporation.

(g) Termination of Employment Except Death

In the event that an optionee shall cease to be employed by the Corporation or Subsidiaries for any reason other than his death and shall be no longer in the employ of any of them, subject to the condition that no option shall be exercised after the expiration of ten years from the date it is granted, and five years in the case of a ten percent employee-shareholder, such optionee shall have the right to exercise the Rights at any time within three months after such termination of employment or twelve months if disabled, to the extent that his right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan and had not previously been

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exercised at the date of such termination. Whether authorized leave of absence or absence for military or governmental service shall constitute termination of employment, for the purposes of the Plan, shall be determined by the Committee, which determination, unless overruled by the Board of Directors, shall be final and conclusive.

(h) Death of Optionee and Transfer of Option. If the optionee shall die while in the employ of the Corporation or a Subsidiary or within a period of three months after the termination of his employment with the Corporation and all Subsidiaries and shall not have fully exercised the option, the Rights may be exercised subject to the condition that no option shall be exercisable after the expiration of ten years from the date it is granted and five years in the case of a ten percent employee-shareholder, to the extent that the optionee's right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan at the time of his death and had not previously been exercised, at any time within one year after the optionee's death, by the executors or administrators of the optionee or by any person or persons who shall have acquired the option directly from the optionee by bequest or inheritance.

No option or right shall be transferable by the optionee otherwise than by will or the laws of descent and distribution.

(i) Recapitalization.

If the Corporation shall at any time increase or decrease the number of its outstanding shares of Capital Stock or change in any way the rights and privileges of such shares by means of the payment of a stock dividend, or the making of any other distribution upon such shares payable in Capital Stock, or through a Capital Stock split or subdivision of shares, or a consolidation or combination of shares, or through a reclassification or recapitalization involving the Capital Stock, then the numbers, rights and privileges of the following shall be increased, decreased or changed in like manner as if they had been issued and outstanding, fully paid and nonassessable at the time of such occurrence:

(a) The shares of Capital Stock on which Rights may be granted under the Plan:

(b) The maximum number of shares of Capital Stock with respect to which an employee may receive a Right hereunder; and

(c) The shares of Capital Stock then included in each outstanding Right granted hereunder.

Subject to any required action by the stockholders, if the Corporation shall be the surviving corporation in any merger or consolidation, each outstanding Right shall pertain to and apply to the securities to which a holder of the number of shares of Capital Stock subject to the Right would have been entitled.

A dissolution or liquidation of the Corporation or a merger or consolidation in which the Corporation is not the surviving corporation, shall cause each outstanding Right to terminate, provided that each optionee shall, in such event, have the right immediately prior to such dissolution or liquidation, or merger or consolidation in which the Corporation is not the surviving corporation, to exercise his Rights, in whole or in part without regard to the installment provisions contained in the first three (3) sentences of Article V(d) of the Plan. Each holder of Rights shall have the right (a) during the terms of a "Tender Offer", as to an option or SAR other than a limited SAR, or (b) during the thirty (30) days following a "Tender Offer", as to a

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limited SAR, to exercise such Rights in whole or in part without regard to the installment provisions contained in the first three sentences of Article V(d) of the Plan. For the purposes of this paragraph, a "Tender Offer" means a tender offer or exchange offer for shares of Capital Stock made by a person other than the Corporation.

To the extent that the foregoing adjustments relate to stock or securities of the Corporation, such adjustments shall be made by the Committee, whose determination in that respect shall be final, binding and conclusive, provided that each Right granted pursuant to the Plan shall not be adjusted in a manner which causes the option to fail to continue to qualify as an incentive stock option within the meaning of section 422A of the 1954 Internal Revenue Code.

Except as hereinbefore expressly provided in this Article V(i), the optionee shall have no rights by reason of any subdivision or consolidation of shares of stock of any class or the payment of any stock dividend or any

other increase or decrease in the number of shares of stock of any class or by any reason of any dissolution, liquidation, merger or consolidation or spin-off of assets or stock of another corporation, and any issue by the Corporation of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to the number or price of shares of Capital Stock subject to the Right.

The grant of any Right pursuant to the Plan shall not affect in any way the right or power of the Corporation to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge or to consolidate or to dissolve, liquidate or sell or transfer all or any part of its business or assets.

(j) Rights as a Stockholder.

An optionee or a transferee of an option shall have no rights as a stockholder with respect to any shares covered by his option until the date of the issuance of a stock certificate to him for such shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date such stock certificate is issued, except as provided in Article V(i) hereof.

(k) Modification, Extension and Renewal of Rights.

Subject to the terms and conditions and within the limitations of the Plan, the Board of Directors may modify, extend or renew outstanding Rights granted under the Plan, or accept the surrender of such outstanding Rights (to the extent not theretofore exercised) and authorize the granting of new Rights in substitution therefor (to the extent not theretofore exercised). The Board of Directors shall not, however, modify any outstanding Rights so as to specify a lower price or accept the surrender of outstanding options or rights and authorize the granting of new Rights in substitution therefor specifying a lower price. Notwithstanding the foregoing, however, no modification of any Rights shall, without the consent of the optionee, alter or impair any rights or obligations under any Rights theretofore granted under the Plan.

(l) Investment Purpose

Each option under the Plan shall be granted on the condition that he purchases of stock thereunder shall be for investment purposes, and not with a view to resale or distribution except that in the event the stock subject to such option is registered under the Securities Act of 1933, as amended, or in the event a resale of such stock without such registration would otherwise be permissible, such condition

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shall be inoperative if in the opinion of counsel for the Corporation such condition is not required under the Securities Act of 1933 or any other applicable law, regulation, or rule of any governmental agency.

(m) Other Provisions.

The option agreements authorized under the Plan shall contain such other provisions, including, without limitation, restrictions upon the exercise of the Rights, as the Committee and Board of Directors of the Corporation shall deem advisable. Any such option agreement shall contain such limitations and restrictions upon the exercise of the option as shall be necessary in order that such option will be an "incentive stock option" as defined in Section 422A of the Internal Revenue Code of 1954 or to conform to any change in the law.

ARTICLE VI

TERM OF PLAN

Rights may be granted pursuant to the Plan from time to time within a period of ten years from the date the Plan is adopted, or the date the Plan is approved by the Stockholders, whichever is earlier.

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In addition to such other rights of indemnification as they may have as distributors or members of the Committee, the members of the Committee shall be indemnified by the Corporation against the reasonable expenses, including attorneys' fees actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan or of any option granted

thereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Corporation) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee member is liable of negligence or misconduct in the performance of his duties; provided that within 60 days after institution of any such action, suit or proceedings, Committee member shall in writing offer, the Corporation the opportunity, at its own expense, to handle and defend the same.

ARTICLE VIII

AMENDMENT OF THE PLAN

The Board of Directors of the Corporation may, insofar as permitted by law, suspend or discontinue the Plan or revise or amend it in any respect whatsoever except that no amendment or discontinuance of the Plan by the Board of Directors of shareholders shall adversely affect, without the consent of the holder thereof, any outstanding stock option or right theretofore granted; and except that without the affirmative vote of the holders of a majority of the shares of the Corporation's Common Stock present or represented and entitled to vote at a meeting duly held, no revision or amendment shall change the number of shares subject to the Plan, change the designation of the class of employees eligible to receive options, decrease the price at which options may be granted, remove the administration of the Plan from the Committee, or render any member of the Committee eligible to receive an option under the Plan while

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servicing thereon. Furthermore, the Plan may not, without the approval of the stockholders, be amended in any manner that will cause options issued under it to fail to meet the requirements of incentive stock options as defined in Section 422A of the Internal Revenue Code of 1954, as amended.

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The proceeds received by the Corporation from the sale of Common Stock pursuant to options will be used for general corporate purposes.

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The granting of an option shall impose no obligation upon the optionee to exercise such option.

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APPROVAL OF STOCKHOLDERS

The Plan shall become effective when it has received the approval of the holders of a majority of the Corporation's Common Stock present or represented, and entitled to vote at a duly called stockholders' meeting, which approval must occur within the period beginning twelve months before and ending twelve months after the date the Plan is adopted by the Board of Directors.

Date Plan adopted by Board of Directors: August 25, 1982

Date Plan approved by Stockholders: March 23, 1983

As amended by Board of Directors and
approved by Stockholders: March 26, 1986

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1983 INCENTIVE STOCK OPTION PLAN

FOR

FIRST NEW MEXICO BANKSHARE CORPORATION

ARTICLE 1

PURPOSE OF PLAN

This Incentive Stock Option Plan (the "Plan") is intended as an incentive and to encourage stock ownership by certain officers and key executive employees of First New Mexico Bankshare Corporation (the "Corporation") and its subsidiary corporations so that they may acquire or increase their proprietary interest in the success of the Corporation and Subsidiaries, and to encourage them to remain in the employ of the Corporation or the Subsidiaries. It is intended that this purpose be achieved through grants under the plan of options to purchase shares of the Corporation's Capital Stock and related stock appreciation Rights ("SARs") and limited SARs (such options, SARs and Limited SARs sometimes herein collectively referred to as "Rights"). It is further intended that options issued pursuant to this Plan shall constitute incentive stock options within the meaning of Section 422A of the Internal Revenue Code of 1954, as amended.

Participating subsidiaries shall be the subsidiaries of the Corporation that both qualify as a "subsidiary corporation" as defined in Section 425(f) of the Internal Revenue Code of 1954, as amended, and are designated from time to time by the Board of Directors as Participating Companies. Currently, Bankshare; Albuquerque National Bank; First National Bank in Raton; The Merchants Bank; The First National Bank of Rio Arriba; Security National Bank of Roswell; The Capital Bank; The Clovis National Bank; Grant County Bank; Valley Bank; Bank of Las Cruces, N.A.; and Southwest National Bank are participating companies under the Plan.

ARTICLE II

ADMINISTRATION

The Plan shall be administered by the Incentive Compensation Committee (the "Committee") appointed by the Board of Directors of the Corporation. The Committee shall consist of not less than three members of the Corporation's Board of Directors. The Board of Directors may from time to time remove members from, or add members to, the Committee. Vacancies on the Committee, howsoever caused, shall be filled by the Board of Directors. The Committee shall select one of its members as Chairman, and shall hold meeting at such times and places as it may determine. A majority of the Committee at which a quorum is present, or acts reduced to or approved in writing by a majority of the members of the Committee, shall be the valid acts of the Committee. The Committee shall from time to time at its discretion make recommendations to the Board of Directors with respect to the key executive employees who shall be granted Rights and the amount of Rights to be granted to each.

No director shall be designated as or continue to be a member of the Committee unless he shall at the time of designation and throughout his service be a "disinterested person". A "disinterested person" is one who is not at the time he exercises discretion in administering the Plan eligible and has not at any time within

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one year prior thereto been eligible for selection as a person to whom rights may be granted pursuant to the Plan or any other plan of the Corporation or any of its affiliates entitling the participants therein to acquire stock, stock options or stock appreciation rights of the Corporation or any of its affiliates, or one who otherwise satisfies the definition of "disinterested person" under SEC Rule 16b-3 under the Securities Exchange Act of 1934, as the same may be now or hereafter amended. The Board of Directors of the Corporation shall not act upon matters affecting or relating to the Plan unless a majority of the Board and a majority of those acting in the matter are disinterested persons.

The interpretation and construction by the Committee of any provisions of the Plan or of any option granted under it shall be final unless otherwise determined by the Board of Directors. No member of the Board of Directors or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any option granted under it.

ARTICLE III

ELIGIBILITY

The persons who shall be eligible to receive options shall be such key executive employees (including officers, whether or not they are Directors) of the Corporation or its Subsidiaries existing from time to time as the Board of Directors shall select from time to time from among those nominated by the Committee. An optionee may hold more than one option, but only on the terms and subject to the restrictions hereafter set forth. No person shall be eligible to receive an option for a larger number of shares than is recommended for him by the Committee.

ARTICLE IV

STOCK

The stock subject to the options shall be shares of the Corporation's authorized but unissued or reacquired common stock hereafter sometimes called Capital Stock. The aggregate number of shares which may be issued under options under this plan shall not exceed 100,000 shares of Capital Stock. The maximum number of shares which may be optioned in any one calendar year shall not exceed 25,000; provided, however, that any shares not optioned may be carried over and optioned in the following calendar year(s) in addition to the shares available in that calendar year. The number of shares with respect to which options may be granted to any individual under any and all options under this plan which are issued to him by the Corporation shall not exceed 10,000 shares. The aggregate fair market value (determined as of the time the option is granted) of the Capital Stock for which any employee may be granted Incentive Stock Options in any calendar year under the Plan and all such other plans of the Corporation and its Subsidiaries shall not exceed \$100,000 plus any unused limit carry-over to such year as defined under Section 422A of the Internal Revenue Code of 1954, as amended. The limitations established by this paragraph shall be subject to adjustment as provided in Article V(i) of the Plan.

In the event that any outstanding options under the Plan for any reason expires or is terminated, the shares of Capital Stock allocable to the unexercised portion of such option may again be subjected to an option under the Plan.

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ARTICLE V

TERMS AND CONDITIONS OF OPTIONS

Stock options granted pursuant to the Plan shall be authorized by the Board of Directors and shall be evidenced by agreements in such form as the Committee shall from time to time recommend and the Board of Directors shall from time to time approve, which agreements shall comply with and be subject to the following terms and conditions.

(a) Number of Shares

Each option shall state the number of shares to which it pertains.

(b) Option Price

Each option shall state the option price, which shall not be less than 100% of the fair market value of the shares of Capital Stock of the Corporation on the date of the granting of the option. If an individual owns stock possessing more than ten percent of the total combined voting power of all classes of stock of the Corporation or any of its parent or subsidiary corporations (hereinafter referred to as a "10 percent employee-stockholder"), the option price must be at least 110 percent of the fair market value of the stock on the date of the grant.

During such time as such stock is not listed upon an established stock exchange the fair market value per share shall be the mean between representative dealer "bid" and "ask" prices of the Capital Stock in the over-the-counter market on the day the option is granted, as quoted on the NATIONAL ASSOCIATION OF SECURITIES DEALERS AUTOMATED QUOTATIONS SERVICE (NASDAQ). If the stock is listed upon an established stock exchange or exchanges such fair market value shall be deemed to be the highest closing price of the Capital Stock on such stock exchange or exchanges on the date the option is granted or if no sales of the Corporation's Capital Stock shall have been made on any stock exchange on that day, on the next preceding day on which there was a sale of such stock. Subject to the foregoing the Board of Directors and the Committee in fixing the option price shall have full authority and discretion and be fully protected in doing so.

(c) Medium and Time of Payment

The option price shall be payable in United States dollars upon the exercise of the option and may be paid in cash or by check. Payment with previously acquired Capital Stock or with a combination of Capital Stock and cash is also allowable. Capital Stock used to satisfy the exercise price of an option shall be valued at the fair market value of such stock determined as of the date of the exercise in the manner specified in Article V(b) above.

(d) Term and Exercise of Option

No option shall be exercisable either in whole or in part prior to twenty-four months from the date it is granted. Subject to the right of cumulation provided in the last sentence of this subdivision each option shall be exercisable as to not more than one-half of the total number of shares covered thereby during each twelve month period commencing twenty-four months from the date of the granting of the option until all shares covered by the option shall become purchasable. The Committee may provide, however, for the exercise of options after the initial twenty-four month period, either as to an increased percentage of shares per year or as to all remaining shares, if the employee shall, with the approval of the Corporation, retire. No option shall be exercisable after the expiration of ten years from the date it is granted, but if it is granted to a more than 10 percent employee-shareholder, then the exercise

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period is reduced to 5 years. Not less than one hundred shares may be purchased at any one time unless the number purchased is the total number at the time purchasable under the option. During the lifetime of the optionee, the option shall be exercisable only by him and shall not be assignable or transferable by him and no other persons shall acquire any rights therein. To the extent not exercised, installments shall accumulate and be exercisable, in whole or in part, in any subsequent period but not later than ten years from the date the option is granted, or five years in the case of a 10 percent employee-shareholder.

(e) Stock-Appreciation Rights

(1) In General. A Stock Appreciation Right (SAR) is a right to surrender in whole or in part a stock option granted under this Plan (the "Related Option") in exchange for the payment of an amount equal to the number of shares of Capital Stock covered by the surrendered portion of the Related Option times the per share difference between the option price and the (fair market value of the Capital Stock) subject to the Related Option on the date of exercise of the SAR. The "payment" may be made in cash, in shares of Capital Stock or in a combination of the two. If shares of Capital Stock are used for payment, they will be valued at the fair market value of the Capital Stock at the date of the exercise of the SAR.

(2) Discretionary SAR's. The Board of Directors shall have the authority, upon the recommendation of the Committee, to grant SAR's in connection with a grant of any stock option under this plan upon such terms and conditions consistent with the provisions of this Plan as it may deem appropriate, subject to the following further limitations.

a. Unless the Board of Directors otherwise specifies, an SAR may only be granted with respect to an option at the time of the grant of the Related Option.

b. SAR's may only be exercised to the extent that the underlying option is exercisable, and only when the market price of the Capital Stock subject to the Related Option exceeds the exercise price of the related option.

c. Upon the exercise of a SAR, the Related Option shall be deemed to have been exercised to the extent of the shares of Capital Stock with respect to which the SAR is exercised so that such number of shares shall no longer be available for issuance pursuant to the Plan.

d. No SAR shall be transferable except by will or by the laws of descent and distribution. During the life of a holder of a SAR, the SAR shall be exercisable only by him.

e. To exercise an SAR, the holder shall (i) give written notice thereof to the Corporation in form satisfactory to the Committee addressed to the Secretary of the Corporation specifying the number of shares of Capital Stock with respect to which he is exercising the SAR, and (ii) if requested by the Corporation, deliver the agreements evidencing the rights being exercised to the Secretary of the Corporation who shall endorse

thereon a notation of such exercise and return the agreements to the holder thereof. The date of exercise of a SAR which is validly exercised shall be deemed to be the date on which the Corporation shall have received the instruments referred to in the immediately preceding sentence.

f. SAR's granted or held by Officers and Directors of the Corporation shall contain such further limitations as may be necessary to satisfy SEC Rule 16b-3 under the Securities Exchange Act of 1934, as now or hereafter amended.

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g. Any terms of the SAR not specifically described herein shall be set forth in the Option Agreement for the Related Option.

(3) Limited SAR's. Every holder of a stock option granted hereunder ("Related Option") who may be restricted from exercising the option and reselling the Capital Stock acquired thereunder within 6 months due to his being an "officer" or "director" of the Corporation within the meaning of Section 16(b) of the Securities Exchange Act of 1934 shall be deemed to have been granted at the date of the grant of the Related Option a limited SAR upon the following terms and conditions:

a. Such limited SAR shall be subject to all of the limitations specified in the Article V.(e)2.a. through Article V.(e)2.f. above.

b. The limited SAR may be exercised only during the period beginning on the first day following the date of expiration of any tender offer or exchange offer for shares of Capital Stock (other than one made by the Corporation), provided that shares of Capital Stock are acquired pursuant to such offer (the "Offer"), and ending on the 30th day following such date.

c. The limited SAR may only be exercised for cash.

d. The amount of the payment to be made upon the exercise of the limited SAR shall be an amount in cash equal to the product obtained by multiplying (i) the excess of (A) the "offer price per share of Capital Stock" (as hereinafter defined) over (B) the Option Price per share of Capital Stock under the Related Option by (ii) the number of shares of Capital Stock with respect to which such limited SAR is being exercised. The phrase "Offer Price per share of Capital Stock" shall mean with respect to the exercise of any limited SAR, the highest price per share of Capital Stock paid in any Offer which Offer is in effect at any time during the period beginning on the 60th day prior to the date on which such limited SAR is exercised. Any securities or property which are a part or all of the consideration paid for shares of Capital Stock in the Offer shall be valued in determining the Offer Price per share of Capital Stock at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity making such Offer, or (B) the valuation placed on such securities or property by the Committee.

(f) Prior Outstanding Option.

No option (for purposes of this Article V(f) called New Option) shall be exercisable while there is outstanding any incentive stock option (as defined in Section 422A of the 1954 Internal Revenue Code, as amended, which incentive stock option was granted, before the granting of the New Option, to the person to whom the New Option is granted, to purchase stock in the Corporation or in a corporation which, at the time the New Option is granted, is a parent or subsidiary corporation (as those terms are defined in Section 425 of the 1954 Internal Revenue Code, as amended) of the Corporation, or is a predecessor corporation of the Corporation or such parent of subsidiary corporation.

(g) Termination of Employment Except Death

In the event that an optionee shall cease to be employed by the Corporation or Subsidiaries for any reason other than his death and shall be no longer in the employ of any of them, subject to the condition that no option shall be exercised after the expiration of ten years from the date it is granted, and five years in the case of a ten percent employee-shareholder, such optionee shall have the right to exercise the Rights at any time within three months after such termination of employment or twelve months if disabled, to the extent that his right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan and had not previously been

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exercised at the date of such termination. Whether authorized leave of absence or absence for military or governmental service shall constitute termination of employment, for the purposes of the Plan, shall be determined by the Committee, which determination, unless overruled by the Board of Directors, shall be final and conclusive.

(h) Death of Optionee and Transfer of Option. If the optionee shall die while in the employ of the Corporation or a Subsidiary or within a period of three months after the termination of his employment with the Corporation and all Subsidiaries and shall not have fully exercised the option, the Rights may be exercised subject to the condition that no option shall be exercisable after the expiration of ten years from the date it is granted and five years in the case of a ten percent employee-shareholder, to the extent that the optionee's right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan at the time of his death and had not previously been exercised, at any time within one year after the optionee's death, by the executors or administrators of the optionee or by any person or persons who shall have acquired the option directly from the optionee by bequest or inheritance.

No option or right shall be transferable by the optionee otherwise than by will or the laws of descent and distribution.

(i) Recapitalization.

If the Corporation shall at any time increase or decrease the number of its outstanding shares of Capital Stock or change in any way the rights and privileges of such shares by means of the payment of a stock dividend, or the making of any other distribution upon such shares payable in Capital Stock, or through a Capital Stock split or subdivision of shares, or a consolidation or combination of shares, or through a reclassification or recapitalization involving the Capital Stock, then the numbers, rights and privileges of the following shall be increased, decreased or changed in like manner as if they had been issued and outstanding, fully paid and nonassessable at the time of such occurrence:

(a) The shares of Capital Stock on which Rights may be granted under the Plan:

(b) The maximum number of shares of Capital Stock with respect to which an employee may receive a Right hereunder; and

(c) The shares of Capital Stock then included in each outstanding Right granted hereunder.

Subject to any required action by the stockholders, if the Corporation shall be the surviving corporation in any merger or consolidation, each outstanding Right shall pertain to and apply to the securities to which a holder of the number of shares of Capital Stock subject to the Right would have been entitled.

A dissolution or liquidation of the Corporation or a merger or consolidation in which the Corporation is not the surviving corporation, shall cause each outstanding Right to terminate, provided that each optionee shall, in such event, have the right immediately prior to such dissolution or liquidation, or merger or consolidation in which the Corporation is not the surviving corporation, to exercise his Rights, in whole or in part without regard to the installment provisions contained in the first three (3) sentences of Article V(d) of the Plan. Each holder of Rights shall have the right (a) during the terms of a "Tender Offer", as to an option or SAR other than a limited SAR, or (b) during the thirty (30) days following a "Tender Offer", as to a

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limited SAR, to exercise such Rights in whole or in part without regard to the installment provisions contained in the first three sentences of Article V(d) of the Plan. For the purposes of this paragraph, a "Tender Offer" means a tender offer or exchange offer for shares of Capital Stock made by a person other than the Corporation.

To the extent that the foregoing adjustments relate to stock or securities of the Corporation, such adjustments shall be made by the Committee, whose determination in that respect shall be final, binding and conclusive, provided that each Right granted pursuant to the Plan shall not be adjusted in a manner which causes the option to fail to continue to qualify as an incentive stock option within the meaning of section 422A of the 1954 Internal Revenue Code.

Except as hereinbefore expressly provided in this Article V(i), the optionee shall have no rights by reason of any subdivision or consolidation of shares of stock of any class or the payment of any stock dividend or any

other increase or decrease in the number of shares of stock of any class or by any reason of any dissolution, liquidation, merger or consolidation or spin-off of assets or stock of another corporation, and any issue by the Corporation of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to the number or price of shares of Capital Stock subject to the Right.

The grant of any Right pursuant to the Plan shall not affect in any way the right or power of the Corporation to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge or to consolidate or to dissolve, liquidate or sell or transfer all or any part of its business or assets.

(j) Rights as a Stockholder.

An optionee or a transferee of an option shall have no rights as a stockholder with respect to any shares covered by his option until the date of the issuance of a stock certificate to him for such shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date such stock certificate is issued, except as provided in Article V(i) hereof.

(k) Modification, Extension and Renewal of Rights.

Subject to the terms and conditions and within the limitations of the Plan, the Board of Directors may modify, extend or renew outstanding Rights granted under the Plan, or accept the surrender of such outstanding Rights (to the extent not theretofore exercised) and authorize the granting of new Rights in substitution therefor (to the extent not theretofore exercised). The Board of Directors shall not, however, modify any outstanding Rights so as to specify a lower price or accept the surrender of outstanding options or rights and authorize the granting of new Rights in substitution therefor specifying a lower price. Notwithstanding the foregoing, however, no modification of any Rights shall, without the consent of the optionee, alter or impair any rights or obligations under any Rights theretofore granted under the Plan.

(l) Investment Purpose

Each option under the Plan shall be granted on the condition that he purchases of stock thereunder shall be for investment purposes, and not with a view to resale or distribution except that in the event the stock subject to such option is registered under the Securities Act of 1933, as amended, or in the event a resale of such stock without such registration would otherwise be permissible, such condition

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shall be inoperative if in the opinion of counsel for the Corporation such condition is not required under the Securities Act of 1933 or any other applicable law, regulation, or rule of any governmental agency.

(m) Other Provisions.

The option agreements authorized under the Plan shall contain such other provisions, including, without limitation, restrictions upon the exercise of the Rights, as the Committee and Board of Directors of the Corporation shall deem advisable. Any such option agreement shall contain such limitations and restrictions upon the exercise of the option as shall be necessary in order that such option will be an "incentive stock option" as defined in Section 422A of the Internal Revenue Code of 1954 or to conform to any change in the law.

ARTICLE VI

TERM OF PLAN

Rights may be granted pursuant to the Plan from time to time within a period of ten years from the date the Plan is adopted, or the date the Plan is approved by the Stockholders, whichever is earlier.

ARTICLE VII

INDEMNIFICATION OF COMMITTEE

In addition to such other rights of indemnification as they may have as distributors or members of the Committee, the members of the Committee shall be indemnified by the Corporation against the reasonable expenses, including attorneys' fees actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan or of any option granted

thereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Corporation) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee member is liable of negligence or misconduct in the performance of his duties; provided that within 60 days after institution of any such action, suit or proceedings, Committee member shall in writing offer, the Corporation the opportunity, at its own expense, to handle and defend the same.

ARTICLE VIII

AMENDMENT OF THE PLAN

The Board of Directors of the Corporation may, insofar as permitted by law, suspend or discontinue the Plan or revise or amend it in any respect whatsoever except that no amendment or discontinuance of the Plan by the Board of Directors of shareholders shall adversely affect, without the consent of the holder thereof, any outstanding stock option or right theretofore granted; and except that without the affirmative vote of the holders of a majority of the shares of the Corporation's Common Stock present or represented and entitled to vote at a meeting duly held, no revision or amendment shall change the number of shares subject to the Plan, change the designation of the class of employees eligible to receive options, decrease the price at which options may be granted, remove the administration of the Plan from the Committee, or render any member of the Committee eligible to receive an option under the Plan while

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servicing thereon. Furthermore, the Plan may not, without the approval of the stockholders, be amended in any manner that will cause options issued under it to fail to meet the requirements of incentive stock options as defined in Section 422A of the Internal Revenue Code of 1954, as amended.

ARTICLE IX

APPLICATION OF FUNDS

The proceeds received by the Corporation from the sale of Common Stock pursuant to options will be used for general corporate purposes.

ARTICLE X

NO OBLIGATION TO EXERCISE OPTION

The granting of an option shall impose no obligation upon the optionee to exercise such option.

ARTICLE XI

APPROVAL OF STOCKHOLDERS

The Plan shall become effective when it has received the approval of the holders of a majority of the Corporation's Common Stock present or represented, and entitled to vote at a duly called stockholders' meeting, which approval must occur within the period beginning twelve months before and ending twelve months after the date the Plan is adopted by the Board of Directors.

Date Plan adopted by Board of Directors: August 25, 1982

Date Plan approved by Stockholders: March 23, 1983

As amended by Board of Directors and
approved by Stockholders: March 26, 1986

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1983 INCENTIVE STOCK OPTION PLAN

FOR

FIRST NEW MEXICO BANKSHARE CORPORATION

ARTICLE 1

PURPOSE OF PLAN

This Incentive Stock Option Plan (the "Plan") is intended as an incentive and to encourage stock ownership by certain officers and key executive employees of First New Mexico Bankshare Corporation (the "Corporation") and its subsidiary corporations so that they may acquire or increase their proprietary interest in the success of the Corporation and Subsidiaries, and to encourage them to remain in the employ of the Corporation or the Subsidiaries. It is intended that this purpose be achieved through grants under the plan of options to purchase shares of the Corporation's Capital Stock and related stock appreciation Rights ("SARs") and limited SARs (such options, SARs and Limited SARs sometimes herein collectively referred to as "Rights"). It is further intended that options issued pursuant to this Plan shall constitute incentive stock options within the meaning of Section 422A of the Internal Revenue Code of 1954, as amended.

Participating subsidiaries shall be the subsidiaries of the Corporation that both qualify as a "subsidiary corporation" as defined in Section 425(f) of the Internal Revenue Code of 1954, as amended, and are designated from time to time by the Board of Directors as Participating Companies. Currently, Bankshare; Albuquerque National Bank; First National Bank in Raton; The Merchants Bank; The First National Bank of Rio Arriba; Security National Bank of Roswell; The Capital Bank; The Clovis National Bank; Grant County Bank; Valley Bank; Bank of Las Cruces, N.A.; and Southwest National Bank are participating companies under the Plan.

ARTICLE II

ADMINISTRATION

The Plan shall be administered by the Incentive Compensation Committee (the "Committee") appointed by the Board of Directors of the Corporation. The Committee shall consist of not less than three members of the Corporation's Board of Directors. The Board of Directors may from time to time remove members from, or add members to, the Committee. Vacancies on the Committee, howsoever caused, shall be filled by the Board of Directors. The Committee shall select one of its members as Chairman, and shall hold meeting at such times and places as it may determine. A majority of the Committee at which a quorum is present, or acts reduced to or approved in writing by a majority of the members of the Committee, shall be the valid acts of the Committee. The Committee shall from time to time at its discretion make recommendations to the Board of Directors with respect to the key executive employees who shall be granted Rights and the amount of Rights to be granted to each.

No director shall be designated as or continue to be a member of the Committee unless he shall at the time of designation and throughout his service be a "disinterested person". A "disinterested person" is one who is not at the time he exercises discretion in administering the Plan eligible and has not at any time within

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one year prior thereto been eligible for selection as a person to whom rights may be granted pursuant to the Plan or any other plan of the Corporation or any of its affiliates entitling the participants therein to acquire stock, stock options or stock appreciation rights of the Corporation or any of its affiliates, or one who otherwise satisfies the definition of "disinterested person" under SEC Rule 16b-3 under the Securities Exchange Act of 1934, as the same may be now or hereafter amended. The Board of Directors of the Corporation shall not act upon matters affecting or relating to the Plan unless a majority of the Board and a majority of those acting in the matter are disinterested persons.

The interpretation and construction by the Committee of any provisions of the Plan or of any option granted under it shall be final unless otherwise determined by the Board of Directors. No member of the Board of Directors or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any option granted under it.

ARTICLE III

ELIGIBILITY

The persons who shall be eligible to receive options shall be such key executive employees (including officers, whether or not they are Directors) of the Corporation or its Subsidiaries existing from time to time as the Board of Directors shall select from time to time from among those nominated by the Committee. An optionee may hold more than one option, but only on the terms and subject to the restrictions hereafter set forth. No person shall be eligible to receive an option for a larger number of shares than is recommended for him by the Committee.

ARTICLE IV

STOCK

The stock subject to the options shall be shares of the Corporation's authorized but unissued or reacquired common stock hereafter sometimes called Capital Stock. The aggregate number of shares which may be issued under options under this plan shall not exceed 100,000 shares of Capital Stock. The maximum number of shares which may be optioned in any one calendar year shall not exceed 25,000; provided, however, that any shares not optioned may be carried over and optioned in the following calendar year(s) in addition to the shares available in that calendar year. The number of shares with respect to which options may be granted to any individual under any and all options under this plan which are issued to him by the Corporation shall not exceed 10,000 shares. The aggregate fair market value (determined as of the time the option is granted) of the Capital Stock for which any employee may be granted Incentive Stock Options in any calendar year under the Plan and all such other plans of the Corporation and its Subsidiaries shall not exceed \$100,000 plus any unused limit carry-over to such year as defined under Section 422A of the Internal Revenue Code of 1954, as amended. The limitations established by this paragraph shall be subject to adjustment as provided in Article V(i) of the Plan.

In the event that any outstanding options under the Plan for any reason expires or is terminated, the shares of Capital Stock allocable to the unexercised portion of such option may again be subjected to an option under the Plan.

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ARTICLE V

TERMS AND CONDITIONS OF OPTIONS

Stock options granted pursuant to the Plan shall be authorized by the Board of Directors and shall be evidenced by agreements in such form as the Committee shall from time to time recommend and the Board of Directors shall from time to time approve, which agreements shall comply with and be subject to the following terms and conditions.

(a) Number of Shares

Each option shall state the number of shares to which it pertains.

(b) Option Price

Each option shall state the option price, which shall not be less than 100% of the fair market value of the shares of Capital Stock of the Corporation on the date of the granting of the option. If an individual owns stock possessing more than ten percent of the total combined voting power of all classes of stock of the Corporation or any of its parent or subsidiary corporations (hereinafter referred to as a "10 percent employee-stockholder"), the option price must be at least 110 percent of the fair market value of the stock on the date of the grant.

During such time as such stock is not listed upon an established stock exchange the fair market value per share shall be the mean between representative dealer "bid" and "ask" prices of the Capital Stock in the over-the-counter market on the day the option is granted, as quoted on the NATIONAL ASSOCIATION OF SECURITIES DEALERS AUTOMATED QUOTATIONS SERVICE (NASDAQ). If the stock is listed upon an established stock exchange or exchanges such fair market value shall be deemed to be the highest closing price of the Capital Stock on such stock exchange or exchanges on the date the option is granted or if no sales of the Corporation's Capital Stock shall have been made on any stock exchange on that day, on the next preceding day on which there was a sale of such stock. Subject to the foregoing the Board of Directors and the Committee in fixing the option price shall have full authority and discretion and be fully protected in doing so.

(c) Medium and Time of Payment

The option price shall be payable in United States dollars upon the exercise of the option and may be paid in cash or by check. Payment with previously acquired Capital Stock or with a combination of Capital Stock and cash is also allowable. Capital Stock used to satisfy the exercise price of an option shall be valued at the fair market value of such stock determined as of the date of the exercise in the manner specified in Article V(b) above.

(d) Term and Exercise of Option

No option shall be exercisable either in whole or in part prior to twenty-four months from the date it is granted. Subject to the right of cumulation provided in the last sentence of this subdivision each option shall be exercisable as to not more than one-half of the total number of shares covered thereby during each twelve month period commencing twenty-four months from the date of the granting of the option until all shares covered by the option shall become purchasable. The Committee may provide, however, for the exercise of options after the initial twenty-four month period, either as to an increased percentage of shares per year or as to all remaining shares, if the employee shall, with the approval of the Corporation, retire. No option shall be exercisable after the expiration of ten years from the date it is granted, but if it is granted to a more than 10 percent employee-shareholder, then the exercise

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period is reduced to 5 years. Not less than one hundred shares may be purchased at any one time unless the number purchased is the total number at the time purchasable under the option. During the lifetime of the optionee, the option shall be exercisable only by him and shall not be assignable or transferable by him and no other persons shall acquire any rights therein. To the extent not exercised, installments shall accumulate and be exercisable, in whole or in part, in any subsequent period but not later than ten years from the date the option is granted, or five years in the case of a 10 percent employee-shareholder.

(e) Stock-Appreciation Rights

(1) In General. A Stock Appreciation Right (SAR) is a right to surrender in whole or in part a stock option granted under this Plan (the "Related Option") in exchange for the payment of an amount equal to the number of shares of Capital Stock covered by the surrendered portion of the Related Option times the per share difference between the option price and the (fair market value of the Capital Stock) subject to the Related Option on the date of exercise of the SAR. The "payment" may be made in cash, in shares of Capital Stock or in a combination of the two. If shares of Capital Stock are used for payment, they will be valued at the fair market value of the Capital Stock at the date of the exercise of the SAR.

(2) Discretionary SAR's. The Board of Directors shall have the authority, upon the recommendation of the Committee, to grant SAR's in connection with a grant of any stock option under this plan upon such terms and conditions consistent with the provisions of this Plan as it may deem appropriate, subject to the following further limitations.

a. Unless the Board of Directors otherwise specifies, an SAR may only be granted with respect to an option at the time of the grant of the Related Option.

b. SAR's may only be exercised to the extent that the underlying option is exercisable, and only when the market price of the Capital Stock subject to the Related Option exceeds the exercise price of the related option.

c. Upon the exercise of a SAR, the Related Option shall be deemed to have been exercised to the extent of the shares of Capital Stock with respect to which the SAR is exercised so that such number of shares shall no longer be available for issuance pursuant to the Plan.

d. No SAR shall be transferable except by will or by the laws of descent and distribution. During the life of a holder of a SAR, the SAR shall be exercisable only by him.

e. To exercise an SAR, the holder shall (i) give written notice thereof to the Corporation in form satisfactory to the Committee addressed to the Secretary of the Corporation specifying the number of shares of Capital Stock with respect to which he is exercising the SAR, and (ii) if requested by the Corporation, deliver the agreements evidencing the rights being exercised to the Secretary of the Corporation who shall endorse

thereon a notation of such exercise and return the agreements to the holder thereof. The date of exercise of a SAR which is validly exercised shall be deemed to be the date on which the Corporation shall have received the instruments referred to in the immediately preceding sentence.

f. SAR's granted or held by Officers and Directors of the Corporation shall contain such further limitations as may be necessary to satisfy SEC Rule 16b-3 under the Securities Exchange Act of 1934, as now or hereafter amended.

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g. Any terms of the SAR not specifically described herein shall be set forth in the Option Agreement for the Related Option.

(3) Limited SAR's. Every holder of a stock option granted hereunder ("Related Option") who may be restricted from exercising the option and reselling the Capital Stock acquired thereunder within 6 months due to his being an "officer" or "director" of the Corporation within the meaning of Section 16(b) of the Securities Exchange Act of 1934 shall be deemed to have been granted at the date of the grant of the Related Option a limited SAR upon the following terms and conditions:

a. Such limited SAR shall be subject to all of the limitations specified in the Article V.(e)2.a. through Article V.(e)2.f. above.

b. The limited SAR may be exercised only during the period beginning on the first day following the date of expiration of any tender offer or exchange offer for shares of Capital Stock (other than one made by the Corporation), provided that shares of Capital Stock are acquired pursuant to such offer (the "Offer"), and ending on the 30th day following such date.

c. The limited SAR may only be exercised for cash.

d. The amount of the payment to be made upon the exercise of the limited SAR shall be an amount in cash equal to the product obtained by multiplying (i) the excess of (A) the "offer price per share of Capital Stock" (as hereinafter defined) over (B) the Option Price per share of Capital Stock under the Related Option by (ii) the number of shares of Capital Stock with respect to which such limited SAR is being exercised. The phrase "Offer Price per share of Capital Stock" shall mean with respect to the exercise of any limited SAR, the highest price per share of Capital Stock paid in any Offer which Offer is in effect at any time during the period beginning on the 60th day prior to the date on which such limited SAR is exercised. Any securities or property which are a part or all of the consideration paid for shares of Capital Stock in the Offer shall be valued in determining the Offer Price per share of Capital Stock at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity making such Offer, or (B) the valuation placed on such securities or property by the Committee.

(f) Prior Outstanding Option.

No option (for purposes of this Article V(f) called New Option) shall be exercisable while there is outstanding any incentive stock option (as defined in Section 422A of the 1954 Internal Revenue Code, as amended, which incentive stock option was granted, before the granting of the New Option, to the person to whom the New Option is granted, to purchase stock in the Corporation or in a corporation which, at the time the New Option is granted, is a parent or subsidiary corporation (as those terms are defined in Section 425 of the 1954 Internal Revenue Code, as amended) of the Corporation, or is a predecessor corporation of the Corporation or such parent of subsidiary corporation.

(g) Termination of Employment Except Death

In the event that an optionee shall cease to be employed by the Corporation or Subsidiaries for any reason other than his death and shall be no longer in the employ of any of them, subject to the condition that no option shall be exercised after the expiration of ten years from the date it is granted, and five years in the case of a ten percent employee-shareholder, such optionee shall have the right to exercise the Rights at any time within three months after such termination of employment or twelve months if disabled, to the extent that his right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan and had not previously been

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exercised at the date of such termination. Whether authorized leave of absence or absence for military or governmental service shall constitute termination of employment, for the purposes of the Plan, shall be determined by the Committee, which determination, unless overruled by the Board of Directors, shall be final and conclusive.

(h) Death of Optionee and Transfer of Option. If the optionee shall die while in the employ of the Corporation or a Subsidiary or within a period of three months after the termination of his employment with the Corporation and all Subsidiaries and shall not have fully exercised the option, the Rights may be exercised subject to the condition that no option shall be exercisable after the expiration of ten years from the date it is granted and five years in the case of a ten percent employee-shareholder, to the extent that the optionee's right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan at the time of his death and had not previously been exercised, at any time within one year after the optionee's death, by the executors or administrators of the optionee or by any person or persons who shall have acquired the option directly from the optionee by bequest or inheritance.

No option or right shall be transferable by the optionee otherwise than by will or the laws of descent and distribution.

(i) Recapitalization.

If the Corporation shall at any time increase or decrease the number of its outstanding shares of Capital Stock or change in any way the rights and privileges of such shares by means of the payment of a stock dividend, or the making of any other distribution upon such shares payable in Capital Stock, or through a Capital Stock split or subdivision of shares, or a consolidation or combination of shares, or through a reclassification or recapitalization involving the Capital Stock, then the numbers, rights and privileges of the following shall be increased, decreased or changed in like manner as if they had been issued and outstanding, fully paid and nonassessable at the time of such occurrence:

(a) The shares of Capital Stock on which Rights may be granted under the Plan:

(b) The maximum number of shares of Capital Stock with respect to which an employee may receive a Right hereunder; and

(c) The shares of Capital Stock then included in each outstanding Right granted hereunder.

Subject to any required action by the stockholders, if the Corporation shall be the surviving corporation in any merger or consolidation, each outstanding Right shall pertain to and apply to the securities to which a holder of the number of shares of Capital Stock subject to the Right would have been entitled.

A dissolution or liquidation of the Corporation or a merger or consolidation in which the Corporation is not the surviving corporation, shall cause each outstanding Right to terminate, provided that each optionee shall, in such event, have the right immediately prior to such dissolution or liquidation, or merger or consolidation in which the Corporation is not the surviving corporation, to exercise his Rights, in whole or in part without regard to the installment provisions contained in the first three (3) sentences of Article V(d) of the Plan. Each holder of Rights shall have the right (a) during the terms of a "Tender Offer", as to an option or SAR other than a limited SAR, or (b) during the thirty (30) days following a "Tender Offer", as to a

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limited SAR, to exercise such Rights in whole or in part without regard to the installment provisions contained in the first three sentences of Article V(d) of the Plan. For the purposes of this paragraph, a "Tender Offer" means a tender offer or exchange offer for shares of Capital Stock made by a person other than the Corporation.

To the extent that the foregoing adjustments relate to stock or securities of the Corporation, such adjustments shall be made by the Committee, whose determination in that respect shall be final, binding and conclusive, provided that each Right granted pursuant to the Plan shall not be adjusted in a manner which causes the option to fail to continue to qualify as an incentive stock option within the meaning of section 422A of the 1954 Internal Revenue Code.

Except as hereinbefore expressly provided in this Article V(i), the optionee shall have no rights by reason of any subdivision or consolidation of shares of stock of any class or the payment of any stock dividend or any

other increase or decrease in the number of shares of stock of any class or by any reason of any dissolution, liquidation, merger or consolidation or spin-off of assets or stock of another corporation, and any issue by the Corporation of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to the number or price of shares of Capital Stock subject to the Right.

The grant of any Right pursuant to the Plan shall not affect in any way the right or power of the Corporation to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge or to consolidate or to dissolve, liquidate or sell or transfer all or any part of its business or assets.

(j) Rights as a Stockholder.

An optionee or a transferee of an option shall have no rights as a stockholder with respect to any shares covered by his option until the date of the issuance of a stock certificate to him for such shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date such stock certificate is issued, except as provided in Article V(i) hereof.

(k) Modification, Extension and Renewal of Rights.

Subject to the terms and conditions and within the limitations of the Plan, the Board of Directors may modify, extend or renew outstanding Rights granted under the Plan, or accept the surrender of such outstanding Rights (to the extent not theretofore exercised) and authorize the granting of new Rights in substitution therefor (to the extent not theretofore exercised). The Board of Directors shall not, however, modify any outstanding Rights so as to specify a lower price or accept the surrender of outstanding options or rights and authorize the granting of new Rights in substitution therefor specifying a lower price. Notwithstanding the foregoing, however, no modification of any Rights shall, without the consent of the optionee, alter or impair any rights or obligations under any Rights theretofore granted under the Plan.

(l) Investment Purpose

Each option under the Plan shall be granted on the condition that he purchases of stock thereunder shall be for investment purposes, and not with a view to resale or distribution except that in the event the stock subject to such option is registered under the Securities Act of 1933, as amended, or in the event a resale of such stock without such registration would otherwise be permissible, such condition

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shall be inoperative if in the opinion of counsel for the Corporation such condition is not required under the Securities Act of 1933 or any other applicable law, regulation, or rule of any governmental agency.

(m) Other Provisions.

The option agreements authorized under the Plan shall contain such other provisions, including, without limitation, restrictions upon the exercise of the Rights, as the Committee and Board of Directors of the Corporation shall deem advisable. Any such option agreement shall contain such limitations and restrictions upon the exercise of the option as shall be necessary in order that such option will be an "incentive stock option" as defined in Section 422A of the Internal Revenue Code of 1954 or to conform to any change in the law.

ARTICLE VI

TERM OF PLAN

Rights may be granted pursuant to the Plan from time to time within a period of ten years from the date the Plan is adopted, or the date the Plan is approved by the Stockholders, whichever is earlier.

ARTICLE VII

INDEMNIFICATION OF COMMITTEE

In addition to such other rights of indemnification as they may have as distributors or members of the Committee, the members of the Committee shall be indemnified by the Corporation against the reasonable expenses, including attorneys' fees actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan or of any option granted

thereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Corporation) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee member is liable of negligence or misconduct in the performance of his duties; provided that within 60 days after institution of any such action, suit or proceedings, Committee member shall in writing offer, the Corporation the opportunity, at its own expense, to handle and defend the same.

ARTICLE VIII

AMENDMENT OF THE PLAN

The Board of Directors of the Corporation may, insofar as permitted by law, suspend or discontinue the Plan or revise or amend it in any respect whatsoever except that no amendment or discontinuance of the Plan by the Board of Directors of shareholders shall adversely affect, without the consent of the holder thereof, any outstanding stock option or right theretofore granted; and except that without the affirmative vote of the holders of a majority of the shares of the Corporation's Common Stock present or represented and entitled to vote at a meeting duly held, no revision or amendment shall change the number of shares subject to the Plan, change the designation of the class of employees eligible to receive options, decrease the price at which options may be granted, remove the administration of the Plan from the Committee, or render any member of the Committee eligible to receive an option under the Plan while

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servicing thereon. Furthermore, the Plan may not, without the approval of the stockholders, be amended in any manner that will cause options issued under it to fail to meet the requirements of incentive stock options as defined in Section 422A of the Internal Revenue Code of 1954, as amended.

ARTICLE IX

APPLICATION OF FUNDS

The proceeds received by the Corporation from the sale of Common Stock pursuant to options will be used for general corporate purposes.

ARTICLE X

NO OBLIGATION TO EXERCISE OPTION

The granting of an option shall impose no obligation upon the optionee to exercise such option.

ARTICLE XI

APPROVAL OF STOCKHOLDERS

The Plan shall become effective when it has received the approval of the holders of a majority of the Corporation's Common Stock present or represented, and entitled to vote at a duly called stockholders' meeting, which approval must occur within the period beginning twelve months before and ending twelve months after the date the Plan is adopted by the Board of Directors.

Date Plan adopted by Board of Directors: August 25, 1982

Date Plan approved by Stockholders: March 23, 1983

As amended by Board of Directors and
approved by Stockholders: March 26, 1986

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1983 INCENTIVE STOCK OPTION PLAN

FOR

FIRST NEW MEXICO BANKSHARE CORPORATION

ARTICLE 1

PURPOSE OF PLAN

This Incentive Stock Option Plan (the "Plan") is intended as an incentive and to encourage stock ownership by certain officers and key executive employees of First New Mexico Bankshare Corporation (the "Corporation") and its subsidiary corporations so that they may acquire or increase their proprietary interest in the success of the Corporation and Subsidiaries, and to encourage them to remain in the employ of the Corporation or the Subsidiaries. It is intended that this purpose be achieved through grants under the plan of options to purchase shares of the Corporation's Capital Stock and related stock appreciation Rights ("SARs") and limited SARs (such options, SARs and Limited SARs sometimes herein collectively referred to as "Rights"). It is further intended that options issued pursuant to this Plan shall constitute incentive stock options within the meaning of Section 422A of the Internal Revenue Code of 1954, as amended.

Participating subsidiaries shall be the subsidiaries of the Corporation that both qualify as a "subsidiary corporation" as defined in Section 425(f) of the Internal Revenue Code of 1954, as amended, and are designated from time to time by the Board of Directors as Participating Companies. Currently, Bankshare; Albuquerque National Bank; First National Bank in Raton; The Merchants Bank; The First National Bank of Rio Arriba; Security National Bank of Roswell; The Capital Bank; The Clovis National Bank; Grant County Bank; Valley Bank; Bank of Las Cruces, N.A.; and Southwest National Bank are participating companies under the Plan.

ARTICLE II

ADMINISTRATION

The Plan shall be administered by the Incentive Compensation Committee (the "Committee") appointed by the Board of Directors of the Corporation. The Committee shall consist of not less than three members of the Corporation's Board of Directors. The Board of Directors may from time to time remove members from, or add members to, the Committee. Vacancies on the Committee, howsoever caused, shall be filled by the Board of Directors. The Committee shall select one of its members as Chairman, and shall hold meeting at such times and places as it may determine. A majority of the Committee at which a quorum is present, or acts reduced to or approved in writing by a majority of the members of the Committee, shall be the valid acts of the Committee. The Committee shall from time to time at its discretion make recommendations to the Board of Directors with respect to the key executive employees who shall be granted Rights and the amount of Rights to be granted to each.

No director shall be designated as or continue to be a member of the Committee unless he shall at the time of designation and throughout his service be a "disinterested person". A "disinterested person" is one who is not at the time he exercises discretion in administering the Plan eligible and has not at any time within

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one year prior thereto been eligible for selection as a person to whom rights may be granted pursuant to the Plan or any other plan of the Corporation or any of its affiliates entitling the participants therein to acquire stock, stock options or stock appreciation rights of the Corporation or any of its affiliates, or one who otherwise satisfies the definition of "disinterested person" under SEC Rule 16b-3 under the Securities Exchange Act of 1934, as the same may be now or hereafter amended. The Board of Directors of the Corporation shall not act upon matters affecting or relating to the Plan unless a majority of the Board and a majority of those acting in the matter are disinterested persons.

The interpretation and construction by the Committee of any provisions of the Plan or of any option granted under it shall be final unless otherwise determined by the Board of Directors. No member of the Board of Directors or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any option granted under it.

ARTICLE III

ELIGIBILITY

The persons who shall be eligible to receive options shall be such key executive employees (including officers, whether or not they are Directors) of the Corporation or its Subsidiaries existing from time to time as the Board of Directors shall select from time to time from among those nominated by the Committee. An optionee may hold more than one option, but only on the terms and subject to the restrictions hereafter set forth. No person shall be eligible to receive an option for a larger number of shares than is recommended for him by the Committee.

ARTICLE IV

STOCK

The stock subject to the options shall be shares of the Corporation's authorized but unissued or reacquired common stock hereafter sometimes called Capital Stock. The aggregate number of shares which may be issued under options under this plan shall not exceed 100,000 shares of Capital Stock. The maximum number of shares which may be optioned in any one calendar year shall not exceed 25,000; provided, however, that any shares not optioned may be carried over and optioned in the following calendar year(s) in addition to the shares available in that calendar year. The number of shares with respect to which options may be granted to any individual under any and all options under this plan which are issued to him by the Corporation shall not exceed 10,000 shares. The aggregate fair market value (determined as of the time the option is granted) of the Capital Stock for which any employee may be granted Incentive Stock Options in any calendar year under the Plan and all such other plans of the Corporation and its Subsidiaries shall not exceed \$100,000 plus any unused limit carry-over to such year as defined under Section 422A of the Internal Revenue Code of 1954, as amended. The limitations established by this paragraph shall be subject to adjustment as provided in Article V(i) of the Plan.

In the event that any outstanding options under the Plan for any reason expires or is terminated, the shares of Capital Stock allocable to the unexercised portion of such option may again be subjected to an option under the Plan.

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ARTICLE V

TERMS AND CONDITIONS OF OPTIONS

Stock options granted pursuant to the Plan shall be authorized by the Board of Directors and shall be evidenced by agreements in such form as the Committee shall from time to time recommend and the Board of Directors shall from time to time approve, which agreements shall comply with and be subject to the following terms and conditions.

(a) Number of Shares

Each option shall state the number of shares to which it pertains.

(b) Option Price

Each option shall state the option price, which shall not be less than 100% of the fair market value of the shares of Capital Stock of the Corporation on the date of the granting of the option. If an individual owns stock possessing more than ten percent of the total combined voting power of all classes of stock of the Corporation or any of its parent or subsidiary corporations (hereinafter referred to as a "10 percent employee-stockholder"), the option price must be at least 110 percent of the fair market value of the stock on the date of the grant.

During such time as such stock is not listed upon an established stock exchange the fair market value per share shall be the mean between representative dealer "bid" and "ask" prices of the Capital Stock in the over-the-counter market on the day the option is granted, as quoted on the NATIONAL ASSOCIATION OF SECURITIES DEALERS AUTOMATED QUOTATIONS SERVICE (NASDAQ). If the stock is listed upon an established stock exchange or exchanges such fair market value shall be deemed to be the highest closing price of the Capital Stock on such stock exchange or exchanges on the date the option is granted or if no sales of the Corporation's Capital Stock shall have been made on any stock exchange on that day, on the next preceding day on which there was a sale of such stock. Subject to the foregoing the Board of Directors and the Committee in fixing the option price shall have full authority and discretion and be fully protected in doing so.

(c) Medium and Time of Payment

The option price shall be payable in United States dollars upon the exercise of the option and may be paid in cash or by check. Payment with previously acquired Capital Stock or with a combination of Capital Stock and cash is also allowable. Capital Stock used to satisfy the exercise price of an option shall be valued at the fair market value of such stock determined as of the date of the exercise in the manner specified in Article V(b) above.

(d) Term and Exercise of Option

No option shall be exercisable either in whole or in part prior to twenty-four months from the date it is granted. Subject to the right of cumulation provided in the last sentence of this subdivision each option shall be exercisable as to not more than one-half of the total number of shares covered thereby during each twelve month period commencing twenty-four months from the date of the granting of the option until all shares covered by the option shall become purchasable. The Committee may provide, however, for the exercise of options after the initial twenty-four month period, either as to an increased percentage of shares per year or as to all remaining shares, if the employee shall, with the approval of the Corporation, retire. No option shall be exercisable after the expiration of ten years from the date it is granted, but if it is granted to a more than 10 percent employee-shareholder, then the exercise

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period is reduced to 5 years. Not less than one hundred shares may be purchased at any one time unless the number purchased is the total number at the time purchasable under the option. During the lifetime of the optionee, the option shall be exercisable only by him and shall not be assignable or transferable by him and no other persons shall acquire any rights therein. To the extent not exercised, installments shall accumulate and be exercisable, in whole or in part, in any subsequent period but not later than ten years from the date the option is granted, or five years in the case of a 10 percent employee-shareholder.

(e) Stock-Appreciation Rights

(1) In General. A Stock Appreciation Right (SAR) is a right to surrender in whole or in part a stock option granted under this Plan (the "Related Option") in exchange for the payment of an amount equal to the number of shares of Capital Stock covered by the surrendered portion of the Related Option times the per share difference between the option price and the (fair market value of the Capital Stock) subject to the Related Option on the date of exercise of the SAR. The "payment" may be made in cash, in shares of Capital Stock or in a combination of the two. If shares of Capital Stock are used for payment, they will be valued at the fair market value of the Capital Stock at the date of the exercise of the SAR.

(2) Discretionary SAR's. The Board of Directors shall have the authority, upon the recommendation of the Committee, to grant SAR's in connection with a grant of any stock option under this plan upon such terms and conditions consistent with the provisions of this Plan as it may deem appropriate, subject to the following further limitations.

a. Unless the Board of Directors otherwise specifies, an SAR may only be granted with respect to an option at the time of the grant of the Related Option.

b. SAR's may only be exercised to the extent that the underlying option is exercisable, and only when the market price of the Capital Stock subject to the Related Option exceeds the exercise price of the related option.

c. Upon the exercise of a SAR, the Related Option shall be deemed to have been exercised to the extent of the shares of Capital Stock with respect to which the SAR is exercised so that such number of shares shall no longer be available for issuance pursuant to the Plan.

d. No SAR shall be transferable except by will or by the laws of descent and distribution. During the life of a holder of a SAR, the SAR shall be exercisable only by him.

e. To exercise an SAR, the holder shall (i) give written notice thereof to the Corporation in form satisfactory to the Committee addressed to the Secretary of the Corporation specifying the number of shares of Capital Stock with respect to which he is exercising the SAR, and (ii) if requested by the Corporation, deliver the agreements evidencing the rights being exercised to the Secretary of the Corporation who shall endorse

thereon a notation of such exercise and return the agreements to the holder thereof. The date of exercise of a SAR which is validly exercised shall be deemed to be the date on which the Corporation shall have received the instruments referred to in the immediately preceding sentence.

f. SAR's granted or held by Officers and Directors of the Corporation shall contain such further limitations as may be necessary to satisfy SEC Rule 16b-3 under the Securities Exchange Act of 1934, as now or hereafter amended.

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g. Any terms of the SAR not specifically described herein shall be set forth in the Option Agreement for the Related Option.

(3) Limited SAR's. Every holder of a stock option granted hereunder ("Related Option") who may be restricted from exercising the option and reselling the Capital Stock acquired thereunder within 6 months due to his being an "officer" or "director" of the Corporation within the meaning of Section 16(b) of the Securities Exchange Act of 1934 shall be deemed to have been granted at the date of the grant of the Related Option a limited SAR upon the following terms and conditions:

a. Such limited SAR shall be subject to all of the limitations specified in the Article V.(e)2.a. through Article V.(e)2.f. above.

b. The limited SAR may be exercised only during the period beginning on the first day following the date of expiration of any tender offer or exchange offer for shares of Capital Stock (other than one made by the Corporation), provided that shares of Capital Stock are acquired pursuant to such offer (the "Offer"), and ending on the 30th day following such date.

c. The limited SAR may only be exercised for cash.

d. The amount of the payment to be made upon the exercise of the limited SAR shall be an amount in cash equal to the product obtained by multiplying (i) the excess of (A) the "offer price per share of Capital Stock" (as hereinafter defined) over (B) the Option Price per share of Capital Stock under the Related Option by (ii) the number of shares of Capital Stock with respect to which such limited SAR is being exercised. The phrase "Offer Price per share of Capital Stock" shall mean with respect to the exercise of any limited SAR, the highest price per share of Capital Stock paid in any Offer which Offer is in effect at any time during the period beginning on the 60th day prior to the date on which such limited SAR is exercised. Any securities or property which are a part or all of the consideration paid for shares of Capital Stock in the Offer shall be valued in determining the Offer Price per share of Capital Stock at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity making such Offer, or (B) the valuation placed on such securities or property by the Committee.

(f) Prior Outstanding Option.

No option (for purposes of this Article V(f) called New Option) shall be exercisable while there is outstanding any incentive stock option (as defined in Section 422A of the 1954 Internal Revenue Code, as amended, which incentive stock option was granted, before the granting of the New Option, to the person to whom the New Option is granted, to purchase stock in the Corporation or in a corporation which, at the time the New Option is granted, is a parent or subsidiary corporation (as those terms are defined in Section 425 of the 1954 Internal Revenue Code, as amended) of the Corporation, or is a predecessor corporation of the Corporation or such parent of subsidiary corporation.

(g) Termination of Employment Except Death

In the event that an optionee shall cease to be employed by the Corporation or Subsidiaries for any reason other than his death and shall be no longer in the employ of any of them, subject to the condition that no option shall be exercised after the expiration of ten years from the date it is granted, and five years in the case of a ten percent employee-shareholder, such optionee shall have the right to exercise the Rights at any time within three months after such termination of employment or twelve months if disabled, to the extent that his right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan and had not previously been

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exercised at the date of such termination. Whether authorized leave of absence or absence for military or governmental service shall constitute termination of employment, for the purposes of the Plan, shall be determined by the Committee, which determination, unless overruled by the Board of Directors, shall be final and conclusive.

(h) Death of Optionee and Transfer of Option. If the optionee shall die while in the employ of the Corporation or a Subsidiary or within a period of three months after the termination of his employment with the Corporation and all Subsidiaries and shall not have fully exercised the option, the Rights may be exercised subject to the condition that no option shall be exercisable after the expiration of ten years from the date it is granted and five years in the case of a ten percent employee-shareholder, to the extent that the optionee's right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan at the time of his death and had not previously been exercised, at any time within one year after the optionee's death, by the executors or administrators of the optionee or by any person or persons who shall have acquired the option directly from the optionee by bequest or inheritance.

No option or right shall be transferable by the optionee otherwise than by will or the laws of descent and distribution.

(i) Recapitalization.

If the Corporation shall at any time increase or decrease the number of its outstanding shares of Capital Stock or change in any way the rights and privileges of such shares by means of the payment of a stock dividend, or the making of any other distribution upon such shares payable in Capital Stock, or through a Capital Stock split or subdivision of shares, or a consolidation or combination of shares, or through a reclassification or recapitalization involving the Capital Stock, then the numbers, rights and privileges of the following shall be increased, decreased or changed in like manner as if they had been issued and outstanding, fully paid and nonassessable at the time of such occurrence:

(a) The shares of Capital Stock on which Rights may be granted under the Plan:

(b) The maximum number of shares of Capital Stock with respect to which an employee may receive a Right hereunder; and

(c) The shares of Capital Stock then included in each outstanding Right granted hereunder.

Subject to any required action by the stockholders, if the Corporation shall be the surviving corporation in any merger or consolidation, each outstanding Right shall pertain to and apply to the securities to which a holder of the number of shares of Capital Stock subject to the Right would have been entitled.

A dissolution or liquidation of the Corporation or a merger or consolidation in which the Corporation is not the surviving corporation, shall cause each outstanding Right to terminate, provided that each optionee shall, in such event, have the right immediately prior to such dissolution or liquidation, or merger or consolidation in which the Corporation is not the surviving corporation, to exercise his Rights, in whole or in part without regard to the installment provisions contained in the first three (3) sentences of Article V(d) of the Plan. Each holder of Rights shall have the right (a) during the terms of a "Tender Offer", as to an option or SAR other than a limited SAR, or (b) during the thirty (30) days following a "Tender Offer", as to a

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limited SAR, to exercise such Rights in whole or in part without regard to the installment provisions contained in the first three sentences of Article V(d) of the Plan. For the purposes of this paragraph, a "Tender Offer" means a tender offer or exchange offer for shares of Capital Stock made by a person other than the Corporation.

To the extent that the foregoing adjustments relate to stock or securities of the Corporation, such adjustments shall be made by the Committee, whose determination in that respect shall be final, binding and conclusive, provided that each Right granted pursuant to the Plan shall not be adjusted in a manner which causes the option to fail to continue to qualify as an incentive stock option within the meaning of section 422A of the 1954 Internal Revenue Code.

Except as hereinbefore expressly provided in this Article V(i), the optionee shall have no rights by reason of any subdivision or consolidation of shares of stock of any class or the payment of any stock dividend or any

other increase or decrease in the number of shares of stock of any class or by any reason of any dissolution, liquidation, merger or consolidation or spin-off of assets or stock of another corporation, and any issue by the Corporation of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to the number or price of shares of Capital Stock subject to the Right.

The grant of any Right pursuant to the Plan shall not affect in any way the right or power of the Corporation to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge or to consolidate or to dissolve, liquidate or sell or transfer all or any part of its business or assets.

(j) Rights as a Stockholder.

An optionee or a transferee of an option shall have no rights as a stockholder with respect to any shares covered by his option until the date of the issuance of a stock certificate to him for such shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date such stock certificate is issued, except as provided in Article V(i) hereof.

(k) Modification, Extension and Renewal of Rights.

Subject to the terms and conditions and within the limitations of the Plan, the Board of Directors may modify, extend or renew outstanding Rights granted under the Plan, or accept the surrender of such outstanding Rights (to the extent not theretofore exercised) and authorize the granting of new Rights in substitution therefor (to the extent not theretofore exercised). The Board of Directors shall not, however, modify any outstanding Rights so as to specify a lower price or accept the surrender of outstanding options or rights and authorize the granting of new Rights in substitution therefor specifying a lower price. Notwithstanding the foregoing, however, no modification of any Rights shall, without the consent of the optionee, alter or impair any rights or obligations under any Rights theretofore granted under the Plan.

(l) Investment Purpose

Each option under the Plan shall be granted on the condition that he purchases of stock thereunder shall be for investment purposes, and not with a view to resale or distribution except that in the event the stock subject to such option is registered under the Securities Act of 1933, as amended, or in the event a resale of such stock without such registration would otherwise be permissible, such condition

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shall be inoperative if in the opinion of counsel for the Corporation such condition is not required under the Securities Act of 1933 or any other applicable law, regulation, or rule of any governmental agency.

(m) Other Provisions.

The option agreements authorized under the Plan shall contain such other provisions, including, without limitation, restrictions upon the exercise of the Rights, as the Committee and Board of Directors of the Corporation shall deem advisable. Any such option agreement shall contain such limitations and restrictions upon the exercise of the option as shall be necessary in order that such option will be an "incentive stock option" as defined in Section 422A of the Internal Revenue Code of 1954 or to conform to any change in the law.

ARTICLE VI

TERM OF PLAN

Rights may be granted pursuant to the Plan from time to time within a period of ten years from the date the Plan is adopted, or the date the Plan is approved by the Stockholders, whichever is earlier.

ARTICLE VII

INDEMNIFICATION OF COMMITTEE

In addition to such other rights of indemnification as they may have as distributors or members of the Committee, the members of the Committee shall be indemnified by the Corporation against the reasonable expenses, including attorneys' fees actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan or of any option granted

thereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Corporation) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee member is liable of negligence or misconduct in the performance of his duties; provided that within 60 days after institution of any such action, suit or proceedings, Committee member shall in writing offer, the Corporation the opportunity, at its own expense, to handle and defend the same.

ARTICLE VIII

AMENDMENT OF THE PLAN

The Board of Directors of the Corporation may, insofar as permitted by law, suspend or discontinue the Plan or revise or amend it in any respect whatsoever except that no amendment or discontinuance of the Plan by the Board of Directors of shareholders shall adversely affect, without the consent of the holder thereof, any outstanding stock option or right theretofore granted; and except that without the affirmative vote of the holders of a majority of the shares of the Corporation's Common Stock present or represented and entitled to vote at a meeting duly held, no revision or amendment shall change the number of shares subject to the Plan, change the designation of the class of employees eligible to receive options, decrease the price at which options may be granted, remove the administration of the Plan from the Committee, or render any member of the Committee eligible to receive an option under the Plan while

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servicing thereon. Furthermore, the Plan may not, without the approval of the stockholders, be amended in any manner that will cause options issued under it to fail to meet the requirements of incentive stock options as defined in Section 422A of the Internal Revenue Code of 1954, as amended.

ARTICLE IX

APPLICATION OF FUNDS

The proceeds received by the Corporation from the sale of Common Stock pursuant to options will be used for general corporate purposes.

ARTICLE X

NO OBLIGATION TO EXERCISE OPTION

The granting of an option shall impose no obligation upon the optionee to exercise such option.

ARTICLE XI

APPROVAL OF STOCKHOLDERS

The Plan shall become effective when it has received the approval of the holders of a majority of the Corporation's Common Stock present or represented, and entitled to vote at a duly called stockholders' meeting, which approval must occur within the period beginning twelve months before and ending twelve months after the date the Plan is adopted by the Board of Directors.

Date Plan adopted by Board of Directors: August 25, 1982

Date Plan approved by Stockholders: March 23, 1983

As amended by Board of Directors and
approved by Stockholders: March 26, 1986

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1983 INCENTIVE STOCK OPTION PLAN

FOR

FIRST NEW MEXICO BANKSHARE CORPORATION

ARTICLE 1

PURPOSE OF PLAN

This Incentive Stock Option Plan (the "Plan") is intended as an incentive and to encourage stock ownership by certain officers and key executive employees of First New Mexico Bankshare Corporation (the "Corporation") and its subsidiary corporations so that they may acquire or increase their proprietary interest in the success of the Corporation and Subsidiaries, and to encourage them to remain in the employ of the Corporation or the Subsidiaries. It is intended that this purpose be achieved through grants under the plan of options to purchase shares of the Corporation's Capital Stock and related stock appreciation Rights ("SARs") and limited SARs (such options, SARs and Limited SARs sometimes herein collectively referred to as "Rights"). It is further intended that options issued pursuant to this Plan shall constitute incentive stock options within the meaning of Section 422A of the Internal Revenue Code of 1954, as amended.

Participating subsidiaries shall be the subsidiaries of the Corporation that both qualify as a "subsidiary corporation" as defined in Section 425(f) of the Internal Revenue Code of 1954, as amended, and are designated from time to time by the Board of Directors as Participating Companies. Currently, Bankshare; Albuquerque National Bank; First National Bank in Raton; The Merchants Bank; The First National Bank of Rio Arriba; Security National Bank of Roswell; The Capital Bank; The Clovis National Bank; Grant County Bank; Valley Bank; Bank of Las Cruces, N.A.; and Southwest National Bank are participating companies under the Plan.

ARTICLE II

ADMINISTRATION

The Plan shall be administered by the Incentive Compensation Committee (the "Committee") appointed by the Board of Directors of the Corporation. The Committee shall consist of not less than three members of the Corporation's Board of Directors. The Board of Directors may from time to time remove members from, or add members to, the Committee. Vacancies on the Committee, howsoever caused, shall be filled by the Board of Directors. The Committee shall select one of its members as Chairman, and shall hold meeting at such times and places as it may determine. A majority of the Committee at which a quorum is present, or acts reduced to or approved in writing by a majority of the members of the Committee, shall be the valid acts of the Committee. The Committee shall from time to time at its discretion make recommendations to the Board of Directors with respect to the key executive employees who shall be granted Rights and the amount of Rights to be granted to each.

No director shall be designated as or continue to be a member of the Committee unless he shall at the time of designation and throughout his service be a "disinterested person". A "disinterested person" is one who is not at the time he exercises discretion in administering the Plan eligible and has not at any time within

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one year prior thereto been eligible for selection as a person to whom rights may be granted pursuant to the Plan or any other plan of the Corporation or any of its affiliates entitling the participants therein to acquire stock, stock options or stock appreciation rights of the Corporation or any of its affiliates, or one who otherwise satisfies the definition of "disinterested person" under SEC Rule 16b-3 under the Securities Exchange Act of 1934, as the same may be now or hereafter amended. The Board of Directors of the Corporation shall not act upon matters affecting or relating to the Plan unless a majority of the Board and a majority of those acting in the matter are disinterested persons.

The interpretation and construction by the Committee of any provisions of the Plan or of any option granted under it shall be final unless otherwise determined by the Board of Directors. No member of the Board of Directors or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any option granted under it.

ARTICLE III

ELIGIBILITY

The persons who shall be eligible to receive options shall be such key executive employees (including officers, whether or not they are Directors) of the Corporation or its Subsidiaries existing from time to time as the Board of Directors shall select from time to time from among those nominated by the Committee. An optionee may hold more than one option, but only on the terms and subject to the restrictions hereafter set forth. No person shall be eligible to receive an option for a larger number of shares than is recommended for him by the Committee.

ARTICLE IV

STOCK

The stock subject to the options shall be shares of the Corporation's authorized but unissued or reacquired common stock hereafter sometimes called Capital Stock. The aggregate number of shares which may be issued under options under this plan shall not exceed 100,000 shares of Capital Stock. The maximum number of shares which may be optioned in any one calendar year shall not exceed 25,000; provided, however, that any shares not optioned may be carried over and optioned in the following calendar year(s) in addition to the shares available in that calendar year. The number of shares with respect to which options may be granted to any individual under any and all options under this plan which are issued to him by the Corporation shall not exceed 10,000 shares. The aggregate fair market value (determined as of the time the option is granted) of the Capital Stock for which any employee may be granted Incentive Stock Options in any calendar year under the Plan and all such other plans of the Corporation and its Subsidiaries shall not exceed \$100,000 plus any unused limit carry-over to such year as defined under Section 422A of the Internal Revenue Code of 1954, as amended. The limitations established by this paragraph shall be subject to adjustment as provided in Article V(i) of the Plan.

In the event that any outstanding options under the Plan for any reason expires or is terminated, the shares of Capital Stock allocable to the unexercised portion of such option may again be subjected to an option under the Plan.

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ARTICLE V

TERMS AND CONDITIONS OF OPTIONS

Stock options granted pursuant to the Plan shall be authorized by the Board of Directors and shall be evidenced by agreements in such form as the Committee shall from time to time recommend and the Board of Directors shall from time to time approve, which agreements shall comply with and be subject to the following terms and conditions.

(a) Number of Shares

Each option shall state the number of shares to which it pertains.

(b) Option Price

Each option shall state the option price, which shall not be less than 100% of the fair market value of the shares of Capital Stock of the Corporation on the date of the granting of the option. If an individual owns stock possessing more than ten percent of the total combined voting power of all classes of stock of the Corporation or any of its parent or subsidiary corporations (hereinafter referred to as a "10 percent employee-stockholder"), the option price must be at least 110 percent of the fair market value of the stock on the date of the grant.

During such time as such stock is not listed upon an established stock exchange the fair market value per share shall be the mean between representative dealer "bid" and "ask" prices of the Capital Stock in the over-the-counter market on the day the option is granted, as quoted on the NATIONAL ASSOCIATION OF SECURITIES DEALERS AUTOMATED QUOTATIONS SERVICE (NASDAQ). If the stock is listed upon an established stock exchange or exchanges such fair market value shall be deemed to be the highest closing price of the Capital Stock on such stock exchange or exchanges on the date the option is granted or if no sales of the Corporation's Capital Stock shall have been made on any stock exchange on that day, on the next preceding day on which there was a sale of such stock. Subject to the foregoing the Board of Directors and the Committee in fixing the option price shall have full authority and discretion and be fully protected in doing so.

(c) Medium and Time of Payment

The option price shall be payable in United States dollars upon the exercise of the option and may be paid in cash or by check. Payment with previously acquired Capital Stock or with a combination of Capital Stock and cash is also allowable. Capital Stock used to satisfy the exercise price of an option shall be valued at the fair market value of such stock determined as of the date of the exercise in the manner specified in Article V(b) above.

(d) Term and Exercise of Option

No option shall be exercisable either in whole or in part prior to twenty-four months from the date it is granted. Subject to the right of cumulation provided in the last sentence of this subdivision each option shall be exercisable as to not more than one-half of the total number of shares covered thereby during each twelve month period commencing twenty-four months from the date of the granting of the option until all shares covered by the option shall become purchasable. The Committee may provide, however, for the exercise of options after the initial twenty-four month period, either as to an increased percentage of shares per year or as to all remaining shares, if the employee shall, with the approval of the Corporation, retire. No option shall be exercisable after the expiration of ten years from the date it is granted, but if it is granted to a more than 10 percent employee-shareholder, then the exercise

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period is reduced to 5 years. Not less than one hundred shares may be purchased at any one time unless the number purchased is the total number at the time purchasable under the option. During the lifetime of the optionee, the option shall be exercisable only by him and shall not be assignable or transferable by him and no other persons shall acquire any rights therein. To the extent not exercised, installments shall accumulate and be exercisable, in whole or in part, in any subsequent period but not later than ten years from the date the option is granted, or five years in the case of a 10 percent employee-shareholder.

(e) Stock-Appreciation Rights

(1) In General. A Stock Appreciation Right (SAR) is a right to surrender in whole or in part a stock option granted under this Plan (the "Related Option") in exchange for the payment of an amount equal to the number of shares of Capital Stock covered by the surrendered portion of the Related Option times the per share difference between the option price and the (fair market value of the Capital Stock) subject to the Related Option on the date of exercise of the SAR. The "payment" may be made in cash, in shares of Capital Stock or in a combination of the two. If shares of Capital Stock are used for payment, they will be valued at the fair market value of the Capital Stock at the date of the exercise of the SAR.

(2) Discretionary SAR's. The Board of Directors shall have the authority, upon the recommendation of the Committee, to grant SAR's in connection with a grant of any stock option under this plan upon such terms and conditions consistent with the provisions of this Plan as it may deem appropriate, subject to the following further limitations.

a. Unless the Board of Directors otherwise specifies, an SAR may only be granted with respect to an option at the time of the grant of the Related Option.

b. SAR's may only be exercised to the extent that the underlying option is exercisable, and only when the market price of the Capital Stock subject to the Related Option exceeds the exercise price of the related option.

c. Upon the exercise of a SAR, the Related Option shall be deemed to have been exercised to the extent of the shares of Capital Stock with respect to which the SAR is exercised so that such number of shares shall no longer be available for issuance pursuant to the Plan.

d. No SAR shall be transferable except by will or by the laws of descent and distribution. During the life of a holder of a SAR, the SAR shall be exercisable only by him.

e. To exercise an SAR, the holder shall (i) give written notice thereof to the Corporation in form satisfactory to the Committee addressed to the Secretary of the Corporation specifying the number of shares of Capital Stock with respect to which he is exercising the SAR, and (ii) if requested by the Corporation, deliver the agreements evidencing the rights being exercised to the Secretary of the Corporation who shall endorse

thereon a notation of such exercise and return the agreements to the holder thereof. The date of exercise of a SAR which is validly exercised shall be deemed to be the date on which the Corporation shall have received the instruments referred to in the immediately preceding sentence.

f. SAR's granted or held by Officers and Directors of the Corporation shall contain such further limitations as may be necessary to satisfy SEC Rule 16b-3 under the Securities Exchange Act of 1934, as now or hereafter amended.

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g. Any terms of the SAR not specifically described herein shall be set forth in the Option Agreement for the Related Option.

(3) Limited SAR's. Every holder of a stock option granted hereunder ("Related Option") who may be restricted from exercising the option and reselling the Capital Stock acquired thereunder within 6 months due to his being an "officer" or "director" of the Corporation within the meaning of Section 16(b) of the Securities Exchange Act of 1934 shall be deemed to have been granted at the date of the grant of the Related Option a limited SAR upon the following terms and conditions:

a. Such limited SAR shall be subject to all of the limitations specified in the Article V.(e)2.a. through Article V.(e)2.f. above.

b. The limited SAR may be exercised only during the period beginning on the first day following the date of expiration of any tender offer or exchange offer for shares of Capital Stock (other than one made by the Corporation), provided that shares of Capital Stock are acquired pursuant to such offer (the "Offer"), and ending on the 30th day following such date.

c. The limited SAR may only be exercised for cash.

d. The amount of the payment to be made upon the exercise of the limited SAR shall be an amount in cash equal to the product obtained by multiplying (i) the excess of (A) the "offer price per share of Capital Stock" (as hereinafter defined) over (B) the Option Price per share of Capital Stock under the Related Option by (ii) the number of shares of Capital Stock with respect to which such limited SAR is being exercised. The phrase "Offer Price per share of Capital Stock" shall mean with respect to the exercise of any limited SAR, the highest price per share of Capital Stock paid in any Offer which Offer is in effect at any time during the period beginning on the 60th day prior to the date on which such limited SAR is exercised. Any securities or property which are a part or all of the consideration paid for shares of Capital Stock in the Offer shall be valued in determining the Offer Price per share of Capital Stock at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity making such Offer, or (B) the valuation placed on such securities or property by the Committee.

(f) Prior Outstanding Option.

No option (for purposes of this Article V(f) called New Option) shall be exercisable while there is outstanding any incentive stock option (as defined in Section 422A of the 1954 Internal Revenue Code, as amended, which incentive stock option was granted, before the granting of the New Option, to the person to whom the New Option is granted, to purchase stock in the Corporation or in a corporation which, at the time the New Option is granted, is a parent or subsidiary corporation (as those terms are defined in Section 425 of the 1954 Internal Revenue Code, as amended) of the Corporation, or is a predecessor corporation of the Corporation or such parent of subsidiary corporation.

(g) Termination of Employment Except Death

In the event that an optionee shall cease to be employed by the Corporation or Subsidiaries for any reason other than his death and shall be no longer in the employ of any of them, subject to the condition that no option shall be exercised after the expiration of ten years from the date it is granted, and five years in the case of a ten percent employee-shareholder, such optionee shall have the right to exercise the Rights at any time within three months after such termination of employment or twelve months if disabled, to the extent that his right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan and had not previously been

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exercised at the date of such termination. Whether authorized leave of absence or absence for military or governmental service shall constitute termination of employment, for the purposes of the Plan, shall be determined by the Committee, which determination, unless overruled by the Board of Directors, shall be final and conclusive.

(h) Death of Optionee and Transfer of Option. If the optionee shall die while in the employ of the Corporation or a Subsidiary or within a period of three months after the termination of his employment with the Corporation and all Subsidiaries and shall not have fully exercised the option, the Rights may be exercised subject to the condition that no option shall be exercisable after the expiration of ten years from the date it is granted and five years in the case of a ten percent employee-shareholder, to the extent that the optionee's right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan at the time of his death and had not previously been exercised, at any time within one year after the optionee's death, by the executors or administrators of the optionee or by any person or persons who shall have acquired the option directly from the optionee by bequest or inheritance.

No option or right shall be transferable by the optionee otherwise than by will or the laws of descent and distribution.

(i) Recapitalization.

If the Corporation shall at any time increase or decrease the number of its outstanding shares of Capital Stock or change in any way the rights and privileges of such shares by means of the payment of a stock dividend, or the making of any other distribution upon such shares payable in Capital Stock, or through a Capital Stock split or subdivision of shares, or a consolidation or combination of shares, or through a reclassification or recapitalization involving the Capital Stock, then the numbers, rights and privileges of the following shall be increased, decreased or changed in like manner as if they had been issued and outstanding, fully paid and nonassessable at the time of such occurrence:

(a) The shares of Capital Stock on which Rights may be granted under the Plan:

(b) The maximum number of shares of Capital Stock with respect to which an employee may receive a Right hereunder; and

(c) The shares of Capital Stock then included in each outstanding Right granted hereunder.

Subject to any required action by the stockholders, if the Corporation shall be the surviving corporation in any merger or consolidation, each outstanding Right shall pertain to and apply to the securities to which a holder of the number of shares of Capital Stock subject to the Right would have been entitled.

A dissolution or liquidation of the Corporation or a merger or consolidation in which the Corporation is not the surviving corporation, shall cause each outstanding Right to terminate, provided that each optionee shall, in such event, have the right immediately prior to such dissolution or liquidation, or merger or consolidation in which the Corporation is not the surviving corporation, to exercise his Rights, in whole or in part without regard to the installment provisions contained in the first three (3) sentences of Article V(d) of the Plan. Each holder of Rights shall have the right (a) during the terms of a "Tender Offer", as to an option or SAR other than a limited SAR, or (b) during the thirty (30) days following a "Tender Offer", as to a

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limited SAR, to exercise such Rights in whole or in part without regard to the installment provisions contained in the first three sentences of Article V(d) of the Plan. For the purposes of this paragraph, a "Tender Offer" means a tender offer or exchange offer for shares of Capital Stock made by a person other than the Corporation.

To the extent that the foregoing adjustments relate to stock or securities of the Corporation, such adjustments shall be made by the Committee, whose determination in that respect shall be final, binding and conclusive, provided that each Right granted pursuant to the Plan shall not be adjusted in a manner which causes the option to fail to continue to qualify as an incentive stock option within the meaning of section 422A of the 1954 Internal Revenue Code.

Except as hereinbefore expressly provided in this Article V(i), the optionee shall have no rights by reason of any subdivision or consolidation of shares of stock of any class or the payment of any stock dividend or any

other increase or decrease in the number of shares of stock of any class or by any reason of any dissolution, liquidation, merger or consolidation or spin-off of assets or stock of another corporation, and any issue by the Corporation of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to the number or price of shares of Capital Stock subject to the Right.

The grant of any Right pursuant to the Plan shall not affect in any way the right or power of the Corporation to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge or to consolidate or to dissolve, liquidate or sell or transfer all or any part of its business or assets.

(j) Rights as a Stockholder.

An optionee or a transferee of an option shall have no rights as a stockholder with respect to any shares covered by his option until the date of the issuance of a stock certificate to him for such shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date such stock certificate is issued, except as provided in Article V(i) hereof.

(k) Modification, Extension and Renewal of Rights.

Subject to the terms and conditions and within the limitations of the Plan, the Board of Directors may modify, extend or renew outstanding Rights granted under the Plan, or accept the surrender of such outstanding Rights (to the extent not theretofore exercised) and authorize the granting of new Rights in substitution therefor (to the extent not theretofore exercised). The Board of Directors shall not, however, modify any outstanding Rights so as to specify a lower price or accept the surrender of outstanding options or rights and authorize the granting of new Rights in substitution therefor specifying a lower price. Notwithstanding the foregoing, however, no modification of any Rights shall, without the consent of the optionee, alter or impair any rights or obligations under any Rights theretofore granted under the Plan.

(l) Investment Purpose

Each option under the Plan shall be granted on the condition that he purchases of stock thereunder shall be for investment purposes, and not with a view to resale or distribution except that in the event the stock subject to such option is registered under the Securities Act of 1933, as amended, or in the event a resale of such stock without such registration would otherwise be permissible, such condition

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shall be inoperative if in the opinion of counsel for the Corporation such condition is not required under the Securities Act of 1933 or any other applicable law, regulation, or rule of any governmental agency.

(m) Other Provisions.

The option agreements authorized under the Plan shall contain such other provisions, including, without limitation, restrictions upon the exercise of the Rights, as the Committee and Board of Directors of the Corporation shall deem advisable. Any such option agreement shall contain such limitations and restrictions upon the exercise of the option as shall be necessary in order that such option will be an "incentive stock option" as defined in Section 422A of the Internal Revenue Code of 1954 or to conform to any change in the law.

ARTICLE VI

TERM OF PLAN

Rights may be granted pursuant to the Plan from time to time within a period of ten years from the date the Plan is adopted, or the date the Plan is approved by the Stockholders, whichever is earlier.

ARTICLE VII

INDEMNIFICATION OF COMMITTEE

In addition to such other rights of indemnification as they may have as distributors or members of the Committee, the members of the Committee shall be indemnified by the Corporation against the reasonable expenses, including attorneys' fees actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan or of any option granted

thereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Corporation) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee member is liable of negligence or misconduct in the performance of his duties; provided that within 60 days after institution of any such action, suit or proceedings, Committee member shall in writing offer, the Corporation the opportunity, at its own expense, to handle and defend the same.

ARTICLE VIII

AMENDMENT OF THE PLAN

The Board of Directors of the Corporation may, insofar as permitted by law, suspend or discontinue the Plan or revise or amend it in any respect whatsoever except that no amendment or discontinuance of the Plan by the Board of Directors of shareholders shall adversely affect, without the consent of the holder thereof, any outstanding stock option or right theretofore granted; and except that without the affirmative vote of the holders of a majority of the shares of the Corporation's Common Stock present or represented and entitled to vote at a meeting duly held, no revision or amendment shall change the number of shares subject to the Plan, change the designation of the class of employees eligible to receive options, decrease the price at which options may be granted, remove the administration of the Plan from the Committee, or render any member of the Committee eligible to receive an option under the Plan while

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servicing thereon. Furthermore, the Plan may not, without the approval of the stockholders, be amended in any manner that will cause options issued under it to fail to meet the requirements of incentive stock options as defined in Section 422A of the Internal Revenue Code of 1954, as amended.

ARTICLE IX

APPLICATION OF FUNDS

The proceeds received by the Corporation from the sale of Common Stock pursuant to options will be used for general corporate purposes.

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NO OBLIGATION TO EXERCISE OPTION

The granting of an option shall impose no obligation upon the optionee to exercise such option.

ARTICLE XI

APPROVAL OF STOCKHOLDERS

The Plan shall become effective when it has received the approval of the holders of a majority of the Corporation's Common Stock present or represented, and entitled to vote at a duly called stockholders' meeting, which approval must occur within the period beginning twelve months before and ending twelve months after the date the Plan is adopted by the Board of Directors.

Date Plan adopted by Board of Directors: August 25, 1982

Date Plan approved by Stockholders: March 23, 1983

As amended by Board of Directors and
approved by Stockholders: March 26, 1986

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1983 INCENTIVE STOCK OPTION PLAN

FOR

FIRST NEW MEXICO BANKSHARE CORPORATION

ARTICLE 1

PURPOSE OF PLAN

This Incentive Stock Option Plan (the "Plan") is intended as an incentive and to encourage stock ownership by certain officers and key executive employees of First New Mexico Bankshare Corporation (the "Corporation") and its subsidiary corporations so that they may acquire or increase their proprietary interest in the success of the Corporation and Subsidiaries, and to encourage them to remain in the employ of the Corporation or the Subsidiaries. It is intended that this purpose be achieved through grants under the plan of options to purchase shares of the Corporation's Capital Stock and related stock appreciation Rights ("SARs") and limited SARs (such options, SARs and Limited SARs sometimes herein collectively referred to as "Rights"). It is further intended that options issued pursuant to this Plan shall constitute incentive stock options within the meaning of Section 422A of the Internal Revenue Code of 1954, as amended.

Participating subsidiaries shall be the subsidiaries of the Corporation that both qualify as a "subsidiary corporation" as defined in Section 425(f) of the Internal Revenue Code of 1954, as amended, and are designated from time to time by the Board of Directors as Participating Companies. Currently, Bankshare; Albuquerque National Bank; First National Bank in Raton; The Merchants Bank; The First National Bank of Rio Arriba; Security National Bank of Roswell; The Capital Bank; The Clovis National Bank; Grant County Bank; Valley Bank; Bank of Las Cruces, N.A.; and Southwest National Bank are participating companies under the Plan.

ARTICLE II

ADMINISTRATION

The Plan shall be administered by the Incentive Compensation Committee (the "Committee") appointed by the Board of Directors of the Corporation. The Committee shall consist of not less than three members of the Corporation's Board of Directors. The Board of Directors may from time to time remove members from, or add members to, the Committee. Vacancies on the Committee, howsoever caused, shall be filled by the Board of Directors. The Committee shall select one of its members as Chairman, and shall hold meeting at such times and places as it may determine. A majority of the Committee at which a quorum is present, or acts reduced to or approved in writing by a majority of the members of the Committee, shall be the valid acts of the Committee. The Committee shall from time to time at its discretion make recommendations to the Board of Directors with respect to the key executive employees who shall be granted Rights and the amount of Rights to be granted to each.

No director shall be designated as or continue to be a member of the Committee unless he shall at the time of designation and throughout his service be a "disinterested person". A "disinterested person" is one who is not at the time he exercises discretion in administering the Plan eligible and has not at any time within

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one year prior thereto been eligible for selection as a person to whom rights may be granted pursuant to the Plan or any other plan of the Corporation or any of its affiliates entitling the participants therein to acquire stock, stock options or stock appreciation rights of the Corporation or any of its affiliates, or one who otherwise satisfies the definition of "disinterested person" under SEC Rule 16b-3 under the Securities Exchange Act of 1934, as the same may be now or hereafter amended. The Board of Directors of the Corporation shall not act upon matters affecting or relating to the Plan unless a majority of the Board and a majority of those acting in the matter are disinterested persons.

The interpretation and construction by the Committee of any provisions of the Plan or of any option granted under it shall be final unless otherwise determined by the Board of Directors. No member of the Board of Directors or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any option granted under it.

ARTICLE III

ELIGIBILITY

The persons who shall be eligible to receive options shall be such key executive employees (including officers, whether or not they are Directors) of the Corporation or its Subsidiaries existing from time to time as the Board of Directors shall select from time to time from among those nominated by the Committee. An optionee may hold more than one option, but only on the terms and subject to the restrictions hereafter set forth. No person shall be eligible to receive an option for a larger number of shares than is recommended for him by the Committee.

ARTICLE IV

STOCK

The stock subject to the options shall be shares of the Corporation's authorized but unissued or reacquired common stock hereafter sometimes called Capital Stock. The aggregate number of shares which may be issued under options under this plan shall not exceed 100,000 shares of Capital Stock. The maximum number of shares which may be optioned in any one calendar year shall not exceed 25,000; provided, however, that any shares not optioned may be carried over and optioned in the following calendar year(s) in addition to the shares available in that calendar year. The number of shares with respect to which options may be granted to any individual under any and all options under this plan which are issued to him by the Corporation shall not exceed 10,000 shares. The aggregate fair market value (determined as of the time the option is granted) of the Capital Stock for which any employee may be granted Incentive Stock Options in any calendar year under the Plan and all such other plans of the Corporation and its Subsidiaries shall not exceed \$100,000 plus any unused limit carry-over to such year as defined under Section 422A of the Internal Revenue Code of 1954, as amended. The limitations established by this paragraph shall be subject to adjustment as provided in Article V(i) of the Plan.

In the event that any outstanding options under the Plan for any reason expires or is terminated, the shares of Capital Stock allocable to the unexercised portion of such option may again be subjected to an option under the Plan.

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ARTICLE V

TERMS AND CONDITIONS OF OPTIONS

Stock options granted pursuant to the Plan shall be authorized by the Board of Directors and shall be evidenced by agreements in such form as the Committee shall from time to time recommend and the Board of Directors shall from time to time approve, which agreements shall comply with and be subject to the following terms and conditions.

(a) Number of Shares

Each option shall state the number of shares to which it pertains.

(b) Option Price

Each option shall state the option price, which shall not be less than 100% of the fair market value of the shares of Capital Stock of the Corporation on the date of the granting of the option. If an individual owns stock possessing more than ten percent of the total combined voting power of all classes of stock of the Corporation or any of its parent or subsidiary corporations (hereinafter referred to as a "10 percent employee-stockholder"), the option price must be at least 110 percent of the fair market value of the stock on the date of the grant.

During such time as such stock is not listed upon an established stock exchange the fair market value per share shall be the mean between representative dealer "bid" and "ask" prices of the Capital Stock in the over-the-counter market on the day the option is granted, as quoted on the NATIONAL ASSOCIATION OF SECURITIES DEALERS AUTOMATED QUOTATIONS SERVICE (NASDAQ). If the stock is listed upon an established stock exchange or exchanges such fair market value shall be deemed to be the highest closing price of the Capital Stock on such stock exchange or exchanges on the date the option is granted or if no sales of the Corporation's Capital Stock shall have been made on any stock exchange on that day, on the next preceding day on which there was a sale of such stock. Subject to the foregoing the Board of Directors and the Committee in fixing the option price shall have full authority and discretion and be fully protected in doing so.

(c) Medium and Time of Payment

The option price shall be payable in United States dollars upon the exercise of the option and may be paid in cash or by check. Payment with previously acquired Capital Stock or with a combination of Capital Stock and cash is also allowable. Capital Stock used to satisfy the exercise price of an option shall be valued at the fair market value of such stock determined as of the date of the exercise in the manner specified in Article V(b) above.

(d) Term and Exercise of Option

No option shall be exercisable either in whole or in part prior to twenty-four months from the date it is granted. Subject to the right of cumulation provided in the last sentence of this subdivision each option shall be exercisable as to not more than one-half of the total number of shares covered thereby during each twelve month period commencing twenty-four months from the date of the granting of the option until all shares covered by the option shall become purchasable. The Committee may provide, however, for the exercise of options after the initial twenty-four month period, either as to an increased percentage of shares per year or as to all remaining shares, if the employee shall, with the approval of the Corporation, retire. No option shall be exercisable after the expiration of ten years from the date it is granted, but if it is granted to a more than 10 percent employee-shareholder, then the exercise

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period is reduced to 5 years. Not less than one hundred shares may be purchased at any one time unless the number purchased is the total number at the time purchasable under the option. During the lifetime of the optionee, the option shall be exercisable only by him and shall not be assignable or transferable by him and no other persons shall acquire any rights therein. To the extent not exercised, installments shall accumulate and be exercisable, in whole or in part, in any subsequent period but not later than ten years from the date the option is granted, or five years in the case of a 10 percent employee-shareholder.

(e) Stock-Appreciation Rights

(1) In General. A Stock Appreciation Right (SAR) is a right to surrender in whole or in part a stock option granted under this Plan (the "Related Option") in exchange for the payment of an amount equal to the number of shares of Capital Stock covered by the surrendered portion of the Related Option times the per share difference between the option price and the (fair market value of the Capital Stock) subject to the Related Option on the date of exercise of the SAR. The "payment" may be made in cash, in shares of Capital Stock or in a combination of the two. If shares of Capital Stock are used for payment, they will be valued at the fair market value of the Capital Stock at the date of the exercise of the SAR.

(2) Discretionary SAR's. The Board of Directors shall have the authority, upon the recommendation of the Committee, to grant SAR's in connection with a grant of any stock option under this plan upon such terms and conditions consistent with the provisions of this Plan as it may deem appropriate, subject to the following further limitations.

a. Unless the Board of Directors otherwise specifies, an SAR may only be granted with respect to an option at the time of the grant of the Related Option.

b. SAR's may only be exercised to the extent that the underlying option is exercisable, and only when the market price of the Capital Stock subject to the Related Option exceeds the exercise price of the related option.

c. Upon the exercise of a SAR, the Related Option shall be deemed to have been exercised to the extent of the shares of Capital Stock with respect to which the SAR is exercised so that such number of shares shall no longer be available for issuance pursuant to the Plan.

d. No SAR shall be transferable except by will or by the laws of descent and distribution. During the life of a holder of a SAR, the SAR shall be exercisable only by him.

e. To exercise an SAR, the holder shall (i) give written notice thereof to the Corporation in form satisfactory to the Committee addressed to the Secretary of the Corporation specifying the number of shares of Capital Stock with respect to which he is exercising the SAR, and (ii) if requested by the Corporation, deliver the agreements evidencing the rights being exercised to the Secretary of the Corporation who shall endorse

thereon a notation of such exercise and return the agreements to the holder thereof. The date of exercise of a SAR which is validly exercised shall be deemed to be the date on which the Corporation shall have received the instruments referred to in the immediately preceding sentence.

f. SAR's granted or held by Officers and Directors of the Corporation shall contain such further limitations as may be necessary to satisfy SEC Rule 16b-3 under the Securities Exchange Act of 1934, as now or hereafter amended.

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g. Any terms of the SAR not specifically described herein shall be set forth in the Option Agreement for the Related Option.

(3) Limited SAR's. Every holder of a stock option granted hereunder ("Related Option") who may be restricted from exercising the option and reselling the Capital Stock acquired thereunder within 6 months due to his being an "officer" or "director" of the Corporation within the meaning of Section 16(b) of the Securities Exchange Act of 1934 shall be deemed to have been granted at the date of the grant of the Related Option a limited SAR upon the following terms and conditions:

a. Such limited SAR shall be subject to all of the limitations specified in the Article V.(e)2.a. through Article V.(e)2.f. above.

b. The limited SAR may be exercised only during the period beginning on the first day following the date of expiration of any tender offer or exchange offer for shares of Capital Stock (other than one made by the Corporation), provided that shares of Capital Stock are acquired pursuant to such offer (the "Offer"), and ending on the 30th day following such date.

c. The limited SAR may only be exercised for cash.

d. The amount of the payment to be made upon the exercise of the limited SAR shall be an amount in cash equal to the product obtained by multiplying (i) the excess of (A) the "offer price per share of Capital Stock" (as hereinafter defined) over (B) the Option Price per share of Capital Stock under the Related Option by (ii) the number of shares of Capital Stock with respect to which such limited SAR is being exercised. The phrase "Offer Price per share of Capital Stock" shall mean with respect to the exercise of any limited SAR, the highest price per share of Capital Stock paid in any Offer which Offer is in effect at any time during the period beginning on the 60th day prior to the date on which such limited SAR is exercised. Any securities or property which are a part or all of the consideration paid for shares of Capital Stock in the Offer shall be valued in determining the Offer Price per share of Capital Stock at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity making such Offer, or (B) the valuation placed on such securities or property by the Committee.

(f) Prior Outstanding Option.

No option (for purposes of this Article V(f) called New Option) shall be exercisable while there is outstanding any incentive stock option (as defined in Section 422A of the 1954 Internal Revenue Code, as amended, which incentive stock option was granted, before the granting of the New Option, to the person to whom the New Option is granted, to purchase stock in the Corporation or in a corporation which, at the time the New Option is granted, is a parent or subsidiary corporation (as those terms are defined in Section 425 of the 1954 Internal Revenue Code, as amended) of the Corporation, or is a predecessor corporation of the Corporation or such parent of subsidiary corporation.

(g) Termination of Employment Except Death

In the event that an optionee shall cease to be employed by the Corporation or Subsidiaries for any reason other than his death and shall be no longer in the employ of any of them, subject to the condition that no option shall be exercised after the expiration of ten years from the date it is granted, and five years in the case of a ten percent employee-shareholder, such optionee shall have the right to exercise the Rights at any time within three months after such termination of employment or twelve months if disabled, to the extent that his right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan and had not previously been

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exercised at the date of such termination. Whether authorized leave of absence or absence for military or governmental service shall constitute termination of employment, for the purposes of the Plan, shall be determined by the Committee, which determination, unless overruled by the Board of Directors, shall be final and conclusive.

(h) Death of Optionee and Transfer of Option. If the optionee shall die while in the employ of the Corporation or a Subsidiary or within a period of three months after the termination of his employment with the Corporation and all Subsidiaries and shall not have fully exercised the option, the Rights may be exercised subject to the condition that no option shall be exercisable after the expiration of ten years from the date it is granted and five years in the case of a ten percent employee-shareholder, to the extent that the optionee's right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan at the time of his death and had not previously been exercised, at any time within one year after the optionee's death, by the executors or administrators of the optionee or by any person or persons who shall have acquired the option directly from the optionee by bequest or inheritance.

No option or right shall be transferable by the optionee otherwise than by will or the laws of descent and distribution.

(i) Recapitalization.

If the Corporation shall at any time increase or decrease the number of its outstanding shares of Capital Stock or change in any way the rights and privileges of such shares by means of the payment of a stock dividend, or the making of any other distribution upon such shares payable in Capital Stock, or through a Capital Stock split or subdivision of shares, or a consolidation or combination of shares, or through a reclassification or recapitalization involving the Capital Stock, then the numbers, rights and privileges of the following shall be increased, decreased or changed in like manner as if they had been issued and outstanding, fully paid and nonassessable at the time of such occurrence:

(a) The shares of Capital Stock on which Rights may be granted under the Plan:

(b) The maximum number of shares of Capital Stock with respect to which an employee may receive a Right hereunder; and

(c) The shares of Capital Stock then included in each outstanding Right granted hereunder.

Subject to any required action by the stockholders, if the Corporation shall be the surviving corporation in any merger or consolidation, each outstanding Right shall pertain to and apply to the securities to which a holder of the number of shares of Capital Stock subject to the Right would have been entitled.

A dissolution or liquidation of the Corporation or a merger or consolidation in which the Corporation is not the surviving corporation, shall cause each outstanding Right to terminate, provided that each optionee shall, in such event, have the right immediately prior to such dissolution or liquidation, or merger or consolidation in which the Corporation is not the surviving corporation, to exercise his Rights, in whole or in part without regard to the installment provisions contained in the first three (3) sentences of Article V(d) of the Plan. Each holder of Rights shall have the right (a) during the terms of a "Tender Offer", as to an option or SAR other than a limited SAR, or (b) during the thirty (30) days following a "Tender Offer", as to a

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limited SAR, to exercise such Rights in whole or in part without regard to the installment provisions contained in the first three sentences of Article V(d) of the Plan. For the purposes of this paragraph, a "Tender Offer" means a tender offer or exchange offer for shares of Capital Stock made by a person other than the Corporation.

To the extent that the foregoing adjustments relate to stock or securities of the Corporation, such adjustments shall be made by the Committee, whose determination in that respect shall be final, binding and conclusive, provided that each Right granted pursuant to the Plan shall not be adjusted in a manner which causes the option to fail to continue to qualify as an incentive stock option within the meaning of section 422A of the 1954 Internal Revenue Code.

Except as hereinbefore expressly provided in this Article V(i), the optionee shall have no rights by reason of any subdivision or consolidation of shares of stock of any class or the payment of any stock dividend or any

other increase or decrease in the number of shares of stock of any class or by any reason of any dissolution, liquidation, merger or consolidation or spin-off of assets or stock of another corporation, and any issue by the Corporation of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to the number or price of shares of Capital Stock subject to the Right.

The grant of any Right pursuant to the Plan shall not affect in any way the right or power of the Corporation to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge or to consolidate or to dissolve, liquidate or sell or transfer all or any part of its business or assets.

(j) Rights as a Stockholder.

An optionee or a transferee of an option shall have no rights as a stockholder with respect to any shares covered by his option until the date of the issuance of a stock certificate to him for such shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date such stock certificate is issued, except as provided in Article V(i) hereof.

(k) Modification, Extension and Renewal of Rights.

Subject to the terms and conditions and within the limitations of the Plan, the Board of Directors may modify, extend or renew outstanding Rights granted under the Plan, or accept the surrender of such outstanding Rights (to the extent not theretofore exercised) and authorize the granting of new Rights in substitution therefor (to the extent not theretofore exercised). The Board of Directors shall not, however, modify any outstanding Rights so as to specify a lower price or accept the surrender of outstanding options or rights and authorize the granting of new Rights in substitution therefor specifying a lower price. Notwithstanding the foregoing, however, no modification of any Rights shall, without the consent of the optionee, alter or impair any rights or obligations under any Rights theretofore granted under the Plan.

(l) Investment Purpose

Each option under the Plan shall be granted on the condition that he purchases of stock thereunder shall be for investment purposes, and not with a view to resale or distribution except that in the event the stock subject to such option is registered under the Securities Act of 1933, as amended, or in the event a resale of such stock without such registration would otherwise be permissible, such condition

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shall be inoperative if in the opinion of counsel for the Corporation such condition is not required under the Securities Act of 1933 or any other applicable law, regulation, or rule of any governmental agency.

(m) Other Provisions.

The option agreements authorized under the Plan shall contain such other provisions, including, without limitation, restrictions upon the exercise of the Rights, as the Committee and Board of Directors of the Corporation shall deem advisable. Any such option agreement shall contain such limitations and restrictions upon the exercise of the option as shall be necessary in order that such option will be an "incentive stock option" as defined in Section 422A of the Internal Revenue Code of 1954 or to conform to any change in the law.

ARTICLE VI

TERM OF PLAN

Rights may be granted pursuant to the Plan from time to time within a period of ten years from the date the Plan is adopted, or the date the Plan is approved by the Stockholders, whichever is earlier.

ARTICLE VII

INDEMNIFICATION OF COMMITTEE

In addition to such other rights of indemnification as they may have as distributors or members of the Committee, the members of the Committee shall be indemnified by the Corporation against the reasonable expenses, including attorneys' fees actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan or of any option granted

thereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Corporation) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee member is liable of negligence or misconduct in the performance of his duties; provided that within 60 days after institution of any such action, suit or proceedings, Committee member shall in writing offer, the Corporation the opportunity, at its own expense, to handle and defend the same.

ARTICLE VIII

AMENDMENT OF THE PLAN

The Board of Directors of the Corporation may, insofar as permitted by law, suspend or discontinue the Plan or revise or amend it in any respect whatsoever except that no amendment or discontinuance of the Plan by the Board of Directors of shareholders shall adversely affect, without the consent of the holder thereof, any outstanding stock option or right theretofore granted; and except that without the affirmative vote of the holders of a majority of the shares of the Corporation's Common Stock present or represented and entitled to vote at a meeting duly held, no revision or amendment shall change the number of shares subject to the Plan, change the designation of the class of employees eligible to receive options, decrease the price at which options may be granted, remove the administration of the Plan from the Committee, or render any member of the Committee eligible to receive an option under the Plan while

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servicing thereon. Furthermore, the Plan may not, without the approval of the stockholders, be amended in any manner that will cause options issued under it to fail to meet the requirements of incentive stock options as defined in Section 422A of the Internal Revenue Code of 1954, as amended.

ARTICLE IX

APPLICATION OF FUNDS

The proceeds received by the Corporation from the sale of Common Stock pursuant to options will be used for general corporate purposes.

ARTICLE X

NO OBLIGATION TO EXERCISE OPTION

The granting of an option shall impose no obligation upon the optionee to exercise such option.

ARTICLE XI

APPROVAL OF STOCKHOLDERS

The Plan shall become effective when it has received the approval of the holders of a majority of the Corporation's Common Stock present or represented, and entitled to vote at a duly called stockholders' meeting, which approval must occur within the period beginning twelve months before and ending twelve months after the date the Plan is adopted by the Board of Directors.

Date Plan adopted by Board of Directors: August 25, 1982

Date Plan approved by Stockholders: March 23, 1983

As amended by Board of Directors and
approved by Stockholders: March 26, 1986

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1983 INCENTIVE STOCK OPTION PLAN

FOR

FIRST NEW MEXICO BANKSHARE CORPORATION

ARTICLE 1

PURPOSE OF PLAN

This Incentive Stock Option Plan (the "Plan") is intended as an incentive and to encourage stock ownership by certain officers and key executive employees of First New Mexico Bankshare Corporation (the "Corporation") and its subsidiary corporations so that they may acquire or increase their proprietary interest in the success of the Corporation and Subsidiaries, and to encourage them to remain in the employ of the Corporation or the Subsidiaries. It is intended that this purpose be achieved through grants under the plan of options to purchase shares of the Corporation's Capital Stock and related stock appreciation Rights ("SARs") and limited SARs (such options, SARs and Limited SARs sometimes herein collectively referred to as "Rights"). It is further intended that options issued pursuant to this Plan shall constitute incentive stock options within the meaning of Section 422A of the Internal Revenue Code of 1954, as amended.

Participating subsidiaries shall be the subsidiaries of the Corporation that both qualify as a "subsidiary corporation" as defined in Section 425(f) of the Internal Revenue Code of 1954, as amended, and are designated from time to time by the Board of Directors as Participating Companies. Currently, Bankshare; Albuquerque National Bank; First National Bank in Raton; The Merchants Bank; The First National Bank of Rio Arriba; Security National Bank of Roswell; The Capital Bank; The Clovis National Bank; Grant County Bank; Valley Bank; Bank of Las Cruces, N.A.; and Southwest National Bank are participating companies under the Plan.

ARTICLE II

ADMINISTRATION

The Plan shall be administered by the Incentive Compensation Committee (the "Committee") appointed by the Board of Directors of the Corporation. The Committee shall consist of not less than three members of the Corporation's Board of Directors. The Board of Directors may from time to time remove members from, or add members to, the Committee. Vacancies on the Committee, howsoever caused, shall be filled by the Board of Directors. The Committee shall select one of its members as Chairman, and shall hold meeting at such times and places as it may determine. A majority of the Committee at which a quorum is present, or acts reduced to or approved in writing by a majority of the members of the Committee, shall be the valid acts of the Committee. The Committee shall from time to time at its discretion make recommendations to the Board of Directors with respect to the key executive employees who shall be granted Rights and the amount of Rights to be granted to each.

No director shall be designated as or continue to be a member of the Committee unless he shall at the time of designation and throughout his service be a "disinterested person". A "disinterested person" is one who is not at the time he exercises discretion in administering the Plan eligible and has not at any time within

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one year prior thereto been eligible for selection as a person to whom rights may be granted pursuant to the Plan or any other plan of the Corporation or any of its affiliates entitling the participants therein to acquire stock, stock options or stock appreciation rights of the Corporation or any of its affiliates, or one who otherwise satisfies the definition of "disinterested person" under SEC Rule 16b-3 under the Securities Exchange Act of 1934, as the same may be now or hereafter amended. The Board of Directors of the Corporation shall not act upon matters affecting or relating to the Plan unless a majority of the Board and a majority of those acting in the matter are disinterested persons.

The interpretation and construction by the Committee of any provisions of the Plan or of any option granted under it shall be final unless otherwise determined by the Board of Directors. No member of the Board of Directors or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any option granted under it.

ARTICLE III

ELIGIBILITY

The persons who shall be eligible to receive options shall be such key executive employees (including officers, whether or not they are Directors) of the Corporation or its Subsidiaries existing from time to time as the Board of Directors shall select from time to time from among those nominated by the Committee. An optionee may hold more than one option, but only on the terms and subject to the restrictions hereafter set forth. No person shall be eligible to receive an option for a larger number of shares than is recommended for him by the Committee.

ARTICLE IV

STOCK

The stock subject to the options shall be shares of the Corporation's authorized but unissued or reacquired common stock hereafter sometimes called Capital Stock. The aggregate number of shares which may be issued under options under this plan shall not exceed 100,000 shares of Capital Stock. The maximum number of shares which may be optioned in any one calendar year shall not exceed 25,000; provided, however, that any shares not optioned may be carried over and optioned in the following calendar year(s) in addition to the shares available in that calendar year. The number of shares with respect to which options may be granted to any individual under any and all options under this plan which are issued to him by the Corporation shall not exceed 10,000 shares. The aggregate fair market value (determined as of the time the option is granted) of the Capital Stock for which any employee may be granted Incentive Stock Options in any calendar year under the Plan and all such other plans of the Corporation and its Subsidiaries shall not exceed \$100,000 plus any unused limit carry-over to such year as defined under Section 422A of the Internal Revenue Code of 1954, as amended. The limitations established by this paragraph shall be subject to adjustment as provided in Article V(i) of the Plan.

In the event that any outstanding options under the Plan for any reason expires or is terminated, the shares of Capital Stock allocable to the unexercised portion of such option may again be subjected to an option under the Plan.

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ARTICLE V

TERMS AND CONDITIONS OF OPTIONS

Stock options granted pursuant to the Plan shall be authorized by the Board of Directors and shall be evidenced by agreements in such form as the Committee shall from time to time recommend and the Board of Directors shall from time to time approve, which agreements shall comply with and be subject to the following terms and conditions.

(a) Number of Shares

Each option shall state the number of shares to which it pertains.

(b) Option Price

Each option shall state the option price, which shall not be less than 100% of the fair market value of the shares of Capital Stock of the Corporation on the date of the granting of the option. If an individual owns stock possessing more than ten percent of the total combined voting power of all classes of stock of the Corporation or any of its parent or subsidiary corporations (hereinafter referred to as a "10 percent employee-stockholder"), the option price must be at least 110 percent of the fair market value of the stock on the date of the grant.

During such time as such stock is not listed upon an established stock exchange the fair market value per share shall be the mean between representative dealer "bid" and "ask" prices of the Capital Stock in the over-the-counter market on the day the option is granted, as quoted on the NATIONAL ASSOCIATION OF SECURITIES DEALERS AUTOMATED QUOTATIONS SERVICE (NASDAQ). If the stock is listed upon an established stock exchange or exchanges such fair market value shall be deemed to be the highest closing price of the Capital Stock on such stock exchange or exchanges on the date the option is granted or if no sales of the Corporation's Capital Stock shall have been made on any stock exchange on that day, on the next preceding day on which there was a sale of such stock. Subject to the foregoing the Board of Directors and the Committee in fixing the option price shall have full authority and discretion and be fully protected in doing so.

(c) Medium and Time of Payment

The option price shall be payable in United States dollars upon the exercise of the option and may be paid in cash or by check. Payment with previously acquired Capital Stock or with a combination of Capital Stock and cash is also allowable. Capital Stock used to satisfy the exercise price of an option shall be valued at the fair market value of such stock determined as of the date of the exercise in the manner specified in Article V(b) above.

(d) Term and Exercise of Option

No option shall be exercisable either in whole or in part prior to twenty-four months from the date it is granted. Subject to the right of cumulation provided in the last sentence of this subdivision each option shall be exercisable as to not more than one-half of the total number of shares covered thereby during each twelve month period commencing twenty-four months from the date of the granting of the option until all shares covered by the option shall become purchasable. The Committee may provide, however, for the exercise of options after the initial twenty-four month period, either as to an increased percentage of shares per year or as to all remaining shares, if the employee shall, with the approval of the Corporation, retire. No option shall be exercisable after the expiration of ten years from the date it is granted, but if it is granted to a more than 10 percent employee-shareholder, then the exercise

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period is reduced to 5 years. Not less than one hundred shares may be purchased at any one time unless the number purchased is the total number at the time purchasable under the option. During the lifetime of the optionee, the option shall be exercisable only by him and shall not be assignable or transferable by him and no other persons shall acquire any rights therein. To the extent not exercised, installments shall accumulate and be exercisable, in whole or in part, in any subsequent period but not later than ten years from the date the option is granted, or five years in the case of a 10 percent employee-shareholder.

(e) Stock-Appreciation Rights

(1) In General. A Stock Appreciation Right (SAR) is a right to surrender in whole or in part a stock option granted under this Plan (the "Related Option") in exchange for the payment of an amount equal to the number of shares of Capital Stock covered by the surrendered portion of the Related Option times the per share difference between the option price and the (fair market value of the Capital Stock) subject to the Related Option on the date of exercise of the SAR. The "payment" may be made in cash, in shares of Capital Stock or in a combination of the two. If shares of Capital Stock are used for payment, they will be valued at the fair market value of the Capital Stock at the date of the exercise of the SAR.

(2) Discretionary SAR's. The Board of Directors shall have the authority, upon the recommendation of the Committee, to grant SAR's in connection with a grant of any stock option under this plan upon such terms and conditions consistent with the provisions of this Plan as it may deem appropriate, subject to the following further limitations.

a. Unless the Board of Directors otherwise specifies, an SAR may only be granted with respect to an option at the time of the grant of the Related Option.

b. SAR's may only be exercised to the extent that the underlying option is exercisable, and only when the market price of the Capital Stock subject to the Related Option exceeds the exercise price of the related option.

c. Upon the exercise of a SAR, the Related Option shall be deemed to have been exercised to the extent of the shares of Capital Stock with respect to which the SAR is exercised so that such number of shares shall no longer be available for issuance pursuant to the Plan.

d. No SAR shall be transferable except by will or by the laws of descent and distribution. During the life of a holder of a SAR, the SAR shall be exercisable only by him.

e. To exercise an SAR, the holder shall (i) give written notice thereof to the Corporation in form satisfactory to the Committee addressed to the Secretary of the Corporation specifying the number of shares of Capital Stock with respect to which he is exercising the SAR, and (ii) if requested by the Corporation, deliver the agreements evidencing the rights being exercised to the Secretary of the Corporation who shall endorse

thereon a notation of such exercise and return the agreements to the holder thereof. The date of exercise of a SAR which is validly exercised shall be deemed to be the date on which the Corporation shall have received the instruments referred to in the immediately preceding sentence.

f. SAR's granted or held by Officers and Directors of the Corporation shall contain such further limitations as may be necessary to satisfy SEC Rule 16b-3 under the Securities Exchange Act of 1934, as now or hereafter amended.

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g. Any terms of the SAR not specifically described herein shall be set forth in the Option Agreement for the Related Option.

(3) Limited SAR's. Every holder of a stock option granted hereunder ("Related Option") who may be restricted from exercising the option and reselling the Capital Stock acquired thereunder within 6 months due to his being an "officer" or "director" of the Corporation within the meaning of Section 16(b) of the Securities Exchange Act of 1934 shall be deemed to have been granted at the date of the grant of the Related Option a limited SAR upon the following terms and conditions:

a. Such limited SAR shall be subject to all of the limitations specified in the Article V.(e)2.a. through Article V.(e)2.f. above.

b. The limited SAR may be exercised only during the period beginning on the first day following the date of expiration of any tender offer or exchange offer for shares of Capital Stock (other than one made by the Corporation), provided that shares of Capital Stock are acquired pursuant to such offer (the "Offer"), and ending on the 30th day following such date.

c. The limited SAR may only be exercised for cash.

d. The amount of the payment to be made upon the exercise of the limited SAR shall be an amount in cash equal to the product obtained by multiplying (i) the excess of (A) the "offer price per share of Capital Stock" (as hereinafter defined) over (B) the Option Price per share of Capital Stock under the Related Option by (ii) the number of shares of Capital Stock with respect to which such limited SAR is being exercised. The phrase "Offer Price per share of Capital Stock" shall mean with respect to the exercise of any limited SAR, the highest price per share of Capital Stock paid in any Offer which Offer is in effect at any time during the period beginning on the 60th day prior to the date on which such limited SAR is exercised. Any securities or property which are a part or all of the consideration paid for shares of Capital Stock in the Offer shall be valued in determining the Offer Price per share of Capital Stock at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity making such Offer, or (B) the valuation placed on such securities or property by the Committee.

(f) Prior Outstanding Option.

No option (for purposes of this Article V(f) called New Option) shall be exercisable while there is outstanding any incentive stock option (as defined in Section 422A of the 1954 Internal Revenue Code, as amended, which incentive stock option was granted, before the granting of the New Option, to the person to whom the New Option is granted, to purchase stock in the Corporation or in a corporation which, at the time the New Option is granted, is a parent or subsidiary corporation (as those terms are defined in Section 425 of the 1954 Internal Revenue Code, as amended) of the Corporation, or is a predecessor corporation of the Corporation or such parent of subsidiary corporation.

(g) Termination of Employment Except Death

In the event that an optionee shall cease to be employed by the Corporation or Subsidiaries for any reason other than his death and shall be no longer in the employ of any of them, subject to the condition that no option shall be exercised after the expiration of ten years from the date it is granted, and five years in the case of a ten percent employee-shareholder, such optionee shall have the right to exercise the Rights at any time within three months after such termination of employment or twelve months if disabled, to the extent that his right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan and had not previously been

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exercised at the date of such termination. Whether authorized leave of absence or absence for military or governmental service shall constitute termination of employment, for the purposes of the Plan, shall be determined by the Committee, which determination, unless overruled by the Board of Directors, shall be final and conclusive.

(h) Death of Optionee and Transfer of Option. If the optionee shall die while in the employ of the Corporation or a Subsidiary or within a period of three months after the termination of his employment with the Corporation and all Subsidiaries and shall not have fully exercised the option, the Rights may be exercised subject to the condition that no option shall be exercisable after the expiration of ten years from the date it is granted and five years in the case of a ten percent employee-shareholder, to the extent that the optionee's right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan at the time of his death and had not previously been exercised, at any time within one year after the optionee's death, by the executors or administrators of the optionee or by any person or persons who shall have acquired the option directly from the optionee by bequest or inheritance.

No option or right shall be transferable by the optionee otherwise than by will or the laws of descent and distribution.

(i) Recapitalization.

If the Corporation shall at any time increase or decrease the number of its outstanding shares of Capital Stock or change in any way the rights and privileges of such shares by means of the payment of a stock dividend, or the making of any other distribution upon such shares payable in Capital Stock, or through a Capital Stock split or subdivision of shares, or a consolidation or combination of shares, or through a reclassification or recapitalization involving the Capital Stock, then the numbers, rights and privileges of the following shall be increased, decreased or changed in like manner as if they had been issued and outstanding, fully paid and nonassessable at the time of such occurrence:

(a) The shares of Capital Stock on which Rights may be granted under the Plan:

(b) The maximum number of shares of Capital Stock with respect to which an employee may receive a Right hereunder; and

(c) The shares of Capital Stock then included in each outstanding Right granted hereunder.

Subject to any required action by the stockholders, if the Corporation shall be the surviving corporation in any merger or consolidation, each outstanding Right shall pertain to and apply to the securities to which a holder of the number of shares of Capital Stock subject to the Right would have been entitled.

A dissolution or liquidation of the Corporation or a merger or consolidation in which the Corporation is not the surviving corporation, shall cause each outstanding Right to terminate, provided that each optionee shall, in such event, have the right immediately prior to such dissolution or liquidation, or merger or consolidation in which the Corporation is not the surviving corporation, to exercise his Rights, in whole or in part without regard to the installment provisions contained in the first three (3) sentences of Article V(d) of the Plan. Each holder of Rights shall have the right (a) during the terms of a "Tender Offer", as to an option or SAR other than a limited SAR, or (b) during the thirty (30) days following a "Tender Offer", as to a

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limited SAR, to exercise such Rights in whole or in part without regard to the installment provisions contained in the first three sentences of Article V(d) of the Plan. For the purposes of this paragraph, a "Tender Offer" means a tender offer or exchange offer for shares of Capital Stock made by a person other than the Corporation.

To the extent that the foregoing adjustments relate to stock or securities of the Corporation, such adjustments shall be made by the Committee, whose determination in that respect shall be final, binding and conclusive, provided that each Right granted pursuant to the Plan shall not be adjusted in a manner which causes the option to fail to continue to qualify as an incentive stock option within the meaning of section 422A of the 1954 Internal Revenue Code.

Except as hereinbefore expressly provided in this Article V(i), the optionee shall have no rights by reason of any subdivision or consolidation of shares of stock of any class or the payment of any stock dividend or any

other increase or decrease in the number of shares of stock of any class or by any reason of any dissolution, liquidation, merger or consolidation or spin-off of assets or stock of another corporation, and any issue by the Corporation of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to the number or price of shares of Capital Stock subject to the Right.

The grant of any Right pursuant to the Plan shall not affect in any way the right or power of the Corporation to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge or to consolidate or to dissolve, liquidate or sell or transfer all or any part of its business or assets.

(j) Rights as a Stockholder.

An optionee or a transferee of an option shall have no rights as a stockholder with respect to any shares covered by his option until the date of the issuance of a stock certificate to him for such shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date such stock certificate is issued, except as provided in Article V(i) hereof.

(k) Modification, Extension and Renewal of Rights.

Subject to the terms and conditions and within the limitations of the Plan, the Board of Directors may modify, extend or renew outstanding Rights granted under the Plan, or accept the surrender of such outstanding Rights (to the extent not theretofore exercised) and authorize the granting of new Rights in substitution therefor (to the extent not theretofore exercised). The Board of Directors shall not, however, modify any outstanding Rights so as to specify a lower price or accept the surrender of outstanding options or rights and authorize the granting of new Rights in substitution therefor specifying a lower price. Notwithstanding the foregoing, however, no modification of any Rights shall, without the consent of the optionee, alter or impair any rights or obligations under any Rights theretofore granted under the Plan.

(l) Investment Purpose

Each option under the Plan shall be granted on the condition that he purchases of stock thereunder shall be for investment purposes, and not with a view to resale or distribution except that in the event the stock subject to such option is registered under the Securities Act of 1933, as amended, or in the event a resale of such stock without such registration would otherwise be permissible, such condition

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shall be inoperative if in the opinion of counsel for the Corporation such condition is not required under the Securities Act of 1933 or any other applicable law, regulation, or rule of any governmental agency.

(m) Other Provisions.

The option agreements authorized under the Plan shall contain such other provisions, including, without limitation, restrictions upon the exercise of the Rights, as the Committee and Board of Directors of the Corporation shall deem advisable. Any such option agreement shall contain such limitations and restrictions upon the exercise of the option as shall be necessary in order that such option will be an "incentive stock option" as defined in Section 422A of the Internal Revenue Code of 1954 or to conform to any change in the law.

ARTICLE VI

TERM OF PLAN

Rights may be granted pursuant to the Plan from time to time within a period of ten years from the date the Plan is adopted, or the date the Plan is approved by the Stockholders, whichever is earlier.

ARTICLE VII

INDEMNIFICATION OF COMMITTEE

In addition to such other rights of indemnification as they may have as distributors or members of the Committee, the members of the Committee shall be indemnified by the Corporation against the reasonable expenses, including attorneys' fees actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan or of any option granted

thereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Corporation) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee member is liable of negligence or misconduct in the performance of his duties; provided that within 60 days after institution of any such action, suit or proceedings, Committee member shall in writing offer, the Corporation the opportunity, at its own expense, to handle and defend the same.

ARTICLE VIII

AMENDMENT OF THE PLAN

The Board of Directors of the Corporation may, insofar as permitted by law, suspend or discontinue the Plan or revise or amend it in any respect whatsoever except that no amendment or discontinuance of the Plan by the Board of Directors of shareholders shall adversely affect, without the consent of the holder thereof, any outstanding stock option or right theretofore granted; and except that without the affirmative vote of the holders of a majority of the shares of the Corporation's Common Stock present or represented and entitled to vote at a meeting duly held, no revision or amendment shall change the number of shares subject to the Plan, change the designation of the class of employees eligible to receive options, decrease the price at which options may be granted, remove the administration of the Plan from the Committee, or render any member of the Committee eligible to receive an option under the Plan while

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servicing thereon. Furthermore, the Plan may not, without the approval of the stockholders, be amended in any manner that will cause options issued under it to fail to meet the requirements of incentive stock options as defined in Section 422A of the Internal Revenue Code of 1954, as amended.

ARTICLE IX

APPLICATION OF FUNDS

The proceeds received by the Corporation from the sale of Common Stock pursuant to options will be used for general corporate purposes.

ARTICLE X

NO OBLIGATION TO EXERCISE OPTION

The granting of an option shall impose no obligation upon the optionee to exercise such option.

ARTICLE XI

APPROVAL OF STOCKHOLDERS

The Plan shall become effective when it has received the approval of the holders of a majority of the Corporation's Common Stock present or represented, and entitled to vote at a duly called stockholders' meeting, which approval must occur within the period beginning twelve months before and ending twelve months after the date the Plan is adopted by the Board of Directors.

Date Plan adopted by Board of Directors: August 25, 1982

Date Plan approved by Stockholders: March 23, 1983

As amended by Board of Directors and
approved by Stockholders: March 26, 1986

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1983 INCENTIVE STOCK OPTION PLAN

FOR

FIRST NEW MEXICO BANKSHARE CORPORATION

ARTICLE 1

PURPOSE OF PLAN

This Incentive Stock Option Plan (the "Plan") is intended as an incentive and to encourage stock ownership by certain officers and key executive employees of First New Mexico Bankshare Corporation (the "Corporation") and its subsidiary corporations so that they may acquire or increase their proprietary interest in the success of the Corporation and Subsidiaries, and to encourage them to remain in the employ of the Corporation or the Subsidiaries. It is intended that this purpose be achieved through grants under the plan of options to purchase shares of the Corporation's Capital Stock and related stock appreciation Rights ("SARs") and limited SARs (such options, SARs and Limited SARs sometimes herein collectively referred to as "Rights"). It is further intended that options issued pursuant to this Plan shall constitute incentive stock options within the meaning of Section 422A of the Internal Revenue Code of 1954, as amended.

Participating subsidiaries shall be the subsidiaries of the Corporation that both qualify as a "subsidiary corporation" as defined in Section 425(f) of the Internal Revenue Code of 1954, as amended, and are designated from time to time by the Board of Directors as Participating Companies. Currently, Bankshare; Albuquerque National Bank; First National Bank in Raton; The Merchants Bank; The First National Bank of Rio Arriba; Security National Bank of Roswell; The Capital Bank; The Clovis National Bank; Grant County Bank; Valley Bank; Bank of Las Cruces, N.A.; and Southwest National Bank are participating companies under the Plan.

ARTICLE II

ADMINISTRATION

The Plan shall be administered by the Incentive Compensation Committee (the "Committee") appointed by the Board of Directors of the Corporation. The Committee shall consist of not less than three members of the Corporation's Board of Directors. The Board of Directors may from time to time remove members from, or add members to, the Committee. Vacancies on the Committee, howsoever caused, shall be filled by the Board of Directors. The Committee shall select one of its members as Chairman, and shall hold meeting at such times and places as it may determine. A majority of the Committee at which a quorum is present, or acts reduced to or approved in writing by a majority of the members of the Committee, shall be the valid acts of the Committee. The Committee shall from time to time at its discretion make recommendations to the Board of Directors with respect to the key executive employees who shall be granted Rights and the amount of Rights to be granted to each.

No director shall be designated as or continue to be a member of the Committee unless he shall at the time of designation and throughout his service be a "disinterested person". A "disinterested person" is one who is not at the time he exercises discretion in administering the Plan eligible and has not at any time within

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one year prior thereto been eligible for selection as a person to whom rights may be granted pursuant to the Plan or any other plan of the Corporation or any of its affiliates entitling the participants therein to acquire stock, stock options or stock appreciation rights of the Corporation or any of its affiliates, or one who otherwise satisfies the definition of "disinterested person" under SEC Rule 16b-3 under the Securities Exchange Act of 1934, as the same may be now or hereafter amended. The Board of Directors of the Corporation shall not act upon matters affecting or relating to the Plan unless a majority of the Board and a majority of those acting in the matter are disinterested persons.

The interpretation and construction by the Committee of any provisions of the Plan or of any option granted under it shall be final unless otherwise determined by the Board of Directors. No member of the Board of Directors or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any option granted under it.

ARTICLE III

ELIGIBILITY

The persons who shall be eligible to receive options shall be such key executive employees (including officers, whether or not they are Directors) of the Corporation or its Subsidiaries existing from time to time as the Board of Directors shall select from time to time from among those nominated by the Committee. An optionee may hold more than one option, but only on the terms and subject to the restrictions hereafter set forth. No person shall be eligible to receive an option for a larger number of shares than is recommended for him by the Committee.

ARTICLE IV

STOCK

The stock subject to the options shall be shares of the Corporation's authorized but unissued or reacquired common stock hereafter sometimes called Capital Stock. The aggregate number of shares which may be issued under options under this plan shall not exceed 100,000 shares of Capital Stock. The maximum number of shares which may be optioned in any one calendar year shall not exceed 25,000; provided, however, that any shares not optioned may be carried over and optioned in the following calendar year(s) in addition to the shares available in that calendar year. The number of shares with respect to which options may be granted to any individual under any and all options under this plan which are issued to him by the Corporation shall not exceed 10,000 shares. The aggregate fair market value (determined as of the time the option is granted) of the Capital Stock for which any employee may be granted Incentive Stock Options in any calendar year under the Plan and all such other plans of the Corporation and its Subsidiaries shall not exceed \$100,000 plus any unused limit carry-over to such year as defined under Section 422A of the Internal Revenue Code of 1954, as amended. The limitations established by this paragraph shall be subject to adjustment as provided in Article V(i) of the Plan.

In the event that any outstanding options under the Plan for any reason expires or is terminated, the shares of Capital Stock allocable to the unexercised portion of such option may again be subjected to an option under the Plan.

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ARTICLE V

TERMS AND CONDITIONS OF OPTIONS

Stock options granted pursuant to the Plan shall be authorized by the Board of Directors and shall be evidenced by agreements in such form as the Committee shall from time to time recommend and the Board of Directors shall from time to time approve, which agreements shall comply with and be subject to the following terms and conditions.

(a) Number of Shares

Each option shall state the number of shares to which it pertains.

(b) Option Price

Each option shall state the option price, which shall not be less than 100% of the fair market value of the shares of Capital Stock of the Corporation on the date of the granting of the option. If an individual owns stock possessing more than ten percent of the total combined voting power of all classes of stock of the Corporation or any of its parent or subsidiary corporations (hereinafter referred to as a "10 percent employee-stockholder"), the option price must be at least 110 percent of the fair market value of the stock on the date of the grant.

During such time as such stock is not listed upon an established stock exchange the fair market value per share shall be the mean between representative dealer "bid" and "ask" prices of the Capital Stock in the over-the-counter market on the day the option is granted, as quoted on the NATIONAL ASSOCIATION OF SECURITIES DEALERS AUTOMATED QUOTATIONS SERVICE (NASDAQ). If the stock is listed upon an established stock exchange or exchanges such fair market value shall be deemed to be the highest closing price of the Capital Stock on such stock exchange or exchanges on the date the option is granted or if no sales of the Corporation's Capital Stock shall have been made on any stock exchange on that day, on the next preceding day on which there was a sale of such stock. Subject to the foregoing the Board of Directors and the Committee in fixing the option price shall have full authority and discretion and be fully protected in doing so.

(c) Medium and Time of Payment

The option price shall be payable in United States dollars upon the exercise of the option and may be paid in cash or by check. Payment with previously acquired Capital Stock or with a combination of Capital Stock and cash is also allowable. Capital Stock used to satisfy the exercise price of an option shall be valued at the fair market value of such stock determined as of the date of the exercise in the manner specified in Article V(b) above.

(d) Term and Exercise of Option

No option shall be exercisable either in whole or in part prior to twenty-four months from the date it is granted. Subject to the right of cumulation provided in the last sentence of this subdivision each option shall be exercisable as to not more than one-half of the total number of shares covered thereby during each twelve month period commencing twenty-four months from the date of the granting of the option until all shares covered by the option shall become purchasable. The Committee may provide, however, for the exercise of options after the initial twenty-four month period, either as to an increased percentage of shares per year or as to all remaining shares, if the employee shall, with the approval of the Corporation, retire. No option shall be exercisable after the expiration of ten years from the date it is granted, but if it is granted to a more than 10 percent employee-shareholder, then the exercise

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period is reduced to 5 years. Not less than one hundred shares may be purchased at any one time unless the number purchased is the total number at the time purchasable under the option. During the lifetime of the optionee, the option shall be exercisable only by him and shall not be assignable or transferable by him and no other persons shall acquire any rights therein. To the extent not exercised, installments shall accumulate and be exercisable, in whole or in part, in any subsequent period but not later than ten years from the date the option is granted, or five years in the case of a 10 percent employee-shareholder.

(e) Stock-Appreciation Rights

(1) In General. A Stock Appreciation Right (SAR) is a right to surrender in whole or in part a stock option granted under this Plan (the "Related Option") in exchange for the payment of an amount equal to the number of shares of Capital Stock covered by the surrendered portion of the Related Option times the per share difference between the option price and the (fair market value of the Capital Stock) subject to the Related Option on the date of exercise of the SAR. The "payment" may be made in cash, in shares of Capital Stock or in a combination of the two. If shares of Capital Stock are used for payment, they will be valued at the fair market value of the Capital Stock at the date of the exercise of the SAR.

(2) Discretionary SAR's. The Board of Directors shall have the authority, upon the recommendation of the Committee, to grant SAR's in connection with a grant of any stock option under this plan upon such terms and conditions consistent with the provisions of this Plan as it may deem appropriate, subject to the following further limitations.

a. Unless the Board of Directors otherwise specifies, an SAR may only be granted with respect to an option at the time of the grant of the Related Option.

b. SAR's may only be exercised to the extent that the underlying option is exercisable, and only when the market price of the Capital Stock subject to the Related Option exceeds the exercise price of the related option.

c. Upon the exercise of a SAR, the Related Option shall be deemed to have been exercised to the extent of the shares of Capital Stock with respect to which the SAR is exercised so that such number of shares shall no longer be available for issuance pursuant to the Plan.

d. No SAR shall be transferable except by will or by the laws of descent and distribution. During the life of a holder of a SAR, the SAR shall be exercisable only by him.

e. To exercise an SAR, the holder shall (i) give written notice thereof to the Corporation in form satisfactory to the Committee addressed to the Secretary of the Corporation specifying the number of shares of Capital Stock with respect to which he is exercising the SAR, and (ii) if requested by the Corporation, deliver the agreements evidencing the rights being exercised to the Secretary of the Corporation who shall endorse

thereon a notation of such exercise and return the agreements to the holder thereof. The date of exercise of a SAR which is validly exercised shall be deemed to be the date on which the Corporation shall have received the instruments referred to in the immediately preceding sentence.

f. SAR's granted or held by Officers and Directors of the Corporation shall contain such further limitations as may be necessary to satisfy SEC Rule 16b-3 under the Securities Exchange Act of 1934, as now or hereafter amended.

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g. Any terms of the SAR not specifically described herein shall be set forth in the Option Agreement for the Related Option.

(3) Limited SAR's. Every holder of a stock option granted hereunder ("Related Option") who may be restricted from exercising the option and reselling the Capital Stock acquired thereunder within 6 months due to his being an "officer" or "director" of the Corporation within the meaning of Section 16(b) of the Securities Exchange Act of 1934 shall be deemed to have been granted at the date of the grant of the Related Option a limited SAR upon the following terms and conditions:

a. Such limited SAR shall be subject to all of the limitations specified in the Article V.(e)2.a. through Article V.(e)2.f. above.

b. The limited SAR may be exercised only during the period beginning on the first day following the date of expiration of any tender offer or exchange offer for shares of Capital Stock (other than one made by the Corporation), provided that shares of Capital Stock are acquired pursuant to such offer (the "Offer"), and ending on the 30th day following such date.

c. The limited SAR may only be exercised for cash.

d. The amount of the payment to be made upon the exercise of the limited SAR shall be an amount in cash equal to the product obtained by multiplying (i) the excess of (A) the "offer price per share of Capital Stock" (as hereinafter defined) over (B) the Option Price per share of Capital Stock under the Related Option by (ii) the number of shares of Capital Stock with respect to which such limited SAR is being exercised. The phrase "Offer Price per share of Capital Stock" shall mean with respect to the exercise of any limited SAR, the highest price per share of Capital Stock paid in any Offer which Offer is in effect at any time during the period beginning on the 60th day prior to the date on which such limited SAR is exercised. Any securities or property which are a part or all of the consideration paid for shares of Capital Stock in the Offer shall be valued in determining the Offer Price per share of Capital Stock at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity making such Offer, or (B) the valuation placed on such securities or property by the Committee.

(f) Prior Outstanding Option.

No option (for purposes of this Article V(f) called New Option) shall be exercisable while there is outstanding any incentive stock option (as defined in Section 422A of the 1954 Internal Revenue Code, as amended, which incentive stock option was granted, before the granting of the New Option, to the person to whom the New Option is granted, to purchase stock in the Corporation or in a corporation which, at the time the New Option is granted, is a parent or subsidiary corporation (as those terms are defined in Section 425 of the 1954 Internal Revenue Code, as amended) of the Corporation, or is a predecessor corporation of the Corporation or such parent of subsidiary corporation.

(g) Termination of Employment Except Death

In the event that an optionee shall cease to be employed by the Corporation or Subsidiaries for any reason other than his death and shall be no longer in the employ of any of them, subject to the condition that no option shall be exercised after the expiration of ten years from the date it is granted, and five years in the case of a ten percent employee-shareholder, such optionee shall have the right to exercise the Rights at any time within three months after such termination of employment or twelve months if disabled, to the extent that his right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan and had not previously been

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exercised at the date of such termination. Whether authorized leave of absence or absence for military or governmental service shall constitute termination of employment, for the purposes of the Plan, shall be determined by the Committee, which determination, unless overruled by the Board of Directors, shall be final and conclusive.

(h) Death of Optionee and Transfer of Option. If the optionee shall die while in the employ of the Corporation or a Subsidiary or within a period of three months after the termination of his employment with the Corporation and all Subsidiaries and shall not have fully exercised the option, the Rights may be exercised subject to the condition that no option shall be exercisable after the expiration of ten years from the date it is granted and five years in the case of a ten percent employee-shareholder, to the extent that the optionee's right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan at the time of his death and had not previously been exercised, at any time within one year after the optionee's death, by the executors or administrators of the optionee or by any person or persons who shall have acquired the option directly from the optionee by bequest or inheritance.

No option or right shall be transferable by the optionee otherwise than by will or the laws of descent and distribution.

(i) Recapitalization.

If the Corporation shall at any time increase or decrease the number of its outstanding shares of Capital Stock or change in any way the rights and privileges of such shares by means of the payment of a stock dividend, or the making of any other distribution upon such shares payable in Capital Stock, or through a Capital Stock split or subdivision of shares, or a consolidation or combination of shares, or through a reclassification or recapitalization involving the Capital Stock, then the numbers, rights and privileges of the following shall be increased, decreased or changed in like manner as if they had been issued and outstanding, fully paid and nonassessable at the time of such occurrence:

(a) The shares of Capital Stock on which Rights may be granted under the Plan:

(b) The maximum number of shares of Capital Stock with respect to which an employee may receive a Right hereunder; and

(c) The shares of Capital Stock then included in each outstanding Right granted hereunder.

Subject to any required action by the stockholders, if the Corporation shall be the surviving corporation in any merger or consolidation, each outstanding Right shall pertain to and apply to the securities to which a holder of the number of shares of Capital Stock subject to the Right would have been entitled.

A dissolution or liquidation of the Corporation or a merger or consolidation in which the Corporation is not the surviving corporation, shall cause each outstanding Right to terminate, provided that each optionee shall, in such event, have the right immediately prior to such dissolution or liquidation, or merger or consolidation in which the Corporation is not the surviving corporation, to exercise his Rights, in whole or in part without regard to the installment provisions contained in the first three (3) sentences of Article V(d) of the Plan. Each holder of Rights shall have the right (a) during the terms of a "Tender Offer", as to an option or SAR other than a limited SAR, or (b) during the thirty (30) days following a "Tender Offer", as to a

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limited SAR, to exercise such Rights in whole or in part without regard to the installment provisions contained in the first three sentences of Article V(d) of the Plan. For the purposes of this paragraph, a "Tender Offer" means a tender offer or exchange offer for shares of Capital Stock made by a person other than the Corporation.

To the extent that the foregoing adjustments relate to stock or securities of the Corporation, such adjustments shall be made by the Committee, whose determination in that respect shall be final, binding and conclusive, provided that each Right granted pursuant to the Plan shall not be adjusted in a manner which causes the option to fail to continue to qualify as an incentive stock option within the meaning of section 422A of the 1954 Internal Revenue Code.

Except as hereinbefore expressly provided in this Article V(i), the optionee shall have no rights by reason of any subdivision or consolidation of shares of stock of any class or the payment of any stock dividend or any

other increase or decrease in the number of shares of stock of any class or by any reason of any dissolution, liquidation, merger or consolidation or spin-off of assets or stock of another corporation, and any issue by the Corporation of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to the number or price of shares of Capital Stock subject to the Right.

The grant of any Right pursuant to the Plan shall not affect in any way the right or power of the Corporation to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge or to consolidate or to dissolve, liquidate or sell or transfer all or any part of its business or assets.

(j) Rights as a Stockholder.

An optionee or a transferee of an option shall have no rights as a stockholder with respect to any shares covered by his option until the date of the issuance of a stock certificate to him for such shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date such stock certificate is issued, except as provided in Article V(i) hereof.

(k) Modification, Extension and Renewal of Rights.

Subject to the terms and conditions and within the limitations of the Plan, the Board of Directors may modify, extend or renew outstanding Rights granted under the Plan, or accept the surrender of such outstanding Rights (to the extent not theretofore exercised) and authorize the granting of new Rights in substitution therefor (to the extent not theretofore exercised). The Board of Directors shall not, however, modify any outstanding Rights so as to specify a lower price or accept the surrender of outstanding options or rights and authorize the granting of new Rights in substitution therefor specifying a lower price. Notwithstanding the foregoing, however, no modification of any Rights shall, without the consent of the optionee, alter or impair any rights or obligations under any Rights theretofore granted under the Plan.

(l) Investment Purpose

Each option under the Plan shall be granted on the condition that he purchases of stock thereunder shall be for investment purposes, and not with a view to resale or distribution except that in the event the stock subject to such option is registered under the Securities Act of 1933, as amended, or in the event a resale of such stock without such registration would otherwise be permissible, such condition

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shall be inoperative if in the opinion of counsel for the Corporation such condition is not required under the Securities Act of 1933 or any other applicable law, regulation, or rule of any governmental agency.

(m) Other Provisions.

The option agreements authorized under the Plan shall contain such other provisions, including, without limitation, restrictions upon the exercise of the Rights, as the Committee and Board of Directors of the Corporation shall deem advisable. Any such option agreement shall contain such limitations and restrictions upon the exercise of the option as shall be necessary in order that such option will be an "incentive stock option" as defined in Section 422A of the Internal Revenue Code of 1954 or to conform to any change in the law.

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TERM OF PLAN

Rights may be granted pursuant to the Plan from time to time within a period of ten years from the date the Plan is adopted, or the date the Plan is approved by the Stockholders, whichever is earlier.

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INDEMNIFICATION OF COMMITTEE

In addition to such other rights of indemnification as they may have as distributors or members of the Committee, the members of the Committee shall be indemnified by the Corporation against the reasonable expenses, including attorneys' fees actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan or of any option granted

thereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Corporation) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee member is liable of negligence or misconduct in the performance of his duties; provided that within 60 days after institution of any such action, suit or proceedings, Committee member shall in writing offer, the Corporation the opportunity, at its own expense, to handle and defend the same.

ARTICLE VIII

AMENDMENT OF THE PLAN

The Board of Directors of the Corporation may, insofar as permitted by law, suspend or discontinue the Plan or revise or amend it in any respect whatsoever except that no amendment or discontinuance of the Plan by the Board of Directors of shareholders shall adversely affect, without the consent of the holder thereof, any outstanding stock option or right theretofore granted; and except that without the affirmative vote of the holders of a majority of the shares of the Corporation's Common Stock present or represented and entitled to vote at a meeting duly held, no revision or amendment shall change the number of shares subject to the Plan, change the designation of the class of employees eligible to receive options, decrease the price at which options may be granted, remove the administration of the Plan from the Committee, or render any member of the Committee eligible to receive an option under the Plan while

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servicing thereon. Furthermore, the Plan may not, without the approval of the stockholders, be amended in any manner that will cause options issued under it to fail to meet the requirements of incentive stock options as defined in Section 422A of the Internal Revenue Code of 1954, as amended.

ARTICLE IX

APPLICATION OF FUNDS

The proceeds received by the Corporation from the sale of Common Stock pursuant to options will be used for general corporate purposes.

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The granting of an option shall impose no obligation upon the optionee to exercise such option.

ARTICLE XI

APPROVAL OF STOCKHOLDERS

The Plan shall become effective when it has received the approval of the holders of a majority of the Corporation's Common Stock present or represented, and entitled to vote at a duly called stockholders' meeting, which approval must occur within the period beginning twelve months before and ending twelve months after the date the Plan is adopted by the Board of Directors.

Date Plan adopted by Board of Directors: August 25, 1982

Date Plan approved by Stockholders: March 23, 1983

As amended by Board of Directors and
approved by Stockholders: March 26, 1986

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1983 INCENTIVE STOCK OPTION PLAN

FOR

FIRST NEW MEXICO BANKSHARE CORPORATION

ARTICLE 1

PURPOSE OF PLAN

This Incentive Stock Option Plan (the "Plan") is intended as an incentive and to encourage stock ownership by certain officers and key executive employees of First New Mexico Bankshare Corporation (the "Corporation") and its subsidiary corporations so that they may acquire or increase their proprietary interest in the success of the Corporation and Subsidiaries, and to encourage them to remain in the employ of the Corporation or the Subsidiaries. It is intended that this purpose be achieved through grants under the plan of options to purchase shares of the Corporation's Capital Stock and related stock appreciation Rights ("SARs") and limited SARs (such options, SARs and Limited SARs sometimes herein collectively referred to as "Rights"). It is further intended that options issued pursuant to this Plan shall constitute incentive stock options within the meaning of Section 422A of the Internal Revenue Code of 1954, as amended.

Participating subsidiaries shall be the subsidiaries of the Corporation that both qualify as a "subsidiary corporation" as defined in Section 425(f) of the Internal Revenue Code of 1954, as amended, and are designated from time to time by the Board of Directors as Participating Companies. Currently, Bankshare; Albuquerque National Bank; First National Bank in Raton; The Merchants Bank; The First National Bank of Rio Arriba; Security National Bank of Roswell; The Capital Bank; The Clovis National Bank; Grant County Bank; Valley Bank; Bank of Las Cruces, N.A.; and Southwest National Bank are participating companies under the Plan.

ARTICLE II

ADMINISTRATION

The Plan shall be administered by the Incentive Compensation Committee (the "Committee") appointed by the Board of Directors of the Corporation. The Committee shall consist of not less than three members of the Corporation's Board of Directors. The Board of Directors may from time to time remove members from, or add members to, the Committee. Vacancies on the Committee, howsoever caused, shall be filled by the Board of Directors. The Committee shall select one of its members as Chairman, and shall hold meeting at such times and places as it may determine. A majority of the Committee at which a quorum is present, or acts reduced to or approved in writing by a majority of the members of the Committee, shall be the valid acts of the Committee. The Committee shall from time to time at its discretion make recommendations to the Board of Directors with respect to the key executive employees who shall be granted Rights and the amount of Rights to be granted to each.

No director shall be designated as or continue to be a member of the Committee unless he shall at the time of designation and throughout his service be a "disinterested person". A "disinterested person" is one who is not at the time he exercises discretion in administering the Plan eligible and has not at any time within

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one year prior thereto been eligible for selection as a person to whom rights may be granted pursuant to the Plan or any other plan of the Corporation or any of its affiliates entitling the participants therein to acquire stock, stock options or stock appreciation rights of the Corporation or any of its affiliates, or one who otherwise satisfies the definition of "disinterested person" under SEC Rule 16b-3 under the Securities Exchange Act of 1934, as the same may be now or hereafter amended. The Board of Directors of the Corporation shall not act upon matters affecting or relating to the Plan unless a majority of the Board and a majority of those acting in the matter are disinterested persons.

The interpretation and construction by the Committee of any provisions of the Plan or of any option granted under it shall be final unless otherwise determined by the Board of Directors. No member of the Board of Directors or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any option granted under it.

ARTICLE III

ELIGIBILITY

The persons who shall be eligible to receive options shall be such key executive employees (including officers, whether or not they are Directors) of the Corporation or its Subsidiaries existing from time to time as the Board of Directors shall select from time to time from among those nominated by the Committee. An optionee may hold more than one option, but only on the terms and subject to the restrictions hereafter set forth. No person shall be eligible to receive an option for a larger number of shares than is recommended for him by the Committee.

ARTICLE IV

STOCK

The stock subject to the options shall be shares of the Corporation's authorized but unissued or reacquired common stock hereafter sometimes called Capital Stock. The aggregate number of shares which may be issued under options under this plan shall not exceed 100,000 shares of Capital Stock. The maximum number of shares which may be optioned in any one calendar year shall not exceed 25,000; provided, however, that any shares not optioned may be carried over and optioned in the following calendar year(s) in addition to the shares available in that calendar year. The number of shares with respect to which options may be granted to any individual under any and all options under this plan which are issued to him by the Corporation shall not exceed 10,000 shares. The aggregate fair market value (determined as of the time the option is granted) of the Capital Stock for which any employee may be granted Incentive Stock Options in any calendar year under the Plan and all such other plans of the Corporation and its Subsidiaries shall not exceed \$100,000 plus any unused limit carry-over to such year as defined under Section 422A of the Internal Revenue Code of 1954, as amended. The limitations established by this paragraph shall be subject to adjustment as provided in Article V(i) of the Plan.

In the event that any outstanding options under the Plan for any reason expires or is terminated, the shares of Capital Stock allocable to the unexercised portion of such option may again be subjected to an option under the Plan.

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ARTICLE V

TERMS AND CONDITIONS OF OPTIONS

Stock options granted pursuant to the Plan shall be authorized by the Board of Directors and shall be evidenced by agreements in such form as the Committee shall from time to time recommend and the Board of Directors shall from time to time approve, which agreements shall comply with and be subject to the following terms and conditions.

(a) Number of Shares

Each option shall state the number of shares to which it pertains.

(b) Option Price

Each option shall state the option price, which shall not be less than 100% of the fair market value of the shares of Capital Stock of the Corporation on the date of the granting of the option. If an individual owns stock possessing more than ten percent of the total combined voting power of all classes of stock of the Corporation or any of its parent or subsidiary corporations (hereinafter referred to as a "10 percent employee-stockholder"), the option price must be at least 110 percent of the fair market value of the stock on the date of the grant.

During such time as such stock is not listed upon an established stock exchange the fair market value per share shall be the mean between representative dealer "bid" and "ask" prices of the Capital Stock in the over-the-counter market on the day the option is granted, as quoted on the NATIONAL ASSOCIATION OF SECURITIES DEALERS AUTOMATED QUOTATIONS SERVICE (NASDAQ). If the stock is listed upon an established stock exchange or exchanges such fair market value shall be deemed to be the highest closing price of the Capital Stock on such stock exchange or exchanges on the date the option is granted or if no sales of the Corporation's Capital Stock shall have been made on any stock exchange on that day, on the next preceding day on which there was a sale of such stock. Subject to the foregoing the Board of Directors and the Committee in fixing the option price shall have full authority and discretion and be fully protected in doing so.

(c) Medium and Time of Payment

The option price shall be payable in United States dollars upon the exercise of the option and may be paid in cash or by check. Payment with previously acquired Capital Stock or with a combination of Capital Stock and cash is also allowable. Capital Stock used to satisfy the exercise price of an option shall be valued at the fair market value of such stock determined as of the date of the exercise in the manner specified in Article V(b) above.

(d) Term and Exercise of Option

No option shall be exercisable either in whole or in part prior to twenty-four months from the date it is granted. Subject to the right of cumulation provided in the last sentence of this subdivision each option shall be exercisable as to not more than one-half of the total number of shares covered thereby during each twelve month period commencing twenty-four months from the date of the granting of the option until all shares covered by the option shall become purchasable. The Committee may provide, however, for the exercise of options after the initial twenty-four month period, either as to an increased percentage of shares per year or as to all remaining shares, if the employee shall, with the approval of the Corporation, retire. No option shall be exercisable after the expiration of ten years from the date it is granted, but if it is granted to a more than 10 percent employee-shareholder, then the exercise

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period is reduced to 5 years. Not less than one hundred shares may be purchased at any one time unless the number purchased is the total number at the time purchasable under the option. During the lifetime of the optionee, the option shall be exercisable only by him and shall not be assignable or transferable by him and no other persons shall acquire any rights therein. To the extent not exercised, installments shall accumulate and be exercisable, in whole or in part, in any subsequent period but not later than ten years from the date the option is granted, or five years in the case of a 10 percent employee-shareholder.

(e) Stock-Appreciation Rights

(1) In General. A Stock Appreciation Right (SAR) is a right to surrender in whole or in part a stock option granted under this Plan (the "Related Option") in exchange for the payment of an amount equal to the number of shares of Capital Stock covered by the surrendered portion of the Related Option times the per share difference between the option price and the (fair market value of the Capital Stock) subject to the Related Option on the date of exercise of the SAR. The "payment" may be made in cash, in shares of Capital Stock or in a combination of the two. If shares of Capital Stock are used for payment, they will be valued at the fair market value of the Capital Stock at the date of the exercise of the SAR.

(2) Discretionary SAR's. The Board of Directors shall have the authority, upon the recommendation of the Committee, to grant SAR's in connection with a grant of any stock option under this plan upon such terms and conditions consistent with the provisions of this Plan as it may deem appropriate, subject to the following further limitations.

a. Unless the Board of Directors otherwise specifies, an SAR may only be granted with respect to an option at the time of the grant of the Related Option.

b. SAR's may only be exercised to the extent that the underlying option is exercisable, and only when the market price of the Capital Stock subject to the Related Option exceeds the exercise price of the related option.

c. Upon the exercise of a SAR, the Related Option shall be deemed to have been exercised to the extent of the shares of Capital Stock with respect to which the SAR is exercised so that such number of shares shall no longer be available for issuance pursuant to the Plan.

d. No SAR shall be transferable except by will or by the laws of descent and distribution. During the life of a holder of a SAR, the SAR shall be exercisable only by him.

e. To exercise an SAR, the holder shall (i) give written notice thereof to the Corporation in form satisfactory to the Committee addressed to the Secretary of the Corporation specifying the number of shares of Capital Stock with respect to which he is exercising the SAR, and (ii) if requested by the Corporation, deliver the agreements evidencing the rights being exercised to the Secretary of the Corporation who shall endorse

thereon a notation of such exercise and return the agreements to the holder thereof. The date of exercise of a SAR which is validly exercised shall be deemed to be the date on which the Corporation shall have received the instruments referred to in the immediately preceding sentence.

f. SAR's granted or held by Officers and Directors of the Corporation shall contain such further limitations as may be necessary to satisfy SEC Rule 16b-3 under the Securities Exchange Act of 1934, as now or hereafter amended.

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g. Any terms of the SAR not specifically described herein shall be set forth in the Option Agreement for the Related Option.

(3) Limited SAR's. Every holder of a stock option granted hereunder ("Related Option") who may be restricted from exercising the option and reselling the Capital Stock acquired thereunder within 6 months due to his being an "officer" or "director" of the Corporation within the meaning of Section 16(b) of the Securities Exchange Act of 1934 shall be deemed to have been granted at the date of the grant of the Related Option a limited SAR upon the following terms and conditions:

a. Such limited SAR shall be subject to all of the limitations specified in the Article V.(e)2.a. through Article V.(e)2.f. above.

b. The limited SAR may be exercised only during the period beginning on the first day following the date of expiration of any tender offer or exchange offer for shares of Capital Stock (other than one made by the Corporation), provided that shares of Capital Stock are acquired pursuant to such offer (the "Offer"), and ending on the 30th day following such date.

c. The limited SAR may only be exercised for cash.

d. The amount of the payment to be made upon the exercise of the limited SAR shall be an amount in cash equal to the product obtained by multiplying (i) the excess of (A) the "offer price per share of Capital Stock" (as hereinafter defined) over (B) the Option Price per share of Capital Stock under the Related Option by (ii) the number of shares of Capital Stock with respect to which such limited SAR is being exercised. The phrase "Offer Price per share of Capital Stock" shall mean with respect to the exercise of any limited SAR, the highest price per share of Capital Stock paid in any Offer which Offer is in effect at any time during the period beginning on the 60th day prior to the date on which such limited SAR is exercised. Any securities or property which are a part or all of the consideration paid for shares of Capital Stock in the Offer shall be valued in determining the Offer Price per share of Capital Stock at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity making such Offer, or (B) the valuation placed on such securities or property by the Committee.

(f) Prior Outstanding Option.

No option (for purposes of this Article V(f) called New Option) shall be exercisable while there is outstanding any incentive stock option (as defined in Section 422A of the 1954 Internal Revenue Code, as amended, which incentive stock option was granted, before the granting of the New Option, to the person to whom the New Option is granted, to purchase stock in the Corporation or in a corporation which, at the time the New Option is granted, is a parent or subsidiary corporation (as those terms are defined in Section 425 of the 1954 Internal Revenue Code, as amended) of the Corporation, or is a predecessor corporation of the Corporation or such parent of subsidiary corporation.

(g) Termination of Employment Except Death

In the event that an optionee shall cease to be employed by the Corporation or Subsidiaries for any reason other than his death and shall be no longer in the employ of any of them, subject to the condition that no option shall be exercised after the expiration of ten years from the date it is granted, and five years in the case of a ten percent employee-shareholder, such optionee shall have the right to exercise the Rights at any time within three months after such termination of employment or twelve months if disabled, to the extent that his right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan and had not previously been

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exercised at the date of such termination. Whether authorized leave of absence or absence for military or governmental service shall constitute termination of employment, for the purposes of the Plan, shall be determined by the Committee, which determination, unless overruled by the Board of Directors, shall be final and conclusive.

(h) Death of Optionee and Transfer of Option. If the optionee shall die while in the employ of the Corporation or a Subsidiary or within a period of three months after the termination of his employment with the Corporation and all Subsidiaries and shall not have fully exercised the option, the Rights may be exercised subject to the condition that no option shall be exercisable after the expiration of ten years from the date it is granted and five years in the case of a ten percent employee-shareholder, to the extent that the optionee's right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan at the time of his death and had not previously been exercised, at any time within one year after the optionee's death, by the executors or administrators of the optionee or by any person or persons who shall have acquired the option directly from the optionee by bequest or inheritance.

No option or right shall be transferable by the optionee otherwise than by will or the laws of descent and distribution.

(i) Recapitalization.

If the Corporation shall at any time increase or decrease the number of its outstanding shares of Capital Stock or change in any way the rights and privileges of such shares by means of the payment of a stock dividend, or the making of any other distribution upon such shares payable in Capital Stock, or through a Capital Stock split or subdivision of shares, or a consolidation or combination of shares, or through a reclassification or recapitalization involving the Capital Stock, then the numbers, rights and privileges of the following shall be increased, decreased or changed in like manner as if they had been issued and outstanding, fully paid and nonassessable at the time of such occurrence:

(a) The shares of Capital Stock on which Rights may be granted under the Plan:

(b) The maximum number of shares of Capital Stock with respect to which an employee may receive a Right hereunder; and

(c) The shares of Capital Stock then included in each outstanding Right granted hereunder.

Subject to any required action by the stockholders, if the Corporation shall be the surviving corporation in any merger or consolidation, each outstanding Right shall pertain to and apply to the securities to which a holder of the number of shares of Capital Stock subject to the Right would have been entitled.

A dissolution or liquidation of the Corporation or a merger or consolidation in which the Corporation is not the surviving corporation, shall cause each outstanding Right to terminate, provided that each optionee shall, in such event, have the right immediately prior to such dissolution or liquidation, or merger or consolidation in which the Corporation is not the surviving corporation, to exercise his Rights, in whole or in part without regard to the installment provisions contained in the first three (3) sentences of Article V(d) of the Plan. Each holder of Rights shall have the right (a) during the terms of a "Tender Offer", as to an option or SAR other than a limited SAR, or (b) during the thirty (30) days following a "Tender Offer", as to a

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limited SAR, to exercise such Rights in whole or in part without regard to the installment provisions contained in the first three sentences of Article V(d) of the Plan. For the purposes of this paragraph, a "Tender Offer" means a tender offer or exchange offer for shares of Capital Stock made by a person other than the Corporation.

To the extent that the foregoing adjustments relate to stock or securities of the Corporation, such adjustments shall be made by the Committee, whose determination in that respect shall be final, binding and conclusive, provided that each Right granted pursuant to the Plan shall not be adjusted in a manner which causes the option to fail to continue to qualify as an incentive stock option within the meaning of section 422A of the 1954 Internal Revenue Code.

Except as hereinbefore expressly provided in this Article V(i), the optionee shall have no rights by reason of any subdivision or consolidation of shares of stock of any class or the payment of any stock dividend or any

other increase or decrease in the number of shares of stock of any class or by any reason of any dissolution, liquidation, merger or consolidation or spin-off of assets or stock of another corporation, and any issue by the Corporation of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to the number or price of shares of Capital Stock subject to the Right.

The grant of any Right pursuant to the Plan shall not affect in any way the right or power of the Corporation to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge or to consolidate or to dissolve, liquidate or sell or transfer all or any part of its business or assets.

(j) Rights as a Stockholder.

An optionee or a transferee of an option shall have no rights as a stockholder with respect to any shares covered by his option until the date of the issuance of a stock certificate to him for such shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date such stock certificate is issued, except as provided in Article V(i) hereof.

(k) Modification, Extension and Renewal of Rights.

Subject to the terms and conditions and within the limitations of the Plan, the Board of Directors may modify, extend or renew outstanding Rights granted under the Plan, or accept the surrender of such outstanding Rights (to the extent not theretofore exercised) and authorize the granting of new Rights in substitution therefor (to the extent not theretofore exercised). The Board of Directors shall not, however, modify any outstanding Rights so as to specify a lower price or accept the surrender of outstanding options or rights and authorize the granting of new Rights in substitution therefor specifying a lower price. Notwithstanding the foregoing, however, no modification of any Rights shall, without the consent of the optionee, alter or impair any rights or obligations under any Rights theretofore granted under the Plan.

(l) Investment Purpose

Each option under the Plan shall be granted on the condition that he purchases of stock thereunder shall be for investment purposes, and not with a view to resale or distribution except that in the event the stock subject to such option is registered under the Securities Act of 1933, as amended, or in the event a resale of such stock without such registration would otherwise be permissible, such condition

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shall be inoperative if in the opinion of counsel for the Corporation such condition is not required under the Securities Act of 1933 or any other applicable law, regulation, or rule of any governmental agency.

(m) Other Provisions.

The option agreements authorized under the Plan shall contain such other provisions, including, without limitation, restrictions upon the exercise of the Rights, as the Committee and Board of Directors of the Corporation shall deem advisable. Any such option agreement shall contain such limitations and restrictions upon the exercise of the option as shall be necessary in order that such option will be an "incentive stock option" as defined in Section 422A of the Internal Revenue Code of 1954 or to conform to any change in the law.

ARTICLE VI

TERM OF PLAN

Rights may be granted pursuant to the Plan from time to time within a period of ten years from the date the Plan is adopted, or the date the Plan is approved by the Stockholders, whichever is earlier.

ARTICLE VII

INDEMNIFICATION OF COMMITTEE

In addition to such other rights of indemnification as they may have as distributors or members of the Committee, the members of the Committee shall be indemnified by the Corporation against the reasonable expenses, including attorneys' fees actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan or of any option granted

thereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Corporation) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee member is liable of negligence or misconduct in the performance of his duties; provided that within 60 days after institution of any such action, suit or proceedings, Committee member shall in writing offer, the Corporation the opportunity, at its own expense, to handle and defend the same.

ARTICLE VIII

AMENDMENT OF THE PLAN

The Board of Directors of the Corporation may, insofar as permitted by law, suspend or discontinue the Plan or revise or amend it in any respect whatsoever except that no amendment or discontinuance of the Plan by the Board of Directors of shareholders shall adversely affect, without the consent of the holder thereof, any outstanding stock option or right theretofore granted; and except that without the affirmative vote of the holders of a majority of the shares of the Corporation's Common Stock present or represented and entitled to vote at a meeting duly held, no revision or amendment shall change the number of shares subject to the Plan, change the designation of the class of employees eligible to receive options, decrease the price at which options may be granted, remove the administration of the Plan from the Committee, or render any member of the Committee eligible to receive an option under the Plan while

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servicing thereon. Furthermore, the Plan may not, without the approval of the stockholders, be amended in any manner that will cause options issued under it to fail to meet the requirements of incentive stock options as defined in Section 422A of the Internal Revenue Code of 1954, as amended.

ARTICLE IX

APPLICATION OF FUNDS

The proceeds received by the Corporation from the sale of Common Stock pursuant to options will be used for general corporate purposes.

ARTICLE X

NO OBLIGATION TO EXERCISE OPTION

The granting of an option shall impose no obligation upon the optionee to exercise such option.

ARTICLE XI

APPROVAL OF STOCKHOLDERS

The Plan shall become effective when it has received the approval of the holders of a majority of the Corporation's Common Stock present or represented, and entitled to vote at a duly called stockholders' meeting, which approval must occur within the period beginning twelve months before and ending twelve months after the date the Plan is adopted by the Board of Directors.

Date Plan adopted by Board of Directors: August 25, 1982

Date Plan approved by Stockholders: March 23, 1983

As amended by Board of Directors and
approved by Stockholders: March 26, 1986

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1983 INCENTIVE STOCK OPTION PLAN

FOR

FIRST NEW MEXICO BANKSHARE CORPORATION

ARTICLE 1

PURPOSE OF PLAN

This Incentive Stock Option Plan (the "Plan") is intended as an incentive and to encourage stock ownership by certain officers and key executive employees of First New Mexico Bankshare Corporation (the "Corporation") and its subsidiary corporations so that they may acquire or increase their proprietary interest in the success of the Corporation and Subsidiaries, and to encourage them to remain in the employ of the Corporation or the Subsidiaries. It is intended that this purpose be achieved through grants under the plan of options to purchase shares of the Corporation's Capital Stock and related stock appreciation Rights ("SARs") and limited SARs (such options, SARs and Limited SARs sometimes herein collectively referred to as "Rights"). It is further intended that options issued pursuant to this Plan shall constitute incentive stock options within the meaning of Section 422A of the Internal Revenue Code of 1954, as amended.

Participating subsidiaries shall be the subsidiaries of the Corporation that both qualify as a "subsidiary corporation" as defined in Section 425(f) of the Internal Revenue Code of 1954, as amended, and are designated from time to time by the Board of Directors as Participating Companies. Currently, Bankshare; Albuquerque National Bank; First National Bank in Raton; The Merchants Bank; The First National Bank of Rio Arriba; Security National Bank of Roswell; The Capital Bank; The Clovis National Bank; Grant County Bank; Valley Bank; Bank of Las Cruces, N.A.; and Southwest National Bank are participating companies under the Plan.

ARTICLE II

ADMINISTRATION

The Plan shall be administered by the Incentive Compensation Committee (the "Committee") appointed by the Board of Directors of the Corporation. The Committee shall consist of not less than three members of the Corporation's Board of Directors. The Board of Directors may from time to time remove members from, or add members to, the Committee. Vacancies on the Committee, howsoever caused, shall be filled by the Board of Directors. The Committee shall select one of its members as Chairman, and shall hold meeting at such times and places as it may determine. A majority of the Committee at which a quorum is present, or acts reduced to or approved in writing by a majority of the members of the Committee, shall be the valid acts of the Committee. The Committee shall from time to time at its discretion make recommendations to the Board of Directors with respect to the key executive employees who shall be granted Rights and the amount of Rights to be granted to each.

No director shall be designated as or continue to be a member of the Committee unless he shall at the time of designation and throughout his service be a "disinterested person". A "disinterested person" is one who is not at the time he exercises discretion in administering the Plan eligible and has not at any time within

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one year prior thereto been eligible for selection as a person to whom rights may be granted pursuant to the Plan or any other plan of the Corporation or any of its affiliates entitling the participants therein to acquire stock, stock options or stock appreciation rights of the Corporation or any of its affiliates, or one who otherwise satisfies the definition of "disinterested person" under SEC Rule 16b-3 under the Securities Exchange Act of 1934, as the same may be now or hereafter amended. The Board of Directors of the Corporation shall not act upon matters affecting or relating to the Plan unless a majority of the Board and a majority of those acting in the matter are disinterested persons.

The interpretation and construction by the Committee of any provisions of the Plan or of any option granted under it shall be final unless otherwise determined by the Board of Directors. No member of the Board of Directors or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any option granted under it.

ARTICLE III

ELIGIBILITY

The persons who shall be eligible to receive options shall be such key executive employees (including officers, whether or not they are Directors) of the Corporation or its Subsidiaries existing from time to time as the Board of Directors shall select from time to time from among those nominated by the Committee. An optionee may hold more than one option, but only on the terms and subject to the restrictions hereafter set forth. No person shall be eligible to receive an option for a larger number of shares than is recommended for him by the Committee.

ARTICLE IV

STOCK

The stock subject to the options shall be shares of the Corporation's authorized but unissued or reacquired common stock hereafter sometimes called Capital Stock. The aggregate number of shares which may be issued under options under this plan shall not exceed 100,000 shares of Capital Stock. The maximum number of shares which may be optioned in any one calendar year shall not exceed 25,000; provided, however, that any shares not optioned may be carried over and optioned in the following calendar year(s) in addition to the shares available in that calendar year. The number of shares with respect to which options may be granted to any individual under any and all options under this plan which are issued to him by the Corporation shall not exceed 10,000 shares. The aggregate fair market value (determined as of the time the option is granted) of the Capital Stock for which any employee may be granted Incentive Stock Options in any calendar year under the Plan and all such other plans of the Corporation and its Subsidiaries shall not exceed \$100,000 plus any unused limit carry-over to such year as defined under Section 422A of the Internal Revenue Code of 1954, as amended. The limitations established by this paragraph shall be subject to adjustment as provided in Article V(i) of the Plan.

In the event that any outstanding options under the Plan for any reason expires or is terminated, the shares of Capital Stock allocable to the unexercised portion of such option may again be subjected to an option under the Plan.

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ARTICLE V

TERMS AND CONDITIONS OF OPTIONS

Stock options granted pursuant to the Plan shall be authorized by the Board of Directors and shall be evidenced by agreements in such form as the Committee shall from time to time recommend and the Board of Directors shall from time to time approve, which agreements shall comply with and be subject to the following terms and conditions.

(a) Number of Shares

Each option shall state the number of shares to which it pertains.

(b) Option Price

Each option shall state the option price, which shall not be less than 100% of the fair market value of the shares of Capital Stock of the Corporation on the date of the granting of the option. If an individual owns stock possessing more than ten percent of the total combined voting power of all classes of stock of the Corporation or any of its parent or subsidiary corporations (hereinafter referred to as a "10 percent employee-stockholder"), the option price must be at least 110 percent of the fair market value of the stock on the date of the grant.

During such time as such stock is not listed upon an established stock exchange the fair market value per share shall be the mean between representative dealer "bid" and "ask" prices of the Capital Stock in the over-the-counter market on the day the option is granted, as quoted on the NATIONAL ASSOCIATION OF SECURITIES DEALERS AUTOMATED QUOTATIONS SERVICE (NASDAQ). If the stock is listed upon an established stock exchange or exchanges such fair market value shall be deemed to be the highest closing price of the Capital Stock on such stock exchange or exchanges on the date the option is granted or if no sales of the Corporation's Capital Stock shall have been made on any stock exchange on that day, on the next preceding day on which there was a sale of such stock. Subject to the foregoing the Board of Directors and the Committee in fixing the option price shall have full authority and discretion and be fully protected in doing so.

(c) Medium and Time of Payment

The option price shall be payable in United States dollars upon the exercise of the option and may be paid in cash or by check. Payment with previously acquired Capital Stock or with a combination of Capital Stock and cash is also allowable. Capital Stock used to satisfy the exercise price of an option shall be valued at the fair market value of such stock determined as of the date of the exercise in the manner specified in Article V(b) above.

(d) Term and Exercise of Option

No option shall be exercisable either in whole or in part prior to twenty-four months from the date it is granted. Subject to the right of cumulation provided in the last sentence of this subdivision each option shall be exercisable as to not more than one-half of the total number of shares covered thereby during each twelve month period commencing twenty-four months from the date of the granting of the option until all shares covered by the option shall become purchasable. The Committee may provide, however, for the exercise of options after the initial twenty-four month period, either as to an increased percentage of shares per year or as to all remaining shares, if the employee shall, with the approval of the Corporation, retire. No option shall be exercisable after the expiration of ten years from the date it is granted, but if it is granted to a more than 10 percent employee-shareholder, then the exercise

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period is reduced to 5 years. Not less than one hundred shares may be purchased at any one time unless the number purchased is the total number at the time purchasable under the option. During the lifetime of the optionee, the option shall be exercisable only by him and shall not be assignable or transferable by him and no other persons shall acquire any rights therein. To the extent not exercised, installments shall accumulate and be exercisable, in whole or in part, in any subsequent period but not later than ten years from the date the option is granted, or five years in the case of a 10 percent employee-shareholder.

(e) Stock-Appreciation Rights

(1) In General. A Stock Appreciation Right (SAR) is a right to surrender in whole or in part a stock option granted under this Plan (the "Related Option") in exchange for the payment of an amount equal to the number of shares of Capital Stock covered by the surrendered portion of the Related Option times the per share difference between the option price and the (fair market value of the Capital Stock) subject to the Related Option on the date of exercise of the SAR. The "payment" may be made in cash, in shares of Capital Stock or in a combination of the two. If shares of Capital Stock are used for payment, they will be valued at the fair market value of the Capital Stock at the date of the exercise of the SAR.

(2) Discretionary SAR's. The Board of Directors shall have the authority, upon the recommendation of the Committee, to grant SAR's in connection with a grant of any stock option under this plan upon such terms and conditions consistent with the provisions of this Plan as it may deem appropriate, subject to the following further limitations.

a. Unless the Board of Directors otherwise specifies, an SAR may only be granted with respect to an option at the time of the grant of the Related Option.

b. SAR's may only be exercised to the extent that the underlying option is exercisable, and only when the market price of the Capital Stock subject to the Related Option exceeds the exercise price of the related option.

c. Upon the exercise of a SAR, the Related Option shall be deemed to have been exercised to the extent of the shares of Capital Stock with respect to which the SAR is exercised so that such number of shares shall no longer be available for issuance pursuant to the Plan.

d. No SAR shall be transferable except by will or by the laws of descent and distribution. During the life of a holder of a SAR, the SAR shall be exercisable only by him.

e. To exercise an SAR, the holder shall (i) give written notice thereof to the Corporation in form satisfactory to the Committee addressed to the Secretary of the Corporation specifying the number of shares of Capital Stock with respect to which he is exercising the SAR, and (ii) if requested by the Corporation, deliver the agreements evidencing the rights being exercised to the Secretary of the Corporation who shall endorse

thereon a notation of such exercise and return the agreements to the holder thereof. The date of exercise of a SAR which is validly exercised shall be deemed to be the date on which the Corporation shall have received the instruments referred to in the immediately preceding sentence.

f. SAR's granted or held by Officers and Directors of the Corporation shall contain such further limitations as may be necessary to satisfy SEC Rule 16b-3 under the Securities Exchange Act of 1934, as now or hereafter amended.

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g. Any terms of the SAR not specifically described herein shall be set forth in the Option Agreement for the Related Option.

(3) Limited SAR's. Every holder of a stock option granted hereunder ("Related Option") who may be restricted from exercising the option and reselling the Capital Stock acquired thereunder within 6 months due to his being an "officer" or "director" of the Corporation within the meaning of Section 16(b) of the Securities Exchange Act of 1934 shall be deemed to have been granted at the date of the grant of the Related Option a limited SAR upon the following terms and conditions:

a. Such limited SAR shall be subject to all of the limitations specified in the Article V.(e)2.a. through Article V.(e)2.f. above.

b. The limited SAR may be exercised only during the period beginning on the first day following the date of expiration of any tender offer or exchange offer for shares of Capital Stock (other than one made by the Corporation), provided that shares of Capital Stock are acquired pursuant to such offer (the "Offer"), and ending on the 30th day following such date.

c. The limited SAR may only be exercised for cash.

d. The amount of the payment to be made upon the exercise of the limited SAR shall be an amount in cash equal to the product obtained by multiplying (i) the excess of (A) the "offer price per share of Capital Stock" (as hereinafter defined) over (B) the Option Price per share of Capital Stock under the Related Option by (ii) the number of shares of Capital Stock with respect to which such limited SAR is being exercised. The phrase "Offer Price per share of Capital Stock" shall mean with respect to the exercise of any limited SAR, the highest price per share of Capital Stock paid in any Offer which Offer is in effect at any time during the period beginning on the 60th day prior to the date on which such limited SAR is exercised. Any securities or property which are a part or all of the consideration paid for shares of Capital Stock in the Offer shall be valued in determining the Offer Price per share of Capital Stock at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity making such Offer, or (B) the valuation placed on such securities or property by the Committee.

(f) Prior Outstanding Option.

No option (for purposes of this Article V(f) called New Option) shall be exercisable while there is outstanding any incentive stock option (as defined in Section 422A of the 1954 Internal Revenue Code, as amended, which incentive stock option was granted, before the granting of the New Option, to the person to whom the New Option is granted, to purchase stock in the Corporation or in a corporation which, at the time the New Option is granted, is a parent or subsidiary corporation (as those terms are defined in Section 425 of the 1954 Internal Revenue Code, as amended) of the Corporation, or is a predecessor corporation of the Corporation or such parent of subsidiary corporation.

(g) Termination of Employment Except Death

In the event that an optionee shall cease to be employed by the Corporation or Subsidiaries for any reason other than his death and shall be no longer in the employ of any of them, subject to the condition that no option shall be exercised after the expiration of ten years from the date it is granted, and five years in the case of a ten percent employee-shareholder, such optionee shall have the right to exercise the Rights at any time within three months after such termination of employment or twelve months if disabled, to the extent that his right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan and had not previously been

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exercised at the date of such termination. Whether authorized leave of absence or absence for military or governmental service shall constitute termination of employment, for the purposes of the Plan, shall be determined by the Committee, which determination, unless overruled by the Board of Directors, shall be final and conclusive.

(h) Death of Optionee and Transfer of Option. If the optionee shall die while in the employ of the Corporation or a Subsidiary or within a period of three months after the termination of his employment with the Corporation and all Subsidiaries and shall not have fully exercised the option, the Rights may be exercised subject to the condition that no option shall be exercisable after the expiration of ten years from the date it is granted and five years in the case of a ten percent employee-shareholder, to the extent that the optionee's right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan at the time of his death and had not previously been exercised, at any time within one year after the optionee's death, by the executors or administrators of the optionee or by any person or persons who shall have acquired the option directly from the optionee by bequest or inheritance.

No option or right shall be transferable by the optionee otherwise than by will or the laws of descent and distribution.

(i) Recapitalization.

If the Corporation shall at any time increase or decrease the number of its outstanding shares of Capital Stock or change in any way the rights and privileges of such shares by means of the payment of a stock dividend, or the making of any other distribution upon such shares payable in Capital Stock, or through a Capital Stock split or subdivision of shares, or a consolidation or combination of shares, or through a reclassification or recapitalization involving the Capital Stock, then the numbers, rights and privileges of the following shall be increased, decreased or changed in like manner as if they had been issued and outstanding, fully paid and nonassessable at the time of such occurrence:

(a) The shares of Capital Stock on which Rights may be granted under the Plan:

(b) The maximum number of shares of Capital Stock with respect to which an employee may receive a Right hereunder; and

(c) The shares of Capital Stock then included in each outstanding Right granted hereunder.

Subject to any required action by the stockholders, if the Corporation shall be the surviving corporation in any merger or consolidation, each outstanding Right shall pertain to and apply to the securities to which a holder of the number of shares of Capital Stock subject to the Right would have been entitled.

A dissolution or liquidation of the Corporation or a merger or consolidation in which the Corporation is not the surviving corporation, shall cause each outstanding Right to terminate, provided that each optionee shall, in such event, have the right immediately prior to such dissolution or liquidation, or merger or consolidation in which the Corporation is not the surviving corporation, to exercise his Rights, in whole or in part without regard to the installment provisions contained in the first three (3) sentences of Article V(d) of the Plan. Each holder of Rights shall have the right (a) during the terms of a "Tender Offer", as to an option or SAR other than a limited SAR, or (b) during the thirty (30) days following a "Tender Offer", as to a

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limited SAR, to exercise such Rights in whole or in part without regard to the installment provisions contained in the first three sentences of Article V(d) of the Plan. For the purposes of this paragraph, a "Tender Offer" means a tender offer or exchange offer for shares of Capital Stock made by a person other than the Corporation.

To the extent that the foregoing adjustments relate to stock or securities of the Corporation, such adjustments shall be made by the Committee, whose determination in that respect shall be final, binding and conclusive, provided that each Right granted pursuant to the Plan shall not be adjusted in a manner which causes the option to fail to continue to qualify as an incentive stock option within the meaning of section 422A of the 1954 Internal Revenue Code.

Except as hereinbefore expressly provided in this Article V(i), the optionee shall have no rights by reason of any subdivision or consolidation of shares of stock of any class or the payment of any stock dividend or any

other increase or decrease in the number of shares of stock of any class or by any reason of any dissolution, liquidation, merger or consolidation or spin-off of assets or stock of another corporation, and any issue by the Corporation of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to the number or price of shares of Capital Stock subject to the Right.

The grant of any Right pursuant to the Plan shall not affect in any way the right or power of the Corporation to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge or to consolidate or to dissolve, liquidate or sell or transfer all or any part of its business or assets.

(j) Rights as a Stockholder.

An optionee or a transferee of an option shall have no rights as a stockholder with respect to any shares covered by his option until the date of the issuance of a stock certificate to him for such shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date such stock certificate is issued, except as provided in Article V(i) hereof.

(k) Modification, Extension and Renewal of Rights.

Subject to the terms and conditions and within the limitations of the Plan, the Board of Directors may modify, extend or renew outstanding Rights granted under the Plan, or accept the surrender of such outstanding Rights (to the extent not theretofore exercised) and authorize the granting of new Rights in substitution therefor (to the extent not theretofore exercised). The Board of Directors shall not, however, modify any outstanding Rights so as to specify a lower price or accept the surrender of outstanding options or rights and authorize the granting of new Rights in substitution therefor specifying a lower price. Notwithstanding the foregoing, however, no modification of any Rights shall, without the consent of the optionee, alter or impair any rights or obligations under any Rights theretofore granted under the Plan.

(l) Investment Purpose

Each option under the Plan shall be granted on the condition that he purchases of stock thereunder shall be for investment purposes, and not with a view to resale or distribution except that in the event the stock subject to such option is registered under the Securities Act of 1933, as amended, or in the event a resale of such stock without such registration would otherwise be permissible, such condition

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shall be inoperative if in the opinion of counsel for the Corporation such condition is not required under the Securities Act of 1933 or any other applicable law, regulation, or rule of any governmental agency.

(m) Other Provisions.

The option agreements authorized under the Plan shall contain such other provisions, including, without limitation, restrictions upon the exercise of the Rights, as the Committee and Board of Directors of the Corporation shall deem advisable. Any such option agreement shall contain such limitations and restrictions upon the exercise of the option as shall be necessary in order that such option will be an "incentive stock option" as defined in Section 422A of the Internal Revenue Code of 1954 or to conform to any change in the law.

ARTICLE VI

TERM OF PLAN

Rights may be granted pursuant to the Plan from time to time within a period of ten years from the date the Plan is adopted, or the date the Plan is approved by the Stockholders, whichever is earlier.

ARTICLE VII

INDEMNIFICATION OF COMMITTEE

In addition to such other rights of indemnification as they may have as distributors or members of the Committee, the members of the Committee shall be indemnified by the Corporation against the reasonable expenses, including attorneys' fees actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan or of any option granted

thereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Corporation) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee member is liable of negligence or misconduct in the performance of his duties; provided that within 60 days after institution of any such action, suit or proceedings, Committee member shall in writing offer, the Corporation the opportunity, at its own expense, to handle and defend the same.

ARTICLE VIII

AMENDMENT OF THE PLAN

The Board of Directors of the Corporation may, insofar as permitted by law, suspend or discontinue the Plan or revise or amend it in any respect whatsoever except that no amendment or discontinuance of the Plan by the Board of Directors of shareholders shall adversely affect, without the consent of the holder thereof, any outstanding stock option or right theretofore granted; and except that without the affirmative vote of the holders of a majority of the shares of the Corporation's Common Stock present or represented and entitled to vote at a meeting duly held, no revision or amendment shall change the number of shares subject to the Plan, change the designation of the class of employees eligible to receive options, decrease the price at which options may be granted, remove the administration of the Plan from the Committee, or render any member of the Committee eligible to receive an option under the Plan while

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servicing thereon. Furthermore, the Plan may not, without the approval of the stockholders, be amended in any manner that will cause options issued under it to fail to meet the requirements of incentive stock options as defined in Section 422A of the Internal Revenue Code of 1954, as amended.

ARTICLE IX

APPLICATION OF FUNDS

The proceeds received by the Corporation from the sale of Common Stock pursuant to options will be used for general corporate purposes.

ARTICLE X

NO OBLIGATION TO EXERCISE OPTION

The granting of an option shall impose no obligation upon the optionee to exercise such option.

ARTICLE XI

APPROVAL OF STOCKHOLDERS

The Plan shall become effective when it has received the approval of the holders of a majority of the Corporation's Common Stock present or represented, and entitled to vote at a duly called stockholders' meeting, which approval must occur within the period beginning twelve months before and ending twelve months after the date the Plan is adopted by the Board of Directors.

Date Plan adopted by Board of Directors: August 25, 1982

Date Plan approved by Stockholders: March 23, 1983

As amended by Board of Directors and
approved by Stockholders: March 26, 1986

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1983 INCENTIVE STOCK OPTION PLAN

FOR

FIRST NEW MEXICO BANKSHARE CORPORATION

ARTICLE 1

PURPOSE OF PLAN

This Incentive Stock Option Plan (the "Plan") is intended as an incentive and to encourage stock ownership by certain officers and key executive employees of First New Mexico Bankshare Corporation (the "Corporation") and its subsidiary corporations so that they may acquire or increase their proprietary interest in the success of the Corporation and Subsidiaries, and to encourage them to remain in the employ of the Corporation or the Subsidiaries. It is intended that this purpose be achieved through grants under the plan of options to purchase shares of the Corporation's Capital Stock and related stock appreciation Rights ("SARs") and limited SARs (such options, SARs and Limited SARs sometimes herein collectively referred to as "Rights"). It is further intended that options issued pursuant to this Plan shall constitute incentive stock options within the meaning of Section 422A of the Internal Revenue Code of 1954, as amended.

Participating subsidiaries shall be the subsidiaries of the Corporation that both qualify as a "subsidiary corporation" as defined in Section 425(f) of the Internal Revenue Code of 1954, as amended, and are designated from time to time by the Board of Directors as Participating Companies. Currently, Bankshare; Albuquerque National Bank; First National Bank in Raton; The Merchants Bank; The First National Bank of Rio Arriba; Security National Bank of Roswell; The Capital Bank; The Clovis National Bank; Grant County Bank; Valley Bank; Bank of Las Cruces, N.A.; and Southwest National Bank are participating companies under the Plan.

ARTICLE II

ADMINISTRATION

The Plan shall be administered by the Incentive Compensation Committee (the "Committee") appointed by the Board of Directors of the Corporation. The Committee shall consist of not less than three members of the Corporation's Board of Directors. The Board of Directors may from time to time remove members from, or add members to, the Committee. Vacancies on the Committee, howsoever caused, shall be filled by the Board of Directors. The Committee shall select one of its members as Chairman, and shall hold meeting at such times and places as it may determine. A majority of the Committee at which a quorum is present, or acts reduced to or approved in writing by a majority of the members of the Committee, shall be the valid acts of the Committee. The Committee shall from time to time at its discretion make recommendations to the Board of Directors with respect to the key executive employees who shall be granted Rights and the amount of Rights to be granted to each.

No director shall be designated as or continue to be a member of the Committee unless he shall at the time of designation and throughout his service be a "disinterested person". A "disinterested person" is one who is not at the time he exercises discretion in administering the Plan eligible and has not at any time within

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one year prior thereto been eligible for selection as a person to whom rights may be granted pursuant to the Plan or any other plan of the Corporation or any of its affiliates entitling the participants therein to acquire stock, stock options or stock appreciation rights of the Corporation or any of its affiliates, or one who otherwise satisfies the definition of "disinterested person" under SEC Rule 16b-3 under the Securities Exchange Act of 1934, as the same may be now or hereafter amended. The Board of Directors of the Corporation shall not act upon matters affecting or relating to the Plan unless a majority of the Board and a majority of those acting in the matter are disinterested persons.

The interpretation and construction by the Committee of any provisions of the Plan or of any option granted under it shall be final unless otherwise determined by the Board of Directors. No member of the Board of Directors or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any option granted under it.

ARTICLE III

ELIGIBILITY

The persons who shall be eligible to receive options shall be such key executive employees (including officers, whether or not they are Directors) of the Corporation or its Subsidiaries existing from time to time as the Board of Directors shall select from time to time from among those nominated by the Committee. An optionee may hold more than one option, but only on the terms and subject to the restrictions hereafter set forth. No person shall be eligible to receive an option for a larger number of shares than is recommended for him by the Committee.

ARTICLE IV

STOCK

The stock subject to the options shall be shares of the Corporation's authorized but unissued or reacquired common stock hereafter sometimes called Capital Stock. The aggregate number of shares which may be issued under options under this plan shall not exceed 100,000 shares of Capital Stock. The maximum number of shares which may be optioned in any one calendar year shall not exceed 25,000; provided, however, that any shares not optioned may be carried over and optioned in the following calendar year(s) in addition to the shares available in that calendar year. The number of shares with respect to which options may be granted to any individual under any and all options under this plan which are issued to him by the Corporation shall not exceed 10,000 shares. The aggregate fair market value (determined as of the time the option is granted) of the Capital Stock for which any employee may be granted Incentive Stock Options in any calendar year under the Plan and all such other plans of the Corporation and its Subsidiaries shall not exceed \$100,000 plus any unused limit carry-over to such year as defined under Section 422A of the Internal Revenue Code of 1954, as amended. The limitations established by this paragraph shall be subject to adjustment as provided in Article V(i) of the Plan.

In the event that any outstanding options under the Plan for any reason expires or is terminated, the shares of Capital Stock allocable to the unexercised portion of such option may again be subjected to an option under the Plan.

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ARTICLE V

TERMS AND CONDITIONS OF OPTIONS

Stock options granted pursuant to the Plan shall be authorized by the Board of Directors and shall be evidenced by agreements in such form as the Committee shall from time to time recommend and the Board of Directors shall from time to time approve, which agreements shall comply with and be subject to the following terms and conditions.

(a) Number of Shares

Each option shall state the number of shares to which it pertains.

(b) Option Price

Each option shall state the option price, which shall not be less than 100% of the fair market value of the shares of Capital Stock of the Corporation on the date of the granting of the option. If an individual owns stock possessing more than ten percent of the total combined voting power of all classes of stock of the Corporation or any of its parent or subsidiary corporations (hereinafter referred to as a "10 percent employee-stockholder"), the option price must be at least 110 percent of the fair market value of the stock on the date of the grant.

During such time as such stock is not listed upon an established stock exchange the fair market value per share shall be the mean between representative dealer "bid" and "ask" prices of the Capital Stock in the over-the-counter market on the day the option is granted, as quoted on the NATIONAL ASSOCIATION OF SECURITIES DEALERS AUTOMATED QUOTATIONS SERVICE (NASDAQ). If the stock is listed upon an established stock exchange or exchanges such fair market value shall be deemed to be the highest closing price of the Capital Stock on such stock exchange or exchanges on the date the option is granted or if no sales of the Corporation's Capital Stock shall have been made on any stock exchange on that day, on the next preceding day on which there was a sale of such stock. Subject to the foregoing the Board of Directors and the Committee in fixing the option price shall have full authority and discretion and be fully protected in doing so.

(c) Medium and Time of Payment

The option price shall be payable in United States dollars upon the exercise of the option and may be paid in cash or by check. Payment with previously acquired Capital Stock or with a combination of Capital Stock and cash is also allowable. Capital Stock used to satisfy the exercise price of an option shall be valued at the fair market value of such stock determined as of the date of the exercise in the manner specified in Article V(b) above.

(d) Term and Exercise of Option

No option shall be exercisable either in whole or in part prior to twenty-four months from the date it is granted. Subject to the right of cumulation provided in the last sentence of this subdivision each option shall be exercisable as to not more than one-half of the total number of shares covered thereby during each twelve month period commencing twenty-four months from the date of the granting of the option until all shares covered by the option shall become purchasable. The Committee may provide, however, for the exercise of options after the initial twenty-four month period, either as to an increased percentage of shares per year or as to all remaining shares, if the employee shall, with the approval of the Corporation, retire. No option shall be exercisable after the expiration of ten years from the date it is granted, but if it is granted to a more than 10 percent employee-shareholder, then the exercise

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period is reduced to 5 years. Not less than one hundred shares may be purchased at any one time unless the number purchased is the total number at the time purchasable under the option. During the lifetime of the optionee, the option shall be exercisable only by him and shall not be assignable or transferable by him and no other persons shall acquire any rights therein. To the extent not exercised, installments shall accumulate and be exercisable, in whole or in part, in any subsequent period but not later than ten years from the date the option is granted, or five years in the case of a 10 percent employee-shareholder.

(e) Stock-Appreciation Rights

(1) In General. A Stock Appreciation Right (SAR) is a right to surrender in whole or in part a stock option granted under this Plan (the "Related Option") in exchange for the payment of an amount equal to the number of shares of Capital Stock covered by the surrendered portion of the Related Option times the per share difference between the option price and the (fair market value of the Capital Stock) subject to the Related Option on the date of exercise of the SAR. The "payment" may be made in cash, in shares of Capital Stock or in a combination of the two. If shares of Capital Stock are used for payment, they will be valued at the fair market value of the Capital Stock at the date of the exercise of the SAR.

(2) Discretionary SAR's. The Board of Directors shall have the authority, upon the recommendation of the Committee, to grant SAR's in connection with a grant of any stock option under this plan upon such terms and conditions consistent with the provisions of this Plan as it may deem appropriate, subject to the following further limitations.

a. Unless the Board of Directors otherwise specifies, an SAR may only be granted with respect to an option at the time of the grant of the Related Option.

b. SAR's may only be exercised to the extent that the underlying option is exercisable, and only when the market price of the Capital Stock subject to the Related Option exceeds the exercise price of the related option.

c. Upon the exercise of a SAR, the Related Option shall be deemed to have been exercised to the extent of the shares of Capital Stock with respect to which the SAR is exercised so that such number of shares shall no longer be available for issuance pursuant to the Plan.

d. No SAR shall be transferable except by will or by the laws of descent and distribution. During the life of a holder of a SAR, the SAR shall be exercisable only by him.

e. To exercise an SAR, the holder shall (i) give written notice thereof to the Corporation in form satisfactory to the Committee addressed to the Secretary of the Corporation specifying the number of shares of Capital Stock with respect to which he is exercising the SAR, and (ii) if requested by the Corporation, deliver the agreements evidencing the rights being exercised to the Secretary of the Corporation who shall endorse

thereon a notation of such exercise and return the agreements to the holder thereof. The date of exercise of a SAR which is validly exercised shall be deemed to be the date on which the Corporation shall have received the instruments referred to in the immediately preceding sentence.

f. SAR's granted or held by Officers and Directors of the Corporation shall contain such further limitations as may be necessary to satisfy SEC Rule 16b-3 under the Securities Exchange Act of 1934, as now or hereafter amended.

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g. Any terms of the SAR not specifically described herein shall be set forth in the Option Agreement for the Related Option.

(3) Limited SAR's. Every holder of a stock option granted hereunder ("Related Option") who may be restricted from exercising the option and reselling the Capital Stock acquired thereunder within 6 months due to his being an "officer" or "director" of the Corporation within the meaning of Section 16(b) of the Securities Exchange Act of 1934 shall be deemed to have been granted at the date of the grant of the Related Option a limited SAR upon the following terms and conditions:

a. Such limited SAR shall be subject to all of the limitations specified in the Article V.(e)2.a. through Article V.(e)2.f. above.

b. The limited SAR may be exercised only during the period beginning on the first day following the date of expiration of any tender offer or exchange offer for shares of Capital Stock (other than one made by the Corporation), provided that shares of Capital Stock are acquired pursuant to such offer (the "Offer"), and ending on the 30th day following such date.

c. The limited SAR may only be exercised for cash.

d. The amount of the payment to be made upon the exercise of the limited SAR shall be an amount in cash equal to the product obtained by multiplying (i) the excess of (A) the "offer price per share of Capital Stock" (as hereinafter defined) over (B) the Option Price per share of Capital Stock under the Related Option by (ii) the number of shares of Capital Stock with respect to which such limited SAR is being exercised. The phrase "Offer Price per share of Capital Stock" shall mean with respect to the exercise of any limited SAR, the highest price per share of Capital Stock paid in any Offer which Offer is in effect at any time during the period beginning on the 60th day prior to the date on which such limited SAR is exercised. Any securities or property which are a part or all of the consideration paid for shares of Capital Stock in the Offer shall be valued in determining the Offer Price per share of Capital Stock at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity making such Offer, or (B) the valuation placed on such securities or property by the Committee.

(f) Prior Outstanding Option.

No option (for purposes of this Article V(f) called New Option) shall be exercisable while there is outstanding any incentive stock option (as defined in Section 422A of the 1954 Internal Revenue Code, as amended, which incentive stock option was granted, before the granting of the New Option, to the person to whom the New Option is granted, to purchase stock in the Corporation or in a corporation which, at the time the New Option is granted, is a parent or subsidiary corporation (as those terms are defined in Section 425 of the 1954 Internal Revenue Code, as amended) of the Corporation, or is a predecessor corporation of the Corporation or such parent of subsidiary corporation.

(g) Termination of Employment Except Death

In the event that an optionee shall cease to be employed by the Corporation or Subsidiaries for any reason other than his death and shall be no longer in the employ of any of them, subject to the condition that no option shall be exercised after the expiration of ten years from the date it is granted, and five years in the case of a ten percent employee-shareholder, such optionee shall have the right to exercise the Rights at any time within three months after such termination of employment or twelve months if disabled, to the extent that his right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan and had not previously been

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exercised at the date of such termination. Whether authorized leave of absence or absence for military or governmental service shall constitute termination of employment, for the purposes of the Plan, shall be determined by the Committee, which determination, unless overruled by the Board of Directors, shall be final and conclusive.

(h) Death of Optionee and Transfer of Option. If the optionee shall die while in the employ of the Corporation or a Subsidiary or within a period of three months after the termination of his employment with the Corporation and all Subsidiaries and shall not have fully exercised the option, the Rights may be exercised subject to the condition that no option shall be exercisable after the expiration of ten years from the date it is granted and five years in the case of a ten percent employee-shareholder, to the extent that the optionee's right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan at the time of his death and had not previously been exercised, at any time within one year after the optionee's death, by the executors or administrators of the optionee or by any person or persons who shall have acquired the option directly from the optionee by bequest or inheritance.

No option or right shall be transferable by the optionee otherwise than by will or the laws of descent and distribution.

(i) Recapitalization.

If the Corporation shall at any time increase or decrease the number of its outstanding shares of Capital Stock or change in any way the rights and privileges of such shares by means of the payment of a stock dividend, or the making of any other distribution upon such shares payable in Capital Stock, or through a Capital Stock split or subdivision of shares, or a consolidation or combination of shares, or through a reclassification or recapitalization involving the Capital Stock, then the numbers, rights and privileges of the following shall be increased, decreased or changed in like manner as if they had been issued and outstanding, fully paid and nonassessable at the time of such occurrence:

(a) The shares of Capital Stock on which Rights may be granted under the Plan:

(b) The maximum number of shares of Capital Stock with respect to which an employee may receive a Right hereunder; and

(c) The shares of Capital Stock then included in each outstanding Right granted hereunder.

Subject to any required action by the stockholders, if the Corporation shall be the surviving corporation in any merger or consolidation, each outstanding Right shall pertain to and apply to the securities to which a holder of the number of shares of Capital Stock subject to the Right would have been entitled.

A dissolution or liquidation of the Corporation or a merger or consolidation in which the Corporation is not the surviving corporation, shall cause each outstanding Right to terminate, provided that each optionee shall, in such event, have the right immediately prior to such dissolution or liquidation, or merger or consolidation in which the Corporation is not the surviving corporation, to exercise his Rights, in whole or in part without regard to the installment provisions contained in the first three (3) sentences of Article V(d) of the Plan. Each holder of Rights shall have the right (a) during the terms of a "Tender Offer", as to an option or SAR other than a limited SAR, or (b) during the thirty (30) days following a "Tender Offer", as to a

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limited SAR, to exercise such Rights in whole or in part without regard to the installment provisions contained in the first three sentences of Article V(d) of the Plan. For the purposes of this paragraph, a "Tender Offer" means a tender offer or exchange offer for shares of Capital Stock made by a person other than the Corporation.

To the extent that the foregoing adjustments relate to stock or securities of the Corporation, such adjustments shall be made by the Committee, whose determination in that respect shall be final, binding and conclusive, provided that each Right granted pursuant to the Plan shall not be adjusted in a manner which causes the option to fail to continue to qualify as an incentive stock option within the meaning of section 422A of the 1954 Internal Revenue Code.

Except as hereinbefore expressly provided in this Article V(i), the optionee shall have no rights by reason of any subdivision or consolidation of shares of stock of any class or the payment of any stock dividend or any

other increase or decrease in the number of shares of stock of any class or by any reason of any dissolution, liquidation, merger or consolidation or spin-off of assets or stock of another corporation, and any issue by the Corporation of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to the number or price of shares of Capital Stock subject to the Right.

The grant of any Right pursuant to the Plan shall not affect in any way the right or power of the Corporation to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge or to consolidate or to dissolve, liquidate or sell or transfer all or any part of its business or assets.

(j) Rights as a Stockholder.

An optionee or a transferee of an option shall have no rights as a stockholder with respect to any shares covered by his option until the date of the issuance of a stock certificate to him for such shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date such stock certificate is issued, except as provided in Article V(i) hereof.

(k) Modification, Extension and Renewal of Rights.

Subject to the terms and conditions and within the limitations of the Plan, the Board of Directors may modify, extend or renew outstanding Rights granted under the Plan, or accept the surrender of such outstanding Rights (to the extent not theretofore exercised) and authorize the granting of new Rights in substitution therefor (to the extent not theretofore exercised). The Board of Directors shall not, however, modify any outstanding Rights so as to specify a lower price or accept the surrender of outstanding options or rights and authorize the granting of new Rights in substitution therefor specifying a lower price. Notwithstanding the foregoing, however, no modification of any Rights shall, without the consent of the optionee, alter or impair any rights or obligations under any Rights theretofore granted under the Plan.

(l) Investment Purpose

Each option under the Plan shall be granted on the condition that he purchases of stock thereunder shall be for investment purposes, and not with a view to resale or distribution except that in the event the stock subject to such option is registered under the Securities Act of 1933, as amended, or in the event a resale of such stock without such registration would otherwise be permissible, such condition

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shall be inoperative if in the opinion of counsel for the Corporation such condition is not required under the Securities Act of 1933 or any other applicable law, regulation, or rule of any governmental agency.

(m) Other Provisions.

The option agreements authorized under the Plan shall contain such other provisions, including, without limitation, restrictions upon the exercise of the Rights, as the Committee and Board of Directors of the Corporation shall deem advisable. Any such option agreement shall contain such limitations and restrictions upon the exercise of the option as shall be necessary in order that such option will be an "incentive stock option" as defined in Section 422A of the Internal Revenue Code of 1954 or to conform to any change in the law.

ARTICLE VI

TERM OF PLAN

Rights may be granted pursuant to the Plan from time to time within a period of ten years from the date the Plan is adopted, or the date the Plan is approved by the Stockholders, whichever is earlier.

ARTICLE VII

INDEMNIFICATION OF COMMITTEE

In addition to such other rights of indemnification as they may have as distributors or members of the Committee, the members of the Committee shall be indemnified by the Corporation against the reasonable expenses, including attorneys' fees actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan or of any option granted

thereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Corporation) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee member is liable of negligence or misconduct in the performance of his duties; provided that within 60 days after institution of any such action, suit or proceedings, Committee member shall in writing offer, the Corporation the opportunity, at its own expense, to handle and defend the same.

ARTICLE VIII

AMENDMENT OF THE PLAN

The Board of Directors of the Corporation may, insofar as permitted by law, suspend or discontinue the Plan or revise or amend it in any respect whatsoever except that no amendment or discontinuance of the Plan by the Board of Directors of shareholders shall adversely affect, without the consent of the holder thereof, any outstanding stock option or right theretofore granted; and except that without the affirmative vote of the holders of a majority of the shares of the Corporation's Common Stock present or represented and entitled to vote at a meeting duly held, no revision or amendment shall change the number of shares subject to the Plan, change the designation of the class of employees eligible to receive options, decrease the price at which options may be granted, remove the administration of the Plan from the Committee, or render any member of the Committee eligible to receive an option under the Plan while

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servicing thereon. Furthermore, the Plan may not, without the approval of the stockholders, be amended in any manner that will cause options issued under it to fail to meet the requirements of incentive stock options as defined in Section 422A of the Internal Revenue Code of 1954, as amended.

ARTICLE IX

APPLICATION OF FUNDS

The proceeds received by the Corporation from the sale of Common Stock pursuant to options will be used for general corporate purposes.

ARTICLE X

NO OBLIGATION TO EXERCISE OPTION

The granting of an option shall impose no obligation upon the optionee to exercise such option.

ARTICLE XI

APPROVAL OF STOCKHOLDERS

The Plan shall become effective when it has received the approval of the holders of a majority of the Corporation's Common Stock present or represented, and entitled to vote at a duly called stockholders' meeting, which approval must occur within the period beginning twelve months before and ending twelve months after the date the Plan is adopted by the Board of Directors.

Date Plan adopted by Board of Directors: August 25, 1982

Date Plan approved by Stockholders: March 23, 1983

As amended by Board of Directors and
approved by Stockholders: March 26, 1986

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1983 INCENTIVE STOCK OPTION PLAN

FOR

FIRST NEW MEXICO BANKSHARE CORPORATION

ARTICLE 1

PURPOSE OF PLAN

This Incentive Stock Option Plan (the "Plan") is intended as an incentive and to encourage stock ownership by certain officers and key executive employees of First New Mexico Bankshare Corporation (the "Corporation") and its subsidiary corporations so that they may acquire or increase their proprietary interest in the success of the Corporation and Subsidiaries, and to encourage them to remain in the employ of the Corporation or the Subsidiaries. It is intended that this purpose be achieved through grants under the plan of options to purchase shares of the Corporation's Capital Stock and related stock appreciation Rights ("SARs") and limited SARs (such options, SARs and Limited SARs sometimes herein collectively referred to as "Rights"). It is further intended that options issued pursuant to this Plan shall constitute incentive stock options within the meaning of Section 422A of the Internal Revenue Code of 1954, as amended.

Participating subsidiaries shall be the subsidiaries of the Corporation that both qualify as a "subsidiary corporation" as defined in Section 425(f) of the Internal Revenue Code of 1954, as amended, and are designated from time to time by the Board of Directors as Participating Companies. Currently, Bankshare; Albuquerque National Bank; First National Bank in Raton; The Merchants Bank; The First National Bank of Rio Arriba; Security National Bank of Roswell; The Capital Bank; The Clovis National Bank; Grant County Bank; Valley Bank; Bank of Las Cruces, N.A.; and Southwest National Bank are participating companies under the Plan.

ARTICLE II

ADMINISTRATION

The Plan shall be administered by the Incentive Compensation Committee (the "Committee") appointed by the Board of Directors of the Corporation. The Committee shall consist of not less than three members of the Corporation's Board of Directors. The Board of Directors may from time to time remove members from, or add members to, the Committee. Vacancies on the Committee, howsoever caused, shall be filled by the Board of Directors. The Committee shall select one of its members as Chairman, and shall hold meeting at such times and places as it may determine. A majority of the Committee at which a quorum is present, or acts reduced to or approved in writing by a majority of the members of the Committee, shall be the valid acts of the Committee. The Committee shall from time to time at its discretion make recommendations to the Board of Directors with respect to the key executive employees who shall be granted Rights and the amount of Rights to be granted to each.

No director shall be designated as or continue to be a member of the Committee unless he shall at the time of designation and throughout his service be a "disinterested person". A "disinterested person" is one who is not at the time he exercises discretion in administering the Plan eligible and has not at any time within

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one year prior thereto been eligible for selection as a person to whom rights may be granted pursuant to the Plan or any other plan of the Corporation or any of its affiliates entitling the participants therein to acquire stock, stock options or stock appreciation rights of the Corporation or any of its affiliates, or one who otherwise satisfies the definition of "disinterested person" under SEC Rule 16b-3 under the Securities Exchange Act of 1934, as the same may be now or hereafter amended. The Board of Directors of the Corporation shall not act upon matters affecting or relating to the Plan unless a majority of the Board and a majority of those acting in the matter are disinterested persons.

The interpretation and construction by the Committee of any provisions of the Plan or of any option granted under it shall be final unless otherwise determined by the Board of Directors. No member of the Board of Directors or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any option granted under it.

ARTICLE III

ELIGIBILITY

The persons who shall be eligible to receive options shall be such key executive employees (including officers, whether or not they are Directors) of the Corporation or its Subsidiaries existing from time to time as the Board of Directors shall select from time to time from among those nominated by the Committee. An optionee may hold more than one option, but only on the terms and subject to the restrictions hereafter set forth. No person shall be eligible to receive an option for a larger number of shares than is recommended for him by the Committee.

ARTICLE IV

STOCK

The stock subject to the options shall be shares of the Corporation's authorized but unissued or reacquired common stock hereafter sometimes called Capital Stock. The aggregate number of shares which may be issued under options under this plan shall not exceed 100,000 shares of Capital Stock. The maximum number of shares which may be optioned in any one calendar year shall not exceed 25,000; provided, however, that any shares not optioned may be carried over and optioned in the following calendar year(s) in addition to the shares available in that calendar year. The number of shares with respect to which options may be granted to any individual under any and all options under this plan which are issued to him by the Corporation shall not exceed 10,000 shares. The aggregate fair market value (determined as of the time the option is granted) of the Capital Stock for which any employee may be granted Incentive Stock Options in any calendar year under the Plan and all such other plans of the Corporation and its Subsidiaries shall not exceed \$100,000 plus any unused limit carry-over to such year as defined under Section 422A of the Internal Revenue Code of 1954, as amended. The limitations established by this paragraph shall be subject to adjustment as provided in Article V(i) of the Plan.

In the event that any outstanding options under the Plan for any reason expires or is terminated, the shares of Capital Stock allocable to the unexercised portion of such option may again be subjected to an option under the Plan.

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ARTICLE V

TERMS AND CONDITIONS OF OPTIONS

Stock options granted pursuant to the Plan shall be authorized by the Board of Directors and shall be evidenced by agreements in such form as the Committee shall from time to time recommend and the Board of Directors shall from time to time approve, which agreements shall comply with and be subject to the following terms and conditions.

(a) Number of Shares

Each option shall state the number of shares to which it pertains.

(b) Option Price

Each option shall state the option price, which shall not be less than 100% of the fair market value of the shares of Capital Stock of the Corporation on the date of the granting of the option. If an individual owns stock possessing more than ten percent of the total combined voting power of all classes of stock of the Corporation or any of its parent or subsidiary corporations (hereinafter referred to as a "10 percent employee-stockholder"), the option price must be at least 110 percent of the fair market value of the stock on the date of the grant.

During such time as such stock is not listed upon an established stock exchange the fair market value per share shall be the mean between representative dealer "bid" and "ask" prices of the Capital Stock in the over-the-counter market on the day the option is granted, as quoted on the NATIONAL ASSOCIATION OF SECURITIES DEALERS AUTOMATED QUOTATIONS SERVICE (NASDAQ). If the stock is listed upon an established stock exchange or exchanges such fair market value shall be deemed to be the highest closing price of the Capital Stock on such stock exchange or exchanges on the date the option is granted or if no sales of the Corporation's Capital Stock shall have been made on any stock exchange on that day, on the next preceding day on which there was a sale of such stock. Subject to the foregoing the Board of Directors and the Committee in fixing the option price shall have full authority and discretion and be fully protected in doing so.

(c) Medium and Time of Payment

The option price shall be payable in United States dollars upon the exercise of the option and may be paid in cash or by check. Payment with previously acquired Capital Stock or with a combination of Capital Stock and cash is also allowable. Capital Stock used to satisfy the exercise price of an option shall be valued at the fair market value of such stock determined as of the date of the exercise in the manner specified in Article V(b) above.

(d) Term and Exercise of Option

No option shall be exercisable either in whole or in part prior to twenty-four months from the date it is granted. Subject to the right of cumulation provided in the last sentence of this subdivision each option shall be exercisable as to not more than one-half of the total number of shares covered thereby during each twelve month period commencing twenty-four months from the date of the granting of the option until all shares covered by the option shall become purchasable. The Committee may provide, however, for the exercise of options after the initial twenty-four month period, either as to an increased percentage of shares per year or as to all remaining shares, if the employee shall, with the approval of the Corporation, retire. No option shall be exercisable after the expiration of ten years from the date it is granted, but if it is granted to a more than 10 percent employee-shareholder, then the exercise

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period is reduced to 5 years. Not less than one hundred shares may be purchased at any one time unless the number purchased is the total number at the time purchasable under the option. During the lifetime of the optionee, the option shall be exercisable only by him and shall not be assignable or transferable by him and no other persons shall acquire any rights therein. To the extent not exercised, installments shall accumulate and be exercisable, in whole or in part, in any subsequent period but not later than ten years from the date the option is granted, or five years in the case of a 10 percent employee-shareholder.

(e) Stock-Appreciation Rights

(1) In General. A Stock Appreciation Right (SAR) is a right to surrender in whole or in part a stock option granted under this Plan (the "Related Option") in exchange for the payment of an amount equal to the number of shares of Capital Stock covered by the surrendered portion of the Related Option times the per share difference between the option price and the (fair market value of the Capital Stock) subject to the Related Option on the date of exercise of the SAR. The "payment" may be made in cash, in shares of Capital Stock or in a combination of the two. If shares of Capital Stock are used for payment, they will be valued at the fair market value of the Capital Stock at the date of the exercise of the SAR.

(2) Discretionary SAR's. The Board of Directors shall have the authority, upon the recommendation of the Committee, to grant SAR's in connection with a grant of any stock option under this plan upon such terms and conditions consistent with the provisions of this Plan as it may deem appropriate, subject to the following further limitations.

a. Unless the Board of Directors otherwise specifies, an SAR may only be granted with respect to an option at the time of the grant of the Related Option.

b. SAR's may only be exercised to the extent that the underlying option is exercisable, and only when the market price of the Capital Stock subject to the Related Option exceeds the exercise price of the related option.

c. Upon the exercise of a SAR, the Related Option shall be deemed to have been exercised to the extent of the shares of Capital Stock with respect to which the SAR is exercised so that such number of shares shall no longer be available for issuance pursuant to the Plan.

d. No SAR shall be transferable except by will or by the laws of descent and distribution. During the life of a holder of a SAR, the SAR shall be exercisable only by him.

e. To exercise an SAR, the holder shall (i) give written notice thereof to the Corporation in form satisfactory to the Committee addressed to the Secretary of the Corporation specifying the number of shares of Capital Stock with respect to which he is exercising the SAR, and (ii) if requested by the Corporation, deliver the agreements evidencing the rights being exercised to the Secretary of the Corporation who shall endorse

thereon a notation of such exercise and return the agreements to the holder thereof. The date of exercise of a SAR which is validly exercised shall be deemed to be the date on which the Corporation shall have received the instruments referred to in the immediately preceding sentence.

f. SAR's granted or held by Officers and Directors of the Corporation shall contain such further limitations as may be necessary to satisfy SEC Rule 16b-3 under the Securities Exchange Act of 1934, as now or hereafter amended.

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g. Any terms of the SAR not specifically described herein shall be set forth in the Option Agreement for the Related Option.

(3) Limited SAR's. Every holder of a stock option granted hereunder ("Related Option") who may be restricted from exercising the option and reselling the Capital Stock acquired thereunder within 6 months due to his being an "officer" or "director" of the Corporation within the meaning of Section 16(b) of the Securities Exchange Act of 1934 shall be deemed to have been granted at the date of the grant of the Related Option a limited SAR upon the following terms and conditions:

a. Such limited SAR shall be subject to all of the limitations specified in the Article V.(e)2.a. through Article V.(e)2.f. above.

b. The limited SAR may be exercised only during the period beginning on the first day following the date of expiration of any tender offer or exchange offer for shares of Capital Stock (other than one made by the Corporation), provided that shares of Capital Stock are acquired pursuant to such offer (the "Offer"), and ending on the 30th day following such date.

c. The limited SAR may only be exercised for cash.

d. The amount of the payment to be made upon the exercise of the limited SAR shall be an amount in cash equal to the product obtained by multiplying (i) the excess of (A) the "offer price per share of Capital Stock" (as hereinafter defined) over (B) the Option Price per share of Capital Stock under the Related Option by (ii) the number of shares of Capital Stock with respect to which such limited SAR is being exercised. The phrase "Offer Price per share of Capital Stock" shall mean with respect to the exercise of any limited SAR, the highest price per share of Capital Stock paid in any Offer which Offer is in effect at any time during the period beginning on the 60th day prior to the date on which such limited SAR is exercised. Any securities or property which are a part or all of the consideration paid for shares of Capital Stock in the Offer shall be valued in determining the Offer Price per share of Capital Stock at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity making such Offer, or (B) the valuation placed on such securities or property by the Committee.

(f) Prior Outstanding Option.

No option (for purposes of this Article V(f) called New Option) shall be exercisable while there is outstanding any incentive stock option (as defined in Section 422A of the 1954 Internal Revenue Code, as amended, which incentive stock option was granted, before the granting of the New Option, to the person to whom the New Option is granted, to purchase stock in the Corporation or in a corporation which, at the time the New Option is granted, is a parent or subsidiary corporation (as those terms are defined in Section 425 of the 1954 Internal Revenue Code, as amended) of the Corporation, or is a predecessor corporation of the Corporation or such parent of subsidiary corporation.

(g) Termination of Employment Except Death

In the event that an optionee shall cease to be employed by the Corporation or Subsidiaries for any reason other than his death and shall be no longer in the employ of any of them, subject to the condition that no option shall be exercised after the expiration of ten years from the date it is granted, and five years in the case of a ten percent employee-shareholder, such optionee shall have the right to exercise the Rights at any time within three months after such termination of employment or twelve months if disabled, to the extent that his right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan and had not previously been

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exercised at the date of such termination. Whether authorized leave of absence or absence for military or governmental service shall constitute termination of employment, for the purposes of the Plan, shall be determined by the Committee, which determination, unless overruled by the Board of Directors, shall be final and conclusive.

(h) Death of Optionee and Transfer of Option. If the optionee shall die while in the employ of the Corporation or a Subsidiary or within a period of three months after the termination of his employment with the Corporation and all Subsidiaries and shall not have fully exercised the option, the Rights may be exercised subject to the condition that no option shall be exercisable after the expiration of ten years from the date it is granted and five years in the case of a ten percent employee-shareholder, to the extent that the optionee's right to exercise such Rights had accrued pursuant to Article V(d) and (e) of the Plan at the time of his death and had not previously been exercised, at any time within one year after the optionee's death, by the executors or administrators of the optionee or by any person or persons who shall have acquired the option directly from the optionee by bequest or inheritance.

No option or right shall be transferable by the optionee otherwise than by will or the laws of descent and distribution.

(i) Recapitalization.

If the Corporation shall at any time increase or decrease the number of its outstanding shares of Capital Stock or change in any way the rights and privileges of such shares by means of the payment of a stock dividend, or the making of any other distribution upon such shares payable in Capital Stock, or through a Capital Stock split or subdivision of shares, or a consolidation or combination of shares, or through a reclassification or recapitalization involving the Capital Stock, then the numbers, rights and privileges of the following shall be increased, decreased or changed in like manner as if they had been issued and outstanding, fully paid and nonassessable at the time of such occurrence:

(a) The shares of Capital Stock on which Rights may be granted under the Plan:

(b) The maximum number of shares of Capital Stock with respect to which an employee may receive a Right hereunder; and

(c) The shares of Capital Stock then included in each outstanding Right granted hereunder.

Subject to any required action by the stockholders, if the Corporation shall be the surviving corporation in any merger or consolidation, each outstanding Right shall pertain to and apply to the securities to which a holder of the number of shares of Capital Stock subject to the Right would have been entitled.

A dissolution or liquidation of the Corporation or a merger or consolidation in which the Corporation is not the surviving corporation, shall cause each outstanding Right to terminate, provided that each optionee shall, in such event, have the right immediately prior to such dissolution or liquidation, or merger or consolidation in which the Corporation is not the surviving corporation, to exercise his Rights, in whole or in part without regard to the installment provisions contained in the first three (3) sentences of Article V(d) of the Plan. Each holder of Rights shall have the right (a) during the terms of a "Tender Offer", as to an option or SAR other than a limited SAR, or (b) during the thirty (30) days following a "Tender Offer", as to a

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limited SAR, to exercise such Rights in whole or in part without regard to the installment provisions contained in the first three sentences of Article V(d) of the Plan. For the purposes of this paragraph, a "Tender Offer" means a tender offer or exchange offer for shares of Capital Stock made by a person other than the Corporation.

To the extent that the foregoing adjustments relate to stock or securities of the Corporation, such adjustments shall be made by the Committee, whose determination in that respect shall be final, binding and conclusive, provided that each Right granted pursuant to the Plan shall not be adjusted in a manner which causes the option to fail to continue to qualify as an incentive stock option within the meaning of section 422A of the 1954 Internal Revenue Code.

Except as hereinbefore expressly provided in this Article V(i), the optionee shall have no rights by reason of any subdivision or consolidation of shares of stock of any class or the payment of any stock dividend or any

other increase or decrease in the number of shares of stock of any class or by any reason of any dissolution, liquidation, merger or consolidation or spin-off of assets or stock of another corporation, and any issue by the Corporation of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to the number or price of shares of Capital Stock subject to the Right.

The grant of any Right pursuant to the Plan shall not affect in any way the right or power of the Corporation to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge or to consolidate or to dissolve, liquidate or sell or transfer all or any part of its business or assets.

(j) Rights as a Stockholder.

An optionee or a transferee of an option shall have no rights as a stockholder with respect to any shares covered by his option until the date of the issuance of a stock certificate to him for such shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date such stock certificate is issued, except as provided in Article V(i) hereof.

(k) Modification, Extension and Renewal of Rights.

Subject to the terms and conditions and within the limitations of the Plan, the Board of Directors may modify, extend or renew outstanding Rights granted under the Plan, or accept the surrender of such outstanding Rights (to the extent not theretofore exercised) and authorize the granting of new Rights in substitution therefor (to the extent not theretofore exercised). The Board of Directors shall not, however, modify any outstanding Rights so as to specify a lower price or accept the surrender of outstanding options or rights and authorize the granting of new Rights in substitution therefor specifying a lower price. Notwithstanding the foregoing, however, no modification of any Rights shall, without the consent of the optionee, alter or impair any rights or obligations under any Rights theretofore granted under the Plan.

(l) Investment Purpose

Each option under the Plan shall be granted on the condition that he purchases of stock thereunder shall be for investment purposes, and not with a view to resale or distribution except that in the event the stock subject to such option is registered under the Securities Act of 1933, as amended, or in the event a resale of such stock without such registration would otherwise be permissible, such condition

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shall be inoperative if in the opinion of counsel for the Corporation such condition is not required under the Securities Act of 1933 or any other applicable law, regulation, or rule of any governmental agency.

(m) Other Provisions.

The option agreements authorized under the Plan shall contain such other provisions, including, without limitation, restrictions upon the exercise of the Rights, as the Committee and Board of Directors of the Corporation shall deem advisable. Any such option agreement shall contain such limitations and restrictions upon the exercise of the option as shall be necessary in order that such option will be an "incentive stock option" as defined in Section 422A of the Internal Revenue Code of 1954 or to conform to any change in the law.

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thereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Corporation) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee member is liable of negligence or misconduct in the performance of his duties; provided that within 60 days after institution of any such action, suit or proceedings, Committee member shall in writing offer, the Corporation the opportunity, at its own expense, to handle and defend the same.

ARTICLE VIII

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Date Plan adopted by Board of Directors: August 25, 1982

Date Plan approved by Stockholders: March 23, 1983

As amended by Board of Directors and
approved by Stockholders: March 26, 1986

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