FORM 10-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)
[X]ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended December 31, 1993 or
[ ]TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from N/A to N/A

Commission file number 0-10140

CVB FINANCIAL CORP.
(Exact name of registrant as specified in its charter)

California	95-3629339
State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification No.)
701 N. Haven Avenue, Suite 350 Ontario, California	91764
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code (909) 980-4030

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock	American Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days Yes X No ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

As of March 15, 1994, the aggregate market value of the common stock held by non-affiliates of the registrant was approximately $86,493,700.

Number of shares of common stock of the registrant outstanding as of March 15, 1994: 7,283,682.

The following document is incorporated by reference herein:

Definitive Proxy Statement for the Annual Meeting of Stockholders which will be filed within 120 days of the fiscal year ended December 31, 1993	Part III of Form 10-K

THIS REPORT INCLUDES A TOTAL OF 283 PAGES
EXHIBIT INDEX ON PAGE 84

PART I

ITEM 1. BUSINESS

CVB Financial Corp.

CVB Financial Corp. (referred to herein on an unconsolidated basis as "CVB" and on a consolidated basis as the "Company") is a bank holding company incorporated in California on April 27, 1981 and registered under the Bank Holding Company Act of 1956, as amended. The Company commenced business on December 30, 1981 when, pursuant to a reorganization, it acquired all of the voting stock of Chino Valley Bank (the "Bank"), which is the Company's principal asset. The Company has two other subsidiaries, Community Trust Deed Services ("Community") and Premier Results, Inc. ("Premier").

The Company's principal business is to serve as a holding company for the Bank and Community and for other banking or banking related subsidiaries which the Company may establish or acquire. Although Premier offered item and other processing services, all of its assets were sold to Electronic Data Systems Corporation on December 31, 1992. See "Item 1. BUSINESS - - Premier Results, Inc." The Company has not engaged in any other activities to date. As a legal entity separate and distinct from its subsidiaries, CVB's principal source of funds is and will continue to be dividends paid by and other funds advanced from primarily the Bank. Legal limitations are imposed on the amount of dividends that may be paid and loans that may be made by the Bank to CVB. See "Item 1. BUSINESS - Supervision and Regulation - Restrictions on Transfers of Funds to CVB by the Bank." At December 31, 1993, the Company had $687.4 million in total consolidated assets, $442.1 million in total consolidated net loans and $596.0 million in total consolidated deposits.

The principal executive offices of the Company and the Bank are located at 701 North Haven Avenue, Suite 350, Ontario, California.

Chino Valley Bank

The Bank was incorporated under the laws of the State of California on December 26, 1973, was licensed by the California State Banking Department and commenced operations as a California state chartered bank on August 9, 1974. The Bank's deposit accounts are insured under the Federal Deposit Insurance Act up to applicable limits. Like many other state chartered banks in California, the Bank is not a member of the Federal Reserve System. At December 31, 1993, the Bank had $686.7 million in assets, $442.1 million in net loans and $596.5 million in deposits.

The Bank currently has 16 banking offices located in San Bernardino County, Riverside County and the eastern portion of Los Angeles County in Southern California. Of the 16 offices, the Bank opened seven as de novo branches and acquired the other nine in acquisition transactions. Since 1990, the Bank has added four offices, two in 1990 and two in 1993.

On March 5, 1993, the Company completed its acquisition of Fontana First National Bank, a one-branch bank located in Fontana, California ("Fontana"), for an aggregate cash purchase price of $5.0 million. As of December 31, 1992, Fontana had total assets of $26.3 million, net loans of $18.5 million, deposits of $22.8 million and shareholders' equity of $3.4 million. For the year ended December 31, 1992, Fontana reported net income of $74,000.

On October 21, 1993, the Bank entered into an agreement with the Federal Deposit Insurance Corporation for the purchase of certain assets and the assumption of deposits and other liabilities of the failed Mid City Bank. The agreement provided the Bank with the ability to re-price the deposits assumed within specific time frames, regardless of the original terms of the deposit. Net of the deposits that were re-priced and allowed to withdraw, the Bank assumed approximately $20.0 million in deposits, $2.0 million in investments, and $18.0 million in loans.

Through its network of banking offices, the Bank emphasizes personalized service combined with offering a full range of banking services to businesses, professionals and individuals located in the service areas of its offices. Although the Bank focuses the marketing of its services to small- and medium-sized businesses, a full range of retail banking services are made available to the local consumer market.

The Bank offers a wide range of deposit instruments. These include checking, savings, money market and time certificates of deposit for both business and personal accounts. The Bank also serves as a federal tax depository for its business customers.

The Bank also provides a full complement of lending products, including commercial, installment and real estate loans. Commercial products include lines of credit and other working capital financing, accounts receivable lending and letters of credit. Financing products for individuals include automobile financing, lines of credit and home improvement and home equity lines of credit. Real estate loans include mortgage and construction loans.

The Bank also offers a wide range of specialized services designed for the needs of its commercial accounts. These services include cash management systems for monitoring cash

flow, a credit card program for merchants, courier pick-up and delivery, payroll services and electronic funds transfers by way of domestic and international wires and automated clearing house. The Bank also makes available investment products to customers, including a full array of fixed income vehicles and a program pursuant to which it places its customers' funds in federally insured time certificates of deposit of other institutions. The Bank does not operate a trust department; however, it makes arrangements with a correspondent institution to offer trust services to its customers on request.

Community Trust Deed Services

The Company owns 100% of the voting stock of Community, which has one office. Community's services, which are provided to the Bank and non-affiliated persons, include preparing and filing notices of default, reconveyances and related documents and acting as a trustee under deeds of trust. At present, the assets, revenues and earnings of Community are not material in amount as compared to the Bank.

Premier Results, Inc.

The Company owns 100% of the voting stock of Premier. Through Premier, the Company offered item processing services to the Bank and other financial institutions, in addition to statement reconcilement, bookkeeping, check filing, lock box, microfilm development and on-site printing. On December 31, 1992, the Company sold all of the assets of Premier to Electronic Data Systems Corporation. The assets, revenues and earnings of Premier were not material in amount as compared to the Bank.

Economic Environment in the Bank's Market Area

The Bank concentrates on marketing to, and serving the needs of, businesses, professionals and individuals in San Bernardino, Riverside, northern Orange and eastern Los Angeles counties. The general economy in Southern California, including the Bank's market area, and particularly the real estate market, is suffering from the effects of a prolonged recession that has negatively impacted upon the ability of certain borrowers to perform their obligations to their lending institutions, including the Bank.

According to The UCLA Business Forecast For California, December 1993 Report (the "UCLA Report"), the current recession in California is expected to continue until at least the second half of 1994, despite the presence of a moderate national economic recovery. The UCLA Report attributes the length and depth of the California recession, which began in 1990, to a number of negative economic factors, including permanent cutbacks in the California defense industries and military base closings, a cyclical downturn in

California residential real estate construction, lower rates on international trade growth as a result of the worldwide recession and the effects on employment of an increased global emphasis on cost controls and downsizing. The statewide unemployment rate in November 1993 was 8.6%, compared with the national average of 6.4%. The UCLA Report notes that while statewide unemployment figures have improved recently, this was due to a decline in the size of the labor force and that total CalifoRnia employment has declined. Nevertheless, the UCLA Report expects a weak job recovery to begin in California during the second half of 1994, approaching a normal growth rate over the next four years. Based on its assessment of recent economic reports and the current economic environment in the Company's market areas, management believes that the California recession may continue beyond 1994.

The overall general economic conditions and the real estate market in Southern California have had and may continue to have an adverse impact on certain of the Bank's borrowing customers and their debt service capacities. The Bank's nonperforming assets increased from $19.0 million at year end 1992 to $23.0 million at year end 1993. While management believes that the allowance for credit losses at December 31, 1993 was adequate to absorb the then known or inherent losses in the loan portfolio, declining real estate values in Southern California have reduced the value of the real estate collateral that secures certain of the Bank's loans and increased the loan-to-value ratio of those credits. As of December 31, 1993, the Bank had approximately $322.9 million in loans secured by real estate located in Southern California. For a further discussion of the Bank's nonperforming assets and allowance for possible credit losses, see "Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS."

Competition

The Bank faces substantial competition for deposits and loans throughout its market areas. The primary factors in competing for deposits are interest rates, personalized services, the quality and range of financial services, convenience of office locations and office hours. Competition for deposits comes primarily from other commercial banks, savings institutions, credit unions, money market and mutual funds and other investment alternatives. The primary factors in competing for loans are interest rates, loan origination fees, the quality and range of lending services and personalized services. Competition for loans comes primarily from other commercial banks, savings institutions, mortgage banking firms and other financial intermediaries. The Bank faces competition for deposits and loans throughout its market areas not only from local institutions but also from out-of-state financial intermediaries which have opened loan production offices or which solicit deposits in the Bank's market areas. Many of the financial intermediaries operating in the Bank's market areas offer certain

services, such as trust, investment and international banking services, which the Bank does not offer directly. Additionally, banks with larger capitalization and financial intermediaries not subject to bank regulatory restrictions have larger lending limits and are thereby able to serve the needs of larger customers. The Bank has 16 offices located in San Bernardino, Riverside, northern Orange and eastern Los Angeles counties. Neither the deposits nor loans of any office of the Bank exceed 1% of the aggregate loans or deposits of all financial intermediaries located in the counties in which such offices are located.

Employees

At December 31, 1993, CVB, the Bank, Community and Premier employed 311 persons, 200 on a full-time and 111 on a part-time basis. The Company believes that its employee relations are satisfactory.

Effect of Governmental Policies and Recent Legislation

Banking is a business that depends on rate differentials. In general, the difference between the interest rate paid by the Bank on its deposits and its other borrowings and the interest rate received by the Bank on loans extended to its customers and securities held in the Bank's portfolio comprise the major portion of the Company's earnings. These rates are highly sensitive to many factors that are beyond the control of the Bank. Accordingly, the earnings and growth of the Company are subject to the influence of local, domestic and foreign economic conditions, including recession, unemployment and inflation.

The commercial banking business is not only affected by general economic conditions but is also influenced by the monetary and fiscal policies of the federal government and the policies of regulatory agencies, particularly the Federal Reserve Board. The Federal Reserve Board implements national monetary policies (with objectives such as curbing inflation and combating recession) by its open-market operations in United States Government securities, by adjusting the required level of reserves for financial intermediaries subject to its reserve requirements and by varying the discount rates applicable to borrowings by depository institutions. The actions of the Federal Reserve Board in these areas influence the growth of bank loans, investments and deposits and also affect interest rates charged on loans and paid on deposits. The nature and impact of any future changes in monetary policies cannot be predicted.

From time to time, legislation is enacted which has the effect of increasing the cost of doing business, limiting or expanding permissible activities or affecting the competitive balance between banks and other financial intermediaries. Proposals to change the laws and regulations governing the

operations and taxation of banks, bank holding companies and other financial intermediaries are frequently made in Congress, in the California legislature and before various bank regulatory and other professional agencies. The likelihood of any major changes and the impact such changes might have on the Company are impossible to predict. Certain of the potentially significant changes which have been enacted and proposals which have been made recently are discussed below.

Federal Deposit Insurance Corporation Improvement Act of 1991

On December 19, 1991, the Federal Deposit Insurance Corporation Improvement Act of 1991 (the "FDIC Improvement Act") was enacted into law. Set forth below is a brief discussion of certain portions of this law and implementing regulations that have been adopted or proposed by the Federal Reserve Board, the Comptroller of the Currency, the Office of Thrift Supervision and the FDIC (collectively, the "federal banking agencies").

BIF Recapitalization. The FDIC Improvement Act provides the FDIC with three additional sources of funds to protect deposits insured by the Bank Insurance Fund (the "BIF") administered by the FDIC. The FDIC is authorized to borrow up to $30 billion from the U.S. Treasury; borrow from the Federal Financing Bank up to 90% of the fair market value of assets of institutions acquired by the FDIC as receiver; and borrow from financial intermediaries that are members of the BIF. Any borrowings not repaid by asset sales are to be repaid through insurance premiums assessed to member institutions. Such premiums must be sufficient to repay any borrowed funds within 15 years and provide insurance fund reserves of $1.25 for each $100 of insured deposits.

Improved Examinations. All insured depository institutions, except certain small, well managed and, well capitalized institutions, must undergo a full-scope, on-site examination by their appropriate federal banking agency at least once every 12 months. The cost of examinations of insured depository institutions and any affiliates may be assessed by the appropriate federal banking agency against each institution or affiliate as it deems necessary or appropriate.

Standards for Safety and Soundness. Pursuant to the FDIC Improvement Act, the federal banking agencies have issued proposed safety and soundness standards on matters such as loan underwriting and documentation, asset quality, earnings, internal controls and audit systems, interest rate risk exposure and compensation and other employee benefits. The proposals establish, among other things, the maximum ratio of classified assets to total capital plus ineligible allowance at 1.0 and the minimum level of earnings sufficient to absorb losses without impairing capital. The proposals provide that a bank's earnings are sufficient to absorb losses without impairing capital if the bank is in compliance with minimum capital requirements and the bank would, if its net income or loss over the last four quarters continued over the next four quarters, remain in compliance with minimum capital requirements. Any institution which fails to comply with these standards must submit a compliance plan. Failure to submit an acceptable plan or to comply with an approved plan will subject the institution to further enforcement action. No assurance can be given as to the final form of the proposed regulations or, if adopted, the impact of such regulations on the Company and the Bank.

In December 1992, the federal banking agencies issued final regulations prescribing uniform guidelines for real estate lending. The regulations, which became effective on March 19, 1993, require insured depository institutions to adopt written policies establishing standards, consistent with such guidelines, for extensions of credit secured by real estate. The policies must address loan portfolio management, underwriting standards and loan-to-value limits that do not exceed the supervisory limits prescribed by the regulations.

Prompt Corrective Regulatory Action. The FDIC Improvement Act requires each federal banking agency to take prompt corrective action to resolve the problems of insured depository institutions that fall below one or more prescribed minimum capital ratios. The purpose of this law is to resolve the problems of insured depository institutions at the least possible long-term cost to the appropriate deposit insurance fund.

The law required each federal banking agency to promulgate regulations defining the following five categories in which an insured depository institution will be placed, based on the level of its capital ratios: well capitalized (significantly exceeding the required minimum capital requirements), adequately capitalized (meeting the required capital requirements), undercapitalized (failing to meet any one of the capital requirements), significantly undercapitalized (significantly below any one capital requirement) and critically undercapitalized (failing to meet all capital requirements).

In September 1992, the federal banking agencies issued uniform final regulations implementing the prompt corrective action provisions of the FDIC Improvement Act. Under the regulations, an insured depository institution will be deemed to be:

- "well capitalized" if it (i) has a total risk-based capital ratio of 10% or greater, a Tier 1 risk-based capital ratio of 6% or greater and a leverage ratio of 5% or greater and (ii) is not subject to an order, written agreement, capital directive or prompt corrective action directive to meet and maintain a specific capital level for any capital measure;

- "adequately capitalized" if it has a total risk-based capital ratio of 8% or greater, a Tier 1 risk-based capital ratio of 4% or greater and a leverage ratio of 4% or greater (or a leverage ratio of 3% or greater if the institution is rated composite 1 under the applicable regulatory rating system in its most recent report of examination);

- "undercapitalized" if it has a total risk-based capital ratio that is less than 8%, a Tier 1 risk-based capital ratio that is less than 4% or a leverage ratio that is less than 4% (or a leverage ratio that is less than 3% if the institution is rated composite 1 under the applicable regulatory rating system in its most recent report of examination);

- "significantly undercapitalized" if it has a total risk-based capital ratio that is less than 6%, a Tier 1 risk-based capital ratio that is less than 3% or a leverage ratio that is less than 3%; and

- "critically undercapitalized" if it has a ratio of tangible equity to total assets that is equal to or less than 2%.

An institution that, based upon its capital levels, is classified as well capitalized, adequately capitalized or undercapitalized may be reclassified to the next lower capital category if the appropriate federal banking agency, after notice and opportunity for hearing, (i) determines that the institution is in an unsafe or unsound condition or (ii) deems the institution to be engaging in an unsafe or unsound practice and not to have corrected the deficiency. At each successive lower capital category, an insured depository institution is subject to more restrictions and federal banking agencies are given less flexibility in deciding how to deal with it.

The law prohibits insured depository institutions from paying management fees to any controlling persons or, with certain limited exceptions, making capital distributions if after such transaction the institution would be undercapitalized. If an insured depository institution is undercapitalized, it will be closely monitored by the appropriate federal banking agency, subject to asset growth restrictions and required to obtain prior

regulatory approval for acquisitions, branching and engaging in new lines of business. Any undercapitalized depository institution must submit an acceptable capital restoration plan to the appropriate federal banking agency 45 days after becoming undercapitalized. The appropriate federal banking agency cannot accept a capital plan unless, among other things, it determines that the plan (i) specifies the steps the institution will take to become adequately capitalized, (ii) is based on realistic assumptions and (iii) is likely to succeed in restoring the depository institution's capital. In addition, each company controlling an undercapitalized depository institution must guarantee that the institution will comply with the capital plan until the depository institution has been adequately capitalized on an average basis during each of four consecutive calendar quarters and must otherwise provide adequate assurances of performance. The aggregate liability of such guarantee is limited to the lesser of (a) an amount equal to 5% of the depository institution's total assets at the time the institution became undercapitalized or (b) the amount which is necessary to bring the institution into compliance with all capital standards applicable to such institution as of the time the institution fails to comply with its capital restoration plan. Finally, the appropriate federal banking agency may impose any of the additional restrictions or sanctions that it may impose on significantly undercapitalized institutions if it determines that such action will further the purpose of the prompt corrective action provisions.

An insured depository institution that is significantly undercapitalized, or is undercapitalized and fails to submit, or in a material respect to implement, an acceptable capital restoration plan, is subject to additional restrictions and sanctions. These include, among other things: (i) a forced sale of voting shares to raise capital or, if grounds exist for appointment of a receiver or conservator, a forced merger; (ii) restrictions on transactions with affiliates; (iii) further limitations on interest rates paid on deposits; (iv) further restrictions on growth or required shrinkage of assets; (v) modification or termination of specified activities; (vi) replacement of directors or senior executive officers, subject to certain grandfather provisions for those elected prior to enactment of the FDIC Improvement Act; (vii) prohibitions on the receipt of deposits from correspondent institutions; (viii) restrictions on capital distributions by the holding companies of such institutions; (ix) required divestiture of subsidiaries by the institution; or (x) other restrictions as determined by the appropriate federal banking agency. Although the appropriate federal banking agency has discretion to determine which of the foregoing restrictions or sanctions it will seek to impose, it is required to force a sale of voting shares or merger, impose restrictions on affiliate transactions and impose restrictions on rates paid on deposits unless it determines that such actions would not further the purpose of the

prompt corrective action provisions. In addition, without the prior written approval of the appropriate federal banking agency, a significantly undercapitalized institution may not pay any bonus to its senior executive officers or provide compensation to any of them at a rate that exceeds such officers' average rate of base compensation during the 12 calendar months preceding the month in which the institution became undercapitalized.

Further restrictions and sanctions are required to be imposed on insured depository institutions that are critically undercapitalized. For example, a critically undercapitalized institution generally would be prohibited from engaging in any material transaction other than in the ordinary course of business without prior regulatory approval and could not, with certain exceptions, make any payment of principal or interest on its subordinated debt beginning 60 days after becoming critically undercapitalized. Most importantly, however, except under limited circumstances, the appropriate federal banking agency, not later than 90 days after an insured depository institution becomes critically undercapitalized, is required to appoint a conservator or receiver for the institution. The board of directors of an insured depository institution would not be liable to the institution's shareholders or creditors for consenting in good faith to the appointment of a receiver or conservator or to an acquisition or merger as required by the regulator.

As of December 31, 1993, the Bank had a total risk-based capital ratio of 13.0%, a Tier 1 risk-based ratio of 11.7% and a leverage ratio of 8.3%.

Other Items. The FDIC Improvement Act also, among other things, (i) limits the percentage of interest paid on brokered deposits and limits the unrestricted use of such deposits to only those institutions that are well capitalized; (ii) requires the FDIC to charge insurance premiums based on the risk profile of each institution; (iii) eliminates "pass through" deposit insurance for certain employee benefit accounts unless the depository institution is well capitalized or, under certain circumstances, adequately capitalized; (iv) prohibits insured state chartered banks from engaging as principal in any type of activity that is not permissible for a national bank unless the FDIC permits such activity and the bank meets all of its regulatory capital requirements; (v) directs the appropriate federal banking agency to determine the amount of readily marketable purchased mortgage servicing rights that may be included in calculating such institution's tangible, core and risk-based capital; and (vi) provides that, subject to certain limitations, any federal savings association may acquire or be acquired by any insured depository institution.

The FDIC has adopted final regulations implementing the risk-based premium system mandated by the FDIC Improvement Act.

Under the transitional regulations, which cover the assessment periods commencing on and after January 1, 1994, insured depository institutions are required to pay insurance premiums within a range of 23 cents per $100 of deposits to 31 cents per $100 of deposits depending on their risk classification. To determine the risk-based assessment for each institution, the FDIC will categorize an institution as well capitalized, adequately capitalized or undercapitalized based on its capital ratios. A well capitalized institution is one that has at least a 10% total risk-based capital ratio, a 6% Tier 1 risk-based capital ratio and a 5% Tier 1 leverage capital ratio. An adequately capitalized institution will have at least an 8% total risk-based capital ratio, a 4% Tier 1 risk-based capital ratio and a 4% Tier 1 leverage capital ratio. An undercapitalized institution will be one that does not meet either of the above definitions. The FDIC will also assign each institution to one of three supervisory subgroups based upon reviews by the institution's primary federal or state regulator, statistical analyses of financial statements and other information relevant to evaluating the risk posed by the institution. As a result, the assessment rates within each of three capital categories will be as follows (expressed as cents per $100 of deposits):

	Supervisory Subgroup		
	A	B	C
Well capitalized	23	26	29
Adequately capitalized	26	29	30
Undercapitalized	29	30	31

In addition, the FDIC has issued final regulations implementing provisions of the FDIC Improvement Act relating to powers of insured state banks. The regulations prohibit, subject to certain specified exceptions, insured state banks from making equity investments of a type, or in an amount, that are not permissible for national banks. In general, equity investments include equity securities, partnership interests and equity interests in real estate. Under the final regulations, non-permissible investments must be divested by no later than December 19, 1996.

The FDIC has also issued final regulations which prohibit insured state banks from engaging as principal in any activity not permissible for a national bank, without FDIC approval. The regulations also provide that, subject to certain specified exceptions, subsidiaries of insured state banks may not engage as principal in any activity that is not permissible for a subsidiary of a national bank, without FDIC approval.

The impact of the FDIC Improvement Act on the Company and the Bank is uncertain, especially since many of the regulations promulgated thereunder have been only recently adopted and certain of the law's provisions still need to be defined through future regulatory action. Certain provisions, such as the

recently adopted real estate lending standards and the limitations on investments and powers of state banks and the rules to be adopted governing compensation, fees and other operating policies, may affect the way in which the Bank conducts its business, and other provisions, such as those relating to the establishment of the risk-based premium system, may adversely affect the Bank's results of operations.

Capital Adequacy Guidelines

The Federal Reserve Board and the FDIC have issued guidelines to implement risk-based capital requirements. The guidelines are intended to establish a systematic analytical framework that makes regulatory capital requirements more sensitive to differences in risk profiles among banking organizations, takes off-balance-sheet financial instruments into account in assessing capital adequacy and minimizes disincentives to holding liquid, low-risk assets. Under these guidelines, assets and credit equivalent amounts of off-balance-sheet financial instruments, such as letters of credit and long-term outstanding loan commitments, are assigned to one of several risk categories, which range from 0% for credit risk-free assets, such as cash and certain U.S. government securities, to 100% for relatively high-risk assets, such as loans and investments in fixed assets, premises and other real estate owned. The aggregated dollar amount of each category is then multiplied by the risk-weight associated with that category. The resulting weighted values from each of the risk categories are then added together to determine the total risk-weighted assets.

Beginning on December 31, 1992, the guidelines require a minimum ratio of qualifying total capital to risk-weighted assets of 8%, of which at least 4% must consist of Tier 1 capital. Higher risk-based ratios are required to be considered well capitalized under the prompt corrective action provisions of the FDIC Improvement Act. See "Item 1. BUSINESS - Effect of Governmental Policies and Recent Legislation - Federal Deposit Insurance Improvement Act of 1991 - Prompt Corrective Regulatory Action."

A banking organization's qualifying total capital consists of two components: Tier 1 capital (core capital) and Tier 2 capital (supplementary capital). Tier 1 capital consists primarily of common stock, related surplus and retained earnings, qualifying noncumulative perpetual preferred stock (plus, for bank holding companies, qualifying cumulative perpetual preferred stock in an amount up to 25% of Tier 1 capital) and minority interests in the equity accounts of consolidated subsidiaries. Intangibles, such as goodwill, are generally deducted from Tier 1 capital; however, purchased mortgage servicing rights and purchase credit card relationships may be included, subject to certain limitations. At least 50% of the banking organization's total regulatory capital must consist of Tier 1 capital.

Tier 2 capital may consist of (i) the allowance for possible loan and lease losses in an amount up to 1.25% of risk-weighted assets; (ii) cumulative perpetual preferred stock and long-term preferred stock (which for bank holding companies must have an original maturity of 20 years or more) and related surplus; (iii) hybrid capital instruments (instruments with characteristics of both debt and equity), perpetual debt and mandatory convertible debt securities; and (iv) eligible term subordinated debt and intermediate-term preferred stock with an original maturity of five years or more, including related surplus, in an amount up to 50% of Tier 1 capital. The inclusion of the foregoing elements of Tier 2 capital are subject to certain requirements and limitations of the federal banking agencies.

The Federal Reserve Board and the FDIC have also adopted a minimum leverage ratio of Tier 1 capital to average total assets of 3% for the highest rated banks. This leverage ratio is only a minimum. Institutions experiencing or anticipating significant growth or those with other than minimum risk profiles are expected to maintain capital well above the minimum level. Furthermore, higher leverage ratios are required to be considered well capitalized or adequately capitalized under the prompt corrective action provisions of the FDIC Improvement Act. See "Item 1. BUSINESS - Effect of Governmental Policies and Recent Legislation - Federal Deposit Insurance Corporation Improvement Act of 1991 -Prompt Corrective Regulatory Action."

As of December 31, 1993, the Company and the Bank had total risk-based capital ratios of 13.1% and 13.0%, Tier 1 risk-based capital ratios of 11.8% and 11.7% and leverage ratios of 8.4% and 8.3%, respectively.

In addition, the federal banking agencies have issued proposed rules, in accordance with the FDIC Improvement Act, seeking public comment on methods for measuring interest rate risk, and two alternative methods for determining what amount of additional capital, if any, a bank may be required to have for interest rate risk. The Company cannot yet determine whether such proposals will be adopted or the impact of such regulations, if adopted, on the Company and the Bank.

The federal banking agencies issued a statement advising that, for regulatory purposes, federally supervised banks and savings associations should report deferred tax assets in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes," beginning in 1993. See "Item 1. BUSINESS -Effect of Governmental Policies and Recent Legislation - Accounting Changes." However, the federal banking agencies have advised that they will place a limit on the amount of deferred tax assets that is allowable in computing an institution's regulatory capital. Deferred tax assets that can be

realized from taxes paid in prior carryback years and from the future reversal of temporary differences would generally not be limited. Deferred tax assets that can only be realized through future taxable earnings, including the implementation of a tax planning strategy, would be limited for regulatory capital purposes to the lesser of (i) the amount that can be realized within one year of the quarter-end report date or (ii) 10% of Tier 1 capital. The amount of deferred taxes in excess of this limit, if any, would be deducted from Tier 1 capital and total assets in regulatory capital calculations. The federal banking agencies have notified institutions that their capital rules will be amended to reflect this change. Management does not expect implementation of this proposal to have a material impact on the Bank's regulatory capital levels.

The federal banking agencies issued a proposal in January 1994 seeking public comment on whether to amend their capital definitions of leverage and risk based capital to conform such definitions to the recently issued SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities," which requires an institution to recognize as a separate component of stockholders' equity the amount of unrealized gains and losses on securities that are deemed to be "available for sale." See "Business -- Effect of Government Policies and Recent Legislation -- Accounting Changes."

Accounting Changes

In February 1992, the Financial Accounting Standards Board ("FASB") issued SFAS No. 109, which supersedes SFAS No. 96. SFAS No. 109 is effective for fiscal years beginning after December 31, 1992, or earlier at the Company's option. SFAS No. 109 employs an asset and liability approach in accounting for income taxes payable or refundable at the date of the financial statements as a result of all events that have been recognized in the financial statements and as measured by the provisions of enacted tax laws. The Company adopted SFAS No. 109 in 1992, elected not to restate prior years and has determined that the cumulative effect of the implementation was immaterial.

In May 1993, the FASB issued SFAS No. 114, "Accounting by Creditors for Impairment of a Loan" ("SFAS No. 114"). Under the provisions of SFAS No. 114, a loan is considered impaired when, based on current information and events, it is probable that a creditor will be unable to collect all amounts due according to the contractual terms of the loan agreement. SFAS No. 114 requires creditors to measure impairment of a loan based on the present value of expected future cash flows discounted at the loan's effective interest rate, market prices (when available) or the fair market value of collateral for a collateral-dependent loan. If the measure of the impaired loan is less than the recorded investment in the loan, a creditor shall recognize an impairment by recreating a valuation allowance with a corresponding charge to bad debt expense. This statement also applies to restructured loans and changes the

definition of in-substance foreclosures to apply only to the loans where the creditor has taken physical possession of the borrower's assets. SFAS No. 114 applies to financial statements for fiscal years beginning after December 15, 1994. Earlier implementation is permitted. The Company is currently evaluating the impact of the statement on its results of operations and financial position but is unlikely to implement the statement early.

In December 1990, the FASB issued SFAS No. 106, "Employers' Accounting for Post-Retirement Benefits Other Than Pensions" ("SFAS No. 106"), effective for fiscal years beginning after December 15, 1992. In November 1992, the FASB issued SFAS No. 112, "Employers' Accounting for Post-Employment Benefits" ("SFAS No. 112") effective for fiscal years beginning after December 15, 1993. SFAS No. 106 and SFAS No. 112 focus primarily on post-retirement health care benefits. The Company does not provide post-retirement benefits and SFAS No. 106 and SFAS No. 112 will have no impact on net income in 1994.

In May 1993, the FASB issued SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities," addressing the accounting and reporting for investments in equity securities that have readily determinable fair values and for all investments in debt securities. Those investments would be classified in three categories and accounted for as follows: (i) debt and equity securities that the entity has the positive intent and ability to hold to maturity would be classified as "held to maturity" and reported at amortized cost; (ii) debt and equity securities that are held for current resale would be classified as trading securities and reported at fair value, with unrealized gains and losses included in operations; and (iii) debt and equity securities not classified as either securities held to maturity or trading securities would be classified as securities available for sale, and reported at fair value, with unrealized gains and losses excluded from operations and reported as a separate component of shareholders' equity. The Compnay adopted SFAS No. 115 effective as of January 1, 1994, and as of that date the Bank had both investment securities classified at "held to maturity" and investment securities classified as "available for sale." Securities classified as available for sale will be reported at their fair value at the end of each fiscal quarter. The value of such securities fluctuates based on changes in interest rates. Generally, an increase in interest rates would result in a decline in the value of investment securities held for sale, while a decline in interest rates would result in an increase in the value of such securities. Therefore, the value of investment securities available for sale and the Bank's shareholders' equity could be subject to fluctuation, based on changes in interest rates. As a consequence, the Bank's capital levels for regulatory purposes could change based solely on fluctuations in interest rates and fluctuations in the value of investment securities available for sale. Such change could result in additional regulatory restrictions under the prompt corrective actions provisions of the FDIC Improvement Act of 1991 and various other laws and regulations that are based, in part, on a institution's capital levels, including those dealing with the risk related insurance premium system and brokered deposit restrictions. See "Item 1, Business -- Effect of Governmental Policies and Recent Legislation -- Federal Deposit Insurance Corporation Improvement Act of 1991."

Omnibus Budget Reconciliation Act of 1993

On August 10, 1993, President Clinton signed the Omnibus Budget Reconciliation Act of 1993 (the "Reconciliation Act"). Some of the provisions in the Reconciliation Act that may have an effect on the Company include the following: (i) the corporate income tax rate was increased from 34.04% to 35.0% for taxable income in excess of $10.0 million; (ii) mark-to-market rules for tax purposes with regard to securities held for sale by the Company; (iii) beginning in 1994 the amount of business meals and entertainment expenses that will be disallowed will be increased from the current 20.0% disallowance to 50.0% disallowance; (iv) club dues and lobbying expenses will no longer be deductible; and (v) certain intangible assets, including goodwill, will be amortized over a period of 15 years. Considering the Company's current tax situation, the Company does

not expect the provisions of the Reconciliation Act to have a material effect on the Company.

Supervision and Regulation

Bank holding companies and banks are extensively regulated under both federal and state law.

The Company

The Company, as a registered bank holding company, is subject to regulation under the Bank Holding Company Act of 1956, as amended (the "Act"). The Company is required to file with the Federal Reserve Board quarterly and annual reports and such additional information as the Federal Reserve Board may require pursuant to the Act. The Federal Reserve Board may conduct examinations of the Company and its subsidiaries.

The Federal Reserve Board may require that the Company terminate an activity or terminate control of or liquidate or divest certain subsidiaries or affiliates when the Federal Reserve Board believes the activity or the control of the subsidiary or affiliate constitutes a significant risk to the financial safety, soundness or stability of any of its banking subsidiaries. The Federal Reserve Board also has the authority to regulate provisions of certain bank holding company debt, including authority to impose interest ceilings and reserve requirements on such debt. Under certain circumstances, the Company must file written notice and obtain approval from the Federal Reserve Board prior to purchasing or redeeming its equity securities.

Under the Act and regulations adopted by the Federal Reserve Board, a bank holding company and its nonbanking subsidiaries are prohibited from requiring certain tie-in arrangements in connection with any extension of credit, lease or sale of property or furnishing of services. Further, the Company is required by the Federal Reserve Board to maintain certain levels of capital. See "Item 1. BUSINESS - Effect of Governmental Policies and Recent Legislation - Capital Adequacy Guidelines."

The Company is required to obtain the prior approval of the Federal Reserve Board for the acquisition of more than 5% of the outstanding shares of any class of voting securities or substantially all of the assets of any bank or bank holding company. Prior approval of the Federal Reserve Board is also required for the merger or consolidation of the Company and another bank holding company.

The Company is prohibited by the Act, except in certain statutorily prescribed instances, from acquiring direct or indirect ownership or control of more than 5% of the outstanding voting shares of any company that is not a bank or bank holding

company and from engaging directly or indirectly in activities other than those of banking, managing or controlling banks or furnishing services to its subsidiaries. However, the Company may, subject to the prior approval of the Federal Reserve Board, engage in , or acquire shares of companies engaged in, any activities that are deemed by the Federal Reserve Board to be so closely related to banking or managing or controlling banks as to be a proper incident thereto. In making any such determination, the Federal Reserve Board is required to consider whether the performance of such activities by the Company or an affiliate can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest or unsound banking practices. The Federal Reserve Board is also empowered to differentiate between activities commenced de novo and activities commenced by acquisition, in whole or in part, of a going concern and is generally prohibited from approving an application by a bank holding company to acquire voting shares of any commercial bank in another state unless such acquisition is specifically authorized by the laws of such other state.

Under Federal Reserve Board regulations, a bank holding company is required to serve as a source of financial and managerial strength to its subsidiary banks and may not conduct its operations in an unsafe or unsound manner. In addition, it is the Federal Reserve Board's policy that, in serving as a source of strength to its subsidiary banks, a bank holding company should stand ready to use available resources to provide adequate capital funds to its subsidiary banks during periods of financial stress or adversity and should maintain the financial flexibility and capital-raising capacity to obtain additional resources for assisting its subsidiary banks. A bank holding company's failure to meet its obligations to serve as a source of strength to its subsidiary banks will generally be considered by the Federal Reserve Board to be an unsafe and unsound banking practice or a violation of the Federal Reserve Board's regulations or both. This doctrine has become known as the "source of strength" doctrine. Although the United States Court of Appeals for the Fifth Circuit found the Federal Reserve Board's source of strength doctrine invalid in 1990, stating that the Federal Reserve Board had no authority to assert the doctrine under the Act, the decision, which is not binding on federal courts outside the Fifth Circuit, was recently reversed by the United States Supreme Court on procedural grounds. The validity of the source of strength doctrine is likely to continue to be the subject of litigation until definitively resolved by the courts or by Congress.

The Company is also a bank holding company within the meaning of Section 3700 of the California Financial Code. As such, the Company and its subsidiaries are subject to examination

by, and may be required to file reports with, the California State Banking Department.

Finally, the Company is subject to the periodic reporting requirements of the Securities Exchange Act of 1934, as amended, including, but not limited to, filing annual, quarterly and other current reports with the Securities and Exchange Commission.

The Bank

The Bank, as a California state chartered bank, is subject to primary supervision, periodic examination and regulation by the California Superintendent of Banks ("Superintendent") and the FDIC.

The Bank is insured by the FDIC, which currently insures deposits of each member bank to a maximum of $100,000 per depositor. For this protection, the Bank, as is the case with all insured banks, pays a semiannual statutory assessment and is subject to the rules and regulations of the FDIC. See "Item 1. BUSINESS - Effect of Governmental Policies and Recent Legislation." Although the Bank is not a member of the Federal Reserve System, it is nevertheless subject to certain regulations of the Federal Reserve Board.

Various requirements and restrictions under the laws of the State of California and the United States affect the operations of the Bank. State and federal statutes and regulations relate to many aspects of the Bank's operations, including reserves against deposits, interest rates payable on deposits, loans, investments, mergers and acquisitions, borrowings, dividends and locations of branch offices. Further, the Bank is required to maintain certain levels of capital. See "Item 1. BUSINESS - Effect of Governmental Policies and Recent Legislation - Capital Adequacy Guidelines."

Restrictions on Transfers of Funds to CVB by the Bank

CVB is a legal entity separate and distinct from the Bank and its subsidiaries.

There are statutory and regulatory limitations on the amount of dividends which may be paid to CVB by the Bank. California law restricts the amount available for cash dividends by state chartered banks to the lesser of retained earnings or the bank's net income for its last three fiscal years (less any distributions to shareholders made during such period). In the event a bank has no retained earnings or net income for its last three fiscal years, cash dividends may be paid in an amount not exceeding the greater of the retained earnings of the bank, the net income for such bank's last preceding fiscal year, or the net income of the bank for its current fiscal year only after obtaining the prior approval of the Superintendent.

The FDIC also has authority to prohibit the Bank from engaging in what, in the FDIC's opinion, constitutes an unsafe or unsound practice in conducting its business. It is possible, depending upon the financial condition of the bank in question and other factors, that the FDIC could assert that the payment of dividends or other payments might, under some circumstances, be such an unsafe or unsound practice. Further, the FDIC and the Federal Reserve Board have established guidelines with respect to the maintenance of appropriate levels of capital by banks or bank holding companies under their jurisdiction. Compliance with the standards set forth in such guidelines and the restrictions that are or may be imposed under the prompt corrective action provisions of the FDIC Improvement Act could limit the amount of dividends which the Bank or the Company may pay. See "Item 1. BUSINESS - Federal Deposit Insurance Corporation Improvement Act of 1991 - Prompt Corrective Regulatory Action and - Capital Adequacy Guidelines" for a discussion of these additional restrictions on capital distributions.

At present, substantially all of CVB's revenues, including funds available for the payment of dividends and other operating expenses, are, and will continue to be, primarily dividends paid by the Bank. At December 31, 1993, the Bank had approximately $18.0 million available for the payment of cash dividends.

The Bank is subject to certain restrictions imposed by federal law on any extensions of credit to, or the issuance of a guarantee or letter of credit on behalf of, CVB or other affiliates, the purchase of or investments in stock or other securities thereof, the taking of such securities as collateral for loans and the purchase of assets of CVB or other affiliates. Such restrictions prevent CVB and such other affiliates from borrowing from the Bank unless the loans are secured by marketable obligations of designated amounts. Further, such secured loans and investments by the Bank to or in CVB or to or in any other affiliate are limited to 10% of the Bank's capital and surplus (as defined by federal regulations) and such secured loans and investments are limited, in the aggregate, to 20% of the Bank's capital and surplus (as defined by federal regulations). California law also imposes certain restrictions with respect to transactions involving CVB and other controlling persons of the Bank. Additional restrictions on transactions with affiliates may be imposed on the Bank under the prompt corrective action provisions of the FDIC Improvement Act. See "Item 1. BUSINESS - Effect of Governmental Policies and Recent Legislation - - Federal Deposit Insurance Corporation Improvement Act of 1991 - Prompt Corrective Regulatory Action."

Potential Enforcement Actions

Commercial banking organizations, such as the Bank, and their institution-affiliated parties, which include the Company,

may be subject to potential enforcement actions by the Federal Reserve Board, the FDIC and the Superintendent for unsafe or unsound practices in conducting their businesses or for violations of any law, rule, regulation or any condition imposed in writing by the agency or any written agreement with the agency. Enforcement actions may include the imposition of a conservator or receiver, the issuance of a cease-and-desist order that can be judicially enforced, the termination of insurance of deposits (in the case of the Bank), the imposition of civil money penalties, the issuance of directives to increase capital, the issuance of formal and informal agreements, the issuance of removal and prohibition orders against institution-affiliated parties and the imposition of restrictions and sanctions under the prompt corrective action provisions of the FDIC Improvement Act. Additionally, a holding company's inability to serve as a source of strength to its subsidiary banking organizations could serve as an additional basis for a regulatory action against the holding company. Neither the Company nor the Bank have been subject to any such enforcement actions.

ITEM 2. Properties

The principal executive offices of the Company and the Bank are located at 701 N. Haven Avenue, Suite 350, Ontario, California. The office of Community is located at 125 East "H" Street, Colton, California.

The Bank occupies the premises for ten of its offices under leases expiring at various dates from 1994 through 2014. The Bank owns the premises for its six other offices.

The Company's total occupancy expense, exclusive of furniture and equipment expense, for the year ended December 31, 1993, was $2.2 million. Management believes that its existing facilities are adequate for its present purposes. However, management currently intends to increase the Bank's assets over the next several years and anticipates that a substantial portion of this growth will be accomplished through acquisition or de novo opening of additional banking offices. For additional information concerning properties, see Notes 6 and 9 to the Company's financial statements included in this report. See "Item 8, FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA."

ITEM 3. Legal Proceedings

From time to time the Company and the Bank are party to claims and legal proceedings arising in the ordinary course of business. After taking into consideration information furnished by counsel to the Company and the Bank management believes that the ultimate aggregate liability represented thereby, if any, will not have a material adverse effect on the Company's consolidated financial position or results of operations.

ITEM 4.Submission of Matters to a Vote of Security Holders

No matters were submitted to shareholders during the fourth quarter of 1993.

ITEM 4(A). EXECUTIVE OFFICERS OF THE REGISTRANT

As of March 15, 1994, the principal executive officers of the Company and Chino are:

Name	Position	Age
George A. Borba	Chairman of the Board of the Company and the Bank	61
D. Linn Wiley	President and Chief Executive Officer of the Company and the Bank	55
Daniel L. Thomas	Executive Vice President/Manager of the Chino office	53
Vincent T. Breitenberger	Executive Vice President/Senior Loan Officer of the Bank	60
Jay W. Coleman	Executive Vice President of the Bank	51
Robert J. Schurheck	Chief Financial Officer of the Company and Executive Vice President and Chief Financial Officer of the Bank	61

Other than George A. Borba, who is the brother of John A. Borba, a director of the Company and the Bank, there is no family relationship among any of the above-named officers or any of the Company's directors.

Mr. Borba has served as Chairman of the Board of the Company since its organization in April 1981 and Chairman of the Board of the Bank since its organization in December 1973. In addition, Mr. Borba is the owner of George Borba Dairy.

Mr. Wiley has served as President and Chief Executive Officer of the Company since October 4, 1991. Mr. Wiley joined the Company and Bank as a director and as President and Chief Executive Officer designate on August 21, 1991. Prior to that, Mr. Wiley served as an Executive Vice President of Wells Fargo Bank from April 1, 1990 to August 20, 1991. From 1988 to April 1, 1990 Mr. Wiley served as the President and Chief Administrative Officer of Central Pacific Corporation, and from 1983 to 1990 he was the President and Chief Executive Officer of American National Bank.

Mr. Thomas assumed the position of Executive Vice President/Manager of the Chino office effective November 1, 1988. Prior to that time he was Executive Vice President from February 25, 1985 to October 31, 1988. Prior to that, he served as Senior Vice President of Loan Administration at Bank of Newport.

Mr. Breitenberger has served as Executive Vice President of the Bank since April 1982, and prior to that time was Senior Vice President of the Bank from November 1980 to March 1982. He has been the Senior Loan Officer of the Bank since November 1980.

Mr. Coleman assumed the position of Executive Vice President of the Bank on December 5, 1988. Prior to that he served as President and Chief Executive Officer of Southland Bank, N.A. from March 1983 to April 1988.

Mr. Schurheck assumed the position of Chief Financial Officer of the Company and Executive Vice President/Chief Financial Officer of the Bank on March 1, 1990. He served as Senior Vice President of the Bank from September 11, 1989 to February 28, 1990. Prior to that he served as Senior Vice President of General Bank from June 1988 to September 1989. From July 1987 to June 1988 Mr. Schurheck was a self-employed consultant; from December 1973 to June 1987 he was Senior Vice President of Operations and Finance of State Bank in Lake Havasu City, Arizona.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS.

Shares of CVB Financial Corp. common stock price increased from an average price of $10.129 for the first quarter of 1993, to an average price of $12.538 for the fourth quarter of 1993. Fears regarding the recession, weak California real estate prices, and bank capital levels continued to dominate investors' perceptions of bank stocks, regardless of the performance of CVB Financial Corp. The average price of CVB common stock for the fourth quarter of 1993 was $12.538, and this represented a multiple of book value of approximately 1.52. The following table presents the high and low sales prices for the Company's common stock during each quarter for the past three years. The share prices and cash dividend per share amounts presented for all periods in the table below have been restated to give retroactive effect to the ten percent stock dividends declared on December 15, 1993. There were approximately 1,039 shareholders as of December 31, 1993.

Three Year Summary of Common Stock Prices

Quarter Ended	High	Low	Dividends
3/31/91	11.57	8.58	$.058 Cash Dividend
6/30/91	10.85	9.61	$.058 Cash Dividend
9/30/91	10.13	8.26	$.058 Cash Dividend
12/31/91	9.50	6.82	$.066 Cash Dividend
3/31/92	10.02	7.34	$.066 Cash Dividend
6/30/92	8.88	8.16	$.066 Cash Dividend
9/30/92	8.36	7.65	$.066 Cash Dividend
12/31/92	8.47	6.82	$.066 Cash Dividend 10% Stock Dividend
3/31/93	12.27	8.52	$.073 Cash Dividend
6/30/93	11.42	10.00	$.073 Cash Dividend
9/30/93	13.41	10.91	$.073 Cash Dividend
12/31/93	13.52	11.70	$.073 Cash Dividend 10% Stock Dividend

The Company lists its common stock on the American Stock Exchange under the symbol "CVB."

ITEM. 6. SELECTED FINANCIAL DATA

	1993	1992	1991	1990	1989
Net Interest Income	$35,891,367	$32,020,207	$29,460,946	$29,736,722	$27,891,424
Provision for Credit Losses	1,720,000	1,772,109	604,000	545,000	1,414,000
Other Operating Income	10,744,921	7,897,796	7,038,897	6,400,600	4,900,574
Other Operating Expenses	29,353,759	23,419,389	22,709,783	20,908,041	18,692,995
Earnings Before Income Taxes	15,562,529	14,726,505	13,186,060	14,684,281	12,685,003
Income Taxes	6,040,178	5,711,445	5,217,380	5,837,716	4,854,375
NET EARNINGS	$ 9,522,351	$ 9,015,060	$ 7,968,680	$ 8,846,565	$ 7,830,628
Net Earnings Per Common Share	$1.27	$1.23	$1.10	$1.18	$1.05
Stock Splits	----	----	----	----	2 for 1
Stock Dividends	10%	10%	----	----	25%
Cash Dividends Declared Per Share	$0.29	$0.26	$0.24	$0.22	$0.054
Dividend Pay-Out Ratio	22.83%	21.14%	21.82%	18.64%	5.14%
Financial Position:					
Assets	$687,407,957	$592,097,857	$560,324,296	$512,360,816	$472,657,303
Net Loans	442,083,848	374,661,538	365,573,877	362,757,799	342,555,462
Deposits	595,956,301	526,923,421	499,807,113	462,891,267	429,073,520
Stockholders' Equity	59,957,532	52,038,215	44,188,978	38,365,267	32,500,926
Book Value Per Share	8.24	7.19	6.25	5.44	4.52
Equity-to-Assets Ratio	8.72%	8.79%	7.89%	7.49%	6.88%
Financial Performance:					
Return on:					
Beginning Equity	18.30%	20.40%	20.77%	27.22%	31.65%
Average Equity	17.46%	18.72%	19.45%	24.67%	27.51%
Return on Average Assets	1.52%	1.62%	1.54%	1.81%	1.88%
Credit Quality:					
Allowance for Credit Losses	$ 8,849,442	$ 6,461,345	$ 5,262,614	$ 5,091,679	$ 5,037,155
Allowance/Total Loans	1.96%	1.70%	1.42%	1.38%	1.45%
Total Non-Performing Loans	$13,262,357	$ 10,204,442	$ 5,847,393	$ 10,090,000	$ 3,946,000
Non-Performing Loans/Total Loans	2.94%	2.68%	1.58%	2.74%	1.14%
Non-Performing Loans/Allowance	149.87%	157.93%	111.11%	198.17%	78.34%
Net Charge-Offs	$ 918,898	$ 573,378	$ 433,065	$ 490,476	$ 89,884
Net Charge-Offs/Average Loans	0.22%	0.16%	0.12%	0.14%	0.03%

All per share information has been retroactively adjusted to reflect the 10% stock dividend declared December 15, 1993, as to holders of record on January 3, 1994, and payable January 17, 1994.
Stockholders' equity divided by total net assets.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion and analysis is written to provide greater insight into the results of operations and the financial condition of CVB Financial Corp. and its subsidiaries. This analysis should be read in conjunction with the audited financial statements contained within this report including the notes thereto. CVB Financial Corp., (CVB) is a bank holding company. Its primary subsidiary, Chino Valley Bank, (the Bank) is a state chartered bank with 16 branch offices located in San Bernardino, Riverside, east Los Angeles, and north Orange Counties. Community Trust Deed Services (CTD) is a nonbank subsidiary providing services to the Bank as well as nonaffiliated persons. For purposes of this analysis, the consolidated entities are referred to as the "Company".

The results of operations, and the financial condition of the Company were affected in 1993 by two separate bank acquisitions. On March 8, 1993, the Company acquired Fontana First National Bank through merger with the "Capital B Bank" as the continuing entity. On the date of acquisition Fontana First National Bank had approximately $23.7 million in deposits and acquiring approximately $18.5 million in loans. Fontana First National Bank was purchased for $5.04 million, which resulted in $2.0 million in goodwill.

On October 21, 1993, the Bank assumed the deposits and purchased certain assets of the failed Mid City Bank, N.A. from the Federal Deposit Insurance Corporation (the FDIC). The acquisition was structured under a written agreement between the FDIC and the Bank that allowed the Bank certain rights in regard to repricing deposits and purchasing additional assets as well as providing the Bank with indemnification from prior activities of the failed bank. After exercising its right to re-price specific deposits, the Bank assumed approximately $20.0 million in deposits, and purchased $2.0 million in investments and $18.0 million in loans.

ANALYSIS OF THE RESULTS OF OPERATIONS

The Company reported net earnings of $9.5 million for the year ended December 31, 1993. This represented an increase of $507,000 or 5.60%, over net earnings of $9.0 million for the year ended December 31, 1992. For the year ended December 31, 1991, net earnings totaled $7.9 million. Earnings per share have increased from $1.10, to $1.23, to $1.27, for the years ended December 31, 1991, 1992, and 1993, respectively.

The return on average assets increased from 1.54% for the year ended December 31, 1991, to 1.62% for the year ended December 31, 1992, then decreased to 1.52% for the year ended December 31, 1993. Return on average shareholders' equity decreased from 19.45%, to 18.72%, to 17.46%, for the years ended December 31, 1991, 1992, and 1993, respectively. The capital to

asset ratio (the leverage ratio) increased from 8.28% at December 31, 1991, to 8.37% at December 31, 1993.

The increase in net earnings for 1993 and 1992 was primarily the result of increases in net interest income. Contributing to the increase in net interest income was a significant increase in assets and a lower cost of total deposits resulting from increased noninterest bearing demand deposits as a percent of total deposits. Significant growth in other operating income for 1993 also contributed to increased net earnings. This was the result of gains realized on securities sold during the year.

Increases in the provision for loan losses for 1992 and 1993, and a $2.8 million provision for potential losses on other real estate owned for 1993, offset a portion of the increase in net interest income for 1992 and 1993. Growth in assets exceeded increases in earnings for 1993, resulting in a decrease in return on assets.

NET INTEREST INCOME AND THE NET INTEREST MARGIN

Table 1 provides average balances of assets, liabilities, and shareholders' equity, for the years ended December 31, 1993, 1992, and 1991. Interest income and interest expense and the corresponding yields and costs are included for applicable interest earning assets and interest bearing liabilities for each year ended. Rates for tax preferenced investments are provided on a taxable equivalent basis using a marginal tax rate of 34.25%.

TABLE 1 - Distribution of Average Assets, Liabilities, and Stockholders' Equity; Interest Rates and Interest Differentials
(amounts in thousands)

	1993 Average Balance	1993 Interest	1993 Rate	1992 Average Balance	1992 Interest	1992 Rate	1991 Average Balance	1991 Interest	1991 Rate
ASSETS									
Investment Securities									
Taxable	$120,288	8,188	6.81%	$111,543	8,682	7.78%	$ 78,272	6,595	8.43%
Tax preferenced	3,142	131	5.87%	9,941	355	5.03%	11,822	658	7.81%
Federal Funds Sold	14,135	414	2.93%	11,530	414	3.59%	19,640	1,097	5.59%
Net Loans	410,097	37,036	9.03%	362,784	34,762	9.58%	357,298	40,491	11.33%
Total Earnings Assets	547,662	45,769	8.37%	495,798	44,213	8.95%	467,032	48,841	10.51%
Total Non-earning Assets	79,537			61,397			50,845		
Total Assets	$627,199			$557,195			$517,877		
LIABILITIES AND STOCKHOLDERS' EQUITY									
Demand Deposits	$178,539			$139,354			$114,909		
Savings Deposits	287,044	6,478	2.26%	276,904	8,247	2.98%	271,274	13,815	5.09%
Time Deposits	92,472	3,180	3.44%	82,129	3,732	4.54%	79,110	5,206	6.58%
Total Deposits	558,055	9,658	1.73%	498,387	11,979	2.40%	465,293	19,021	4.09%
Other Borrowings	8,440	220	2.61%	6,548	214	3.27%	5,968	359	6.02%
Interest Bearing Liabilities	387,956	9,878	2.55%	365,581	12,193	3.34%	356,352	19,380	5.44%
Other Liabilities	6,172			4,110			5,653		
Stockholders' Equity	54,532			48,150			40,963		
Total Liabilities and Stockholders' Equity	$627,199			$557,195			$517,877		
Net interest spread			5.82%			5.61%			5.07%
Net interest margin			6.56%			6.49%			6.36%
Net interest margin excluding loan fees			6.07%			6.02%			5.86%

Includes certificates of deposit purchased from other institutions
Yields are calculated on a taxable equivalent basis
Loan fees are included in total interest income as follows: 1993, $2,694; 1992, $2,321; 1991, $2,353
Non-performing loans are included in net loans a follows: 1993 $13,262;1992, $10,205; 1991, $5,847
Includes interest-bearing demand and money market accounts

Net interest income is equal to the difference between the interest the Company receives on interest earning assets and the interest it pays for interest bearing liabilities. Net interest income totaled $35.9 million for the year ended December 31, 1993, representing an increase of $3.9 million, or 12.1%, over net interest income of $32.0 million for the year ended December 31, 1992. For the year ended December 31, 1991, the Company generated net interest income of $29.5 million. The net interest margin is the net return on average interest earning assets, or

net interest income measured as a percent of average interest earning assets. The net interest margin totaled 6.56%, 6.49%, and 6.36%, for the years ended December 31, 1993, 1992, and 1991, respectively.

The increases in net interest income and net interest margin for both 1993 and 1992 were the result of continued improvement in the net interest spread. A general decline in the rate paid for interest bearing liabilities, coupled with increases in noninterest bearing demand deposits as a percent of total deposits, resulted in a decrease in the cost of funds.

The net interest spread is the difference between the yield on interest earning assets and the cost of interest bearing liabilities. The yield on interest earning assets decreased from 10.51%, to 8.95%, to 8.37%, for the years ended December 31, 1991, 1992, and 1993, respectively. During the same period, the cost of interest bearing liabilities decreased from 5.44% for 1991, to 3.34% for 1992, to 2.55% for 1993. The decreases in the yields on interest earning assets as well as the cost of interest bearing liabilities both reflect decreases in interest rates in general during the three year period. As the decreases in the cost of interest bearing liabilities was greater than the decreases in the yield on interest earning assets, the net interest spread increased from 5.07% for 1991, to 5.61% for 1992, to 5.82% for 1993.

Increases in net interest income and the net interest margin for 1992 and 1993 were also affected by a less costly deposit mix. The Company's assets are primarily funded by deposits, including non-interest bearing demand deposits. Noninterest bearing demand deposits have increased from $131.5 million, to $157.4 million, to $221.6 million at December 31, 1991, 1992 and 1993, respectively. This represented increases of $64.1 million, or 40.70% for 1993, and $25.9 million, or 19.75% for 1992. As a percent of average total deposits, average noninterest bearing demand deposits have increased from 24.70%, to 27.96%, to 31.99%, for the years ended December 31, 1991, 1992, and 1993, respectively. As average noninterest bearing deposits have increased as a percent of average total deposits, the cost of average total deposits has decreased from 4.09%, to 2.40%, to 1.73%, for the years ended December 31, 1991, 1992 and 1993, respectively.

Table 2 provides a summary of the changes in interest income and interest expense resulting from changes in the volume of interest earning assets and interest bearing liabilities, and the changes resulting from changes in interest rates for the years ended December 31, 1993, 1992, and 1991. The changes in interest income or expense attributable to volume changes are calculated by multiplying the change in volume by the initial average rate. The changes in interest income attributable to changes in interest rates are calculated by multiplying the change in rate by the initial volume. The changes attributable to rate and volume changes are calculated by multiplying the change in rate times the change in volume.

TABLE 2 - Rate and Volume Analysis for Changes in Interest Income, Interest Expense and Net Interest Income
(amounts in thousands)

	1993 Compared to 1992 Increase (decrease) due to				1992 Compared to 1991 Increase (decrease) due to			
	Volume	Rate	Rate/ Volume	Total	Volume	Rate	Rate/ Volume	Total
Interest Income:								
Taxable investment securities	$ 680	$(1,089)	$ (85)	$(494)	$ 2,804	$ (503)	$ (214)	$ 2,087
Tax preferenced securities	(242)	61	(43)	(224)	(104)	(237)	38	(303)
Fed funds	94	(77)	(17)	0	(453)	(391)	161	(683)
Loans	4,534	(1,999)	(261)	2,274	622	(6,255)	(96)	(5,729)
Total earnings assets	5,066	(3,104)	(406)	1,556	2,869	(7,386)	(111)	(4,628)
Interest Expense:								
Savings deposits	302	(1,999)	(72)	(1,769)	287	(5,736)	(119)	(5,568)
Time deposits	470	(907)	(115)	(552)	199	(1,611)	(62)	(1,474)
Other borrowings	62	(43)	(13)	6	35	(164)	(16)	(145)
Total interest bearing liabilities	834	(2,949)	(200)	(2,315)	521	(7,511)	(197)	(7,187)
Net Interest Income	$ 4,232	(155)	(206)	3,871	$ 2,348	$ 125	$ 86	$ 2,559

The Company's primary source of revenue is the interest income it receives on loans. In general, the Company stops accruing interest on a nonperforming loan after its principal or interest becomes 90 days or more past due. Interest that has already accrued on a nonperforming loan is reversed from income when the loan is placed in a nonperforming status. Interest income for the year ended December 31, 1992, and 1991, respectively, included interest of $115,900, and $89,500 that was accrued and not reversed on nonperforming loans. There was no interest income that was accrued and not reversed on any nonperforming loan at December 31, 1993. For 1991 and 1992, the amount of interest accrued on nonperforming loans was deemed collectable primarily based on the value of collateral in which the Bank held a security interest. Had nonperforming loans for which interest was no longer accruing complied with the original terms and conditions of the notes, interest income would have increased by

$1,186,000, $698,600, and $1,037,200 for the years ended December 31, 1993, 1992, and 1991 respectively. Accordingly, yields on loans would have increased by 0.28%, 0.19%, and 0.29%, respectively. Included in Other Real Estate Owned at December 31, 1993 is a loan totaling $977,000 which, although performing according to its original terms, is accounted for as real estate held for sale as required under SFAS 66. As principal and interest payments on this loan were current at December 31, 1993, for analysis purposes, the average balance of the loan was included in total loans, and the yield on loans was adjusted accordingly.

Loan fees and the direct costs associated with the origination of loans are deferred and netted against the outstanding loan balance. The deferred net loan fees and costs are recognized as interest income net of cost over the term of the loan in a manner that approximates the level-yield method. (See Note 1 of the Financial Statements). Fees collected on loans are an integral part of the loan pricing decision. For the year ended December 31, 1993, the Company recognized $2.7 million in loan origination fees, representing an increase of $373,000, or 16.1%, from fee income of $2.3 million recognized in 1992. Fee income recognized for 1991 totaled $2.4 million. Table 3 summarizes loan fee activity for the Bank for the three year period.

TABLE 3 - Loan Fee Activity
(amounts in thousands)

	1993	1992	1991
Fees collected	$ 2,394	$ 3,419	$ 2,649
Fees and costs deferred	(1,328)	(2,262)	(1,109)
Accretion of deferred fees and costs	1,628	1,164	813
Total fee income reported	$ 2,694	$ 2,321	$ 2,353
Deferred net loan origination fees acquired	64	0	0
Deferred net loan origination fees at end of year	$ 1,604	$ 1,840	$ 718

During periods of changing interest rates, the ability to reprice interest earning assets and interest bearing liabilities can influence net interest income, the net interest margin, and consequently, the Company's earnings. The Bank's Management actively monitors interest rate "sensitivity" to potential changes in interest rates using a maturity/repricing gap analysis. This analysis measures, for specific time intervals, the differences between interest earning assets and interest bearing liabilities for which re-pricing opportunities will occur. A positive difference, or gap, indicates that interest earning assets will reprice faster than interest bearing liabilities. This will generally produce a greater net interest margin during periods of rising interest rates, and a lower

net interest margin during periods of decreasing interest rates. Conversely, a negative gap will generally produce lower net interest margin during periods of rising interest rates and a greater net interest margin during periods of decreasing interest rates.

Table 4 provides the Bank's maturity/repricing gap analysis at December 31, 1993 and 1992. The Bank had a positive one year cumulative gap of $22.1 million at December 31, 1993, compared to a negative one year cumulative gap of $33.5 million at December 31, 1992. The change from a negative gap position to a positive gap position is primarily the result of an increase in loans that reprice within one year.

TABLE 4 - Asset and Liability Maturity/Repricing Gap
(amounts in thousands)

	90 days or less	Over 90 days to 180 days	Over 180 days to 365 days	Over 365 days
1993				
Earnings Assets:				
Fed Funds	$ 15,000	$ 0	$ 0	$ 0
Investment Securities and debt securities held for sale	22,846	4,829	3,429	118,415
Deposits with other financial institutions	298	0	100	99
Total Loans	335,776	7,109	14,571	93,477
Total	373,920	11,938	18,100	211,991
Interest-Bearing Liabilities				
Savings Deposits	292,550	0	0	0
Time Deposits	39,666	18,315	14,955	8,918
Other Borrowings	15,848	0	0	0
Total	348,064	18,315	14,955	8,918
Period GAP	$ 25,856	$ (6,377)	$ 3,145	$203,073
Cumulative GAP	$ 25,856	$ 19,479	$ 22,624	$225,697
1992				
Earnings Assets:				
Fed Funds	$ 12,290	$ 0	$ 0	$ 0
Investment Securities and debt securities held for sale	16,823	3,983	7,083	93,165
Total Loans	280,507	3,720	11,616	85,280
Total	309,620	7,703	18,699	178,445
Interest-Bearing Liabilities				
Savings Deposits	295,205	0	0	0
Time Deposits	34,392	24,355	4,565	11,294
Other Borrowings	10,988	0	0	0
Total	340,585	24,355	4,565	11,294

Period GAP	$(30,965)	$(16,652)	$ 14,134	$167,151
Cumulative GAP	$(30,965)	$(47,617)	$(33,483)	$133,668

The interest rates paid on deposit accounts do not always move in unison with the rates charged on loans. Specifically, changes in the prime lending rate do not always result in an immediate change in the rate paid on money market and savings accounts. In addition, the magnitude of changes in the rate charged for loans is not necessarily proportionate to the magnitude of changes in the rate paid for deposits. Consequently, changes in interest rates do not necessarily result in increases or decreases in the net interest margin solely as a result of the differences between re-pricing opportunities of interest earning assets or interest bearing liabilities. The fact that the Bank reported a nominal positive gap at December 31, 1993 does not necessarily indicate that the Bank's net interest margin will increase if rates increase in 1994, or decrease if interest rates decrease. The analysis does provide a measure for the Bank's Management to determine the relative level of interest rate risk at any point in time.

SUMMARY OF CREDIT LOSS EXPOSURE

Implicit in lending activities is the risk that losses will be experienced and the amount of such losses will vary over time. Consequently, the Company maintains an allowance for credit losses by charging to earnings a provision for potential credit losses. Loans determined to be a loss are charged to the allowance. The Company's allowance for credit losses is maintained at a level considered by the Bank's Management to be adequate to provide for estimated losses inherent in the existing portfolio, including commitments under commercial and standby letters of credit.

In evaluating the adequacy of the allowance for credit losses, the Bank's Management estimates the amount of potential loss for each loan that has been identified as having greater than standard credit risk, including loans identified as nonperforming. Loss estimates also consider the borrowers' financial data and the current valuation of collateral when appropriate. In addition to the allowance for specific potential problem credits, an allowance is further allocated for all loans in the portfolio based on the risk characteristics of particular categories of loans including historical loss experience in the portfolio. Additional allowance is allocated on the basis of credit risk concentrations in the portfolio and contingent obligations under off-balance sheet commercial and standby letters of credit.

At December 31, 1993, the allowance for credit losses was $8.8 million, representing an increase of $2.4 million or 36.96%, over the allowance for credit losses of $6.5 million at December 31, 1992. As a percent of gross loans, the allowance for credit losses increased from 1.70% at December 31, 1992, to 1.96% at December 31, 1993. The increase in the allowance for credit losses at December 31, 1993 resulted as the provision for credit losses of $1.7 million, plus acquired reserves of $1.6 million, exceeded the net amount of loans charged to the reserve of $919,000 for the year. Acquired reserves represent the allowance for credit losses acquired from Fontana First National Bank, and the discount from face value of specific loans purchased from the FDIC relating to the Mid City Bank acquisition.

Net loans charged to the allowance for credit losses totaled $433,000, $574,000, and $919,000 for the years ended December 31, 1991, 1992, and 1993, respectively. The increase in the amount charged to reserves each year reflects the increases in loans outstanding and the continued economic downturn in the Southern California economy. The provision for credit losses totaled $604,000, $1,772,000, and $3,307,000, for the years ended December 31, 1991, 1992 and 1993. The increased provision primarily reflects the increase in loans charged to the allowance for credit losses for each period. Net loans charged to the reserve, as a percent of average loans totaled 0.12%, 0.16%, and 0.22% for the years ended December 31, 1991, 1992, and 1993.

The increase in the allowance for credit losses reflects the prolonged regional economic downturn and the Bank's recognition of the possibility that the downturn may continue and the uncertain impact it may have on the Company's loan portfolio. The increase in the allowance for credit losses has been made to support the growth in the loan portfolio and to provide an additional measure of protection in a recessionary economic environment. The Bank recognizes that the current recessionary conditions may continue, and the potential impact this may have on the loan portfolio is uncertain. Nonperforming loans increased from $10.2 million, or 2.68% of gross loans, at December 31, 1992, to $12.5 million, or 2.77% of gross loans, at December 31, 1993. While the Bank's Management believes that the allowance was adequate to provide for both recognized potential losses and estimated inherent losses in the portfolio, no assurance can be given that economic conditions that may adversely affect the Company's service area or other circumstances will not result in increased provisions for credit losses in the future.

Table 5 provides the comparative statistics on net credit losses, the provisions for credit losses, and the allowance for credit losses. Loan losses are fully, or partially charged against the allowance for credit losses when, in the Bank's Management's judgment, the full collectability of the loan's principal is in doubt. However, there is not a precise method of predicting specific losses which ultimately may be charged against the allowance for credit losses, and as such, Management is unable to reasonably estimate the full amount of loans to be charged to the reserve in future periods.

TABLE 5 - Summary of Credit Loss Experience
(amounts in thousands)

	1993	1992	1991	1990	1989
Amount of Total Loans at End of Period	$ 450,933	$ 381,123	$ 370,837	$ 367,849	$ 347,593
Average Total Loans Outstanding	$ 416,984	$ 368,452	$ 362,457	$ 361,241	$ 291,476
Allowance for Credit Losses at Beginning of Period	$ 6,461	$ 5,263	$ 5,092	$ 5,037	$ 3,713
Loans Charged-Off:					
Real Estate Loans	530	120	154	7	0
Commercial and Industrial	334	452	282	548	142
Consumer Loans	154	115	42	85	105
Total Loans Charged-Off	1,018	687	478	640	247
Recoveries:					
Real Estate Loans	0	0	0	0	0
Commercial and Industrial	57	94	15	101	98
Consumer Loans	42	19	30	49	59
Total Loans Recovered	99	113	45	150	157
Net Loans Charged-Off	919	574	433	490	90
Provision Charged to Operating Expense	1,720	1,772	604	545	1,414
Adjustment Incident to Mergers	1,587				
Allowance for Credit Losses at End of period	$ 8,849	6,461	5,263	5,092	5,037
Net Loans Charged-Off to Average Total Loans	0.22%	0.16%	0.12%	0.14%	0.03%
Net Loans Charged-Off to Total Loans at End of Period	0.20%	0.15%	0.12%	0.13%	0.03%
Allowance for Credit Losses to Average Total Loans	2.12%	1.75%	1.45%	1.41%	1.73%
Allowance for Credit Losses to Total Loans at End of Period	1.96%	1.70%	1.42%	1.38%	1.45%
Net Loans Charged-Off to allowance for Credit Losses	10.39%	8.88%	8.23%	9.62%	1.79%
Net Loans Charged-Off to Provision for Credit Losses	53.43%	32.39%	71.69%	89.91%	6.36%

Table 6 provides a summary of the allocation of the allowance for credit losses for specific loan categories for the five year period ended December 31, 1993. The allocations presented should not be interpreted as an indication that loans charged to the allowance for credit losses will occur in these amounts or proportions, or that the portion of the allowance allocated to each loan category represents the total amount available for future losses that may occur within such categories, since there is a large unallocated portion of the allowance for credit losses and the total allowance is applicable to the entire loan portfolio.

Table 6 - Allocation of Allowance for Credit Losses
(amounts in thousands)

	1993 Allowance for Credit Losses	1993 % of Category to Total Loans	1992 Allowance for Credit Losses	1992 % of Category to Total Loans	1991 Allowance for Credit Losses	1991 % of Category to Total Loans
Real Estate Loans	$ 43	30.1%	$ 113	27.5%	$ 77	29.5%
Commercial and Industrial	3,911	62.4%	2,422	68.0%	2,587	66.8%
Consumer	41	2.8%	164	3.0%	100	3.5%
Not Allocated	4,854	N/A	3,762	N/A	2,499	N/A
Total	$8,849	95.2%	$6,461	98.5%	$5,263	99.8%

	1990 Allowance for Credit Losses	1990 % of Category to Total Loans	1989 Allowance for Credit Losses	1989 % of Category to Total Loans
Real Estate Loans	$ 128	30.1%	$ 219	32.4%
Commercial and Industrial	2,320	65.8%	1,920	63.2%
Consumer	113	3.8%	130	4.0%
Not Allocated	2,531	N/A	2,768	N/A
Total	$5,092	99.7%	5,037	99.6%

OTHER OPERATING INCOME

Other operating income for the Company includes service charges on deposit accounts, gain on sale of securities, gross revenue from CTD, and other revenues not derived from interest on earning assets. Other operating income increased from $7.9 million for the year ended December 31, 1992, to $10.7 million for the year ended December 31, 1993. This represented an increase of $2.8 million, or 36.05%. For 1992, other operating income increased $858,899, or 12.2%, from $7.0 million for the year ended December 31, 1991.

The increase in other operating income for 1993 was the result of gains on securities sold. Gains on sales of securities totaled $3.7 million for the year ended December 31, 1993, compared to gains of $261,531 for 1992, and $716,608 for 1991. The gains in 1993 were a result of restructuring the portfolio in anticipation of adopting SFAS 115. (See discussion of Investment Securities for explanation of SFAS 115).

Service charges on deposit accounts increased from $5.0 million to $5.2 million for the years ended December 31, 1992 and 1993, respectively. Service charges totaled $4.5 million for the year ended December 31, 1991. Other operating income for 1991 and 1992 included gross revenue from a subsidiary called Premier Results (Premier). Premier began operation in 1990 and provided item processing services for other financial institutions. Premier had total revenues of $870,000 in 1992, and $638,000 for 1991. In December of 1992, Premier was sold to Electronic Data Systems, Inc. as it was determined that the nature of the business was not compatible with the Company's long term strategic plans. Net earnings from Premier for 1992 totaled $125,000. Consequently, the divestiture did not have a significant impact on 1993's earnings.

Other income also includes total revenue from CTD, a subsidiary of the Company. Total revenue from CTD was approximately $238,000, $337,000, and $271,000 for the years ended December 31, 1991, 1992, and 1993, respectively.

NONINTEREST EXPENSES

Noninterest expenses totaled $29.4 million for the year ended December 31, 1993. This represented an increase of $5.9 million, or 25.34%, from total noninterest expenses of $23.4 million for the year ended December 31, 1992. Total noninterest expenses for the year ended December 31, 1991 were $22.7 million. As a percent of average assets, total noninterest expenses decreased from 4.39% for 1991, to 4.20% for 1992, then increased to 4.68% for 1993. This increase was entirely related to expenses associated with collection and foreclosure costs on troubled credits.

A $2.8 million provision for potential losses on the sale of other real estate owned contributed substantially to the increase in noninterest expense for 1993. Other real estate owned is property acquired by the Bank through foreclosure (See Loans). Primarily as a result of the current economic climate in Southern California, real estate values have decreased significantly over the last two years. In anticipation of a continuation of this trend in both commercial and residential real estate values, the Bank's Management has provided an allowance for potential losses on specific properties currently held by the Bank. The allowance primarily protects against further decreases in real estate values. Without the provision for potential losses on other real estate owned for 1993, and the cost of carrying that real estate, total noninterest expense, as a percent of average assets, would have decreased for 1993 compared to 1992.

Salaries and related expenses totaled $14.4 million for the year ended December 31, 1993. This represented an increase of $962,073, or 7.14%, over total salaries and related expenses of $13.5 million for the year ended December 31, 1992. Total salaries and related expenses were $13.7 million for the year ended December 31, 1991. As a percent of average assets, total

salaries and related expenses have decreased from 2.64%, to 2.42%, to 2.30%, for the years ended December 31, 1991, 1992, and 1993, respectively. Full time equivalent employees decreased from 296 for 1991, to 243 for 1992, then increased to 302 for 1993. This increase in salaries for 1993 was primarily related to the acquisitions of Fontana First National Bank and Mid City Bank. As both acquisitions resulted in increased assets, the additional salaries did not impact salary expense as a percent of average assets.

INCOME TAXES

The Company's effective tax rate for 1993 was 39.2%, compared to a rate of 38.8% for 1992, and a rate of 39.5% for 1991. These rates are below the nominal combined Federal and State tax rates as a result of tax preferenced income for each period. The increase in the effective tax rate for 1993 reflects the retroactive Federal tax increase for revenues in excess of $10.0 million, and the increase in the State tax rate for 1993.

ANALYSIS OF FINANCIAL CONDITION

Total assets increased from $592.1 million at December 31, 1992, to $687.4 million at December 31, 1993. This represented an increase of $95.3 million, or 16.10%. Net loans increased $67.4 million, or 18.00%, from $374.7 million for the year ended December 31, 1992, to $442.1 million for the year ended December 31, 1993. As in previous years, asset growth was primarily funded by increased deposit growth. Total deposits increased from $526.9 million at December 31, 1992, to $596.0 million at December 31, 1993, an increase of $69.0 million, or 13.10%. The acquisitions of Fontana First National Bank and Mid City Bank accounted for approximately $43.0 million, or 45.0% of the $95.3 million increase in the Company's assets for 1993.

INVESTMENT SECURITIES

The Company maintains a portfolio of investment securities to provide income and serve as a source of liquidity for its ongoing operations. Note 2 of the financial statements sets forth the distribution of the investment portfolio at December 31, 1993 and 1992.

In 1993, the Financial Accounting Standards Board introduced new mark to market accounting rules for investment securities (SFAS 115). Under the new accounting method, when adopted, securities held as "available for sale" will be reported at current market value for financial reporting purposes. Increases or decreases in market value when compared to cost will be adjusted directly to the Company's capital accounts. While the Company has demonstrated the ability and the intent to hold investment securities until maturity, changes in liquidity needs as well as changes in interest rates have resulted in the sale of investment securities in the past. The introduction of SFAS 115

has changed the methodology used in determining the type of securities purchased for the portfolio and the timing of sales of securities within the portfolio.

The Bank's Management now reviews the portfolio from a total return perspective. Current yields, in addition to current and projected changes in market values, are now considered for both purchases and sales of investment securities. Primarily as a result of the adoption of this methodology in 1993, significant changes were made to both the structure and maturities of the investment portfolio. This restructure resulted in significant gains from the sales of securities in 1993. (See Other Operating Income)

The Bank's Management has elected to adopt SFAS 115 effective for 1994. At December 31, 1993, the market value of the investment portfolio was approximately $150.9 million, representing an unrealized gain of approximately $1.4 million over "book value" of $149.5 million. Had SFAS 115 been adopted, stockholders' equity would have been increased by the amount of the unrealized gain at December 31, 1993, net of the tax effect. The variance between market value and the cost value reported at December 31, 1993, is not material in relation to the Company's total capital.

In preparing for the implementation of SFAS 115 in 1994, the Bank's investment portfolio is divided into two primary categories. These included the "held for sale" portfolio and the "held to maturity" portfolio. At December 31, 1993, the held for sale portion of the portfolio comprised approximately 93.9% of the investment portfolio. The balance was allocated to securities to be held to maturity. If securities are sold prior to maturity to provide for liquidity needs or to take advantage of changes in interest rates, securities from the held for sale portion of the portfolio will be sold.

LOANS

Table 7 sets forth the distribution of the Company's loan portfolio for each of the last five years.

TABLE 7 - Distribution of Loan Portfolio by Type
(amounts in thousands)

	December 31 1993	December 31 1992	December 31 1991	December 31 1990	December 31 1989
Commercial and Industrial	$282,177	$260,322	$248,168	$238,533	$220,982
Real Estate					
Construction	56,358	43,879	40,788	39,775	48,076
Mortgage	79,929	61,619	68,753	75,006	64,353
Consumer,					
net of unearned discount	12,517	11,642	13,067	13,948	13,818
Lease Finance Receivables	21,556	5,501	779	1,014	1,480
Gross Loans	452,537	382,963	371,555	368,276	348,709
Less:					
Allowance for Credit Losses	8,849	6,461	5,263	5,092	5,037
Deferred Loan Fees	1,604	1,840	718	426	1,116
Total Net Loans	$442,084	$374,662	$365,574	$362,758	342,556

Net loans increased $67.4 million, or 18.00%, from $374.7 million at December 31, 1992, to $442.1 million at December 31, 1993. Approximately $32.9 million, or 48.8% of the $67.4 million increase in net loans for 1993 resulted from the acquisitions of Fontana First National Bank and Mid City Bank. Net of acquired loans, loans increased approximately $34.5 million, or 9.2%, for 1993. The increase in loans, net of acquired loans, represents a significant increase over the increase for 1992 when net loans increased only $9.1 million, or 2.49%. The relatively slow real growth in loans (net of loans acquired) for both 1992 and 1993, reflects the prolonged economic downturn in the Southern California economy, and the resulting decrease in loan demand.

Approximately $192.1 million, or 42.5% of the loan portfolio matures within one year. Of this total, approximately $169.3 million, or 88.1%, have variable rates that are tied to the Bank's prime lending rate. Loans that mature within one year assist with the liquidity needs of the Bank as well as providing greater repricing opportunities. Variable rate loans tied to the Bank's prime lending rate provide immediate re-pricing opportunities when interest rates change. Table 8 provides the maturity distribution for commercial and industrial loans as well as real estate construction loans as of December 31, 1993. Amounts are also classified according to repricing opportunities or rate sensitivity.

TABLE 8 - Loan Maturities and Interest Rate Sensitivity
(amounts in thousands)

	December 31, 1993			
	Within One Year	After One But Within Five Years	After Five Years	Total
Types of Loans:				
Commercial and industrial	135,788	159,779	40,757	336,324
Construction	56,358	0	0	56,358
Total	192,146	159,779	40,757	392,682
Amount of Loans based upon:				
Fixed Rates	22,869	31,778	15,424	70,071
Floating or adjustable rates	169,277	128,001	25,333	322,611
Total	192,146	159,779	40,757	392,682

Includes approximately $54.147 million in fixed rate commercial real estate loans. These loans are classified as real estate mortgage loans for the financial statements, but are accounted for as commercial and industrial loans on the Company's books.

As a normal practice in extending credit for commercial and industrial purposes, the Bank may accept trust deeds on real property as collateral. In some cases, when the primary source of repayment for the loan is anticipated to come from cash flow from normal operations of the borrower, the requirement of real property as collateral is an abundance of caution. In these cases, the real property is considered a secondary source of repayment for the loan. Since the Bank lends primarily in Southern California, its real estate loan collateral is concentrated in this region. At December 31, 1993, approximately 97.0% of the Bank's loans secured by real estate were collateralized by properties located in Southern California. This concentration is considered when determining the adequacy of the Company's allowance for credit losses.

In January of 1994, the greater Los Angeles area was affected by a major earthquake and a series of aftershocks that were centered in the San Fernando Valley. The Company is not located in the San Fernando Valley nor is the San Fernando Valley part of the Company's service area. It is not yet possible to assess the effect of the earthquake on the Company's borrowers' primary or secondary repayment sources, or its overall effect on the local economy in general. The Company's facilities and other real estate owned suffered no damage, and management is not aware of any effects from the earthquake that would materially impact its financial condition.

At December 31, 1993, nonperforming assets totaled $22.1 million. This represented an increase of $4.1 million, or 21.6%, from total nonperforming assets of $19.0 million at December 31, 1992. Nonperforming assets include loans for which interest is no longer accruing, loans 90 or more days past due, restructured loans, other real estate owned, and in substance foreclosures. Although the Bank's Management believes that nonperforming loans are generally well secured and that potential losses are provided for in the Company's allowance for credit losses, there can be no assurance that continued deterioration in economic conditions or collateral values will not result in future credit losses. Table 9 provides information on nonperforming loans and other real estate owned for the periods indicated.

TABLE 9 - Non-Performing Assets
(amounts in thousands)

	December 31					
	1993	1992	1991	1990	1989	1988
Non-accrual loans	$12,492	$6,642	$3,684	$9,164	$2,081	$3,828
Loans past due 90 days or more	0	272	85	19	23	174
Restructured loans	770	3,291	2,078	907	1,842	445
Other real estate owned (OREO)	9,768	8,797	3,586	0	695	693
Total non-performing assets	$23,030	$19,002	$9,433	$10,090	$4,641	$5,140
Percentage of non-performing assets to total loans outstanding & OREO	5.00%	4.87%	2.52%	2.74%	1.33%	2.04%
Percentage of non-performing assets to total assets	3.35%	3.21%	1.68%	1.97%	0.98%	1.38%

At December 31, 1993, loans for which interest was no longer accruing totaled $12.5 million. All loans on a nonaccrual status were secured by real property which has a current appraisal that is less than one year old. The estimated ratio of the outstanding loan balances to the fair values of the related collateral for nonaccrual loans at December 31, 1993, ranged between approximately 21% to 92% of the loan value. The Bank has allocated specific reserves included in the allowance for credit losses for potential losses on these loans.

Except for nonperforming loans as set forth in Table 9, the Bank's Management is not aware of any loans as of December 31, 1993 for which known credit problems of the borrower would cause the Company to have serious doubts as to the ability of such borrowers to comply with their present loan repayment terms or any known events that would result in the loan being designated as nonperforming at some future date. The Bank's Management cannot, however, predict the extent to which the current economic environment may persist or worsen or the full impact this environment may have on the Company's loan portfolio.

At December 31, 1993, the book value of other real estate

owned totaled $9.8 million. This included 9 separate parcels of property acquired through foreclosure, and one loan secured by real estate that is performing but is classified as real estate held for sale. The Bank is actively marketing these properties. The Bank's Management cannot predict when these properties will be sold or the terms of those sales when they occur. While Management recognizes that the Southern California real estate market continues to remain weak, the Bank has recent appraisals on each property that support the carrying costs of those properties at December 31, 1993. No assurance can be given that if Southern California real estate values continue to decrease, and the Bank cannot dispose of the properties held promptly, further charges to earnings may not occur.

DEPOSITS

Total deposits increased $69.0 million, or 13.10%, from $526.9 million at December 31, 1992, to $596.0 million at December 31, 1993. The acquisitions of Fontana First National Bank and Mid City Bank accounted for approximately $43.0 million, or 62.0%, of the $69.0 million increase in the Company's deposits for 1993. Non-interest bearing demand deposits represented the largest growth, increasing $64.1 million, or 40.73%, from $157.4 million at December 31, 1992, to $221.6 million at December 31, 1993. As a result of the increase, average non-interest bearing demand deposits represented 32.0% of average deposits for the year ended December 31, 1993. This compared with 27.96% of average deposits for 1992.

Table 1 provides the average balances for each general deposit category, including the associated costs for the years ended December 31, 1991, 1992, and 1993. As average non-interest bearing demand deposits have increased as a percent of total average deposits for 1992 and 1993, average savings and time deposits have decreased as a percent of total average deposits. Average savings deposits, as a percent of average total deposits, have decreased from 58.30% in 1991, to 55.56% for 1992, to 51.44% for 1993. Average time deposits, as a percent of average total deposits, have decreased from 17.00% in 1991, to 16.48% in 1992, to 16.57%, for 1993. The change in the deposit mix has resulted in a lower cost of average total deposits in 1992 and 1993. Despite the changes in the deposit mix, the majority of funds provided from customer deposits are derived from savings deposits. Savings deposits include money market accounts as well as traditional savings accounts.

Table 10 provides the remaining maturities of large denomination ($100,000 or more) time deposits, including public funds as of December 31, 1993.

TABLE 10 - Maturity Distribution of Large Denomination Time Deposits
(amounts in thousands)

	December 31, 1993
3 months or less	$27,242
Over 3 months through 6 months	7,732
Over 6 months through 12 months	6,716
Over 12 months	4,172
Total	$45,862

LIQUIDITY

Liquidity is actively managed to ensure sufficient funds are available to meet the ongoing needs of both the Bank and CVB. This includes projections of future sources and uses of funds, in addition to the maintenance of sufficient liquid reserves to provide for unanticipated events.

For the Bank, sources of funds normally include interest and principal payments on loans and investments, proceeds from maturing or sold investments, and growth in deposits. Uses of funds include withdrawal of deposits, interest paid on deposits, advances or funding of new loans, purchases and operating expenses. The Bank maintains funds as overnight federal funds sold and other short term investment securities to provide for short term liquidity needs. In addition, the Bank maintains short term unsecured lines of credit of $50.0 million with correspondent banks to provide for contingent liquidity needs. At December 31, 1993, the Bank reported liquid assets, including cash, federal funds sold, and unpledged investment securities of $156.0 million. Liquid assets represented 22.7% of total assets at December 31, 1993.

Since the primary sources and uses of funds for the Bank are loans and deposits, the relationship between gross loans and total deposits provides a useful measure of the Bank's liquidity. Typically, the closer the ratio of loans to deposits is to 100%, the more reliant the Bank is on its loan portfolio to provide for short term liquidity needs. Since repayment of loans tends to be less predictable than investments and other liquid resources, the higher the loan to deposit ratio the less liquid the Bank. For the year ended December 31, 1993, the Bank's loan to deposit ratio averaged 74.7%, compared to an average ratio of 73.9% for 1992.

The liquidity ratio provides another measure of the Bank's liquidity. This ratio is calculated by dividing the difference between short term liquid assets from short term volatile liabilities by the sum of loans and long term investments. This ratio measures the percent of illiquid long term assets that are being funded by short term volatile liabilities. As of December 31, 1993, this ratio was 2.72%, compared to a negative 1.7%, at

December 31, 1992.

CVB is a company separate and apart from the Bank that must provide for its own liquidity. Substantially all of CVB's revenues are obtained from dividends declared and paid by the Bank. There are statutory and regulatory provisions that could limit the ability of the Bank to pay dividends to CVB. At December 31, 1993, approximately $20.0 million of the Bank's equity was unrestricted and available to be paid as dividends to CVB.

Management of CVB believes that such restrictions will not have a significant impact on the ability of CVB to meet its ongoing cash obligations. As of December 31, 1993, neither the Bank nor CVB had any material commitments for capital expenditures.

On November 16, 1993, the Company entered into a definitive agreement and plan of reorganization (the Agreement) for the Company to acquire, through merger, Western Industrial National Bank (WIN). Chino Valley Bank will be the continuing operation. The Company will provide to the shareholders of WIN $13.5 million, plus accrued earnings from December 31, 1993. WIN currently has two branch offices located in South El Monte. WIN reported total assets of $45.3 million, total deposits of $36.3 million, and gross loans of $37.5 million at December 31, 1993. It is not anticipated that the acquisition will have a significant effect on the Company's liquidity or its capital ratios.

CAPITAL RESOURCES

Historically, the primary source of capital for the Company has been the retention of operating earnings. The Company conducts an ongoing assessment of projected sources and uses of capital in conjunction with projected increases and anticipated mixes of assets in order to maintain adequate levels of capital. Total adjusted capital, shareholder equity plus allowance for credit losses, was $68.8 million at December 31, 1993, representing an increase of $10.3 million, or 17.6%, over total adjusted capital of $58.5 million at December 31, 1992.

Bank regulators have established minimum capital adequacy guidelines requiring that qualifying capital be at least 8.0% of risk-based assets, of which at least 4.0% must be Tier 1 capital (primarily stockholders' equity). These ratios represent minimum capital standards. Under Prompt Corrective Action rules, certain levels of capital adequacy have been established for financial institutions. Depending on an institution's capital ratios, the established levels can result in restrictions or limits on permissible activities. The highest level for capital adequacy under Prompt Corrective Action is "Well Capitalized". To qualify for this level of capital adequacy an institution must

maintain a total risk-based capital ratio of at least 10.0%, a Tier 1 risk-based capital ratio of at least 6.0%, and a leverage ratio of at least 5.0%. At December 31, 1993, the Company exceeded all of the minimum capital ratios required to be considered well capitalized.

At December 31, 1993, the Company's total risk-based capital ratio was 13.1% compared to 13.7% on December 31, 1992. The ratio of Tier I capital to risk weighted assets was 11.8% at December 31, 1993, compared to a ratio of 13.3% for December 31, 1992. The decrease in the risk-based capital ratios during 1993 reflects increases in risk weighted assets greater than increases in both Tier I and total adjusted capital. The Company's risk-based capital ratio was also affected by $2.0 million in goodwill that resulted from the acquisition of Fontana First National Bank.

In addition to the aforementioned requirement, the Company and Bank must also meet minimum leverage ratio standards. The leverage ratio is calculated as Tier 1 capital divided by the most recent quarterly period's average total assets. As of December 31, 1993, the Company's leverage ratio was 8.4%, down from a ratio of 9.2% at December 31, 1992. The Bank's leverage ratio was 8.3% at the 1993 year end, down from 8.9% at December 31, 1992. Banking regulators have established 3.0% as the minimum leverage ratio. However, institutions experiencing or anticipating significant growth or those with other than minimum risk profiles are expected to maintain a leverage ratio in excess of the minimum.

During 1992, the Board of Directors of the Company declared quarterly cash dividends that totaled 32 cents per share for the full year (29 cents per share after retroactive adjustment for the ten percent stock dividend declared on December 15, 1993). After retroactive adjustment, cash dividends declared during 1993 was equal to dividends paid for 1992. Management does not believe that the continued payment of cash dividends will impact the ability of the Company to exceed the current minimum capital standards.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

CVB Financial Corp.
Index to consolidated Financial Statements
and Financial Statement Schedules

Consolidated Financial Statements

All schedules are omitted because they are not applicable, not material or because the information is included in the financial statements or the notes thereto.

CONSOLIDATED BALANCE SHEETS - DECEMBER 31, 1993 AND 1992

ASSETS	December 31 1993	1992
Federal funds sold	$ 15,000,000	$ 12,290,000
Investment securities held for investment, at cost [market value of $9,506,000 (1993) and $107,945,000 (1992) (Note 2)]	9,153,916	103,965,120
Investment securities held for sale, at lower of cost or market [market value of $141,378,000 (1993) and $17,462,000 (1992) (Note 2)]	140,364,947	17,088,577
Loans and lease finance receivables, net (Notes 3, 4 and 5)	442,083,848	374,661,538
Total earning assets	606,602,711	508,005,235
Cash and due from banks (Note 12)	45,852,849	58,939,035
Premises and equipment, net (Note 6)	9,065,950	7,856,316
Other real estate owned (Note 5)	9,768,298	8,796,678
Other assets	16,118,149	8,500,593
Total Assets	$687,407,957	$592,097,857
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits (Note 8)		
Noninterest-bearing	$221,552,597	$157,428,049
Interest-bearing	374,403,704	369,495,372
	595,956,301	526,923,421
Demand note to U.S. Treasury	14,205,027	6,652,757
Other liabilities	17,289,097	6,483,464
	627,450,425	540,059,642
Commitments and contingencies (Note 9)		
Stockholders' equity (Notes 11 and 12):		
Preferred stock - authorized, 20,000,000 shares without par value; no shares issued or outstanding Common stock - authorized, 50,000,000 shares without par value; issued and outstanding, 7,274,582 (1993) and 6,577,865 (1992)	20,619,439	11,866,467
Retained earnings	39,338,093	40,171,748
	59,957,532	52,038,215
Total Liabilities and Stockholders' Equity	$687,407,957	$592,097,857

CONSOLIDATED STATEMENTS OF EARNINGS
THREE YEARS ENDED DECEMBER 31, 1993

	Year Ended December 31		
	1993	1992	1991
INTEREST INCOME:			
Loans, including fees	$ 37,036,068	$ 34,762,460	$ 40,491,397
Investment securities:			
Taxable	8,187,804	8,681,623	6,594,842
Tax-advantaged	131,424	354,587	658,407
	8,319,228	9,036,210	7,253,249
Federal funds sold	413,834	414,475	1,096,701
	45,769,130	44,213,145	48,841,347
INTEREST EXPENSE:			
Deposits (Note 8)	9,657,636	11,979,025	19,021,807
Other borrowings	220,127	213,913	358,594
	9,877,763	12,192,938	19,380,401
NET INTEREST INCOME BEFORE PROVISION FOR CREDIT LOSSES	35,891,367	32,020,207	29,460,946
PROVISION FOR CREDIT LOSSES (Note 5)	1,720,000	1,772,109	604,000
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	34,171,367	30,248,098	28,856,946
OTHER OPERATING INCOME:			
Service charges on deposit accounts	5,214,765	5,046,780	4,488,567
Investment securities gains, net	3,721,041	261,531	716,608
Service charges on item processing	0	870,505	638,630
Other	1,809,115	1,718,980	1,195,092
	10,744,921	7,897,796	7,038,897

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CONSOLIDATED STATEMENTS OF EARNINGS - CONTINUED

	Years Ended December 31		
	1993	1992	1991
OTHER OPERATING EXPENSES:			
Salaries, wages and employee benefits (Notes 10 and 11)	14,439,434	13,477,361	13,664,021
Occupancy (Note 9)	2,169,864	2,039,830	1,928,636
Equipment	1,526,519	1,446,283	1,551,331
Deposit insurance premiums	1,175,710	1,084,848	943,696
Stationery and supplies	1,068,657	982,332	854,992
Professional services	1,713,993	1,167,465	823,195
Data processing	877,542	819,765	746,285
Promotion	1,115,182	741,972	690,023
Other real estate owned expense (Note 5)	3,834,015	305,768	103,651
Other	1,432,843	1,353,765	1,403,953
	29,353,759	23,419,389	22,709,783
EARNINGS BEFORE INCOME TAXES	15,562,529	14,726,505	13,186,060
INCOME TAXES (Note 7)	6,040,178	5,711,445	5,217,380
NET EARNINGS	$ 9,522,351	$ 9,015,060	$ 7,968,680
NET EARNINGS PER COMMON SHARE	$ 1.27	$ 1.23	$ 1.10

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

THREE YEARS ENDED DECEMBER 31, 1993

	Common Shares Outstanding	Common Stock	Retained Earnings
BALANCE, JANUARY 1, 1991	5,829,708	$ 5,527,861	$32,837,406
Repurchase of common shares	(75,007)	(139,673)	(779,217)
Common stock issued under stock option plan	80,284	247,870	
Tax benefit from exercise of certain stock options			204,159
Cash dividends			(1,678,108)
Net earnings			7,968,680
BALANCE, DECEMBER 31, 1991	5,834,985	5,636,058	38,552,920
Common stock issued under stock option plan and deferred compensation agreements	145,131	477,075	
10% stock dividend, declared on December 16, 1992 and distributed on January 19, 1993	597,749	5,753,334	(5,753,334)
Tax benefit from exercise of certain stock options			294,926
Cash dividends			(1,937,824)
Net earnings			9,015,060
BALANCE, DECEMBER 31, 1992	6,577,865	11,866,467	40,171,748
Common stock issued under stock option plan and deferred compensation agreements	35,753	490,922	
10% stock dividend, declared on December 15, 1993 and distributed on January 17, 1994	660,964	8,262,050	(8,262,050)
Tax benefit from exercise of certain stock options			17,485
Cash dividends			(2,111,441)
Net earnings			9,522,351
BALANCE, DECEMBER 31, 1993	7,274,582	$20,619,439	$39,338,093

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE YEARS ENDED DECEMBER 31, 1993

	Year Ended December 31		
	1993	1992	1991
CASH FLOWS FROM OPERATING ACTIVITIES:			
Interest received	$ 45,518,868	$ 43,876,733	$ 48,529,441
Service charges and other fees received	7,023,880	7,636,265	6,322,289
Interest paid	(10,246,921)	(12,533,022)	(19,721,849)
Cash paid to suppliers and employees	(25,509,643)	(23,574,465)	(22,784,702)
Income taxes paid	(6,145,842)	(5,935,205)	(5,453,759)
Net cash provided by operating activities	10,640,342	9,470,306	6,891,420
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sales of investment securities	63,864,087	27,648,498	28,672,242
Proceeds from maturities of investment securities	42,248,230	70,400,000	57,300,000
Purchases of investment securities	(117,560,921)	(116,737,235)	(101,280,042)
Net increase in loans	(35,577,319)	(23,009,386)	(8,269,407)
Loan origination fees received	2,394,180	3,418,808	2,648,969
Proceeds from sale of other real estate owned	2,374,291	6,847,215	535,584
Proceeds from sale of premises and equipment	24,212	168,442	68,277
Purchases of premises and equipment	(2,324,386)	(539,484)	(355,630)
Payment for purchase of Fontana First National Bank	(5,043,323)		
Other investing activities	(2,843,235)	(192,085)	(894,659)
Net cash used in investing activities	(52,444,184)	(31,995,227)	(21,574,666)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase in noninterest-bearing deposits and money market and savings accounts	28,949,459	31,675,700	44,783,882
Net decrease in time certificates of deposit	(14,064,629)	(4,559,392)	(7,868,036)
Net increase (decrease) in short-term borrowings	5,246,056	(3,489,421)	6,053,474
Cash dividends on common stock	(2,111,441)	(1,937,824)	(1,678,108)
Repurchases of common shares			(918,890)
Proceeds from exercise of stock options	106,173	477,075	247,870
Net cash provided by financing activities	18,125,618	22,166,138	40,620,192
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(23,678,224)	(358,783)	25,936,946
CASH AND CASH EQUIVALENTS, beginning of year	71,229,035	71,587,818	45,650,872
CASH AND CASH EQUIVALENTS, BEFORE ACQUISTIONS	47,550,811	71,229,035	71,587,818
Cash & cash equivalents received in purchase of Fontana First National Bank	8,235,436	0	0
Cash & cash equivalents received in purchase of Mid City Bank	5,066,602	0	0
CASH AND CASH EQUIVALENTS, end of year	$ 60,852,849	$ 71,229,035	$ 71,587,818

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CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED

Reconciliation of Net Earnings to Net Cash Provided by Operating Activities

	Year Ended December 31		
	1993	1992	1991
Net earnings	$ 9,522,351	$ 9,015,060	$ 7,968,680
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Gain on sales of investment securities	(3,724,956)	(333,000)	(882,000)
Loss on sales of investment securities	3,915	71,469	165,392
Gain on sale of other real estate owned	(5,967)	(445,844)	(39,799)
Amortization of premiums on investment securities	710,718	738,017	526,475
Provision for credit losses	1,720,000	1,772,109	604,000
Provision for losses on other real estate owned	2,830,000	100,000	
Accretion of deferred loan fees and costs	(1,628,527)	(1,164,459)	(812,664)
Loan fees and costs deferred	(1,328,458)	(2,262,235)	(1,108,951)
Depreciation and amortization	1,097,152	1,143,873	1,273,660
Change in accrued interest receivable	667,547	90,030	(25,717)
Change in accrued interest payable	(369,158)	(340,084)	(341,448)
Deferred tax benefit	(944,053)	(806,201)	(299,910)
Change in other assets and liabilities	2,089,778	1,891,571	(136,298)
Total Adjustments	1,117,991	455,246	(1,077,260)
Net cash provided by operating activities	$ 10,640,342	$ 9,470,306	$ 6,891,420
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Real estate acquired through foreclosure	$ 5,204,093	$ 12,157,502	$ 4,275,587
Purchase of Fontana First National Bank:			
Cash and cash equivalents acquired	$ (8,235,436)		
Fair value of other assets acquired	(18,622,708)		
Fair value of liabilities assumed	23,708,377		
Goodwill	(1,893,556)		
Cash paid for purchase of Fontana National Bank	$ (5,043,323)		
Purchase of Mid City Bank, N.A.:			
Cash and cash equivalents acquired	$ (6,580,408)		
Fair value of other assets acquired	(25,466,359)		
Fair value of liabilities assumed	79,273,984		
Goodwill	(50,000)		
Cash received for purchase of Mid City Bank, N.A. from the FDIC	$ 47,177,217		

The $79,273,984 of liabilities assumed in the Mid City Bank acquisition includes $62,695,886 of time certificates of deposit, of which $48,691,023 was withdrawn within 30 days of acquisition date and is not reflected in the statement of cash flows.
See accompanying notes to the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
THREE-YEAR PERIOD ENDED DECEMBER 31, 1993

1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of CVB Financial Corp. and subsidiaries are in accordance with generally accepted accounting principles and conform to practices within the banking industry. A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows:

Principles of Consolidation - The consolidated financial statements include the accounts of CVB Financial Corp. (the "Company") and its wholly owned subsidiaries, Chino Valley Bank (the "Bank"), Community Trust Deed Services and Premier Results, Inc., after elimination of all material intercompany transactions and balances.

Investment Securities Held for Sale - The Bank has identified those investment securities which may be sold prior to maturity. These assets have been classified as held for sale on the accompanying consolidated balance sheet and are recorded at the lower of amortized cost or market value on an aggregate basis by type of asset.

Investment Securities Held for Investment - Investment securities, excluding those held for sale, are carried at amortized cost, adjusted for amortization of premiums and accretion of discounts over the estimated terms of the assets using the interest method. Such amortization and accretion are included in interest income. Sales of certain of these assets could occur if unforeseen circumstances arise, and any gain or loss on sale would be calculated based on the specific identification method. The carrying value of these assets is not adjusted for temporary declines in market value because the Bank intends and has the ability to hold them to maturity. Equity securities are accounted for at the lower of aggregate cost or market.

Loans and Lease Finance Receivables - Loans and lease finance receivables are reported at the principal amount outstanding, less deferred net loan origination fees and the allowance for credit losses. Interest on loans and lease finance receivables is credited to income based on the principal amount outstanding. Interest income is not recognized on loans and lease finance receivables when collection of interest is deemed by management to be doubtful.

The Bank receives collateral to support loans, lease finance receivables and commitments to extend credit for which collateral is deemed necessary. The most significant category of collateral is real estate, principally commercial and industrial income-producing properties.

Nonrefundable fees and direct costs associated with the origination or purchase of loans are deferred and netted against outstanding loan balances. The deferred net loan fees and costs are recognized in interest income over the loan term in a manner that approximates the level-yield method.

Provision and Allowance for Credit Losses - The determination of the balance in the allowance for credit losses is based on an analysis of the loan and lease finance receivables portfolio and reflects an amount that, in management's judgment, is adequate to provide for potential credit losses after giving consideration to the character of the loan portfolio, current economic conditions, past credit loss experience and such other factors as deserve current recognition in estimating credit losses. The provision for credit losses is charged to expense.

Premises and Equipment - Premises and equipment are stated at cost less accumulated depreciation, which is computed principally on the straight-line method over the estimated useful lives of the assets. Property under capital lease and leasehold improvements are amortized over the shorter of their economic lives or the initial term of the lease.

Other Real Estate Owned - Other real estate owned, shown net of an allowance for losses of $1,650,903 and $100,000 at December 31, 1993 and 1992, respectively, represents real estate acquired through foreclosure in satisfaction of commercial and real estate loans and is stated at the lower of the fair value minus estimated costs to sell or cost (fair value at time of foreclosure). Loan balances in excess of fair value of the real estate acquired at the date of acquisition are charged against the allowance for credit losses. Any subsequent operating expenses or income, reduction in estimated values, and gains or losses on disposition of such properties are charged to current operations.

Goodwill - Goodwill of $2.1 million, net of amortization of $116,000 resulting from the acquisition of Fontana First National Bank during March 1993, and the excess purchase premium of $50,000 paid on assuming the deposits of Mid City Bank, N.A. in October 1993, are included in other assets. Goodwill is amortized on a straight-line basis over 15 years.

Income Taxes - In the fourth quarter of 1992, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes." Under SFAS No. 109, deferred income taxes are recognized for the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Prior years' financial statements have not been restated for the accounting change.

Earnings per Common Share - Earnings per common share are computed on the basis of the weighted average number of common shares outstanding during the year plus shares issuable upon the assumed exercise of outstanding common stock options (common stock equivalents). The weighted average number of common shares outstanding and common stock equivalents was 7,511,884 (1993), 7,357,187 (1992) and 7,220,967 (1991). Earnings per common share and stock option amounts have been retroactively restated to give effect to all stock splits and dividends.

Statement of Cash Flows- Cash and cash equivalents as reported in the statement of cash flows include cash and due from banks and federal funds sold.

Recent Accounting Pronouncements - In May 1993, the Financial Accounting Standards Board ("FASB") issued SFAS No. 114, "Accounting by Creditors for Impairment of a Loan." This statement prescribes that a loan is impaired when it is probable that a creditor will be unable to collect all amounts due (principal and interest) according to the contractual terms of the loan agreement. Measurement of the impairment can be based on the expected future cash flows of an impaired loan, which are to be discounted at the loan's effective interest rate, or impairment can be measured by reference to an observable market price, if one exists, or the fair value of the collateral. Collateral-dependent loans for which foreclosure is probable must be measured at the fair value of the collateral. Additionally, the statement prescribes measuring impairment of a restructured loan by discounting the total expected future cash flows at the loan's effective rate of interest in the original loan agreement. Finally, the impact of initially applying the statement is reported as a part of the provision for credit losses. The Company must adopt this standard by 1995. The Company has not yet determined the impact of the adoption of this statement or when the Company will adopt this statement.

In May 1993, the FASB also issued SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities." This statement addresses the accounting and reporting for investments in equity securities that have readily determinable fair values, and all investments in debt securities. Under this statement, securities will be classified into three categories as follows:

Held-to-Maturity Securities - Debt securities that the Company has the positive intent and ability to hold to maturity. These securities are to be reported at amortized cost.

Trading Securities - Debt and equity securities that are bought and held principally for the purpose of selling them in the near term. These securities are to be reported at fair value with unrealized gains and losses included in earnings.

Available-for-Sale Securities - Debt and equity securities not classified as either held-to-maturity or trading securities. These securities are to be reported at fair value, with unrealized gains and losses excluded from earnings and reported as a separate component of stockholders' equity (net of tax effects).

The Company has elected to adopt SFAS No. 115 as of January 1, 1994. If the Company had adopted SFAS No. 115 as of December 31, 1993, stockholders' equity would have been increased by approximately $620,000, net of $394,000 of applicable income taxes.

Reclassifications - Certain reclassifications were made to prior years' presentations to conform them to the current-year presentation. These reclassifications are of a normal recurring nature.

2.INVESTMENT SECURITIES

The amortized cost and estimated market value of investment securities held for investment and investment securities held for sale are shown below. All securities held are publicly traded, and estimated market value was obtained from an independent pricing service.

	December 31, 1993			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Market Value
Investment Securities Held for Investment:				
Mortgage-backed securities	$ 3,296,842	$ 247,589	$ (2,431)	$ 3,542,000
Municipal bonds	5,857,074	106,926		5,964,000
	$ 9,153,916	$ 354,515	$ (2,431)	$ 9,506,000
Investment Securities Held for Sale:				
U.S. Treasury securities	$32,923,410	$1,343,442	$ (4,852)	$34,262,000
Mortgage-backed securities	22,579,203	76,253	(13,456)	22,642,000
CMO/REMIC	69,862,334	26,886	(420,220)	69,469,000
Government Agency Fund	15,000,000	5,000		15,005,000
	$140,364,947	$1,451,581	$ (438,528)	$141,378,000

	December 31, 1992			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Market Value
Investment Securities Held for Investment:				
U.S. Treasury securities	$ 71,628,597	$ 3,736,403		$ 75,365,000
Auction rate preferred stock	10,800,000			10,800,000
Mortgage-backed securities	21,536,523	473,836	$(230,359)	21,780,000
	$103,965,120	$ 4,210,239	$(230,359)	$107,945,000
Investment Securities Held for Sale -				
U.S. Treasury securities	$ 17,088,577	$ 373,423	$ -	$ 17,462,000

The CMO/REMIC securities noted above represent collateralized mortgage obligations and real estate mortgage investment conduits. All are issues of U.S. government agencies that guarantee payment of principal and interest of the underlying mortgages. All CMO/REMIC securities in the Bank's investment portfolio have met or surpassed the Federal Financial Institutions Examination Council's three-part test.

At December 31, 1993 and 1992, investment securities having an amortized cost of approximately $38,780,000 and $42,553,000, respectively, were pledged to secure public deposits and for other purposes as required or permitted by law.

The amortized cost and market value of debt securities at December 31, 1993, by contractual maturity, are shown below. Although mortgage-backed securities/CMO/REMIC have contractual maturities through 2019, expected maturities will differ from contractual maturities because borrowers may have the right to prepay such obligations without penalty.

	Amortized Cost	Market Value	Weighted Average Yield
Due in one year or less	$ 27,997,692	$ 28,185,000	6.40 %
Due after one year through five years	25,782,792	27,046,000	7.10 %
	53,780,484	55,231,000	6.74%
Mortgage-backed securities/CMO/REMIC	95,738,379	95,653,000	5.67 %
	$149,518,863	$150,884,000	6.05 %

3.LOANS AND LEASE FINANCE RECEIVABLES

The Bank grants loans to its customers throughout its primary market in the San Gabriel Valley and Inland Empire areas of Southern California, which has recently experienced adverse economic conditions, including declining real estate values. These factors have adversely affected certain borrowers' ability to repay loans. Although management believes the level of allowances for loan losses is adequate to absorb losses inherent in the loan portfolio, additional declines in the local economy may result in increasing loan losses that cannot be reasonably predicted at December 31, 1993.

The Bank makes loans to borrowers in a number of different industries. No industry had aggregate loan balances exceeding 10% of the December 31, 1993 or 1992 loan and lease finance receivables balance. At December 31, 1993 the Bank's loan portfolio included approximately $322.9 million of loans secured by commercial and residential real estate properties.

The following is a summary of the components of loan and lease finance receivables:

	December 31 1993	1992
Commercial, financial and industrial	$282,177,282	$260,321,437
Real estate:		
Construction	56,358,172	43,879,362
Mortgage	79,929,218	61,618,937
Loans to individuals for household, family and other consumer expenditures	12,516,627	11,642,170
Municipal lease finance receivables	21,555,980	5,500,997
	452,537,279	382,962,903
Less:		
Allowance for credit losses (Note 5)	8,849,442	6,461,345
Deferred net loan origination fees	1,603,989	1,840,020
	$442,083,848	$374,661,538

The following is a summary of nonperforming loans at December 31, 1993 and 1992:

	December 31 1993	1992
Loans contractually past due 90 or more days and continuing to accrue interest		$ 272,000
Nonaccrual	$12,492,000	6,642,000
Troubled debt restructurings	770,000	3,291,000
	$13,262,000	$10,205,000

Interest foregone on nonperforming loans outstanding during the years ended December 31, 1993, 1992 and 1991 amounted to approximately $1,186,000, $698,600, and $1,037,200, respectively.

4.TRANSACTIONS INVOLVING DIRECTORS AND SHAREHOLDERS

In the ordinary course of business, the Bank has granted loans to certain directors, executive officers and the businesses with which they are associated. All such loans and commitments to lend were made under terms that are consistent with the Bank's normal lending policies.

The following is an analysis of the activity of all such loans:

	December 31 1993	1992
Outstanding balance, beginning of year	$ 3,415,000	$2,971,000
Credit granted, including renewals	3,088,000	802,000
Repayments	3,430,000	(358,000)
Outstanding balance, end of year	$ 3,073,000	$3,415,000

5.ALLOWANCE FOR CREDIT AND OTHER REAL ESTATE OWNED LOSSES

Activity in the allowance for credit losses was as follows:

	December 31 1993	1992	1991
Balance, beginning of year	$ 6,461,345	$5,262,614	$5,091,679
Provision charged to operations	1,720,000	1,772,109	604,000
Loans charged off	(1,018,370)	(687,360)	(478,038)
Additions to allowance resulting from acquisitions	1,586,995		
Recoveries on loans previously charged off	99,472	113,982	44,973
Balance, end of year	$ 8,849,442	$6,461,345	$5,262,614

Activity in the allowance for other real estate owned losses was as follows:

	December 31, 1993	1992
Balance, beginning of year	$ 100,000	
Provision charged to operations	2,830,000	$100,000
Charge-offs of real estate owned	(1,279,097)	
	$ 1,650,903	$100,000

The Company incurred expenses of $1,004,015 (1993), $205,768 (1992) and $103,651 (1991) related to the holding and disposition of other real estate owned.

6.PREMISES AND EQUIPMENT

Premises and equipment consist of:

	December 31 1993	1992
Land	$ 911,845	$ 911,845
Bank premises	3,846,426	3,846,426

Furniture and equipment	13,010,578	10,773,059
Leased property under capital lease	649,330	649,330
	18,418,179	16,180,660
Less accumulated depreciation and amortization	9,352,229	8,324,344
	$ 9,065,950	$ 7,856,316

7.INCOME TAXES

In 1992, the Company adopted SFAS No. 109, "Accounting for Income Taxes." Under the provisions of SFAS No. 109, the Company elected not to restate prior year financial statements, and has determined that the cumulative effect of implementation was immaterial.

Income tax expense (benefit) comprised the following:

	Year Ended December 31,		
	1993	1992	1991
Current provision:			
Federal	$5,088,401	$4,792,091	$4,059,546
State	1,895,830	1,725,555	1,457,744
	6,984,231	6,517,646	5,517,290
Deferred provision (benefit):			
Federal	(728,828)	(601,578)	(245,004)
State	(215,225)	(204,623)	(54,906)
	(944,053)	(806,201)	(299,910)
	$6,040,178	$5,711,445	$5,217,380

Income tax liability (asset) comprised the following:

	December 31,	
	1993	1992
Current:		
Federal	$ (348,630)	$ 850,125
State	30,332	105,799
	(318,298)	955,924
Deferred:		
Federal	(2,765,334)	(2,036,506)
State	(846,040)	(630,815)
	(3,611,374)	(2,667,321)
	$(3,929,672)	$(1,711,397)

The components of the net deferred tax asset are as follows:

	Year Ended December 31, 1993	1992
Federal		
Deferred tax liabilities:		
Depreciation	$ 339,666	$ 309,929
Leases	220,959	228,252
Other	9,605	
Gross deferred tax liability	570,230	538,181
Deferred tax assets:		
California franchise tax	367,426	389,235
Bad debt and credit loss deduction	2,390,322	1,925,299
Other real estate owned reserves	577,816	
Other		260,153
Gross deferred tax asset	3,335,564	2,574,687
Net deferred tax asset - federal	$2,765,334	$2,036,506

	Year Ended December 31, 1993	1992
State		
Deferred tax liabilities -		
Depreciation	$ 128,818	$ 103,734
Gross deferred tax liability	128,818	103,734
Deferred tax assets:		
Bad debt and credit loss deduction	743,848	724,222
Other real estate owned reserves	183,366	
Other	47,644	10,327
Gross deferred tax asset	974,858	734,549
Net deferred tax asset - state	$ 846,040	$ 630,815

No valuation allowance under SFAS No. 109 was required. Deferred tax assets would be fully realized as an offset against reversing temporary differences, which create net future tax liabilities, or through loss carrybacks. Therefore, even if no future income was expected, deferred tax assets would still be fully realized.

A reconciliation of the statutory income tax rate to the consolidated effective income tax rate follows:

	Year Ended December 31,					
	1993 Amount	1993 Percent	1992 Amount	1992 Percent	1991 Amount	1991 Percent
Federal income tax at statutory rate	$5,342,369	34.3%	$5,007,012	34.0%	$4,483,260	34.0%
State franchise taxes, net of federal income tax benefit	1,140,830	7.3	1,069,825	7.3	926,261	7.0
Other, net	(443,021)	(2.8)	(365,392)	(2.5)	(192,141)	(1.5)
	$6,040,178	38.8%	$5,711,445	38.8%	$5,217,380	39.5%

8.DEPOSITS

Time certificates of deposit with balances of $100,000 or more amounted to approximately $45,862,000 and $43,887,000 at December 31, 1993 and 1992, respectively. Interest expense on such deposits amounted to approximately $1,804,000 (1993), $2,044,000 (1992) and $2,856,000 (1991).

9.COMMITMENTS AND CONTINGENCIES

The Bank leases land and buildings under operating leases for varying periods extending to 2014, at which time the Bank can exercise options that could extend the leases to 2027. The future minimum annual rental payments required, which have initial or remaining noncancelable lease terms in excess of one year as of December 31, 1993, excluding property taxes and insurance, are approximately as follows:

1994	$ 1,548,000
1995	1,498,000
1996	1,458,000
1997	1,444,000
1998	1,461,000
Succeeding years	6,475,000
Total minimum payments required	$13,884,000

Total rental expense was approximately $1,449,000 (1993), $1,460,000 (1992) and $1,223,000 (1991).

At December 31, 1993, the Bank had commitments to extend credit of approximately $61,543,000 and obligations under letters of credit of $7,182,000. Commitments to extend credit are agreements to lend to customers provided there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Commitments are generally variable rate, and many of these commitments are expected to expire without being drawn upon. As such, the total commitment amounts do not necessarily represent future cash requirements. The Company uses the same credit underwriting policies in granting or accepting such commitments or contingent obligations as it does for on-balance-sheet instruments, evaluating customers' creditworthiness individually.

Standby letters of credit written are conditional commitments issued by the Company to guarantee the financial performance of a customer to a third party. Those guarantees are primarily issued to support private borrowing arrangements. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. When deemed necessary, the Company holds appropriate collateral supporting those commitments. Management does not anticipate any material losses as a result of these transactions.

In the ordinary course of business, the Company becomes involved in litigation. In the opinion of management and based upon discussions with legal counsel, the disposition of such litigation will not have a material effect on the Company's consolidated financial position.

During 1993 the Company executed a definitive agreement that provides for its acquisition of Western Industrial National Bank ("WIN") through a merger of WIN and the Bank. At December 31, 1993, WIN had deposits, loans and shareholders' equity of $36.3 million, $36.6 million and $8.4 million, respectively. Management currently expects the acquisition to be consummated during the second quarter of 1994.

10.EMPLOYEE PROFIT SHARING PLAN

The Bank sponsors a noncontributory profit-sharing plan for the benefit of its employees. Employees are eligible to participate in the plan after 12 months of consecutive service provided they have completed 1,000 service hours in the plan year. Contributions to the plan are determined by the Board of Directors. Contributions are limited to 15% of the compensation of eligible participants. The Bank contributed approximately $680,000 (1993), $639,000 (1992) and $760,000 (1991).

11.STOCK OPTION PLANS

The Company has a plan under which options to purchase shares of the Company's common stock have been and may be granted to certain officers and directors. The plan authorizes the issuance of up to 1,028,500 shares. Option prices under the plan are to be at the fair market value of such shares on the date of grant, and options are exercisable in such installments as determined by the Board of Directors. Each option shall expire no later than ten years from the grant date. Additional options have been granted to certain officers and directors under a plan that expired during 1991. Although no more options can be granted under the expired plan, the options granted thereunder will remain outstanding until they are exercised or canceled pursuant to their terms.

At December 31, 1993, options for the purchase of 482,555 shares of the Company's common stock were outstanding, of which options to purchase 119,143 shares were exercisable at prices ranging from $2.66 to $14.50; 573,271 shares of common stock were available for the granting of future options. Status of all optioned shares is as follows:

	Shares	Price Range
Outstanding at January 1, 1991	641,570	$ 2.66 - $16.14
Granted	348,810	$ 11.71 - $12.62
Exercised	(88,312)	$ 2.66 - $ 3.97
Canceled	(285,718)	$ 3.99 - $16.14
Outstanding at December 31, 1991	616,350	$ 2.66 - $12.62
Granted	348,398	$ 7.50 - $10.45
Exercised	(159,645)	$ 2.66 - $ 7.50
Canceled	(350,460)	$ 2.66 - $10.68
Outstanding at December 31, 1992	454,643	$ 2.66 - $12.62
Granted	55,745	$ 10.88 - $14.50
Exercised	(13,753)	$ 7.50 - $11.70
Canceled	(14,080)	$ 7.50 - $11.71
Outstanding at December 31, 1993	482,555	$ 2.66 - $14.50

In 1993 and 1992, the Company granted to a key executive 22,000 and 10,000 shares, respectively, of the Company's common stock in accordance with his compensation agreement. The agreement also provides for the granting of an additional 60,500 shares through 1996 for which the executive is entitled to receive stock and cash dividends.

12.REGULATORY MATTERS

Section 23A of the Federal Reserve Act restricts the Bank from making loans or advances to the Company and other affiliates in excess of 20% of the Bank's capital stock and surplus.

In addition, California Banking Law limits the amount of dividends that a bank can pay without obtaining prior approval from bank regulators. Under this law, the Bank could, as of December 31, 1993, declare and pay dividends of approximately $18,025,000 to the Company. The remaining amount of Bank equity of approximately $41,265,000 is restricted with respect to dividends and represents 70% of consolidated stockholders' equity.

As of December 31, 1993, the Company and the Bank were required to meet the risk-based capital standard set by the respective regulatory authorities. The risk-based capital standards require the achievement of a minimum ratio of total capital to risk-weighted assets of 8.0% (of which at least 4.0% must be Tier 1 capital, which consists primarily of common stock and retained earnings, less goodwill). Additionally, the regulatory authorities require the highest rated institutions to maintain a minimum leverage ratio of 3% as of December 31, 1993. The leverage ratio basically consists of Tier 1 capital divided by average total assets. Institutions experiencing or anticipating significant growth or those with high or inordinate levels of risk are expected to maintain a leverage ratio well above the minimum level, e.g., 4% or 5%. The leverage ratio will operate in conjunction with the risk-based capital guidelines. The capital ratios of the Company and Bank at December 31, 1993 and 1992 are as follows:

	Company	Bank	Minimum
1993			
Risk-Based Capital Ratio:			
Tier 1	11.8%	11.7%	4.00%
Total	13.1%	13.0%	8.00%
Leverage Ratio	8.4%	8.3%	3.00%
1992			
Risk-Based Capital Ratio:			
Tier 1	12.4%	12.1%	4.00%
Total	13.7%	13.3%	8.00%
Leverage Ratio	9.2%	8.9%	3.00%

Banking regulations require that all banks maintain a percentage of their deposits as reserves at the Federal Reserve Bank. During the year ended December 31, 1993, required reserve balances averaged approximately $11,099,000.

13.CONDENSED FINANCIAL INFORMATION OF PARENT COMPANY

BALANCE SHEETS
(In thousands)

	December 31, 1993	1992
Assets:		
Investment in Chino Valley Bank	$59,290	$50,410
Other assets, net	782	1,628
Total assets	$60,072	$52,038
Liabilities	$ 114	
Stockholders' equity	59,958	$52,038
Total liabilities and stockholders' equity	$60,072	$52,038

STATEMENTS OF EARNINGS
(In thousands, except per-share amounts)

	Year Ended December 31, 1993	1992	1991
Equity in earnings of Chino Valley Bank	$9,935	$8,941	$8,075
Other (expense) income, net	(413)	74	(106)
Net earnings	$9,522	$9,015	$7,969
Dividends received from Chino Valley Bank	$6,098	$ 956	$1,872

STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31, 1993	1992	1991
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings	$ 9,522	$ 9,015	$ 7,969
Adjustments to reconcile net earnings to cash provided by (used in) operating activities:			
Earnings of Chino Valley Bank	(9,935)	(8,941)	(8,075)
Other operating activities, net	1,405	(599)	(382)
Total adjustments	(8,530)	(9,540)	(8,457)
Net cash provided by (used in) operating activities	992	525	(488)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Distributed earnings of Chino Valley Bank	6,098	956	1,872
Investment in subsidiaries	(4,693)		
Net cash provided by investing activities	1,405	956	1,872
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash dividends on common stock	(2,111)	(1,938)	(1,678)
Repurchases of common shares			(919)
Proceeds from exercise of stock options	106	477	248
Net cash used in financing activities	(2,005)	(1,461)	(2,349)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	392	(1,030)	(965)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	170	1,200	2,165
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 562	$ 170	$ 1,200

14.QUARTERLY FINANCIAL DATA (UNAUDITED)

Summarized quarterly financial data follows:

(In thousands, except per-share amounts)

	Three Months Ended			
	March 31	June 30	September 30	December 31
1993				
Net interest income	$8,439	$8,791	$9,053	$9,608
Investment securities gains, net	574	1,705	1,411	31
Provision for credit losses	420	375	450	475
Net earnings	2,171	2,316	2,490	2,545
Earnings per common share	0.29	0.31	0.33	0.34
1992				
Net interest income	$7,613	$7,825	$8,129	$8,453
Investment securities gains, net	69	-	-	193
Provision for credit losses	547	300	225	700
Net earnings	2,079	2,107	2,288	2,541
Earnings per common share	0.28	0.29	0.31	0.35

15.FAIR VALUE INFORMATION

The following disclosure of the estimated fair value of financial instruments is made in accordance with the requirements of SFAS No. 107, "Disclosures about Fair Value of Financial Instruments." The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. However, considerable judgment is required to develop the estimates of fair value. Accordingly, the estimates presented below are not necessarily indicative of the amounts the Company could have realized in a current market exchange as of December 31, 1993 and 1992. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

	December 31, 1993 Carrying Amount	Estimated Fair Value
Assets		
Cash and due from banks	$ 45,852,849	$ 45,852,849
Federal funds sold	15,000,000	15,000,000
Investment securities held for investment	9,153,916	9,506,000
Investment securities held for sale	140,364,947	141,378,000
Loans and lease finance receivables, net	442,083,848	447,680,000
Liabilities		
Deposits:		
Noninterest-bearing	221,552,597	221,552,597
Interest-bearing	374,403,704	375,948,000

	December 31, 1992 Carrying Amount	Estimated Fair Value
Assets		
Cash and due from banks	$ 58,939,035	$ 58,939,035
Federal funds sold	12,290,000	12,290,000
Investment securities held for investment	103,965,120	107,945,000
Investment securities held for sale	17,088,577	17,462,000
Loans and lease finance receivables, net	374,661,538	379,940,000
Liabilities		
Deposits:		
Noninterest-bearing	157,428,049	157,428,049
Interest-bearing	369,495,372	369,840,000

The methods and assumptions used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value are explained below:

For federal funds sold and cash and due from banks, the carrying amount is considered to be a reasonable estimate of fair value. For investment securities, fair values are based on quoted market prices, dealer quotes and prices obtained from an independent pricing service (see also Notes 1 and 2).

The carrying amount of loans and lease financing receivables is their contractual amounts outstanding reduced by deferred net loan origination fees and the allocable portion of the allowance for credit losses (see also Notes 1 and 3). Variable rate loans are composed primarily of loans whose interest rates float with changes in the prime interest rate. The carrying amount of variable rate loans (other than such loans in nonaccrual status) is considered to be their estimated fair value.

The fair value of fixed rate loans (other than such loans in nonaccrual status) was estimated by discounting the remaining contractual cash flows using the estimated current rate at which similar loans would be made to borrowers with similar credit risk characteristics and for the same remaining maturities, reduced by deferred net loan origination fees and the allocable portion of the allowance for credit losses.

Accordingly, in determining the estimated current rate for discounting purposes, no adjustment has been made for any change in borrowers' credit risks since the origination of such loans. Rather, the allocable portion of the allowance for credit losses is considered to provide for such changes in estimating fair value.

The fair value of loans on nonaccrual status (see Note 3) has not been specifically estimated because it is not practicable to reasonably assess the credit risk adjustment that would be applied in the market place for such loans. As such, the estimated fair value of total loans at December 31, 1993 and 1992 includes the carrying amount of nonaccrual loans at each respective date.

The amounts payable to depositors for demand, savings, and money market accounts are considered to be stated at fair value. The fair value of fixed-maturity certificates of deposit is estimated using the rates currently offered for deposits of similar remaining maturities.

The fair value estimates presented herein are based on pertinent information available to management as of December 31, 1993 and 1992. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since that date, and, therefore, current estimates of fair value may differ significantly from the amounts presented above.

16.ACQUISITION OF BRANCH AND PURCHASE OF ASSETS AND LIABILITIES

On March 8, 1993, the Company purchased Fontana First National Bank, assuming approximately $23.7 million in deposits and acquiring approximately $18.3 million in loans. Fontana First National Bank was purchased by the Company for $5.0 million, which resulted in the recording of $1.9 million in goodwill. The assets and liabilities were contributed to the Bank by the Company.

On October 21, 1993, the Bank assumed the deposits and purchased certain assets of the failed Mid City Bank, N.A. from the Federal Deposit Insurance Corporation (the "FDIC"). The acquisition was structured under a written agreement between the FDIC and the Bank that allowed the Bank certain rights in regard to repricing deposits and purchasing additional assets, as well as providing the Bank with indemnification from prior activities of the failed bank. The Bank assumed approximately $79.3 million in deposits and purchased $4.6 million in investments and $20.8 million in loans.

17.SUBSEQUENT EVENT

In January 1994, the greater Los Angeles area was affected by a major earthquake and series of aftershocks which were centered in the San Fernando Valley. The Company is not located in the San Fernando Valley, nor is the San Fernando Valley part of the Company's service area. However, it is not yet possible to assess the effect of the earthquake on the Company's borrowers' primary or secondary repayment sources, or its overall effect on the local economy in general. The Company's facilities and other real estate owned suffered no significant damage, and management is not aware of any effects from the earthquake which would materially impact its financial condition.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and
Stockholders of CVB Financial Corp.
Ontario, California

We have audited the accompanying consolidated balance sheets of CVB Financial Corp. and subsidiaries as of December 31, 1993 and 1992, and the related consolidated statements of earnings, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1993. These financial statements are the responsibility of CVB Financial Corp.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We have conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of CVB Financial Corp. and subsidiaries as of December 31, 1993 and 1992, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1993, in conformity with generally accepted accounting principles.

/s/ Deloitte & Touche
Delloite & Touche
Los Angeles, California
January 27, 1994

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Except as hereinafter noted, the information concerning directors and executive officers of the Company is incorporated by reference from the section entitled "DIRECTORS AND EXECUTIVE OFFICERS - Election of Directors" and "COMPLIANCE WITH SECTION 16(A) OF THE SECURITIES EXCHANGE ACT OF 1934" of the Company's definitive Proxy Statement to be filed pursuant to Regulation 14A within 120 days after the end of the last fiscal year. For information concerning executive officers of the Company, see "Item 4(A). EXECUTIVE OFFICERS OF THE REGISTRANT" above.

ITEM 11. EXECUTIVE COMPENSATION

Information concerning management remuneration and transactions is incorporated by reference from the section entitled "DIRECTORS AND EXECUTIVE OFFICERS -Compensation of Executive Officers and Directors - Executive Compensation, - Employment Agreements and Termination of Employment Arrangements, - Stock Options, - Option Exercises and Holdings and - Compensation Committee Interlocks and Insider Participation" of the Company's definitive Proxy Statement to be filed pursuant to Regulation 14A within 120 days after the end of the last fiscal year.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information concerning security ownership of certain beneficial owners and management is incorporated by reference from the sections entitled "INTRODUCTION -Principal Shareholders" and "DIRECTORS AND EXECUTIVE OFFICERS - Election of Directors" of the Company's definitive Proxy Statement to be filed pursuant to Regulation 14A within 120 days after the end of the last fiscal year.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information concerning certain relationships and related transactions with management and others is incorporated by reference from the section entitled "DIRECTORS AND EXECUTIVE OFFICERS--Certain Transactions" of the Company's definitive Proxy Statement to be filed pursuant to Regulation 14A within 120 days after the end of the last fiscal year.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

Financial Statements

Reference is made to the index to Financial Statements at page 50 for a list of financial statements filed as part of this Report.

Exhibits

See Index to Exhibits at Page 85 of this Form 10-K.

Executive Compensation Plans and Arrangements

The following compensation plans and arrangements are filed as exhibits to this Form 10-K: 1981 Stock Option Plan, Exhibit 10.1; Agreement by and among D. Linn Wiley, CVB Financial Corp. and Chino Valley Bank dated August 8, 1991, Exhibit 10.2; Chino Valley Bank Profit Sharing Plan, Exhibit 10.3; 1991 Stock Option Plan, Exhibit 10.17; Severance Agreement between John Cavallucci, Chino Valley Bank and CVB Financial Corp. dated March 26, 1991 and Waiver Agreement dated October 4, 1991, Exhibit 10.18; Key Employee Stock Grant Plan, Exhibit 10.19. See Index to Exhibits at Page 85 to this Form 10-K.

Reports on Form 8-K

The Company filed a Report on Form 8-K, on November 4, 1993 reporting under Item 5.

Undertaking for Registration Statement on Form S-8

For the purpose of complying with the amendments to the rules governing Form S-8 (effective July 13, 1990) under the Securities Act of 1933, the undersigned registrant hereby undertakes as follows, which undertaking shall be incorporated by reference into registrant's Registration Statement on Form S-8 No. 2-76121 (filed February 18, 1982):

Insofar as indemnification for liabilities arising under the Securities Act of 1933 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 Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 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 Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 16th day of March, 1994.

CVB FINANCIAL CORP.
(Registrant)

By /s/ D. Linn Wiley
D. LINN WILEY
President and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated.

Signature	Title	Date
/s/ George A. Borba George A. Borba	Chairman of the Board	March 28, 1994
/s/ John A. Borba John A. Borba	Director	March 28, 1994
/s/ Ronald O. Kruse Ronald O. Kruse	Director	March 28, 1994
/s/ John J. LoPorto John J. LoPorto	Director	March 28, 1994
/s/ Charles M. Magistro Charles M. Magistro	Director	March 28, 1994
/s/ John Vander Schaaf John Vander Schaaf	Director	March 28, 1994
/s/ Robert J. Schurheck Robert J. Schurheck	Chief Financial Officer (Principal Financial and Accounting Officer)	March 28, 1994
/s/ D. Linn Wiley D. Linn Wiley	Director, President and Chief Executive Officer (Principal Executive Officer)	March 28, 1994

INDEX TO EXHIBITS

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*Not applicable.

(1) Filed as Exhibits 3.1, 10.1 and 10.14 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1989, Commission file number 0-10140, which are incorporated herein by this reference.

(2) Filed as Exhibits 3.2, 10.2 and 10.18 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1991, Commission file number 0-10140, which are incorporated herein by this reference.

(3) Filed as Exhibits 10.3, 10.15 and 10.16 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1990, Commission file number 0-10140, which are incorporated herein by this reference.

(4) Filed as Exhibits 10.4, 10.5, 10.6 and 10.7 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1986, Commission file number 0-10140, which are incorporated herein by this reference.

(5) Filed as Exhibits 10.8, 10.9, 10.10, 10.11 and 10.12 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1987, Commission file number 0-10140, which are incorporated herein by this reference.

(6) Filed as Exhibit 4.1 to Registrant's Registration Statement on Form S-8 (33-41318) filed with the Commission on June 21, 1991, which is incorporated herein by this reference.

(7) Filed as Exhibit 10.13 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1988, Commission file number 0-10140, which is incorporated herein by this reference.

(8) Filed as Exhibit 4.1 to Registrant's Registration Statement on Form S-8 (33-50442) filed with the Commission on August 1, 1992, which is incorporated herein by this reference.

(9) Filed as Exhibit 10.20, 10.21 and 22 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1992, Commission file number 0-10140, which are incorporated herein by this reference.

(10) Filed as Exhibit 99 to the Registrant's Current Report on Form 8-K filed with the Commission on November 4, 1993, which is incorporated herein by this reference.

FIRST AMENDED

AND

RESTATED

AGREEMENT

AND

PLAN OF REORGANIZATION

By and Between

CVB FINANCIAL CORP.,

CHINO VALLEY BANK

and

FONTANA FIRST NATIONAL BANK

October 28, 1992

FIRST AMENDED AND RESTATED
AGREEMENT AND PLAN OF REORGANIZATION

This First Amended and Restated Agreement and Plan of Reorganization ("Agreement") is made and entered into as of October 28, 1992 by and between CVB Financial Corp., a California corporation ("CVB"), Chino Valley Bank, a California banking corporation ("Chino Valley"), and Fontana First National Bank, a national banking association ("Fontana").

R E C I T A L S

CVB, Chino Valley and Fontana entered into an Agreement and Plan of Reorganization dated as of May 13, 1992 (the "Original Agreement"),

providing for the conversion of Fontana into a state banking corporation (the "Converted Bank") and the merger of Chino Valley with and into the Converted Bank.

The parties now desire to amend certain of the terms and provisions of the Original Agreement and, as so amended, to restate the Original Agreement in order to provide for the acquisition by CVB of all of the outstanding shares of Fontana Stock (as defined below) pursuant to the Consolidation (as defined below) and Merger (as defined below), subject to the terms and conditions specified herein, as follows:

(a) CVB will establish New Bank (as defined below) as a wholly-owned subsidiary;

(b) Fontana and New Bank will enter into an Agreement to Consolidate (as defined below) providing for the consolidation of New Bank and Fontana under the charter of Fontana; and

(c) Immediately thereafter, the Consolidated Association (as defined below) will merge with and into Chino Valley pursuant to an Agreement of Merger (as defined below).

In consideration of the mutual covenants, agreements, representations and warranties contained herein, the parties hereto agree as follows:

NOTE: PARAGRAPH DEFINITION REDEFINED AS FOLLOWS:

LEVELS:	1	2	3	4	5	6
# STYLE	0	5	3	1	2	4
PUNCTUATION	0	0	3	3	3	3
EXAMPLE	I	1.1	(a)	(i)	(A)	(1)

TYPE IN PARAGRAPH LEVELS ARTICLE 1

DEFINITIONS

1.1 Definitions. Capitalized terms used in this Agreement shall have the meanings set forth below unless the context otherwise requires:

"Adjusted Stockholders' Equity" shall mean the stockholders' equity of Fontana as of the Determination Date (as defined below), determined in accordance with generally accepted accounting principles on a basis consistent with those utilized in the preparation of the Fontana Financial Statements (as defined below) for the year ended December 31, 1991 (except for changes, if any, required by generally accepted accounting principles), with all accruals and reserves necessary to fairly present the stockholders' equity of Fontana as of the Determination Date, less the sum of (A) amounts not previously expensed or accrued for payment (i) to holders of Fontana Options (as defined below) for the cancellation of Fontana Options in accordance with Section 2.1(c), (ii) in respect of the cancellation and termination of the Fontana Employment Agreements (as defined below), (iii) in respect of expenses and costs relating to the transactions contemplated by this Agreement, (iv) in respect of the termination of the Fontana Deferred Compensation Plan (as defined below) and all benefits payable thereunder and (v) in respect of the termination of the Fontana Banking Services Agreement (as defined below) and Fontana Computer Accounting Agreement (as defined below), and (B) any increase in stockholders' equity as a result of the exercise of Fontana Options (as defined below) between the date of the Original Agreement and the Determination Date, plus amounts previously expensed or accrued for the payment of consideration to former employees of Fontana pursuant to Section 7.2 and any other adjustments mutually agreed to by CVB and Fontana.

"Affiliate" means any Person (as defined below) that directly, or through one or more intermediaries controls, or is controlled by, or is under common control with, the Person specified.

"Agreement to Consolidate" shall mean the Agreement to Consolidate to be entered into by and between New Bank and Fontana substantially in the form of Exhibit A-1 hereto, but subject to any changes that may be necessary to conform to any requirements of any regulatory agency having authority over the Consolidation (as defined below).

"Aggregate Purchase Price" shall have the meaning given such term in Section 2.4.

"Aggregate Purchase Price Certificate" shall mean a certificate, executed by the Chief Executive Officer and Chief Financial Officer of Fontana and dated as of the Determination Date (as defined below), setting forth the Aggregate Purchase Price and Per Share Price (as defined below), including the Adjusted Stockholders' Equity, the Deferred Loan Fees (as defined below) and the aggregate amount of cash, if any, received upon the exercise of Fontana Options (as defined below) between the date of the Original Agreement and the Determination Date.

"Agreement of Merger" shall mean the Agreement of Merger to be entered into by and between Chino Valley and the Consolidated Association (as defined below) substantially in the form of Exhibit A-2 hereto, but subject to any changes that may be necessary to conform to any requirements of any regulatory agency having authority over the Merger.

"Alternative Transaction" shall have the meaning given such term in subsection (a) of Section 6.5.

"Business Day" shall mean any day other than a Saturday, Sunday or day on which commercial banks in California are authorized or required to be closed.

"Charter Documents" shall mean, with respect to any business organization, any certificate or articles of incorporation or association, any bylaws, any partnership agreement and any other similar documents that regulate the basic organization of the business organization and its internal relations.

"Chino Valley" shall mean Chino Valley Bank, a California banking corporation.

"Chino Valley Stock" shall mean the common stock, no par value, of Chino Valley.

"Closing" shall mean the consummation of the transactions contemplated by this Agreement on the Closing Date (as defined below) at the offices of Manatt, Phelps, Phillips & Kantor, 11355 West Olympic Boulevard, Los Angeles, California, or at such other place as the Parties (as defined below) may agree upon.

"Closing Date" shall mean, unless the Parties (as defined below) agree on another date, the first Friday following the receipt of the approvals and consents and expiration of the waiting periods specified in subsection (c) of Section 8.1 and subsection (b) of Section 8.2.

"Code" shall mean the United States Internal Revenue Code of 1986, as amended, and all regulations thereunder.

"Comptroller" shall mean the Comptroller of the Currency.

"Confidential Information" shall mean all information heretofore or hereafter provided by Fontana to CVB and Chino Valley, which is information related to the business, financial position or operations of Fontana (such information to include, by way of example only and not of limitation, client lists, pricing information, company manuals, internal memoranda, strategic plans, budgets, forecasts, projections, computer models and marketing plans). Notwithstanding the foregoing, "Confidential Information" shall not include any information that (i) at the time of disclosure or thereafter is generally available to and known by the public

(other than as a result of a disclosure directly or indirectly by CVB and Chino Valley or any of its officers, directors, employees or other representatives), (ii) was available to CVB and Chino Valley on a nonconfidential basis from a source other than Fontana, provided that such source learned the information independently and is not and was not bound by a confidentiality agreement with respect to the information, or (iii) has been independently acquired or developed by CVB and Chino Valley without violating any obligations under this Agreement.

"Consents" shall mean every consent, approval, absence of disapproval, waiver or authorization from, or notice to, or registration or filing with, any Person (as defined below).

"Consolidation" shall mean the consolidation of New Bank and Fontana.

"Consolidated Association" shall mean the national banking association surviving the Consolidation.

"Consolidated Association Stock" shall mean the common stock, $5.00 par value, of the Consolidated Association.

"CRA" shall mean the Community Reinvestment Act.

"CVB" shall mean CVB Financial Corp., a California corporation.

"CVB Supplied Information" shall have the meaning given such term in Section 5.4.

"Deferred Loan Fees" shall mean the book amount of the deferred loan fees of Fontana (as defined below) as of the Determination Date (as defined below).

"Deposit" shall mean any deposit as defined in Section 3(l) of the Federal Deposit Insurance Act, as amended to the date of this Agreement (12 U.S.C. Section 1813(l)).

"Determination Date" shall mean a day which is 10 Business Days prior to the Effective Time of the Consolidation (as defined below), unless the Parties mutually agree to another day.

"DPC Property" shall mean voting securities, other personal property and real property acquired by foreclosure or otherwise, in the ordinary course of collecting a debt previously contracted in good faith, retained with the object of sale for a period not longer than one year, or any applicable statutory holding period, and recorded in the holder's business records as such.

"Effective Time of the Consolidation" shall have the meaning given such term in Section 2.1.

"Effective Time of the Merger" shall mean the date and time of the filing of the Agreement of Merger bearing the certification of the Secretary of State (as defined below) with the Superintendent.

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

"Environmental Law" shall mean any federal, state, provincial or local statute, law, ordinance, rule, regulation, order, consent, decree, judicial or administrative decision or directive of the United States or other jurisdiction whether now existing or as hereinafter promulgated, issued or enacted relating to: (A) pollution or protection of the environment, including natural resources; (B) exposure of persons, including employees, to Hazardous Substances (as defined below) or other products, materials or chemicals; (C) protection of the public health or welfare from the effects of products, by-products, wastes, emissions, discharges or releases of chemical or other substances from industrial or commercial activities; or (D) regulation of the manufacture, use or introduction into commerce of substances, including, without limitation, their manufacture, formulation, packaging, labeling, distribution, transportation, handling, storage and disposal. For the purposes of this definition the term "Environmental Law" shall include, without limiting the foregoing, the following statutes, as amended from time to time: (1) the Clean Air Act, as amended, 42 U.S.C. S7401 et seq.; (2) the Federal Water Pollution Control Act, as amended, 33 U.S.C. S1251 et seq.; (3) the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. S6901 et seq., (4) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (including the Superfund Amendments and Reauthorization Act of 1986), 42 U.S.C S2601 et seq.; (5) the Toxic Substances Control Act, as amended, 15 U.S.C. S2601 et seq.; (6) the Occupational Safety and Health Act, as amended, 29 U.S.C. S651; (7) the Emergency Planning and Community Right-To-Know Act of 1986, 42 U.S.C. S1101 et seq.; (8) the Mine Safety and Health Act of 1977, as amended, 30 U.S.C. S801 et seq.; (9) the Safe Drinking Water Act, 42 U.S.C. S300f et seq.; and (10) all comparable state and local laws, laws of other jurisdictions or orders and regulations including, but not limited to, the Carpenter-Presley-Tanner Hazardous Substance Account Act, Cal. Health & Safety Code S25300 et seq.

"Equity Securities" shall mean the capital stock of Fontana or any options, rights, warrants or other rights to subscribe for or purchase, or any plans, contracts or commitments that are exercisable in, such capital stock or that provide for the issuance of, or grant the right to acquire, or are convertible into, or exchangeable for, such capital stock.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, and all regulations thereunder.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and all rules and regulations thereunder.

"Exchange Agent" shall mean the financial institution appointed by CVB to effect the exchange contemplated by Section 2.5.

"Executive Officer" shall mean a natural person who participates or has the authority to participate (other than in the capacity of a director) in major policy making functions, whether or not such person has a title or is serving with salary or other compensation.

"FDIC" shall mean the Federal Deposit Insurance Corporation.

"Fontana" shall mean Fontana First National Bank, a national banking association.

"Fontana Banking Services Agreement" shall mean the Banking Services Agreement dated as of February 21, 1990 between Fontana and Community Automation and any other agreement entered into between Fontana and Community Automation.

"Fontana Computer Accounting Agreement" shall mean the City National Bank Independent Financial Institution Computer Accounting Agreement entered into by and between City National Bank and Fontana.

"Fontana Deferred Compensation Plan" shall mean the Deferred Compensation Plan maintained by Fontana.

"Fontana Employment Agreements" shall mean any employment agreement, severance agreement, "golden parachute" agreement or any other agreement which provides for payments to employees of Fontana upon termination of employment, including termination after a change in control.

"Fontana Filings" shall have the meaning given such term in Section 4.9.

"Fontana Lease" shall mean the Commercial Lease Agreement dated October 3, 1989, between Fontana, on the one hand, and Allan J. Milew and William F. Kragness, on the other hand.

"Fontana Options" shall mean options to purchase Fontana Stock (as defined below) pursuant to the Fontana Stock Option Plan (as defined below).

"Fontana Stock" shall mean the common stock, $5.00 par value, of Fontana.

"Fontana Stock Option Plan" shall mean the 1986 Amended and Restated Stock Option Plan of Fontana.

"Fontana Supplied Information" shall have the meaning given such term in Section 4.27.

"Fontana Financial Statements" shall have the meaning given such term in subsection (a) of Section 4.4.

"Governmental Entity" shall mean any court or tribunal in any jurisdiction or any United States federal, state, municipal, domestic, foreign or other administrative agency, department, commission, board, bureau or other governmental authority or instrumentality.

"Hazardous Substances" shall mean (i) substances that are defined or listed in, or otherwise classified pursuant to, or the use or disposal of which are regulated by, any Environmental Law as "hazardous substances," "hazardous materials," "hazardous wastes," toxic substances," or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity, or "EP toxicity;" (ii) oil, petroleum or petroleum derived from substances and drilling fluids, produced waters, and other wastes associated with the exploration, development, or production of crude oil, natural gas, or geothermal resources; (iii) any flammable substances or explosives, any radioactive materials, any hazardous wastes or substances, any toxic wastes or substances or any other materials or pollutants which pose a hazard to any property or to Persons on or about such property; and (iv) asbestos in any form or electrical equipment which contains any oil or dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million.

"Material Contract" shall have the meaning given such term in Section 4.11.

"Merger" shall mean the merger of the Consolidated Association with and into Chino Valley.

"New Bank" shall mean the interim California banking corporation established by CVB solely for the purpose of effecting the Consolidation.

"New Bank Stock" shall mean the common stock, no par value, of New Bank.

"Noncompetition Agreement" shall mean an agreement, substantially in the form of Exhibit B-1 or B-2 hereto, pursuant to which each of the directors and Executive Officers of Fontana as of the date of the Original Agreement shall covenant not to compete with the Surviving Bank (as defined below).

"Operating Loss" shall have the meaning given such term in Section 4.24.

"Party" shall mean any of CVB, Chino Valley or Fontana and "Parties" shall mean all of CVB, Chino Valley and Fontana.

"Per Share Price" shall mean the quotient obtained by dividing (x) the Aggregate Purchase Price by (y) the total number of shares of Fontana Stock outstanding immediately prior to the Effective Time of the Consolidation (including Perfected Dissenting Shares).

"Perfected Dissenting Shares" shall mean shares of Fontana Stock the holders of which have satisfied the requirements of Section 215 (as defined below) and have not effectively withdrawn or lost their dissenters' rights under Section 215.

"Permit" shall mean any United States federal, foreign, state, local or other license, permit, franchise, certificate of authority, order or approval necessary or appropriate under any applicable Rule (as defined below).

"Person" shall mean any natural person, corporation, trust, association, unincorporated body, partnership, joint venture, Governmental Entity, statutorily or regulatory sanctioned unit or any other person or organization.

"Proxy Statement" shall have the meaning given such term in Section 4.27.

"Real Property" shall have the meaning given such term in subsection (a) of Section 4.12.

"Representatives" shall have the meaning given such term in subsection (a) of Section 6.1.

"Rule" shall mean any statute or law or any judgment, decree, injunction, order, regulation or rule of any Governmental Entity, including, without limitation, those relating to disclosure, usury, equal credit opportunity, equal employment, fair credit reporting and anticompetitive activities.

"Secretary of State" shall mean the Secretary of State of the State of California.

"Section 215" shall mean Section 215 of Title 12 of the United States Code.

"Securities Act" shall mean the Securities Act of 1933, as amended, and all rules and regulations thereunder.

"Shareholder's Agreement" shall mean an agreement, substantially in the form of Exhibit C hereto, pursuant to which each signatory shall agree to vote or cause to be voted all shares of Fontana Stock with respect

to which such Person has voting power on the date hereof or hereafter acquires to approve the Agreement and the transactions contemplated hereby and all requisite matters related thereto.

"Superintendent" shall mean the Superintendent of Banks of the State of California.

"Surviving Bank" shall mean the bank surviving the Merger.

"Surviving Bank Stock" shall mean the common stock, no par value, of the Surviving Bank.

"Tax Filings" shall have the meaning given such term in Section 4.10.

"Third Party Consent" shall have the meaning given such term in subsection (b) of Section 7.1.

"To the knowledge" and "to the best knowledge" shall have the meanings given such terms in Section 11.12.

ARTICLE 2

THE CONSOLIDATION AND RELATED MATTERS

2.1 The Consolidation. The Parties hereto agree that each will use their best efforts to perfect the organization of New Bank in accordance with the California Financial Code and the regulations promulgated thereunder prior to the Closing Date. The directors and officers of New Bank, and the Articles of Incorporation and Bylaws of New Bank, shall be determined by CVB. Subject to the provisions of this Agreement, the Parties agree to request that the approval of the Consolidation to be issued by the Comptroller on or prior to the Closing Date shall provide that the Consolidation shall become effective (the "Effective Time of the Consolidation") as of the Closing Date and immediately prior to the Effective Time of the Merger. At the Effective Time of the Consolidation, the following transactions will occur simultaneously:

(a) Consolidation of Fontana and New Bank. Fontana and New Bank shall be consolidated under the charter of Fontana.

(b) Effect on Fontana Stock. Subject to Section 2.3, each share of Fontana Stock issued and outstanding immediately prior to the Effective Time of the Consolidation shall, on and at the Effective Time of the Consolidation, pursuant to the Agreement to Consolidate and without any further action on the part of Fontana or the holders of Fontana Stock, be automatically cancelled and cease to be an issued and outstanding share of Fontana Stock and be converted into the right to receive the Per Share Price.

(c) Effect on Fontana Options. Prior to the Effective Time of the Consolidation, Fontana shall make arrangements satisfactory to CVB for the surrender for cancellation of all Fontana Options outstanding immediately prior to the Effective Time of the Consolidation, such cancellation to become effective at the Effective Time of the Consolidation.

(d) Effect on New Bank Stock. Each share of New Bank Stock issued and outstanding immediately prior to the Effective Time of the Consolidation shall, on and at the Effective Time of the Consolidation, pursuant to the Agreement to Consolidate and without any further action on the part of Fontana or the holder of the New Bank Stock be converted into, and shall for all purposes be deemed to represent, one share of Consolidated Association Stock. Because the Consolidation is subject to, and will occur only if it is immediately followed by, the Merger and the cancellation of the Consolidated Association Stock, no certificates representing shares of the Consolidated Association Stock will be issued.

2.2 Effect of the Consolidation. At the Effective Time of the Consolidation, the corporate existence of New Bank and Fontana shall be merged into and continued in the Consolidated Association and the Consolidated Association shall be deemed the same corporation as each bank participating in the Consolidation. All rights, franchises, and interests of New Bank and Fontana in and to every type of property (real, personal and mixed) and chooses in action shall be transferred to and vested in the Consolidated Association by virtue of the Consolidation without any deed or other transfer and the Consolidated Association shall hold and enjoy all rights of property, franchises and interests, in the same manner and to the same extent as such rights, franchises and interests were held or enjoyed by any one of the consolidating banks at the Effective Time of the Consolidation.

2.3 Dissenting Shareholders. Any Perfected Dissenting Shares shall not be converted into the right to receive the Per Share Price, but the holders thereof shall be entitled only to such rights as are granted them by Section 215. Each dissenting shareholder who is entitled to payment for his shares of Fontana Stock under Section 215 shall receive such payment in an amount as determined pursuant to Section 215.

2.4 The Aggregate Purchase Price and Per Share Price.

(a) Computation of the Aggregate Purchase Price. The Aggregate Purchase Price shall be the sum of (i) the product obtained by multiplying (x) 1.6 times (y) the Adjusted Stockholders' Equity, (ii) the product obtained by multiplying (x) .6 times (y) the Deferred Loan Fees and (iii) the aggregate amount of cash, if any, received upon the exercise of Fontana Options between the date of the Original Agreement and the Determination Date.

(b) Officers' Certificate; Accountant's Review. The Aggregate Purchase Price and Per Share Price, including the Adjusted Stockholders' Equity, Deferred Loan Fees and the aggregate amount of cash, if any, received upon the exercise of Fontana Options between the date of the Original Agreement and the Determination Date, shall be set forth in the Aggregate Purchase Price Certificate. The procedures upon which the calculation of the Aggregate Purchase Price and Per Share Price, including the Adjusted Stockholders' Equity, Deferred Loan Fees and the aggregate amount of cash, if any, received upon the exercise of Fontana Options between the date of the Original Agreement and the Determination Date, are based shall be reviewed and confirmed by Deloitte & Touche, or such other independent accountants as CVB may designate.

2.5 Delivery of Cash. Prior to the Effective Time of the Consolidation, CVB will deliver to the Exchange Agent an amount of cash equal to the Per Share Price multiplied by the number of shares of Fontana Stock outstanding immediately prior to the Effective Time of the Consolidation. Delivery to such holders of the cash to which they are entitled will subsequently be made by the Exchange Agent against delivery of share certificates formerly evidencing Fontana Stock (duly executed and in proper form for transfer) to the Exchange Agent in accordance with this Section 2.5 and an agreement to be entered into between CVB and the Exchange Agent.

2.6 Name of Consolidated Association. The name of the Consolidated Association shall be "Fontana First National Bank."

2.7 Directors and Officers of Consolidated Association. At the Effective Time of the Consolidation, the directors of New Bank shall be the directors of the Consolidated Association until their successors have been chosen and qualified in accordance with the Articles of Association and Bylaws of the Consolidated Association. The officers of New Bank at the Effective Time of the Consolidation shall be the officers of the Consolidated Association until they resign or are replaced or terminated by the Board of Directors of the Consolidated Association or otherwise in accordance with the Consolidated Association's Articles of Association or Bylaws.

2.8 Noncompetition Agreements. Concurrently with the execution of this Agreement, Fontana shall cause each of its directors to enter into an agreement substantially in the form of Exhibit B-1 hereto, and Fontana shall cause each of its Executive Officers to enter into an agreement substantially in the form of Exhibit B-2 hereto.

2.9 Shareholder's Agreements. Concurrently with the execution of this Agreement, Fontana shall cause each of its directors to enter into a Shareholder's Agreement.

ARTICLE 3

THE CLOSING

3.1 Closing Date. The Closing shall, unless another date or place is agreed in writing by the Parties hereto, take place at the offices of Manatt, Phelps, Phillips & Kantor, 11355 West Olympic Boulevard, Los Angeles, California, on the Closing Date.

3.2 Execution of Agreement to Consolidate. Prior to the Closing Date, and as soon as practicable after approval of the Superintendent to organize New Bank, the Agreement to Consolidate (as amended, if necessary, to conform to any requirements of any regulatory authority having authority over the Consolidation) shall be executed by Fontana and New Bank. On the Closing Date, the Consolidation shall become effective in accordance with the approval granted by the Comptroller.

3.3 Execution of Agreement of Merger. Prior to the Closing Date, and as soon as practicable after approval of the Superintendent to organize New Bank, the Agreement of Merger (as amended, if necessary to conform to any requirements of any regulatory authority having authority over the Merger, shall be executed by Chino Valley and the Consolidated Association. On the Closing Date the Agreement of Merger, bearing the certification of the Secretary of State, together with all requisite certificates shall be duly filed in the office of the Superintendent in accordance with the California Corporations Code and the California Financial Code.

3.4 Documents to be Delivered. At the Closing the Parties shall deliver, or cause to be delivered, such documents or certificates as may be necessary, in the reasonable opinion of counsel for any of the Parties, to effectuate the transactions called for in this Agreement. If, at any time after the Effective Time of the Merger, the Surviving Bank or its successors or assigns shall determine that any further conveyance, assignment or other documents or any further action is necessary or desirable to further effectuate the transactions set forth herein or contemplated hereby, the officers and directors of the Parties shall execute and deliver, or cause to be executed and delivered, all such documents as may be reasonably required to effectuate such transactions.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF FONTANA

Fontana represents and warrants to CVB and Chino Valley as follows:

4.1 Organization, Standing and Power. Fontana is a national banking association, duly organized and existing as an association under the laws of the United States, and is authorized by the Comptroller to conduct a general banking business. Fontana is a member of the Federal Reserve System and its deposits are insured by the FDIC in the manner and

to the extent provided by law. Fontana has all requisite corporate power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted. Neither the scope of the business of Fontana nor the location of any of its properties requires that it be licensed to do business in any jurisdiction other than the State of California. Fontana has delivered to CVB and Chino Valley true and correct copies of its Articles of Association and Bylaws, as amended and in effect as of the date hereof.

4.2 Capitalization. As of the date of this Agreement, the authorized capitalization of Fontana consists of 480,000 shares of Fontana Stock, of which 345,700 shares are issued and outstanding. All of the outstanding shares of Fontana Stock are validly issued, fully paid and nonassessable (except as provided for in 12 U.S.C. S55). Except for Fontana Options covering 33,300 shares of Fontana Stock granted pursuant to the Fontana Stock Option Plan, there are no outstanding options, warrants, commitments, agreements or other rights in or with respect to the unissued shares of Fontana Stock or any other securities convertible into Fontana Stock. Schedule 4.2 sets forth the name of each holder of a Fontana Option, the number of shares of Fontana Stock covered by each such Fontana Option, the exercise price per share and the expiration date of each such Fontana Option.

4.3 Subsidiaries. Fontana does not own, directly or indirectly (except as pledged pursuant to loans which are not in default), any equity position or other voting interest in any corporation, partnership, joint venture or other entity.

4.4 Financial Statements. Fontana has delivered to CVB and Chino Valley (a) audited Balance Sheets of Fontana as of December 31, 1991 and 1990, the related Statements of Income, Stockholders' Equity and Cash Flows for each of the years ended December 31, 1991, 1990 and 1989, the related notes and related opinions thereon of Vavrinek, Trine, Day & Co. and (b) an unaudited balance sheet of Fontana as of June 30, 1992, the related statements of income, stockholders' equity and cash flows for the six months then ended and the related notes thereto (the "Fontana Financial Statements"). Fontana has furnished CVB and Chino Valley with true and correct copies of each management letter or other letter delivered to Fontana by Vavrinek, Trine, Day & Co. in connection with the Financial Statements of Fontana or relating to any review of the internal controls of Fontana by Vavrinek, Trine, Day & Co. since January 1, 1989. The Fontana Financial Statements (i) present fairly the financial condition of Fontana as of the respective dates indicated and its results of operations and the changes in its stockholders' equity and cash flows for the respective periods indicated; (ii) have been prepared in accordance with generally accepted accounting principles applied on a consistent basis (except for changes, if any, required by generally accepted accounting principles and disclosed therein); (iii) set forth as of the respective dates indicated adequate reserves for loan losses and other contingencies; and (iv) are based on the books and records of Fontana.

4.5 No Material Liabilities. Schedule 4.5 sets forth all material liabilities of Fontana, including liabilities for Hazardous Substances or under any Environmental Law, contingent or otherwise, that are not reflected or reserved against in the Fontana Financial Statements dated as of December 31, 1991, except for liabilities incurred or accrued since December 31, 1991 in the ordinary course of business, none of which has had or may reasonably be expected to have a material adverse effect on the business, financial condition, results of operations or prospects of Fontana. Except as set forth in Schedule 4.5, Fontana knows of no basis for the asserting against it of any liability, obligation or claim that may reasonably be expected to have a material adverse effect on the business, financial condition results of operations or prospects of Fontana.

4.6 Authority of Fontana. The execution and delivery by Fontana of this Agreement, the Agreement to Consolidate and, subject to the requisite approval of the shareholders of Fontana, the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary action on the part of Fontana and this Agreement is and the Agreement to Consolidate, upon execution by the parties thereto, will be a valid and binding obligation of Fontana, enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors of national banks generally, by general equitable principles and by Section 8(b)(6)(D) of the Federal Deposit Insurance Act, 18 U.S.C. S1818(b)(6)(D).

4.7 Reserved.

4.8 No Conflicts; Defaults. The execution, delivery and performance of this Agreement, the Agreement to Consolidate and the consummation of the transactions contemplated herein, including the Merger, and therein and compliance by Fontana with any provision hereof and thereof will not (a) conflict with or result in a breach of, or default or loss of any benefit under, any provision of its Charter Documents or, except as set forth in Schedule 4.8 any material agreement, instrument or obligation to which it is, or the Consolidated Association will become, a party or by which the property of Fontana is, or the Consolidated Association will become, bound or give any other party to any such agreement, instrument or obligation the right to terminate or modify any term thereof; (b) except for the prior approval of the FRB, the Comptroller, the FDIC, the Superintendent and as set forth in Schedule 4.8, require any Consents; (c) result in the creation or imposition of any Encumbrance on any of the properties or assets or Fontana or the Consolidated Association; or (d) subject to obtaining the Consents referred to in subsection (b) of this Section 4.8 and the expiration of any required waiting period, violate any Rules to which Fontana is subject.

4.9 Reports and Filings. Since January 1, 1989, Fontana has filed all reports, returns, registrations and statements (such reports and

filings referred to as "Fontana Filings"), together with any amendments required to be made with respect thereto, that were required to be filed with (a) the Comptroller, (b) the FDIC, (c) the Superintendent and (d) any other applicable Governmental Entity, including taxing authorities, except where the failure to file such reports, returns, registrations and statements has not had and is not reasonably expected to have a material adverse effect on the business, financial condition, results of operations or prospects of Fontana. No administrative actions have been taken or orders issued in connection with such Fontana Filings. As of their respective dates, each of such Fontana Filings (y) complied in all material respects with all Rules enforced or promulgated by the Governmental Entity with which it was filed (or was amended so as to be so promptly following discovery of any such noncompliance); and (z) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Any financial statement contained in any of such Fontana Filings that was intended to present the financial position of Fontana fairly presented the financial position of Fontana and was prepared in accordance with generally accepted accounting principles or banking regulations consistently applied, except as stated therein, during the periods involved. Fontana has furnished CVB and Chino Valley with true and correct copies of all Fontana Filings filed by Fontana since January 1, 1989.

4.10 Tax and Other Returns and Reports.

(a) Returns; Liabilities Recorded. Fontana has filed all United States federal and foreign income tax returns, all state and local franchise and income tax, real and personal property tax, sales and use tax, premium tax, excise tax and all other United States federal, state or local tax reports and returns that it is required to file ("Tax Filings") and has paid all taxes, together with any interest and penalties, shown or required to be shown to be owing thereon, except taxes contested in good faith and for which adequate reserves have been set aside. Adequate provision has been made in the books and records of Fontana, and to the extent required by generally accepted accounting principles, reflected in the Financial Statements of Fontana, for all taxes, interest and penalties, whether or not due and payable and whether or not disputed, with respect to any and all United States federal, foreign, state, local, environmental (including under any Environmental Law) and other taxes for the periods covered by the Financial Statements of Fontana and for all prior and subsequent periods. Fontana has furnished CVB and Chino Valley with true and correct copies of all Tax Filings filed since January 1, 1989.

(b) Elections. Fontana has not elected to be treated as a consenting corporation under Section 341(f) of the Code.

(c) Taxes. Except as set forth on Schedule 4.10, (i) neither the Internal Revenue Service nor any foreign, state, local or

other taxing authority (A) has, for any period beginning on or after January 1, 1986, examined or is in the process of examining any United States federal, foreign, state, local or other tax returns of, or affecting, Fontana, or (B) is now asserting or, to the best knowledge of Fontana, threatening to assert or initiate, any deficiency or claim for taxes (or interest thereon or penalties in connection therewith) against Fontana; and (ii) no waivers of statutes of limitations as to any United States federal, foreign, state, local or other tax matters relating to Fontana have been given by Fontana or have been requested from it.

4.11 Contracts. Except as otherwise set forth in Schedule 4.12 or Schedule 4.18, Schedule 4.11 sets forth a description of each contract or offer that would become binding on acceptance by any third party, whether written or oral (a) that obligates Fontana to pay or forego receipt of $10,000 or more in any 12-month period, other than any Deposit or any loan or commitment to lend made in the ordinary course of business; (b) that involves the payment by or to Fontana of more than $10,000 per year and may not be terminated by Fontana on less than 30 days' notice without liability for penalty or damages of any kind, other than for the provision of retail banking products in the ordinary course of business or a commitment to lend made in the ordinary course of business; (c) that relates to any guarantee or indemnification, other than for the provision of retail banking products in the ordinary course of business or a loan or commitment to lend made in the ordinary course of business; (d) that would be terminable, other than by Fontana, as a result of the consummation of the transactions contemplated by this Agreement, including the Merger; (e) that may not be terminated by Fontana on less than 30 days' notice without liability for penalty or damages in an amount of $10,000 or more, other than for the provision of retain banking products in the ordinary course of business or any loan or commitment to lend made in the ordinary course of business; (f) that binds Fontana and contains a covenant by Fontana not to compete or restricts in any manner the ability of Fontana to engage in or conduct any activities; (g) that binds Fontana or any of its properties and contains a preferential right in favor of a third party; (h) that relates to the purchase or sale by Fontana of any loan, lease or other extension of or commitment to extend credit or any interest therein, in each case for a aggregate amount exceeding $25,000, whether or not servicing rights or obligations have been retained by Fontana; or (i) that is otherwise material to the business, financial condition, results of operations or prospects of Fontana ("Material Contract"). Except as set forth on Schedule 4.11, (x) each Material Contract is valid and subsisting; (y) Fontana has duly performed all obligations under the Material Contracts to be performed by it to the extent that such obligations to perform have accrued; and (z) there are no breaches, violations or defaults or allegations or assertions of such by any party under any Material Contract. Fontana has furnished CVB and Chino Valley with true and correct copies of all Material Contracts, including all amendments and supplements thereof.

4.12 Title to Property.

(a) Real Property. Schedule 4.12 sets forth a description (including the character of the ownership interest of Fontana) of all real property of Fontana, including fees, leaseholds and all other interests in real property (including real property that is DPC Property) ("Real Property"). Except as set forth on Schedule 4.12, (i) Fontana has duly recorded, in the appropriate county, all recordable interests in Real Property, (ii) Fontana has good and marketable title to all Real Property and other assets and properties reflected in the Financial Statements of Fontana dated as of December 31, 1991 free and clear of all Encumbrances, except (A) Encumbrances that in the aggregate do not materially detract from the value, interfere with the use, or restrict the sale, transfer or disposition, of such properties and assets or otherwise materially affect Fontana; (B) any lien for taxes not yet due; (C) any Encumbrances arising under the document that created the interest in the Real Property (other than Encumbrances arising as a result of any breach or default by Fontana); and (D) assets and properties disposed of since December 31, 1991 in the ordinary course of business and consistent with past practice. Fontana has furnished CVB and Chino Valley with true and correct copies of all leases included on Schedule 4.12 delivered as of the date of the Agreement, all title insurance policies relating to the Real Property and all documents evidencing recordation of all recordable interests in the Real Property.

(b) Condition of Properties. All tangible properties of Fontana that are material to the business, financial condition, results of operations or prospects of Fontana are in a good state of maintenance and repair, except for ordinary wear and tear, and are adequate for the conduct of the business of Fontana as presently conducted. Except as set forth in Schedule 4.12, (i) the execution of this Agreement, the performance of the obligations of Fontana hereunder and the consummation of the transactions contemplated herein, including the Merger, does not conflict with and will not result in a breach or default under any lease, agreement or contract described in Schedule 4.12, or give any other party thereto a right to terminate or modify any term thereof; (ii) Fontana has no obligation to improve any Real Property; (iii) each lease and agreement under which Fontana is a lessee or holds or operates any property (real, personal or mixed) owned by any third party is in full force and effect and is a valid and legally binding obligation of Fontana, and, to the best knowledge of Fontana, each other party thereto; (iv) Fontana and, to the best knowledge of Fontana, each other party to any such lease or agreement have performed in all material respects all the obligations required to be performed by them to date under such lease or agreement and are not in default in any material respect under any such lease or agreement and there is no pending or, to the best knowledge of Fontana, threatened proceeding, or proceeding which Fontana has reason to believe may be threatened, that would interfere with the quiet enjoyment of such leasehold or such material property by Fontana; (v) there has not been any generation, use, handling, transportation, treatment, storage, release or disposal of any Hazardous Substance in connection with the conduct of the business of Fontana that has or might result in any liability under any Environmental Law and there has never been a use of any of the Real Property that has or might result

in any liability under any Environmental Law; (vi) no underground storage tanks or surface impoundments are on or in the Real Property; and (vii) no asbestos or polychlorinated biphenyls are contained or located on any of the Real Property.

4.13 Litigation.

(a) Litigation. Schedule 4.13 sets forth, except as otherwise set forth in Schedule 4.10, a description of each legal, administrative, arbitration, investigatory or other proceeding (including, without limitation, any investigation, action, or proceeding with respect to taxes) pending or, to the best knowledge of Fontana, that has been threatened, or which Fontana has reason to believe may be threatened, against or affecting Fontana or its assets or business, and has had or may have a material adverse effect on the assets, liabilities, business, financial condition, results of operations or prospects of Fontana or involves or may involve a claim or claims asserting aggregate liability of $10,000 or more. Schedule 4.13 includes with respect to each matter identified, if applicable, the case title, the court, the court file number, the date filed, the law firm representing Fontana and such other information as may be reasonably requested by CVB and Chino Valley. Except as set forth on Schedule 4.13, there is no (i) outstanding judgment, order, writ, injunction or decree, stipulation or award of any Governmental Entity or by arbitration, against, or, to the knowledge of Fontana, affecting Fontana or its assets or business that (A) has had or may have a material adverse effect on the assets, liabilities, business, financial condition, results of operations or prospects of Fontana, (B) requires any payment by, or excuses an obligation of a third party to make any payment to, Fontana of an amount exceeding $10,000 or (C) has the effect of prohibiting any business practice of, or the acquisition, retention or disposition of property by, Fontana; or (ii) legal, administrative, arbitration, investigatory or other proceeding pending or, to the best knowledge of Fontana, that has been threatened, or which Fontana has reason to believe may be threatened, against or affecting any director, officer, employee, agent or representative of Fontana, in connection with which any such Person has or may have rights to be indemnified by Fontana.

(b) Regulatory Proceedings. Except as set forth in Schedule 4.13, Fontana is not subject to any cease and desist order or directive or a party to any written agreement or memorandum of understanding with any Governmental Entity charged with the supervision or regulation of banks or bank holding companies, or engaged in the insurance of bank deposits, that restricts the conduct of its business, or in any manner relates to its capital adequacy, its credit or compliance policies or its management. Copies of any such orders, agreements or memoranda have been made available to CVB and Chino Valley.

4.14 Certain Adverse Changes. Except as specifically required or effected by this Agreement, since December 31, 1991 there has

not been, occurred or arisen any of the following (whether or not in the ordinary course of business unless otherwise indicated):

(a) Any change in any of the assets, liabilities, Permits, methods of accounting or accounting practice, business, or manner of conducting business, of Fontana or any other event or development that has had or may reasonably be expected to have a material adverse effect on the assets, liabilities, Permits, business, financial condition, results of operations or prospects of Fontana;

(b) Any damage, destruction or other casualty loss (whether or not covered by insurance) that has had or may reasonably be expected to have a material adverse effect on the assets, liabilities, business, financial condition, results of operations or prospects of Fontana or that may involve a loss of more than $10,000 in excess of applicable insurance coverage; or

(c) Any amendment, modification or termination of any existing, or entry into any new, Material Contract or Permit that has had or may reasonably be expected to have a material adverse effect on the assets, liabilities, business, financial condition, results of operations or prospects of Fontana;

(d) Any disposition by Fontana of an asset the lack of which has had or may reasonably be expected to have a material adverse effect on the business, financial condition, results of operations or prospects of Fontana; or

(e) Any direct or indirect redemption, purchase or other acquisition by Fontana of any Equity Securities or any declaration, setting aside or payment of any dividend or other distribution on or in respect of Fontana Stock whether consisting of money, other personal property, real property or other things of value.

4.15 Minute Books. The minute books of Fontana accurately reflect all material actions duly taken by shareholders, boards of directors and committees and contain true and complete copies of its Charter Documents and all amendments thereto.

4.16 Accounting Records; Data Processing. Fontana has records that, in all material respects, fairly reflect its transactions, and accounting controls sufficient to ensure that such transactions are in all material respects (a) executed in accordance with management's general or specific authorization; and (b) recorded in conformity with generally accepted accounting principles. Except as set forth in Schedule 4.16, the procedures and equipment, including, without limitation, the data processing equipment, data transmission equipment, related peripheral equipment and software, used by Fontana in the operation of its business (including any disaster recovery facility) to generate and retrieve such

records are adequate in relation to the size and complexity of the business of Fontana.

4.17 Insurance. Schedule 4.17 sets forth all insurance policies and bonds maintained by Fontana. Except as set forth on Schedule 4.17, (a) Fontana is, and at all times within five years hereof has been, insured with insurers and has insurance coverage adequate to insure against all risks normally insured against by companies in similar businesses and of comparable size; (b) Fontana is not in default under any policy of insurance or bond such that it could be canceled and all such insurance policies and bonds maintained by Fontana are in full force and effect and, except for expirations in the ordinary course, will remain so through and after the Effective Time of the Merger; and (c) Fontana has filed claims with, or given notice of claims to, its respective insurers with respect to all material matters and occurrences for which it believes it has coverage. Fontana has furnished CVB and Chino Valley with true and correct copies of all insurance policies and bonds identified on Schedule 4.17, including all amendments and supplements thereto.

4.18 Employee Benefit Plans and Employment and Labor Contracts.

(a) Schedule 4.18, sets forth and describes all employee benefit plans and any collective bargaining agreements, labor contracts and employment agreements in which Fontana participates, or by which it is bound, including, without limitation, (i) any profit sharing, deferred compensation, bonus, stock option, stock purchase, pension, retainer consulting, retirement, welfare or incentive plan or agreement whether legally binding or not, (ii) any plan providing for "fringe benefits" to its employees, including but not limited to vacation, sick leave, medical, hospitalization, life insurance and other insurance plans, and related benefits, (iii) any written employment agreement and any other employment agreement not terminable at will, or (iv) any other "employee benefit plan" (within the meaning of Section 3(3) of ERISA). Except as set forth in Schedule 4.18, (v) there are no negotiations, demands or proposals that are pending or threatened that concern matters now covered, or that would be covered, by any employment agreements or employee benefit plans other than amendments to plans qualified under Section 401 of the Code that are required by the Tax Reform Act of 1986 and later legislation; (w) Fontana is in compliance with the requirements prescribed by any and all Rules currently in effect including but not limited to ERISA and the Code applicable to all such employee benefit plans; (x) Fontana is in compliance in all material respects with all other Rules applicable to employee benefit plans and employment agreements; (y) Fontana has performed all of its obligations under all such employee benefit plans and employment agreements; and (z) there are no actions, suits or claims (other than routine claims for benefits) pending or threatened against any such employee benefit plans and employment agreements or the assets of such plans, and to the best knowledge of Fontana, no facts exist which could

give rise to any actions, suits or claims (other than routine claims for benefits) against such plans or the assets of such plans.

(b) The "employee pension benefit plans" (within the meaning of Section 3(2) of ERISA) described on Schedule 4.18 have been duly authorized by the Board of Directors of Fontana. Except as set forth in Schedule 4.18, each such plan and associated trust is qualified in form and operation under Section 401(a) and exempt from tax under Section 501(a) of the Code, respectively, and no event has occurred that will or could give rise to disqualification of any such plan or loss of the exemption from tax of any such trust under said Sections. No event has occurred that will or could subject any such plans to tax under Section 511 of the Code. None of such plans has engaged in a merger or consolidation with any other plan or transferred assets or liabilities from any other plan. No prohibited transaction (within the meaning of Section 409 or 502(i) of ERISA or Section 4975 of the Code) or party-in-interest transaction (within the meaning of Section 406 of ERISA) has occurred with respect to any of such plans. No employee of Fontana has engaged in any transactions which could subject Fontana to indemnify such person against liability. All costs of plans have been provided for on the basis of consistent methods in accordance with sound actuarial assumptions and practices. No employee benefit plan has incurred any "accumulated funding deficiency" (as defined in ERISA), whether or not waived, taking into account contributions made within the period described in Section 412(c)(10) of the Code; nor are there any unfunded amounts under any employee benefit plan; nor has Fontana failed to make any contributions or pay any amount due and owing as required by law or the terms of any employee benefit plan or employment agreement. Subject to amendments that are required by the Tax Reform Act of 1986 and later legislation, since the last valuation date for each employee pension benefit plan, there has been no amendment or change to such plan that would increase the amount of benefits thereunder.

(c) Fontana does not sponsor or participate in, and has not sponsored or participated in, any employee benefit pension plan to which Section 4021 of ERISA applies that would create a liability under Title IV of ERISA.

(d) Fontana does not sponsor or participate in, and has not sponsored or participated in, any employee benefit pension plan that is a "multi-employer plan" (within the meaning of Section 3(37) of ERISA) that would subject such Person to any liability with respect to any such plan.

(e) All group health plans of Fontana (including any plans of affiliates of Fontana that must be taken into account under Section 162(i) or (k) of the Code as in effect immediately prior to the Technical and Miscellaneous Revenue Act of 1988 and Section 4980B of the Code) have been operated in compliance with the group health plan continuation coverage requirements of Section 4980B of the Code to the extent such requirements are applicable.

(f) There have been no acts or omissions by Fontana that have given rise to or may give rise to fines, penalties, taxes, or related charges under Sections 502(c) or (i) or 4071 of ERISA or Chapter 43 of the Code.

(g) Except as described in Section 4.18(j), Fontana does not maintain any employee benefit plan or employment agreement pursuant to which any benefit plan or other payment will be required to be made by Fontana or pursuant to which any other benefit will accrue or vest in any director, officer or employee of Fontana, in either case as a result of the consummation of the transactions contemplated by the Agreement.

(h) No "reportable event," as defined in ERISA, has occurred with respect to any of the employee benefit plans.

(i) All amendments required to bring each of the employee benefit plans into conformity with all of the provisions of ERISA and the Code and all other applicable laws, rules and regulations have been made.

(j) Schedule 4.18 sets forth the name of each director, officer or employee of Fontana entitled to receive any benefit or any payment of any amount under any existing employment agreement, severance plan or other benefit plan as a result of the consummation of any transaction contemplated in this Agreement, including the Merger, and with respect to each such person, the nature of such benefit or the amount of such payment, the event triggering the benefit or payment, and the date of, and parties to, such employment agreement, severance plan or other benefit plan. Fontana has furnished CVB and Chino Valley with true and correct copies of true copies of all documents with respect to the plans and agreements referred to in Schedule 4.18 delivered as of the date of the Agreement, including all amendments and supplements thereto, and all related summary plan descriptions. For each of the employee pension benefit plans of Fontana referred to in Schedule 4.18 delivered as of the date of the Agreement, Fontana has furnished CVB and Chino Valley with true and correct copies of (i) a copy of the Form 5500 which was filed in each of the three most recent plan years, including without limitation, all schedules thereto and all financial statements with attached opinions of independent accountants; (ii) the most recent determination letter from the Internal Revenue Service; (iii) the statement of assets and liabilities as of the most recent valuation date; and (iv) the statement of changes in fund balance and in financial position or the statement of changes in net assets available for benefits under each of said plans for the most recently ended plan year. The documents referred to in subdivisions (iii) and (iv) fairly present the financial condition of each of said plans as of and at such dates and the results of operations of each of said plans, all in accordance with generally accepted accounting principles applied on a consistent basis.

4.19 Investments. Except for investments that have matured or been sold, Schedule 4.19 sets forth all of the investments reflected in

the balance sheet of Fontana dated December 31, 1991 contained in the Fontana Financial Statements and all of the investments made since December 31, 1991. Except as set forth in Schedule 4.19, all such investments are legal investments under applicable Rules and none of such investments is subject to any restriction, contractual, statutory or other, that would materially impair the ability of the entity holding such investment to dispose freely of any such investment at any time, except restrictions on the public distribution or transfer of such investments under the Securities Act or state securities laws.

4.20 Broker's or Finder's Fees. No agent, broker, investment or commercial banker, or other Person acting on behalf of Fontana, is or will be entitled to any broker's or finder's fee or any other commission or similar fee directly or indirectly in connection with any of the transactions contemplated in this Agreement, including the Merger.

4.21 Compliance with Rules. Fontana has conducted its business in accordance with applicable Rules, except for such violations and noncompliance that have not had, and that are not reasonably expected to have, a material adverse effect on the business, financial condition, results of operations or prospects of Fontana. To the best knowledge of Fontana, Fontana's compliance under the CRA should not constitute grounds for either the denial by any bank regulatory authority of any application to consummate the transactions contemplated by this Agreement or the imposition of a materially burdensome condition in connection with the approval of any such application.

4.22 Certain Interests. Schedule 4.22 sets forth a description of each instance in which an officer or director of Fontana (a) has any material interest in any property, real or personal, tangible or intangible, used by or in connection with the business of Fontana; (b) is indebted to Fontana except for normal business expense advances; or (c) is a creditor (other than as a Deposit holder) of Fontana except for amounts due under normal salary and related benefits or reimbursement of ordinary business expenses. Except as set forth in Schedule 4.22, all such arrangements are arm's length transactions pursuant to normal commercial terms and conditions.

4.23 Extensions of Credit. Schedule 4.23 sets forth a description (a) by type and classification, if any, of each loan, lease other extension of credit and commitment to extend credit; (b) by type and classification of all loans, leases, other extensions of credit and commitments to extend credit that have been classified by its bank examiners or auditors (external or internal) as "Watch List," "Substandard," "Doubtful," "Loss" or any comparable classification; and (c) all consumer loans as to which any payment of principal, interest or other amount is 90 days or more past due.

4.24 Operating Losses. Schedule 4.24 sets forth any Operating Loss (as defined below) that has occurred at Fontana during the

period after December 31, 1990 through December 31, 1991. Except as set forth on Schedule 4.24, since December 31, 1991, to the knowledge of Fontana, no event has occurred, and no action has been taken or omitted to be taken by any employee of Fontana that has resulted in the incurrence by Fontana of an Operating Loss or that might reasonably be expected to result in the incurrence by Fontana of an Operating Loss after December 31, 1991, which, net of any insurance proceeds payable in respect thereof, exceeds, or would exceed $5,000 by itself or $10,000 when aggregated with all other Operating Losses during such period. For purposes of this Agreement, "Operating Loss" means any loss resulting from cash shortages, lost or misposted items, disputed clerical and accounting errors, forged checks, payment of checks over stop payment orders, counterfeit money, wire transfers made in error, theft, robberies, defalcations, check kiting, fraudulent use of credit cards or electronic teller machines, civil money penalties, fines, litigation, claims, arbitration awards or other similar acts or occurrences.

4.25 Powers of Attorney. Except as set forth on Schedule 4.25, Fontana has not granted any Person a power of attorney or similar authorization that is presently in effect or outstanding.

4.26 Offices and ATMs. Schedule 4.26 sets forth the headquarters of Fontana (identified as such) and each of the offices and automated teller machines ("ATMs") maintained and operated by Fontana (including, without limitation, representatives and loan production offices and operations centers) and the location thereof. Except as set forth on Schedule 4.26, Fontana maintains no other office or ATM and conducts business at no other location, and Fontana has not applied for nor received permission to open any additional branch nor operate at any other location.

4.27 Disclosure Documents and Applications. None of the information supplied or to be supplied by or on behalf of Fontana ("Fontana Supplied Information") for inclusion in (a) the proxy statement or other materials and documents ("Proxy Statement") to be mailed to the shareholders of Fontana in connection with obtaining the approval of the shareholders of Fontana of this Agreement, the Consolidation and the other transactions contemplated hereby, and (b) any other documents to be filed with the FRB, the Comptroller, the FDIC, the Superintendent or any other Governmental Entity in connection with the transactions contemplated in this Agreement will, at the respective times such documents are filed or become effective, or with respect to the Proxy Statement, when mailed, contain any untrue statement of a material fact, or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

4.28 Accuracy and Currentness of Information Furnished. The representations and warranties made by Fontana hereby or in the schedules hereto contain no statements of fact which are untrue or misleading, or omit to state any material fact which is necessary under the circumstances

to prevent the statements contained herein or in such schedules from being misleading. Fontana hereby covenants that it shall, not later than the 15th day of each calendar month between the date hereof and the Closing Date, amend or supplement the schedules prepared and delivered pursuant to this Article 4 to ensure that the information set forth in such schedules accurately reflects the then-current status of Fontana. Fontana shall further amend or supplement the schedules as of the Closing Date if necessary to reflect any additional changes in the status of Fontana.

4.29 Effective Date of Representations, Warranties, Covenants and Agreements. Each representation, warranty, covenant and agreement of Fontana set forth in this Agreement shall be deemed to be made on and as of the date hereof and as of the Closing Date.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF CVB AND CHINO VALLEY

CVB and Chino Valley represent and warrant to Fontana as follows:

5.1 Organization, Standing and Power of CVB and Chino Valley. CVB is duly organized and existing as a corporation under the laws of the State of California and is registered as a bank holding company under the Bank Holding Company Act of 1956, as amended. Chino Valley is duly organized and existing as a corporation under the laws of the State of California and is authorized by the Superintendent to conduct a general banking business. CVB and Chino Valley have all requisite corporate power and authority to own, lease and operate their respective properties and assets and to carry on their respective businesses as presently conducted.

5.2 Authority of CVB and Chino Valley. The execution and delivery by CVB and Chino Valley of this Agreement and by Chino Valley of the Agreement of Merger and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of CVB and Chino Valley and this Agreement is a valid and binding obligation of CVB and Chino Valley, enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors of California banks generally, by general equitable principles and by Section 8(b)(6)(D) of the Federal Deposit Insurance Act, 18 U.S.C. S1818(b)(6)(D).

5.3 No Conflicts; Defaults. The execution, delivery and performance of this Agreement by CVB and Chino Valley, and the Agreement of Merger by Chino Valley, the consummation of the transactions contemplated herein and compliance by CVB and Chino Valley with any provision hereof will not (a) conflict with their respective Charter Documents; (b) except for the prior approval of the FRB, the Comptroller, the FDIC and the Superintendent, require any Consents; or (c) subject to obtaining the Consents referred to in subsection (b) of this Section 5.3 and the

expiration of any required waiting period, violate any Rules to which CVB or Chino Valley is subject.

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

5.5 Adequacy of Capital. To the best knowledge of CVB, CVB has as of the date of this Agreement sufficient capital and the financial resources to consummate the transactions contemplated by this Agreement, including the Merger.

5.6 Compliance with Rules. To the best knowledge of CVB and Chino Valley, neither CVB nor Chino Valley is in default under, or in violation of, any Rule where such default or violation would cause either of them not to be able to consummate the transactions contemplated by this Agreement, including the Merger.

5.7 Authority of New Bank. The execution and delivery by New Bank of the Agreement to Consolidate and, subject to the requisite approval of the shareholder of New Bank, the consummation of the transactions completed thereby will be duly and validly authorized by all necessary corporation action on the part of New Bank, and the Agreement to Consolidate will be upon execution by the parties thereto a valid and binding obligation of New Bank, enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors generally and by general equitable principles or by the provisions of Section 8(b)(6)(D) of the Federal Deposit Insurance Act, 12 U.S.C. Section 1818(b)(6)(D). Except as set forth in Schedule 5.7, neither the execution and delivery by New Bank of the Agreement to Consolidate, nor the consummation of the transactions contemplated therein, nor compliance by New Bank with any of the provisions thereof will (a) conflict with or result in a breach of any provision of its Charter Documents, (b) except for approval by the shareholder of New Bank and the prior approval of the FRB, the Comptroller or the FDIC, require any Consents; (c) result in the creation or imposition of any Encumbrance on any of the properties or assets of New Bank; or (d) subject to obtaining the Consents referred to in subsection (b) of this Section 5.7, and the expiration of any waiting period, violate any Rules to which New Bank is subject.

ARTICLE 6

CONDUCT AND TRANSACTIONS PRIOR TO
EFFECTIVE TIME OF MERGER

6.1 Access to Information. (a) Fontana will authorize and permit CVB and Chino Valley, their representatives, accountants and counsel (collectively "Representatives"), to conduct complete and full reviews of the business, operations, assets and liabilities of Fontana at such dates as CVB and Chino Valley may from time to time request. Without limiting the foregoing, CVB and Chino Valley and their Representatives shall have the right (i) to review all of Fontana's properties, books, records, loans and leases, operating reports, audit reports, operation instructions and procedures, tax returns, tax settlement letters, contracts and documents, and all other information with respect to its business affairs, financial condition, assets and liabilities, (ii) to make copies of such books, records and other documents and (iii) to discuss its business affairs, condition (financial and otherwise), assets and liabilities with Fontana's directors, officers, accountants and counsel, as CVB and Chino Valley consider necessary or appropriate for the purposes of familiarizing themselves with the business and operations of Fontana, conducting an evaluation of the assets and liabilities of Fontana, determining whether to proceed with the transactions contemplated by this Agreement, determining the accuracy of the representations and warranties set forth in Article 4, obtaining any necessary orders, consents or approvals of the transactions contemplated by this Agreement by any Governmental Entity. Any such review shall be conducted in cooperation with the officers of Fontana and in such a manner to minimize any disruption of, or interference with, the normal business operations of Fontana. In addition, Fontana will cause Vavrinek, Trine, Day & Co. to make available to CVB and Chino Valley and their Representatives such personnel, work papers and other documentation of Vavrinek, Trine, Day & Co., relating to its work papers and its audits and examinations of the books and records of Fontana or the tax returns of Fontana as may be requested by CVB and Chino Valley in connection with their review of the foregoing matters.

(b) In addition to the requirements of subsection (j) of Section 6.3, a Representative of CVB and Chino Valley, selected by CVB and Chino Valley in their sole discretion, shall be authorized and permitted to review each loan, lease, or other credit originated by Fontana after the date hereof, and all information associated with such loan, lease or other credit within three Business Days of such origination.

(c) A Representative of CVB and Chino Valley, selected by CVB and Chino Valley in their sole discretion, shall be permitted by Fontana to attend all regular and special Board of Directors' and committee meetings of Fontana from the date shareholder approval pursuant to Section 6.7 has been obtained until the Effective Time of the Consolidation; provided, however, that the attendance of such Representative shall not be required at any meeting, or portion thereof, for the sole purpose of

discussing the transactions contemplated by this Agreement or the obligations of Fontana under this Agreement.

6.2 Material Adverse Changes; Reports; Financial Statements; Filings.

(a) Fontana will promptly notify CVB and Chino Valley as provided in Section 11.11 (i) of any event which may materially and adversely affect the business, financial condition, results of operations or prospects of Fontana; (ii) in the event it determines it is possible that the conditions to the performance of CVB and Chino Valley set forth in Sections 8.1 and 8.2 may not be satisfied; or (iii) any event, development or circumstance that, to the best knowledge of Fontana, will or, with the passage of time or the giving of notice or both, is reasonably expected to result in the loss to Fontana of the services of any Executive Officer of Fontana.

(b) Fontana will furnish to CVB and Chino Valley as provided in Section 11.11, as soon as practicable, and in any event within five Business Days after it is prepared or becomes available to Fontana, (i) a copy of any report submitted to the Board of Directors of Fontana or committee thereof and access to the working papers related thereto and copies of other operating or financial reports prepared for management of any of its business and access to the working papers related thereto; provided, however, that Fontana need not furnish CVB and Chino Valley communications of their legal counsel regarding Fontana's rights against and obligations to CVB and Chino Valley under this Agreement; (ii) copies of all Fontana Filings; (iii) monthly unaudited balance sheets and statements of earnings for Fontana; and (iv) such other reports as CVB and Chino Valley may reasonably request relating to Fontana.

(c) Each of the financial statements delivered pursuant to subsection (b)(iii) of this Section 6.2 (i) shall be prepared in accordance with generally accepted accounting principles on a basis consistent with that of the audited Fontana Financial Statements; (ii) shall set forth adequate reserves for loan losses and other contingencies; and (iii) shall be accompanied by a certificate of the Chief Financial Officer of Fontana to the effect that such financial statements fairly present the financial condition and results of operations of Fontana for the periods covered, and reflect all adjustments (which consist only of normal recurring adjustments) necessary for a fair presentation thereof.

(d) The calculation of Adjusted Stockholders' Equity and Deferred Loan Fees shall be made in accordance with generally accepted accounting principles on a basis consistent with that of the audited Fontana Financial Statements.

(e) Fontana agrees that through the Effective Time of the Consolidation, each of its filings, including those referred to in Section 4.9, (i) will comply in all material respects with all of the Rules

enforced or promulgated by the Governmental Entity with which it will be filed; and (ii) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading. Any financial statement contained in any of such filings that is intended to present the financial position of the entity to which it relates will fairly present the financial position of such entity and will be prepared in accordance with generally accepted accounting principles or banking regulations consistently applied during the period involved.

6.3 Limitation on Fontana's Conduct Prior to Closing. Unless (i) otherwise provided in this Agreement, (ii) required by any applicable Rule or (iii) consented to by CVB and Chino Valley (which consent shall be deemed granted, except with respect to subsection (j) of this Section 6.3, if within 5 days of CVB and Chino Valley's receipt of a written notice of a request for prior consent, written notice of objection is not received by Fontana), Fontana agrees that:

(a) Ordinary Course. Fontana shall conduct its affairs in the ordinary course of business consistent with past practice and will use all reasonable efforts to preserve its relationships with customers, suppliers and others having business dealings with it.

(b) Preservation of Permits. Fontana shall not amend, modify, terminate or fail to renew or preserve its Permits.

(c) Preservation of Contracts. Fontana shall not amend, modify, or, except as they may expire in accordance with their terms, terminate any Material Contract or any lease or other agreement relating to the Real Property or materially default in the performance of any of its obligations under any Material Contract or any lease or other agreement relating to the Real Property.

(d) Restrictions on New Contracts. Fontana shall not enter into any Material Contract or any lease or other agreement relating to the Real Property, except (i) Deposits and short-term debt securities (obligations maturing within one year) issued in the ordinary course of business and consistent with past practice; (ii) obligations arising out of, incurred in connection with, or related to the consummation of this Agreement; (iii) commitments to make loans or other extensions of credit in compliance with subsections (j) and (k) below; (iv) loan sales in the ordinary course of business and consistent with past practice, without any recourse except to a reserve account funded by an interest rate spread otherwise payable to the servicer of the loans sold, provided that no such commitment to sell loans shall extend beyond the Effective Time of the Consolidation; and (v) in the ordinary course of business and consistent with past practice, purchases of interest in loans or purchases of loan portfolios originated and serviced (if not by Fontana) by a nationally

recognized originator and servicer, the debt of which is of investment grade.

(e) Maintenance of Insurance. Fontana shall not terminate or unilaterally fail to renew any existing insurance coverage or bonds.

(f) Restrictions on Compensation. Fontana shall not grant any general or uniform increase in the rates of pay of employees or employee benefits or any increase in salary, employee benefits or compensation of any officer, employee, director, agent or any Person or pay any bonus to any Person, except as required by any existing written employment agreement.

(g) Restrictions on Transfer of Assets. Fontana shall not sell, transfer, mortgage, encumber or otherwise dispose of any assets or release or waive any claim, except in the ordinary course of business and consistent with past practice or as required by any existing contract or for ordinary repairs, renewals or replacements.

(h) Grant or Issuance of Securities; Distributions; Reclassifications. Fontana shall not acquire for value or grant, issue, sell or redeem any Equity Securities or debt securities of Fontana, or declare, issue or pay any dividend or other distribution of assets, whether consisting of money, other personal property, real property or other things of value, to the shareholders of Fontana, or split, combine or reclassify any shares of its capital stock or other Equity Securities.

(i) Charter Documents. Fontana shall not amend or modify any of its Charter Documents.

(j) Extensions of Credit. Fontana shall not grant or commit to grant any loan or other extension of credit, if such loan or other extension of credit, together with all other credit then outstanding to the same Person and all Affiliates of such Person, would exceed $25,000, prior to receiving CVB and Chino Valley's Consent. Consent shall be deemed granted if within two Business Days of written notice delivered to CVB and Chino Valley's designee in writing notice of objection is not received by Fontana.

(k) Credit Standards. Fontana shall not make its credit underwriting policies, standards or practices relating to the making of loans and other extensions of credit, or commitments to make loans and other extensions of credit, less stringent than those in effect on December 31, 1991.

(l) Capital Expenditures. Fontana shall not make any capital expenditures, or commitments with respect thereto, except in the ordinary course of business and consistent with past practice.

(m) No Extraordinary Payments. Fontana shall not make special or extraordinary payments to any Person.

(n) Investments. Fontana shall not make any investment, by purchase of stock or securities, contributions to capital, property transfers, purchases of any property or assets or otherwise, in any other Person, except in the ordinary course of business and consistent with past practice.

(o) Compromise of Taxes. Fontana shall not (i) compromise or otherwise settle or adjust any assertion or claim of a deficiency in taxes (or interest thereon or penalties in connection therewith); (ii) file any appeal from an asserted deficiency; (iii) file or amend any United States federal, foreign, state or local tax return; or (iv) make any tax election or change any method or period of accounting unless required by generally accepted accounting principles or United States federal Rules.

(p) Employee Benefits. Fontana shall not enter into or consent to any new employment agreement or other employee benefit arrangement, or amend or modify any employment agreement or other employee benefit arrangement in effect on the date of this Agreement to which Fontana is a party or bound.

(q) Powers of Attorney. Fontana shall not grant any Person a power of attorney or similar authority, except in accordance with a written policy previously disclosed to CVB and Chino Valley.

(r) Offices. Fontana shall not open or close any branch or other office at which the business of Fontana is or will be conducted.

(s) No Agreement to Forbidden Actions. Fontana shall not agree or make any commitment to take any actions prohibited by this Section 6.3.

6.4 Certain Loans and Other Extension of Credit. Fontana will promptly inform CVB and Chino Valley of the amounts and categories of any loans, leases or other extensions of credit of Fontana that have been classified by any bank supervisory authority, by any unit of Fontana or by any other Person as "Watch List," "Substandard," "Doubtful," "Loss" or any comparable classification. Fontana will furnish to CVB and Chino Valley, as soon as practicable, and in any event within 10 days after the end of each calendar month, schedules including a listing of the following:

(a) classified credits, showing with respect to each such credit the classification category, credit type and office;

(b) nonaccrual credits, showing with respect to each such credit the credit type and office;

(c) accrual exception credits that are delinquent 90 or more days and have not been placed on nonaccrual status, showing with respect to each such credit the credit type and office;

(d) delinquent credits, showing with respect to each such credit the credit type, office and an aging schedule broken down into 30-59, 60-89, 90-119 and 120+ day categories;

(e) loan and lease participations, stating, with respect to each, whether it was purchased or sold, the loan or lease type, and the office;

(f) loans or leases (including any commitments) by Fontana to any director, officer, or employee of Fontana, or any shareholder holding 5% or more of the Fontana Stock, including with respect to each such loan or lease, the identity and, to the best knowledge of Fontana, the relation of the borrower to Fontana, the loan or lease type and the outstanding and undrawn amounts;

(g) letters of credit, showing with respect to each letter of credit the credit type and office;

(h) loans or leases charged off during the previous month, showing with respect to each such loan or lease, the credit type and office;

(i) loans or leases written down during the previous month, including with respect to each such loan or lease, the credit type and office;

(j) other real estate or assets owned, stating with respect to each its credit type;

(k) a reconciliation of the allowance for loan and lease losses, identifying specifically the amount and sources of all additions and reductions to the allowance (which may be by reference to specific portions of another schedule furnished pursuant to this Section 6.4 and, in the case of unallocated adjustments, shall disclose the methodology and calculations through which the amount of such adjustment was determined);

(l) extensions of credit originated on or after the date of the schedule previously provided to CVB and Chino Valley (or, if it is the first such schedule, the date of this Agreement) and before the date of the schedule in which reported, showing with respect to each, the credit type and the office; and

(m) renewals or extensions of maturity of outstanding extensions of credit, showing with respect to each, the credit type and the office.

6.5 No Solicitation, etc.

(a) Fontana shall not, and will cause each of its officers, directors, employees, agents, legal and financial advisors and Affiliates not to, directly or indirectly, make, solicit, encourage, initiate or enter into any agreement or agreement in principle, or announce any intention to do any of the foregoing, with respect to any of Fontana's business and properties or any of Fontana's Equity Securities or debt securities, whether by purchase, merger (other than by CVB and Chino Valley), purchase of assets, tender offer or otherwise (an "Alternative Transaction").

(b) Fontana shall not, and will cause each of its officers, directors, legal and financial advisors, agents and Affiliates not to, directly or indirectly, participate in any negotiations or discussions regarding, or furnish any information with respect to, or otherwise cooperate in any way in connection with, or assist or participate in, facilitate or encourage, any effort or attempt to effect or seek to effect, any Alternative Transaction with or involving any Person other than CVB and Chino Valley, unless Fontana shall have received an unsolicited written offer from a Person other than CVB and Chino Valley to effect an Alternative Transaction and the Board of Directors of Fontana is advised in writing by outside legal counsel that in the exercise of the fiduciary obligations of the Board of Directors such information should be provided to or such discussions or negotiations undertaken with the Person submitting such unsolicited written offer.

(c) Fontana will promptly communicate to CVB and Chino Valley the terms of any proposal which it may receive in respect of any Alternative Transaction and will keep CVB and Chino Valley informed as to the status of any actions, including negotiations or discussions, taken pursuant to subsection (b) of this Section 6.5.

6.6 Schedules of Fontana. Promptly in the case of material matters, and not less than monthly in the case of all other matters, Fontana shall amend or supplement the schedules provided for herein as necessary so that the information contained therein accurately reflects the then current status of Fontana and shall transmit copies of such amendments or supplements to CVB and Chino Valley in accordance with Section 11.11.

6.7 Shareholder Approval. Promptly after the execution of this Agreement, Fontana shall prepare the Proxy Statement and take all action necessary in accordance with applicable Rules and its Charter Documents to submit to its shareholders for approval the Agreement, the Agreement to Consolidate and the other transactions contemplated hereby. In connection with such submission, the Board of Directors shall recommend shareholder approval of all the matters referred to in this Section 6.7 and Fontana shall use its best efforts to obtain such shareholder approval. Fontana shall complete the solicitation of shareholder approval of the matters referred to in this Section 6.7 prior to December 15, 1992.

6.8 Compliance with Rules. Fontana shall comply with the requirements of all applicable Rules, the noncompliance with which would materially and adversely affect the assets, liabilities, business, financial condition, results of operations or prospects of Fontana.

6.9 Disposition of Employee Benefit Plans. Fontana shall take all actions requested by CVB and Chino Valley to cause, on or before the Closing Date, (i) the termination of all of its employee benefits plans, programs and arrangements, including the Fontana Deferred Compensation Plan and (ii) the payment of all benefits payable under such plans, programs and arrangements.

6.10 Cancellation of Fontana Options. Fontana shall take all actions necessary to cancel and terminate all outstanding Fontana Options on terms and conditions satisfactory to CVB and Chino Valley on or before the Closing Date.

6.11 Termination of Fontana Employment Agreements. Fontana shall take all actions necessary to terminate all Fontana Employment Agreements on terms and conditions satisfactory to CVB and Chino Valley on or before the Closing Date.

6.12 Extension of Lease. Fontana shall take all actions necessary, including but not limited to obtaining a certificate of occupancy from the City of Fontana, to obtain an extension of the Fontana Lease on terms and conditions satisfactory to CVB and Chino Valley on or prior to the Closing Date.

6.13 Termination of Certain Agreements. Fontana shall take all actions necessary to terminate the Fontana Banking Services Agreement and the Fontana Computer Accounting Agreement on terms and conditions satisfactory to CVB and Chino Valley on the Closing Date.

6.14 Execute Agreement to Consolidate. As soon as possible after receipt of approval of the Superintendent to organize New Bank, Fontana shall execute the Agreement to Consolidate.

ARTICLE 7

FURTHER COVENANTS OF THE PARTIES

7.1 Execution of Agreement to Consolidate. As soon as practicable after receipt of approval of the Superintendent to form New Bank, CVB shall cause New Bank to execute the Agreement to Consolidate.

7.2 Filings, Consents and Insurance.

(a) The Parties will cooperate and use all reasonable efforts to make all registrations, filings and applications, to give all notices and to obtain all Consents necessary or desirable on the part of the Parties for the consummation of the Consolidation, the Merger, and the other transactions contemplated in this Agreement.

(b) To the extent that the Consent of a third party ("Third Party Consent") with respect to any contract, agreement, license, franchise, lease, commitment, arrangement, permit or release that is material to the business of Fontana or that is contemplated in this Agreement is required in connection with the Consolidation, the Merger or the transactions contemplated in this Agreement, Fontana shall use all reasonable efforts to obtain such Third Party Consent prior to the Effective Time of the Consolidation.

(c) To the extent that a Third Party Consent identified on Schedule 5.3 is required in connection with the Consolidation, the Merger or the transactions contemplated by this Agreement, CVB and Chino Valley shall use all reasonable efforts to obtain such Third Party Consent prior to the Effective Time of the Consolidation.

(d) To the extent that a Third Party Consent that is contemplated in this Agreement is required to consummate the Consolidation, the Merger or the transactions contemplated in this Agreement, CVB and Chino Valley shall use all reasonable efforts to obtain such Third Party Consent prior to the Effective Time of the Consolidation.

(e) The Parties shall use all reasonable efforts to obtain insurance policies and bonds for the Surviving Bank that are comparable in terms of both cost and coverage to those maintained by or with respect to Chino Valley or its officers and directors prior to the Effective Time of the Merger.

7.3 Preservation of Employment Relations Prior to Effective Time. Fontana will consult with CVB and Chino Valley concerning, and Fontana will use all reasonable efforts to keep available to CVB and Chino Valley, the services of the officers and employees of Fontana prior to the Effective Time of the Consolidation. Prior to the Effective Time of the Consolidation, CVB or Chino Valley will notify Fontana of the employees CVB desires to retain as employees of the Surviving Bank. Fontana agrees that, following such notification, it will lay off, effective immediately prior to the Effective Time of the Consolidation, all remaining employees. Fontana agrees to pay such laid-off employees (other than persons who are parties to Fontana Employment Agreements) an amount equal to two week's salary at the employee's then current weekly rate, plus one additional week's salary for each year of service with Fontana in consideration for a release from the employee of all known and unknown claims against Fontana, New Bank, the Consolidated Association, CVB, Chino Valley or the Surviving Bank, or any of them. Fontana further agrees that all such employees will be laid off in accordance with Fontana's existing policies and practices.

CVB and Chino Valley will use their best efforts to offer employment with the Surviving Bank to all qualified Fontana officers and employees. Nothing in this Section 7.3, however, shall obligate CVB and Chino Valley to retain or offer employment to any officer or employee of Fontana.

ARTICLE 8

CONDITIONS PRECEDENT TO CONTEMPLATED TRANSACTIONS

8.1 Conditions to Each Party's Obligation to Close. The respective obligations of the Parties to consummate the transactions contemplated hereby are subject to the satisfaction or waiver (where permissible) at or prior to the Closing Date of each of the following:

(a) The Agreement, the Consolidation, and the other transactions contemplated hereby shall have received all requisite approvals of the shareholders of Fontana and New Bank.

(b) No Rule shall be outstanding or threatened by any Governmental Entity which prohibits or restricts the effectuation of, or threatens to invalidate or set aside, the Consolidation, unless counsel to the Party against whom such action or proceeding was instituted or threatened renders to the other Party hereto a favorable opinion that such Rule is without merit.

(c) To the extent required by applicable Rule, all Consents of any Governmental Entity, including, without limitation, those of the FRB, the Comptroller, the FDIC and Superintendent, shall have been obtained or granted for the Consolidation, and all applicable waiting periods under all Rules shall have expired.

8.2 Additional Conditions to Obligations of CVB and Chino Valley to Close. The obligations of CVB and Chino Valley to consummate the transactions contemplated hereby are subject to the satisfaction or waiver (where permissible) at or prior to the Closing Date of each of the following conditions:

(a) No Rule shall be outstanding or threatened by any Governmental Entity which prohibits or restricts the effectuation of, or threatens to invalidate or set aside, the Merger or which would not permit the business presently carried on by Fontana, CVB or Chino Valley to continue unimpaired following the Closing Date.

(b) To the extent required by applicable Rule, all Consents of any Governmental Entity, including, without limitation, those of the FRB, the Comptroller, the FDIC and Superintendent, shall have been obtained or granted for the Merger and the other transactions contemplated hereby, and all applicable waiting periods under all Rules shall have expired.

(c) All actions necessary to authorize the execution, delivery and performance of the Agreement by Fontana and the consummation of the Consolidation by Fontana shall have been duly and validly taken by the Board of Directors and shareholders of Fontana.

(d) The representations and warranties of Fontana contained in Article 4 of this Agreement shall have been true and correct (i) on the date of this Agreement and (ii) at and as of the Effective Time of the Consolidation as though all such representations and warranties had been made on and as of the Effective Time of the Consolidation. CVB and Chino Valley shall have received a certificate to that effect from Fontana dated as of the Closing Date and executed on behalf of Fontana by its Chief Executive Officer and Chief Financial Officer.

(e) Each of the covenants and agreements of Fontana contained in this Agreement to be performed at or before the Effective Time of the Consolidation shall have been so performed in all material respects. CVB and Chino Valley shall have received a certificate to that effect from Fontana dated as of the Closing Date and executed on behalf of Fontana by its Chief Executive Officer and Chief Financial Officer.

(f) During the period from the date of the Original Agreement to the Effective Time of the Consolidation, there shall not have occurred any event related to the business, condition (financial or otherwise), prospects, capitalization or properties of Fontana that has had or could reasonably be expected to have a material adverse effect on the business, financial condition, results of operations or prospects of Fontana, whether or not such event, change or effect is reflected in any amended or supplemented schedule of Fontana delivered after the date of the Original Agreement. CVB and Chino Valley shall have received a certificate to that effect from Fontana dated the Closing Date and signed by the Chief Executive Officer and the Chief Financial Officer of Fontana.

(g) CVB and Chino Valley shall have received (i) the Aggregate Purchase Price Certificate and the statements contained therein shall be true and correct and (ii) a report of Deloitte & Touche confirming its review of the procedures upon which the calculation of the Aggregate Purchase Price, including the Adjusted Stockholders' Equity and Deferred Loan Fees, are based.

(h) Fontana shall have delivered to CVB and Chino Valley a written opinion of Horgan, Rosen, Beckham & Coren, or other legal counsel acceptable to CVB and Chino Valley, dated the Closing Date in substantially the form attached to this Agreement as Exhibit D.

(i) The Parties shall have obtained all Third Party Consents contemplated by subsections (b), (c) and (d) of Section 7.1.

(j) CVB and Chino Valley shall have received evidence satisfactory to it that all directors and Executive Officers of Fontana,

have tendered their resignations, to be effective immediately after the Effective Time of the Consolidation.

(k) Any Consents of a Governmental Entity which are referred to in this Agreement and are necessary to consummate the Consolidation, the Merger or any of the other transactions contemplated hereby shall have been granted without the imposition, in the sole opinion of CVB and Chino Valley, of materially burdensome conditions.

(l) There shall have been executed and delivered to CVB and Chino Valley, contemporaneously with the execution and delivery of this Agreement:

(i) Noncompetition Agreements with each of Fontana's directors and Executive Officers; and

(ii) Shareholder's Agreements with each of the directors of Fontana.

(m) CVB and Chino Valley shall have received from the Internal Revenue Service favorable rulings to the effect that (i) the Consolidation constitutes a "qualified stock purchase" under Section 338(a) of the Code, (ii) the Merger qualifies as a tax-free reorganization under Section 368(a)(1)(A) of the Code and (iii) the Consolidation and Merger will not result in the recognition of gain or loss for federal income tax purposes by Fontana, CVB, Chino Valley or the Surviving Bank. In lieu of the foregoing rulings or any part thereof, the transactions contemplated in this Agreement may be completed, at CVB's election, upon receipt of an opinion from Manatt, Phelps, Phillips & Kantor, or other legal counsel acceptable to it, to the foregoing effect.

(n) CVB shall have received satisfactory evidence that all Fontana Options have been cancelled and terminated on terms and conditions satisfactory to CVB.

(o) CVB and Chino Valley shall have received satisfactory evidence that all Fontana Employment Agreements, the Fontana Banking Services Agreement and the Fontana Computer Accounting Agreement have been terminated on terms and conditions satisfactory to CVB and Chino Valley.

(p) The Fontana Lease shall have been extended on terms and conditions satisfactory to CVB and Chino Valley.

(q) CVB and Chino Valley shall have received satisfactory evidence that (i) all of Fontana's employee benefit plans, programs and arrangements, including the Fontana Deferred Compensation Plan, have been terminated on terms and conditions satisfactory to CVB and Chino Valley and (ii) all benefits payable under such plans, programs and arrangements have been paid.

(r) CVB and Chino Valley shall have received satisfactory assurances that the Surviving Bank shall have, on and after the Effective Time of the Merger, insurance policies and bonds that are comparable in terms of both coverage and cost to those maintained by or with respect to Chino Valley or its officers and directors prior to the Effective Time of the Merger.

(s) As of the Determination Date, Fontana's allowance for loan losses shall not be less than $245,000. CVB and Chino Valley shall have received a certificate to that effect from Fontana dated as of the Closing Date and executed on behalf of Fontana by its Chief Executive Officer and Chief Financial Officer.

(t) All material legal matters in connection with the consummation of the transactions contemplated hereby, including the Merger, shall have been approved by Manatt, Phelps, Phillips & Kantor or such other counsel of CVB and Chino Valley.

8.3 Additional Conditions to Obligations of Fontana to Close. The obligations of Fontana to consummate the transactions contemplated hereby are subject to the satisfaction or waiver (where permissible) at or prior to the Closing Date of each of the following conditions:

(a) All actions necessary to authorize the execution, delivery and performance of the Agreement by CVB and Chino Valley and consummation of the Consolidation by New Bank shall have been duly and validly taken by the Board of Directors of CVB, Chino Valley and New Bank.

(b) The covenants and agreements of CVB to be performed at or before the Effective Time of the Consolidation shall have been duly performed in all material respects. Fontana shall have received a certificate to that effect dated the Closing Date and executed on behalf of CVB by the Chief Executive Officer and Chief Financial Officer of CVB.

(c) CVB shall have delivered to Fontana the written opinion of Manatt, Phelps, Phillips & Kantor or other legal counsel reasonably acceptable to Fontana, dated the Closing Date in substantially the form attached to this Agreement as Exhibit E.

(d) Cash representing the Aggregate Purchase Price shall have been deposited with the Exchange Agent at least one Business Day prior to the Effective Time of the Consolidation.

(e) All material legal matters in connection with the consummation of the Consolidation shall been approved by Horgan, Rosen, Beckham & Coren, or such other counsel of Fontana.

ARTICLE 9

EMPLOYEE BENEFITS

9.1 Termination of Fontana Employee Benefits Plans. Fontana shall have terminated all employee benefit plans, whether or not included on Schedule 4.18 prior to the Effective Time of the Consolidation and no such employee benefit plans shall become plans of the Consolidated Association or the Surviving Bank.

9.2 Fontana Employee Benefits. At and as of the Effective Time of the Merger, the former officers and employees of Fontana who become officers and employees of the Surviving Bank shall, in that capacity, be entitled to participate in all employee benefits and benefit programs of the Surviving Bank in accordance with the terms of such employee benefit programs. Surviving Bank shall recognize such former officers' and employees' service with Fontana for purposes of eligibility of benefits under such benefit programs, except that no former officer or employee of Fontana shall be deemed to have accrued any rights under the Chino Valley Employee Profit Sharing Plan by reason of past employment by Fontana. Such former employee or officer of Fontana shall commence accruing service for eligibility and vesting purposes under such Profit Sharing Plan beginning on the date he first performs an hour of service for the Surviving Bank.

ARTICLE 10

TERMINATION OF AGREEMENT; WAIVER OF CONDITIONS;
PAYMENT OF EXPENSES; FILINGS AND APPROVALS

10.1 Termination of Agreement.

Anything herein to the contrary notwithstanding, this Agreement, the Consolidation and the Merger contemplated hereby may be terminated at any time before the Effective Time of the Consolidation, whether before or after approval by the shareholders of Fontana and New Bank as follows, and in no other manner:

(a) Mutual Consent. By mutual consent of the Parties.

(b) General Conditions Not Met. By CVB and Chino Valley or Fontana, if any conditions set forth in Section 8.1 shall not have been met by February 28, 1993.

(c) Conditions. By CVB and Chino Valley, if any conditions set forth in Section 8.2 shall not have been met, or by Fontana if any conditions set forth in Section 8.3 shall not have been met, by February 28, 1993 or such earlier time as it becomes apparent that such condition cannot be met.

(d) FRB, Comptroller, FDIC or Superintendent Approval. By CVB and Chino Valley or Fontana, if the FRB or the Comptroller shall have finally declined to approve the Consolidation or by CVB and Chino Valley if

the FDIC or Superintendent shall have finally declined to approve the Merger.

(e) Default.

(i) By CVB and Chino Valley, if Fontana should materially default in the observance or in the due and timely performance of any of its covenants and agreements herein contained (other than Section 6.5) and such default shall not have been fully cured within 20 Business Days after written notice specifying the alleged default.

(ii) By Fontana, if CVB or Chino Valley should materially default in the observance or in the due and timely performance of any of their covenants and agreements herein contained and such default shall not have been fully cured within 20 Business Days after written notice specifying the alleged default.

(f) Alternative Transactions.

(i) By CVB and Chino Valley, at any time, if Fontana violates the covenants set forth in subsections (a), (b) or (c) of Section 6.5.

(ii) By CVB and Chino Valley, at any time, if Fontana has received an unsolicited offer from a Person other than CVB and Chino Valley to effect an Alternative Transaction and takes any action referred to in subsection (b) of Section 6.5 after the Board of Directors of Fontana is advised in writing by outside legal counsel that in the exercise of its fiduciary duty such action should be taken.

(g) Withdrawal of Board Recommendation. By CVB and Chino Valley, at any time, if the Board of Directors of Fontana withdraws its recommendation pursuant to Section 6.7.

(h) Shareholder Non-Approval. By CVB and Chino Valley, at any time, if the approval of the shareholders of Fontana to all of the matters referred to in Section 6.7 is not obtained prior to December 15, 1992.

(i) Expiration Date. By CVB and Chino Valley or Fontana if the Closing has not occurred by February 28, 1993, unless such date is extended by mutual agreement of the Parties (the "Expiration Date").

10.2 Effect of Termination; Liquidated Damages; Expenses.

(a) No termination of this Agreement under this Article 10 for any reason or in any manner shall release, or be construed as so releasing, any Party from its obligations under subsection (b) of this Section 10.2, or Sections 11.8, 11.9 and 11.11 or from any liability or damage to any other Party hereto arising out of, in connection with or

otherwise relating to, directly or indirectly, said Party's material breach, default or failure in performance of any of its covenants, agreements, duties or obligations arising hereunder; provided, however, that, if such termination shall result from (i) an election to terminate by CVB and Chino Valley pursuant to subsection (f)(i) of Section 10.1, Fontana shall pay to CVB and Chino Valley as reasonable and full liquidated damages and reasonable compensation for the loss sustained thereby and not as a penalty or forfeiture, the sum of $500,000, within ten Business Days following the notice that such violation has occurred and (ii) an election to terminate by CVB and Chino Valley pursuant to subsections (f)(ii) or (g) of Section 10.1, Fontana shall pay to CVB and Chino Valley, as reasonable and full liquidated damages and reasonable compensation for the loss sustained thereby and not as a penalty or forfeiture, the sum of $250,000 plus CVB and Chino Valley's out-of-pocket expenses in connection with this Agreement and the transactions contemplated hereby (including, but not limited to, attorney's fees) up to $100,000 within ten Business Days following notice of such election; and provided, further, that if such termination shall result from CVB's willful failure to cause New Bank to consummate the Consolidation on or before the Expiration Date, notwithstanding each and every condition to its obligation to cause New Bank to consummate the Consolidation having been satisfied prior to that date, CVB shall pay to Fontana, (provided Fontana is not otherwise in breach of this Agreement), as full liquidated damages and reasonable compensation for the loss sustained thereby and not as a penalty or forfeiture, the sum of $150,000 within ten Business Days following notice thereof.

Any claim for reimbursement of out-of-pocket expenses pursuant to this Section 10.2(a) shall be subject to reasonable documentation.

(b) Except as otherwise provided in this Section 10.2, all legal and other costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses as indicated below:

(i) all fees and disbursements of their counsel, consultants and accountants shall be paid by CVB and Chino Valley;

(ii) all fees and disbursements of its counsel, consultants and accountants shall be paid by Fontana;

(iii) all fees and out-of-pocket expenses in connection with obtaining approval by shareholders of Fontana of the matters referred to in Section 6.7, including any proxy solicitation costs, shall be paid by Fontana; and

(iv) all filing fees in connection with securing approval of the transactions contemplated in this Agreement by the Comptroller, the FRB, the FDIC and the Superintendent shall be paid by CVB and Chino Valley.

ARTICLE 11

GENERAL

11.1 Amendments. To the fullest extent permitted by law, this Agreement and any schedule or exhibit attached hereto may be amended by agreement in writing of the Parties hereto at any time prior to the Effective Time of the Consolidation, whether before or after approval of this Agreement by the shareholders of Fontana.

11.2 Schedules; Exhibits; Integration. Each schedule, exhibit and letter delivered pursuant to this Agreement shall be in writing and shall constitute a part of the Agreement, although schedules and letters need not be attached to each copy of this Agreement. This Agreement, together with such schedules, exhibits, and letters, constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements and understandings of the Parties in connection therewith. Any representation or warranty made as of the Closing Date shall be deemed to have been made with respect to the schedules, exhibits and letters provided as of the date of this Agreement and not as amended and supplemented pursuant to Sections 4.28 or 6.6 on or before such date.

11.3 Third Parties. Each Party intends that this Agreement shall not benefit or create any right or cause of action in any Person other than the Parties hereto.

11.4 Governing Law. This Agreement and the legal relations between the Parties shall be governed by and construed in accordance with the laws of the State of California applicable to contracts between California parties made and performed in such state except that the provisions of this Agreement with respect to the Consolidation and the Merger shall also be governed by United States law.

11.5 No Assignment. Neither this Agreement nor any rights, duties or obligations hereunder shall be assignable by the Parties, in whole or in part. Any attempted assignment in violation of this prohibition shall be null and void. Subject to the foregoing, all of the terms and provisions hereof shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties hereto.

11.6 Headings. The descriptive headings of the several Articles, Sections and subsections of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

11.7 Counterparts. This Agreement and any exhibit hereto may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more

counterparts have been signed by each Party hereto and delivered to each Party hereto.

11.8 Publicity. The Parties shall coordinate all publicity relating to the transactions contemplated by this Agreement, and no Party shall issue any press release, publicity statement, shareholder communication or other public notice relating to this Agreement or any of the transactions contemplated hereby without obtaining the prior consent of the Parties except to the extent that independent legal counsel to the Parties, as the case may be, shall deliver a written opinion to the Parties that a particular action is required by applicable Rules.

11.9 Confidentiality. All Confidential Information disclosed heretofore or hereafter by any Party to this Agreement to any other Party to this Agreement shall be kept confidential by such other Party and shall not be used by such other Party otherwise than as herein contemplated, except to the extent that (a) it is necessary or appropriate to disclose to the FRB, the Comptroller, the Superintendent, the FDIC or any other Governmental Entity having jurisdiction over Fontana or CVB and Chino Valley or as may otherwise be required by Rule (any disclosure of Confidential Information to a Governmental Entity shall be accompanied by a request that such Governmental Entity preserve the confidentiality of such Confidential Information); or (b) to the extent such duty as to confidentiality is waived by the other Party. Such obligation as to confidentiality and non-use shall survive the termination of this Agreement pursuant to Article 10. In the event of such termination and on request of another Party, each Party shall use all reasonable efforts to (y) return to the other Parties all documents (and reproductions thereof) received from such other Parties that contain Confidential Information (and, in the case of reproductions, all such reproductions made by the receiving Party); and (z) destroy the originals and all copies of any analyses, computations, studies or other documents prepared for the internal use of such Party that include Confidential Information.

11.10 Waiver. No waiver of any term, provision or condition of this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, provision or condition of this Agreement.

11.11 Notices. Any notice or communication required or permitted hereunder, including, without limitation, supplemental schedules required under Section 6.6, shall be deemed to have been given if in writing and (a) delivered in person, (b) delivered by confirmed facsimile transmission or (c) mailed by certified or registered mail, postage prepaid, with return receipt requested, addressed as follows:

If to CVB and Chino Valley addressed to:

CVB Financial Corp.
701 N. Haven Avenue, Suite 350

Ontario, California 91764
Attention: D. Linn Wiley
Telecopier No.: (714) 980-5232

With a copy addressed to:

Manatt, Phelps, Phillips & Kantor
11355 West Olympic Boulevard
Los Angeles, California 90064
Attn: William T. Quicksilver, Esq.
Telecopier No.: (310) 312-4224

If to Fontana addressed to:

Fontana First National Bank
9244 Sierra Avenue
Fontana, California 92334
Attention: Fred O. Scarsella
Telecopier No.: (714) 350-0587

With a copy addressed to:

Horgan, Rosen, Beckham & Coren
3900 W. Alameda
Suite 2000
Toluca Lake, California 91505
Attention: Gary Horgan
Telecopier No.: (818) 955-7300

or at such other address and to the attention of such other Person as a Party may give notice to the others in accordance with this Section 11.11. Any such notice or communication shall be deemed received on the date delivered personally or delivered by confirmed facsimile transmission or on the third Business Day after it was sent by certified or registered mail, postage prepaid with return receipt requested.

11.12 Knowledge. Whenever any statement herein or in any Schedule, certificate or other documents delivered to any Party pursuant to this Agreement is made "to the knowledge" or "to the best knowledge" of any Party or another Person, such Party or other Person shall make such statement only after conducting an investigation reasonable under the circumstances of the subject matter thereof, and each such statement shall constitute a representation that such investigation has been conducted.

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

CVB FINANCIAL CORP.

By /s/ D. Linn Wiley
President and Chief Executive Officer

ATTEST:

Secretary /s/ Donna Marchesi

CHINO VALLEY BANK

By /s/ D. Linn Wiley
President and Chief Executive Officer

ATTEST:

Secretary /s/ Donna Marchesi

FONTANA FIRST NATIONAL BANK

By /s/ Fred O. Scharsella
President and Chief Executive Officer

ATTEST:

Secretary /s/ Tamara J. Wolfinbarger

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EXHIBIT A-1

AGREEMENT TO CONSOLIDATE
between

CVB INTERIM STATE BANK
and
FONTANA FIRST NATIONAL BANK

Under the charter of
Fontana First National Bank

and

Under the title of
Fontana First National Bank

THIS AGREEMENT TO CONSOLIDATE made between CVB INTERIM STATE BANK (hereinafter referred to as "New Bank"), a banking corporation organized under the laws of the State of California, being located at 9244 Sierra Avenue in the City of Fontana, County of San Bernardino, State of California, with initial capital of $, divided into 40,000 shares of common stock ("New Bank Stock"), each of no par value, and FONTANA FIRST NATIONAL BANK (hereinafter referred to as "Fontana"), a banking association organized under the laws of the United States, being located at 9244 Sierra Avenue, in the City of Fontana, County of San Bernardino, in the State of California, with capital of $1,728,500, divided into 345,700 shares of common stock ("Fontana Stock"), each of $5.00 par value, surplus of $ and undivided profits, including capital reserves, of $, as of September 30, 1 992, each acting pursuant to a resolution of its board of directors, adopted by the vote of a majority of its directors, pursuant to the authority given by and in accordance with the provisions of the Act of November 7, 1 918, as amended (1 2 U.S.C., Section 21 5), witnesseth as follows:

Section 1 . New Bank and Fontana (hereinafter referred to as the "Consolidating Banks") shall be consolidated under the charter of Fontana. The closing of the transactions contemplated hereby (the "Closing") shall take place at the offices of Manatt, Phelps, Phillips & Kantor, 1 1 355 W. Olympic Boulevard, Los Angeles, California on the date fixed therefor pursuant to Section 3.1 of the Reorganization Agreement (as defined below).

Section 2. The name of the consolidated association (hereinafter referred to as the "Consolidated Association") shall be Fontana First National Bank."

Section 3. The business of the Consolidated Association shall be that of a national banking association. This business shall be conducted by the

Consolidated Association at its main office which shall be located at 9244 Sierra Avenue, Fontana, California.

Section 4. The amount of capital stock of the Consolidated Association shall be $200,000.00, divided into 40,000 shares of common stock, each of $ 5.00 par value, and at the time the consolidation shall become effective as specified in the approval to be issued

by the Comptroller of the Currency, (the "Effective Time of the Consolidation"), the Consolidated Association shall have a surplus of $40,000 and undivided profits, including capital reserves, which when combined with the Consolidated Association's capital and surplus will be equal to the combined capital structures of the Consolidating Banks as stated in the preamble of this Agreement, adjusted, however, for normal earnings and expenses between September 30, 1 992 and the Effective Time of the Consolidation.

Section 5. All assets of each of the Consolidating Banks, as they exist at the Effective Time of the Consolidation, shall pass to and vest in the Consolidated Association without any conveyance or other transfer. The Consolidated Association shall be responsible for all of the liabilities of every kind and description of each of the Consolidating Banks existing as of the Effective Time of the Consolidation.

Section 6. Upon and as of the Effective Time of the Consolidation, and by reason of the consolidation becoming effective, (i) each share of Fontana Stock issued and outstanding immediately prior to the Effective Time of the Consolidation, except for shares as to which dissenters' rights are perfected pursuant to 1 2 U.S.C. section 21 5 ("Perfected Dissenting Shares"), shall be automatically converted into the right to receive an amount equal to the quotient obtained by dividing (A) the Aggregate Purchase Price determined in accordance with the First Amended and Restated Agreement and Plan of Reorganization (the "Reorganization Agreement") dated as of October -, 1 992 by and between CVB Financial Corp., Chino Valley Bank and Fontana First National Bank, by (B) the total number of shares of Fontana Stock outstanding immediately prior to the Effective Time of the Consolidation (including Perfected Dissenting Shares) and (ii) each share of the New Bank Stock issued and outstanding immediately prior to the Effective Time of the Consolidation, except for Perfected Dissenting Shares, shall be automatically converted into one share of the common stock, $5.00 par value, of the Consolidated Association.

Section 7. Neither of the Consolidating Banks shall declare or pay any dividend to its shareholders between the date of this Agreement and the time at which the consolidation shall be effective, or dispose of any of its assets in any other manner except in the normal course of business and for adequate value.

Section 8. The following named persons shall constitute the original board of directors of the Consolidated Association until the next annual meeting of its shareholders or until such time as their successors have been elected and qualify:

George A. Borba Charles M. Magistro
John A. Borba John Vander Schaaf
Ronald 0. Kruse D. Linn Wiley
John J. Lo Porto

Section 9. On and after the Effective Time of the Consolidation the articles of association of the Consolidated Association shall read in their entirety as set forth in Exhibit I hereto.

Section 1 0. The obligations of New Bank to proceed with the Closing are subject to the satisfaction at or prior to the Closing of all of the conditions to the obligations of CVB Financial Corp. under the Reorganization Agreement, any one or more of which, to the extent it is or they are 'waivable, may be waived, in whole or in part, by New Bank.

Section 1 1. The obligations of Fontana to proceed with the Closing are subject to the satisfaction at or prior to the Closing of all of the conditions to the obligations of Fontana under the Reorganization Agreement, any one or more of which, to the extent it is or they are waivable, may be waived, in whole or in part, by Fontana.

Section 1 2. Notwithstanding any provision to the contrary herein, and notwithstanding the fact that the stockholders of Fontana and New Bank may have ratified and confirmed this Agreement, this Agreement shall automatically be terminated and of no further force and effect if, prior to the Effective Time of the Consolidation, the Reorganization Agreement is terminated in accordance with the terms thereof.

Section 1 3. This Agreement shall be ratified and confirmed by the affirmative vote of shareholders of each of the Consolidating Banks owning at least two-thirds of its capital stock outstanding, at a meeting to be held on the call of the directors; and the consolidation shall become effective immediately prior to the effective time of the merger of the Consolidated Association with and into Chino Valley Bank on the date specified in an approval of consolidation to be issued by the Comptroller of the Currency of the United States.

Section 1 4. New Bank and Fontana agree that solely for the purpose of completing the merger of the Consolidated Association with and into Chino Valley Bank or obtaining any necessary regulatory approval therefor or approving, signing, ratifying or confirming any related merger agreement or conferring any necessary or appropriate corporate authority related thereto or taking any other corporate act or satisfying any other corporate requirement necessary therefor, the board of directors of the Consolidated Association, as it will be constituted upon the effectiveness of the consolidation, may act as such in advance of such effectiveness, and CVB Financial Corp., the shareholder of the Consolidated Association upon such effectiveness, may act as such in advance of such effectiveness.

WITNESS the signatures and seals of said Consolidating Banks, each hereunto set by its president or a vice president and attested by its cashier or secretary, pursuant to a resolution of its board of directors, acting by a majority thereof, and witness the signature hereto of a majority of each of said boards of directors:

[SEAL]

Attest:

CVB INTERIM STATE BANK

By:
D. Linn Wiley
President

Robert J. Schurheck
Chief Financial Officer

Directors of CVB Interim State Bank

George A. Borba John J. Lo Porto

John A. Borba Charles M. Magistro

Ronald 0. Kruse

D. Linn Wiley

John Vander Schaaf

[SEAL]

Attest:

Roger J. Harris Cashier

G. Gary Clinard

Howard Edmiston

Anthony N. Finazzo

William G. Kellen

FONTANA FIRST NATIONAL BANK

By:
Fred 0. Scarsella President

Directors of Fontana First National Bank

Tamara Wolfinbarger

Dr. William F. Kragness

Dr. Allan G. Milew

Eugene L. Milew

Kenneth L. Roohr

EXHIBIT A-2

AGREEMENT OF MERGER

THIS AGREEMENT OF MERGER (the "Merger Agreement") is made and entered into as of this day of , 1 992, by and between Chino Valley Bank ("Chino Valley"), a California banking corporation, and Fontana First National Bank ("Fontana"), with reference to the following facts:

RECITALS

1 .Fontana is a national banking association duly organized, validly existing and in good standing under the laws of the United States and is authorized by the Comptroller of the Currency to conduct a general banking business, with authorized capital of shares of no par value common stock ("Fontana Stock") of which, on the date hereof, there are shares issued and outstanding.

2.Chino Valley is a corporation duly organized, validly existing and in good standing under the laws of the State of California, with authorized capital of shares of common stock ("Chino Valley Stock") of which, on the date hereof, there are shares issued and outstanding.

3.The respective Boards of Directors of Chino Valley and Fontana deem it desirable and in the best interests of their respective corporations and stockholders that Fontana be merged with and into the Chino Valley as provided in this Merger Agreement pursuant to the laws of the State of California and that Chino Valley be the surviving corporation ("Surviving Bank").

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein set forth and for the purpose of prescribing the terms and conditions of such Merger, the parties hereto agree as follows:

ARTICLE I
THE MERGER

Upon consummation of the Merger at the Effective Time (as defined in Article IX hereof), Fontana shall be merged with and into Chino Valley which shall thereupon be the Surviving Bank, and the separate corporate existence of Fontana shall cease.

ARTICLE 11
NAME

The name of the Surviving Bank shall be "Chino Valley Bank."

ARTICLE Ill
ARTICLES OF INCORPORATION

The Articles of Incorporation of Chino Valley as in effect immediately prior to the Effective Time shall, at and after the Effective Time, continue to be the Articles of Incorporation of the Surviving Bank.

ARTICLE IV
BYLAWS

The Bylaws of Chino Valley as in effect immediately prior to the Effective Time shall, at and after the Effective Time, continue to be the Bylaws of the Surviving Bank.

ARTICLE V
DIRECTORS

The Board of Directors of Chino Valley immediately prior to the Effective Time, shall, at and after the Effective Time, serve as the Directors of the Surviving Bank until its next annual meeting of shareholders or until such time as their successors have been elected and qualified.

ARTICLE Vi
RIGHTS AND DUTIES OF SURVIVING BANK

At and after the Effective Time, all rights, privileges, powers and franchises and all property and assets of every kind and description of Chino Valley and Fontana shall be vested in and be held and enjoyed by the Surviving Bank, without further act or deed, and all the estates and interests of every kind of Chino Valley and Fontana, including all debts due to either of them, shall be as effectively the property of the Surviving Bank as they were of Chino Valley and Fontana, and the title to any real estate vested by deed or otherwise in either Chino Valley or Fontana shall not revert or be in any way impaired by reason of the Merger; and all rights of creditors and liens upon any property of Chino Valley and Fontana shall be preserved unimpaired and all debts, liabilities and duties of Chino Valley and Fontana shall be debts, liabilities and duties of the Surviving Bank and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by it.

ARTICLE VII
CONVERSION OF SHARES

In and by virtue of the Merger and at the Effective Time, pursuant to this Merger Agreement, the shares of Chino Valley Stock and Fontana Stock outstanding at the Effective Time shall be converted as follows:

(a) Effect on Chino Valley Stock. Each share of Chino Valley Stock issued and outstanding immediately prior to the Effective Time shall, on and after the Effective Time, be converted into and for all purposes be deemed to represent one share of common stock of the Surviving Bank ("Surviving Bank Stock").

(b) Effect on Fontana Stock. Each share of Fontana Stock issued and outstanding immediately prior to the Effective Time shall be automatically cancelled and cease to be an issued and outstanding share of Fontana Stock.

ARTICLE VIII
FURTHER ACTION

The parties hereto shall execute and deliver, or cause to be executed and delivered, all such deeds and other instruments, and will take or cause to be taken all further or other action as they may deem necessary or desirable, in order to vest in and confirm to the Surviving Bank title to and possession of all of Chino Valley's and Fontana's property, rights, privileges, powers and franchises hereunder, and otherwise to carry out the intent and purposes of this Merger Agreement.

ARTICLE IX
EFFECTIVE TIME

The Merger will become effective upon the filing, in accordance with Section 2094 of the California Financial Code, of a copy of this Merger Agreement (bearing the certification of the Secretary of State of the State of California) and all other requisite accompanying certificates in the office of the California Superintendent of Banks (the "Superintendent"). The date and time of such filing with the Superintendent is referred to herein as to the "Effective Time".

ARTICLE Xi
SUCCESSORS AND ASSIGNS

This Merger Agreement shall be binding upon and enforceable by the parties hereto and their respective successors, assigns and transferees, but this Merger Agreement may not be assigned by either party without the written consent of the other.

ARTICLE XII
GOVERNING LAW

This Merger Agreement has been executed in the State of California, and the laws of the State of California shall govern the validity and interpretation hereof and the performance by the parties hereto.

ARTICLE XIII
TERMINATION

This Merger Agreement may, by the mutual consent and action of the Boards of Directors of Chino Valley and Fontana, be abandoned at any time before or after approval

thereof by the shareholders of Chino Valley and Fontana, but not later than the filing of this Merger Agreement with the Superintendent pursuant to Section 2094 of the California Financial Code.

IN WITNESS WHEREOF, Chino Valleyand Fontana, pursuant to the approval and authority duly given by resolution of their respective Board of Directors, have caused this Merger Agreement to be signed by their respective Presidents and Secretaries on the day and year first above written.

CHINO VALLEY BANK

By:
President

Secretary

FONTANA FIRST NATIONAL BANK

By:
President

Secretary

EXHIBIT B-1

FIRST AMENDED AND RESTATED NONCOMPETITION AGREEMENT

THIS FIRST AMENDED AND RESTATED NONCOMPETITION AGREEMENT ("Agreement"), dated as of October ___, 1992, is entered into by and between CVB Financial Corp., a California corporation ("CVB"), Chino Valley Bank, a California state chartered bank ("Chino Valley"), and _____ ("Shareholder").

R E C I T A L S

A. CVB, Chino Valley and Fontana First National Bank, a national banking association ("Fontana") entered into that certain Agreement and Plan of Reorganization, dated as of May 13, 1992 (the "Original Reorganization Agreement").

B. Shareholder is a beneficial shareholder, director and/or Executive Officer of Fontana.

C. As an inducement to CVB and Chino Valley to enter into the Original Reorganization Agreement, Shareholder agreed to refrain from competing with, using trade secrets or soliciting customers or employees of Fontana or any of its successors (the "Original Noncompetition Agreement").

D. CVB, Chino Valley and Fontana have agreed to amend certain of the terms and provisions of and, as amended, to restate the Original Reorganization Agreement (as amended and restated, the "Reorganization Agreement").

E. The parties now desire to amend certain of the terms and provisions of the Original Noncompetition Agreement to conform to the amendments to the Reorganization Agreement.

F. Except as otherwise provided herein, each capitalized term shall have the meaning given to such term in the Reorganization Agreement. As used in this Agreement, the following terms shall have the meanings set forth:

"Customer" shall mean any Person with whom Fontana has an existing relationship for Financial Services (as defined below) from the date of the Original Reorganization Agreement until immediately prior to the Effective Time of the Consolidation.

"Enterprises" shall mean any of the businesses conducted by Fontana at any time from the date of the Original Reorganization Agreement until immediately prior to the Effective Time of the Consolidation.

"Financial Institution" shall mean a "depository institution" as that term is defined in 12 C.F.R. Section 348.2, and any parent, subsidiary or affiliate thereof.

"Financial Services" shall mean the origination, purchasing, selling and servicing of commercial, real estate, residential, construction and consumer loans and the solicitation and provision of deposit services and services related thereto.

"Prospective Customer" shall mean any Person with whom Fontana has actively pursued a relationship for Financial Services at any time between the date of the Original Reorganization Agreement and the Effective Time of the Merger.

"Trade Secrets" shall mean:

(a) All secrets and other confidential information, ideas, knowledge, know-how, techniques, secret processes, improvements, discoveries, methods, inventions, sales, financial information, Customers, lists of Customers and Prospective Customers, plans, concepts, strategies or products, as well as all documents, reports, drawings, designs, plans and proposals otherwise pertaining to same or relating to the business and properties of Fontana of which Shareholder has acquired, or may hereafter acquire, knowledge and possession as a shareholder, director, officer or employee or as a result of the transactions contemplated by the Reorganization Agreement.

(b) Notwithstanding any other provisions of this Agreement to the contrary, "Trade Secrets" shall not include any (i) information which is or has become available from a third party who learned the information independently and is not or was not bound by a confidentiality agreement with respect to such information; or (ii) information readily ascertainable from public, trade or other nonconfidential sources (other than as a result, directly or indirectly, of a disclosure or other dissemination in contravention of a confidentiality agreement).

NOW, THEREFORE, in consideration of the premises and respective representations, warranties and covenants, agreements and conditions contained herein and in the Reorganization Agreement, and intending to be legally bound hereby, CVB and Chino Valley and Shareholder agree as follows:

NOTE: Paragraph definition put in for legal numbering combined with regular numbering. MUST PUT IN PARAGRAPH LEVEL. Definition is as follows:

Level:	1	2	3	4	5	6	7
Style:	4	5	3	1	2	4	3
Punct:	1	0	3	3	3	3	1
Ex:	I	1.1	(a)	(i)	(A)	(1)	a.ARTICLE I

ACKNOWLEDGEMENTS BY SHAREHOLDER

Shareholder acknowledges that:

(a) CVB and Chino Valley would not enter into the Reorganization Agreement unless Shareholder agrees not to enter into an activity that is competitive with or similar to the Enterprises as provided in this Agreement and that, accordingly, this Agreement is a material inducement for CVB and Chino Valley to enter into and to carry out the terms of the Reorganization Agreement. Accordingly, Shareholder expressly acknowledges that he is entering into this Agreement to induce CVB and Chino Valley to enter into and carry out the terms of the Reorganization Agreement and to cause New Bank to enter into the Agreement to Consolidate pursuant thereto.

(b) By virtue of his position with Fontana, Shareholder has developed considerable expertise in the business operations of Fontana and has access to Trade Secrets. Shareholder recognizes that CVB and Chino Valley would be irreparably damaged, and its substantial investment in Fontana materially impaired, if Shareholder were to enter into an activity that is competitive with or similar to the Enterprises in violation of the terms of this Agreement, if Shareholder were to disclose or make unauthorized use of any Trade Secrets or if Shareholder were to solicit Customers, Prospective Customers or employees of Fontana. Accordingly, Shareholder expressly acknowledges that he is voluntarily entering into this Agreement and that the terms and conditions of this Agreement are fair and reasonable to Shareholder in all respects.

ARTICLE II
NONCOMPETITION

2.1 Noncompetition. For a period of two years after the Effective Time of the Consolidation, Shareholder shall not, directly or indirectly, without the prior written consent of CVB and Chino Valley or the Surviving Bank (i) own, manage, operate, control, finance or participate in the ownership, management, operation, control or financing of, or be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise with, any business or enterprise engaged in any business which is competitive with or similar to the Enterprises within the County of San Bernardino, State of California (the "Territory"); (ii) engage in any other manner, within the Territory, in any business that is competitive with or similar to the Enterprises; or (iii) on behalf of any Financial Institution, solicit or aid in the solicitation of Customers or Prospective Customers for Financial Services or induce or attempt to induce any Person who is a Customer, Prospective Customer, supplier, distributor, officer or employee of Fontana immediately prior to the Effective Time of the Consolidation to terminate such person's relationships with, or to take any action that would be disadvantageous to CVB and Chino Valley or the Surviving Bank. Notwithstanding the above, Shareholder shall not be deemed to be engaged directly or indirectly in any business in contravention of paragraphs (i) or (ii) above, if (y) Shareholder participates in any such business solely (A) as an officer or

director of the Surviving Bank or (B) as a passive investor in up to 5% of the equity securities or 10% of the debt securities of a company or partnership, provided such securities are publicly traded or (z) Shareholder is employed by a business or enterprise that is engaged primarily in a business other than that which is competitive with or similar to the Enterprises and Shareholder does not apply his expertise at such business or enterprise to that part of such business or enterprise that is competitive with or similar to the Business or the Enterprises.

2.2 Trade Secrets. Without limiting the generality of the foregoing and at all times after the date hereof, other than for the benefit of Fontana and, after the Effective Time of the Consolidation, other than for the benefit of the Surviving Bank, Shareholder (i) shall make no use of the Trade Secrets, or any other part thereof, (ii) shall not disclose the Trade Secrets, or any part thereof, to any other Person, and (iii) shall deliver, on and after the Effective Time of the Consolidation, all documents, reports, drawings, designs, plans, proposals and other tangible evidence of Trade Secrets, now possessed or hereafter acquired by Shareholder, to the Surviving Bank.

2.3 Exceptions. Notwithstanding any provision of this Agreement to the contrary, Shareholder may disclose or reveal any information, whether including in whole or in part any Trade Secrets, that

(a) Shareholder is required to disclose or reveal under any applicable Rule, provided Shareholder makes a good faith request that the confidentiality of the Trade Secrets be preserved and, to the extent not prohibited by applicable Rules, gives CVB and Chino Valley prompt notice of such requirement in advance of such disclosure;

(b) Shareholder is otherwise required to disclose or reveal by any Governmental Entity, provided Shareholder makes a good faith request that the confidentiality of the Trade Secrets be preserved and, to the extent not prohibited by applicable Rules, gives CVB and Chino Valley prompt notice of such requirement in advance of such disclosure; or

(c) In the opinion of Shareholder's counsel, Shareholder is compelled to disclose or else stand liable for contempt or suffer other censure or penalty imposed by any Governmental Entity, provided Shareholder makes a good faith request that the confidentiality of the Trade Secrets be preserved and, to the extent not prohibited by applicable Rules, gives CVB and Chino Valley prompt notice of such requirement in advance of such disclosure.

ARTICLE III
INDEPENDENCE OF OBLIGATIONS

The covenants of Shareholder set forth in this Agreement shall be construed as independent of any other agreement or arrangement between Shareholder, on the one hand, and CVB and Chino Valley on the other, and

the existence of any claim or cause of action by Shareholder against Fontana or CVB and Chino Valley, shall not constitute a defense to the enforcement of such covenants against Shareholder.

ARTICLE IV
GENERAL

4.1 Amendments. To the fullest extent permitted by law, this Agreement may be amended by agreement in writing of the parties hereto at any time.

4.2 Integration. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and (except for an agreement in the form of the Shareholder's Agreement attached as Exhibit C to the Reorganization Agreement (if executed by Shareholder)) supersedes all prior agreements and understandings of the parties in connection therewith.

4.3 Termination.

(a) This Agreement shall terminate automatically without further action in the event that the Reorganization Agreement is terminated prior to the Effective Time of the Consolidation in accordance with its terms.

(b) Unless sooner terminated pursuant to subsection (a) of this Section 4.3, the obligations of Shareholder under Section 2.1 shall terminate on the second anniversary of the Effective Time of the Consolidation.

(c) Unless sooner terminated under subsection (a) of this Section 4.3, and except as provided in subsection (b) of this Section 4.3, the obligations of Shareholder under this Agreement shall terminate only on the mutual agreement of Shareholder and CVB and Chino Valley or the Surviving Bank.

4.4 Specific Performance. Shareholder, CVB and Chino Valley each expressly acknowledge that, in view of the uniqueness of the obligations of Shareholder contemplated hereby, CVB and Chino Valley would not have an adequate remedy at law for money damages in the event that this Agreement has not been performed by Shareholder in accordance with its terms, and therefore Shareholder, CVB and Chino Valley agree that CVB and Chino Valley shall be entitled to specific enforcement of the terms hereof in addition to any other remedy to which it may be entitled at law or in equity.

4.5 Severability, etc. If any provision of this Agreement shall be held by a court of competent jurisdiction to be unreasonable as to duration, activity or subject, it shall be deemed to extend only over the maximum duration, range of activities or subjects as to which such provision shall be valid and enforceable under applicable law. If any

provisions shall, for any reason, be held by a court of competent jurisdiction to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

4.6 Notices. Any notice or communication required or permitted hereunder, shall be deemed to have been given if in writing and (a) delivered in person, (b) delivered by confirmed facsimile transmission or (c) mailed by certified or registered mail, postage prepaid with return receipt requested, addressed as follows:

If to CVB and Chino Valley addressed to:

CVB Financial Corp.
701 North Haven Avenue
Suite 350
Ontario, California 91764
Attention: D. Linn Wiley
Telecopier No.: (714) 980-5232

With a copy addressed to:

Manatt, Phelps, Phillips & Kantor
11355 W. Olympic Boulevard
Los Angeles, California 90064
Attention: William T. Quicksilver
Telecopier No.: (310) 312-4224

If to Shareholder, addressed to:

_____
_____
_____
_____

With a copy addressed to:

Horgan, Rosen, Beckham & Coren
3900 W. Alameda
Suite 2000
Toluca Lake, California 90802
Attention: Gary Horgan
Telecopier No.: (818) 955-7300

or at such other address and to the attention of such other Person as a party may notice to the other in accordance with this section 4.6. Any such notice or communication shall be deemed received on the date delivered personally or delivered by confirmed facsimile transmission or on the third

Business Day after it was sent by certified or registered mail, postage prepaid with return receipt requested.

4.7 Waiver of Breach. Any failure or delay by CVB and Chino Valley in enforcing any provision of this Agreement shall not operate as a waiver thereof; and the waiver by CVB and Chino Valley of a breach of any provision of this Agreement by Shareholder shall not operate or be construed as a waiver of any subsequent breach or violation thereof. All waivers shall be in writing and signed by the party to be bound.

4.8 Assignment. This Agreement shall be assignable by CVB and Chino Valley only in connection with a sale of all or substantially all its assets or a merger or reorganization in which it is not the surviving corporation. Any attempted assignment in violation of this prohibition shall be null and void.

4.9 Binding Effect; Benefit to Successors. This Agreement shall be binding upon Shareholder and upon Shareholder's successors and representatives and shall inure to the benefit of CVB and Chino Valley and their successors, representatives and assigns.

4.10 Governing Law. The Agreement and the legal relations between the parties shall be governed by and construed in accordance with the laws of the State of California applicable to contracts between California parties made and performed in such State.

4.11 Headings. The descriptive headings of the several Articles and Sections of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

4.12 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party hereto and delivered to each party hereto.

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

CVB FINANCIAL CORP.

By:

Title:

CHINO VALLEY BANK

By:

Title:

SHAREHOLDER

(Shareholder's Name)

EXHIBIT B-2

FIRST AMENDED AND RESTATED NONCOMPETITION AGREEMENT

THIS FIRST AMENDED AND RESTATED NONCOMPETITION AGREEMENT ("Agreement"), dated as of October ___, 1992, is entered into by and between CVB Financial Corp., a California corporation ("CVB"), Chino Valley Bank, a California state chartered bank ("Chino Valley"), and _____ ("Shareholder").

R E C I T A L S

A. CVB, Chino Valley and Fontana First National Bank, a national banking association ("Fontana") entered into that certain Agreement and Plan of Reorganization ("Reorganization Agreement"), dated as of May 13, 1992 (the "Original Reorganization Agreement").

B. Shareholder is a beneficial shareholder, director and/or Executive Officer of Fontana.

C. As an inducement to CVB and Chino Valley to enter into the Original Reorganization Agreement, Shareholder agreed to refrain from using trade secrets or soliciting customers or employees of Fontana or any of its successors (the "Original Noncompetition Agreement").

D. CVB, Chino Valley and Fontana have agreed to amend certain of the terms and provisions of and, as amended, to restate the Original Reorganization Agreement (as amended and restated, the "Reorganization Agreement").

E. The parties now desire to amend certain of the terms and provisions of the Original Noncompetition Agreement to conform to the amendments to the Reorganization Agreement.

F. Except as otherwise provided herein, each capitalized term shall have the meaning given to such term in the Reorganization Agreement. As used in this Agreement, the following terms shall have the meanings set forth:

"Customer" shall mean any Person with whom Fontana has an existing relationship for Financial Services (as defined below) from the date of the Original Reorganization Agreement until immediately prior to the Effective Time of the Consolidation.

"Enterprises" shall mean any of the businesses conducted by Fontana at any time from the date of the Original Reorganization Agreement until immediately prior to the Effective Time of the Consolidation.

"Financial Institution" shall mean a "depository institution" as that term is defined in 12 C.F.R. Section 348.2, and any parent, subsidiary or affiliate thereof.

"Financial Services" shall mean the origination, purchasing, selling and servicing of commercial, real estate, residential, construction and consumer loans and the solicitation and provision of deposit services and services related thereto.

"Prospective Customer" shall mean any Person with whom Fontana has actively pursued a relationship for Financial Services at any time between the date of the Original Reorganization Agreement and the Effective Time of the Consolidation.

"Trade Secrets" shall mean:

(a) All secrets and other confidential information, ideas, knowledge, know-how, techniques, secret processes, improvements, discoveries, methods, inventions, sales, financial information, Customers, lists of Customers and Prospective Customers, plans, concepts, strategies or products, as well as all documents, reports, drawings, designs, plans and proposals otherwise pertaining to same or relating to the business and properties of Fontana of which Shareholder has acquired, or may hereafter acquire, knowledge and possession as a shareholder, director, officer or employee or as a result of the transactions contemplated by the Reorganization Agreement.

(b) Notwithstanding any other provisions of this Agreement to the contrary, "Trade Secrets" shall not include any (i) information which is or has become available from a third party who learned the information independently and is not or was not bound by a confidentiality agreement with respect to such information; or (ii) information readily ascertainable from public, trade or other nonconfidential sources (other than as a result, directly or indirectly, of a disclosure or other dissemination in contravention of a confidentiality agreement).

NOW, THEREFORE, in consideration of the premises and respective representations, warranties and covenants, agreements and conditions contained herein and in the Reorganization Agreement, and intending to be legally bound hereby, CVB and Chino Valley and Shareholder agree as follows:

NOTE: Paragraph definition put in for legal numbering combined with regular numbering. MUST PUT IN PARAGRAPH LEVEL. Definition is as follows:

Level:	1	2	3	4	5	6	7
Style:	4	5	3	1	2	4	3

Punct: 1 0 3 3 3 3 1
Ex: I 1.1 (a) (i) (A) (1) a.ARTICLE I
ACKNOWLEDGEMENTS BY SHAREHOLDER

Shareholder acknowledges that:

(a) CVB and Chino Valley would not enter into the Reorganization Agreement unless Shareholder agrees not to enter into an activity that is competitive with or similar to the Enterprises as provided in this Agreement, or to solicit or aid in the solicitation of, on behalf of any Financial Institution, Customers or Prospective Customers for Financial Services as provided in this Agreement and that, accordingly, this Agreement is a material inducement for CVB and Chino Valley to enter into and to carry out the terms of the Reorganization Agreement. Accordingly, Shareholder expressly acknowledges that he is entering into this Agreement to induce CVB and Chino Valley to enter into and carry out the terms of the Reorganization Agreement and to cause New Bank to enter into the Agreement to Consolidate pursuant thereto.

(b) By virtue of his position with Fontana, Shareholder has developed considerable expertise in the business operations of Fontana and has access to Trade Secrets. Shareholder recognizes that CVB and Chino Valley would be irreparably damaged, and its substantial investment in Fontana materially impaired, if Shareholder were enter into an activity that is competitive with the Enterprises in violation of the terms of this Agreement, if Shareholder were to disclose or make unauthorized use of any Trade Secrets or if Shareholder were to solicit or aid in the solicitation of, on behalf of any Financial Institution, Customers or Prospective Customers of Fontana for Financial Services. Accordingly, Shareholder expressly acknowledges that he is voluntarily entering into this Agreement and that the terms and conditions of this Agreement are fair and reasonable to Shareholder in all respects.

ARTICLE II
NONCOMPETITION

2.1 Noncompetition. For a period of two years after the Effective Time of the Consolidation, Shareholder shall not, directly or indirectly, without the prior written consent of CVB and Chino Valley or the Surviving Bank (i) own, manage, operate, control, finance or participate in the ownership, management, operation, control or financing of, or be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise with, any business or enterprise engaged in any business which is competitive with or similar to the Enterprises within the City of Fontana, in the County of San Bernardino, State of California (the "Territory"); (ii) engage in any other manner, within the Territory, in any business that is competitive with or similar to the Enterprises; or (iii) on behalf of any Financial Institution, solicit or aid in the solicitation of Customers or Prospective Customers for Financial Services or induce or attempt to induce any Customer,

Prospective Customer, suppliers, distributors, officers or employees to terminate such Person's relationships with, or to take any action that would be disadvantageous to CVB and Chino Valley or the Surviving Bank. Notwithstanding the above, Shareholder shall not be deemed to be engaged directly or indirectly in any business in contravention of paragraphs (i) or (ii) above, if (y) Shareholder participates in any such business solely (A) as an officer or director of the Surviving Bank or (B) as a passive investor in up to 5% of the equity securities or 10% of the debt securities of a company or partnership, provided such securities are publicly traded or (z) Shareholder is employed by a business or enterprise that is engaged primarily in a business other than that which is competitive with or similar to the Enterprises and Shareholder does not apply his expertise at such business or enterprise to that part of such business or enterprise that is competitive with or similar to the Enterprises.

2.2 Trade Secrets. Without limiting the generality of the foregoing and at all times after the date hereof, other than for the benefit of Fontana and, after the Effective Time of the Consolidation, other than for the benefit of the Surviving Bank, Shareholder (i) shall make no use of the Trade Secrets, or any other part thereof, (ii) shall not disclose the Trade Secrets, or any part thereof, to any other Person, and (iii) shall deliver, on and after the Effective Time of the Consolidation, all documents, reports, drawings, designs, plans, proposals and other tangible evidence of Trade Secrets, now possessed or hereafter acquired by Shareholder, to the Surviving Bank.

2.3 Exceptions. Notwithstanding any provision of this Agreement to the contrary, Shareholder may disclose or reveal any information, whether including in whole or in part any Trade Secrets, that:

(a) Shareholder is required to disclose or reveal under any applicable Rule, provided Shareholder makes a good faith request that the confidentiality of the Trade Secrets be preserved and, to the extent not prohibited by applicable Rules, gives CVB and Chino Valley prompt notice of such requirement in advance of such disclosure;

(b) Shareholder is otherwise required to disclose or reveal by any Governmental Entity, provided Shareholder makes a good faith request that the confidentiality of the Trade Secrets be preserved and, to the extent not prohibited by applicable Rules, gives CVB and Chino Valley prompt notice of such requirement in advance of such disclosure; or

(c) In the opinion of Shareholder's counsel, Shareholder is compelled to disclose or else stand liable for contempt or suffer other censure or penalty imposed by any Governmental Entity, provided Shareholder makes a good faith request that the confidentiality of the Trade Secrets be preserved and, to the extent not prohibited by applicable Rules, gives CVB and Chino Valley prompt notice of such requirement in advance of such disclosure.

ARTICLE III
INDEPENDENCE OF OBLIGATIONS

The covenants of Shareholder set forth in this Agreement shall be construed as independent of any other agreement or arrangement between Shareholder, on the one hand, and CVB and Chino Valley on the other, and the existence of any claim or cause of action by Shareholder against Fontana or CVB and Chino Valley, shall not constitute a defense to the enforcement of such covenants against Shareholder.

ARTICLE IV
GENERAL

4.1 Amendments. To the fullest extent permitted by law, this Agreement may be amended by agreement in writing of the parties hereto at any time.

4.2 Integration. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and (except for an agreement in the form of the Shareholder's Agreement attached as Exhibit C to the Reorganization Agreement (if executed by Shareholder)) supersedes all prior agreements and understandings of the parties in connection therewith.

4.3 Termination.

(a) This Agreement shall terminate automatically without further action in the event that the Reorganization Agreement is terminated prior to the Effective Time of the Consolidation in accordance with its terms.

(b) Unless sooner terminated pursuant to subsection (a) of this Section 4.3, the obligations of Shareholder under Section 2.1 shall terminate on the second anniversary of the Effective Time of the Consolidation.

(c) Unless sooner terminated under subsection (a) of this Section 4.3, and except as provided in subsection (b) of this Section 4.3, the obligations of Shareholder under this Agreement shall terminate only on the mutual agreement of Shareholder and CVB and Chino Valley or the Surviving Bank.

4.4 Specific Performance. Shareholder, CVB and Chino Valley each expressly acknowledge that, in view of the uniqueness of the obligations of Shareholder contemplated hereby, CVB and Chino Valley would not have an adequate remedy at law for money damages in the event that this Agreement has not been performed by Shareholder in accordance with its terms, and therefore Shareholder, CVB and Chino Valley agree that CVB and Chino Valley shall be entitled to specific enforcement of the terms hereof in addition to any other remedy to which it may be entitled at law or in equity.

4.5 Severability, etc. If any provision of this Agreement shall be held by a court of competent jurisdiction to be unreasonable as to duration, activity or subject, it shall be deemed to extend only over the maximum duration, range of activities or subjects as to which such provision shall be valid and enforceable under applicable law. If any provisions shall, for any reason, be held by a court of competent jurisdiction to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

4.6 Notices. Any notice or communication required or permitted hereunder, shall be deemed to have been given if in writing and (a) delivered in person, (b) delivered by confirmed facsimile transmission or (c) mailed by certified or registered mail, postage prepaid with return receipt requested, addressed as follows:

If to CVB and Chino Valley addressed to:

CVB Financial Corp.
701 North Haven Avenue
Suite 350
Ontario, California 91764
Attention: D. Linn Wiley
Telecopier No.: (714) 980-5232

I put a block protect in here on 9/9/92.With a copy addressed to:

Manatt, Phelps, Phillips & Kantor
11355 W. Olympic Boulevard
Los Angeles, California 90064
Attention: William T. Quicksilver
Telecopier No.: (310) 312-4224

If to Shareholder, addressed to:

_____
_____
_____
_____

With a copy addressed to:

Horgan, Rosen, Beckham & Coren
3900 W. Alameda
Suite 2000
Toluca Lake, California 90802
Attention: Gary Horgan

Telecopier No.: (818) 955-7300

or at such other address and to the attention of such other Person as a party may notice to the other in accordance with this section 4.6. Any such notice or communication shall be deemed received on the date delivered personally or delivered by confirmed facsimile transmission or on the third Business Day after it was sent by certified or registered mail, postage prepaid with return receipt requested.

4.7 Waiver of Breach. Any failure or delay by CVB and Chino Valley in enforcing any provision of this Agreement shall not operate as a waiver thereof; and the waiver by CVB and Chino Valley of a breach of any provision of this Agreement by Shareholder shall not operate or be construed as a waiver of any subsequent breach or violation thereof. All waivers shall be in writing and signed by the party to be bound.

4.8 Assignment. This Agreement shall be assignable by CVB and Chino Valley only in connection with a sale of all or substantially all its assets or a merger or reorganization in which it is not the surviving corporation. Any attempted assignment in violation of this prohibition shall be null and void.

4.9 Binding Effect; Benefit to Successors. This Agreement shall be binding upon Shareholder and upon Shareholder's successors and representatives and shall inure to the benefit of CVB and Chino Valley and their successors, representatives and assigns.

4.10 Governing Law. The Agreement and the legal relations between the parties shall be governed by and construed in accordance with the laws of the State of California applicable to contracts between California parties made and performed in such State.

4.11 Headings. The descriptive headings of the several Articles and Sections of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

4.12 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party hereto and delivered to each party hereto.

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

CVB FINANCIAL CORP.

By:

Title:

CHINO VALLEY BANK

By:

Title:

SHAREHOLDER

(Shareholder's Name)

EXHIBIT C

FIRST AMENDED AND RESTATED SHAREHOLDER'S AGREEMENT

THIS SHAREHOLDER'S AGREEMENT ("Agreement"), dated as of October ___, 1992, is entered into by and between CVB Financial Corp., a California corporation ("CVB"), Chino Valley Bank, a California state chartered bank ("Chino Valley"), and _____ ("Shareholder").

R E C I T A L S

A. CVB, Chino Valley and Fontana First National Bank, a national banking association ("Fontana") entered into that certain Agreement and Plan of Reorganization dated as of May 13, 1992 (the "Original Reorganization Agreement")

B. Shareholder is a member of the Board of Directors of Fontana and owns shares of the common stock, $5.00 par value, of Fontana ("Fontana Stock").

C. As an inducement to CVB and Chino Valley to enter into the Original Reorganization Agreement, Shareholder entered into a Shareholder's Agreement dated as of May 13, 1992 (the "Original Shareholder's Agreement") pursuant to which Shareholder agreed to vote or cause to be voted all shares of Fontana Stock with respect to which Shareholder has voting power on the date of the Original Shareholder's Agreement or thereafter acquired to approve the Original Reorganization Agreement and the transactions contemplated thereby and all requisite matters related thereto.

D. CVB, Chino Valley and Fontana have agreed to amend certain of the terms and provisions of and, as amended, to restate the Original Reorganization Agreement (as amended and restated, the "Reorganization Agreement").

E. The parties now desire to amend certain of the terms and provisions of the Original Shareholder's Agreement to conform to the amendments to the Reorganization Agreement.

F. Unless otherwise provided in this Agreement, capitalized terms shall have the meanings given to them in the Reorganization Agreement.

NOW THEREFORE, in consideration of the premises and of the respective representations, warranties and covenants, agreements and conditions contained herein and in the Reorganization Agreement, and intending to be legally bound hereby, CVB and Chino Valley and Shareholder agree as follows:

NOTE: Paragraph definition put in for legal numbering combined with regular numbering. MUST PUT IN PARAGRAPH LEVEL. Definition is as follows:

Level:	1	2	3	4	5	6	7
Style:	4	5	3	1	2	4	3
Punct:	1	0	3	3	3	3	1
Ex:	I	1.1	(a)	(i)	(A)	(1)	a.

ARTICLE I
SHAREHOLDER'S AGREEMENT

1.1 Agreement to Vote. Shareholder shall vote or cause to be voted at any meeting of shareholders of Fontana to approve the Reorganization Agreement and the transactions contemplated thereby (the "Shareholders' Meeting"), all of the shares of Fontana Stock as to which Shareholder has sole or shared voting power (the "Shares"), as of the record date established to determine shareholders who have the right to vote at any such Shareholders' Meeting or to give consent to action in writing (the "Record Date"), to approve the Reorganization Agreement, the Agreement to Consolidate and the transactions contemplated thereby, including the principal terms of the Consolidation.

1.2 Legend. Shareholder agrees to stamp, print or type on the face of his or her certificates of Fontana Stock evidencing the Shares the following legend:

> "THE VOTING, SALE, ASSIGNMENT, TRANSFER, PLEDGE, HYPOTHECATION OR OTHER ENCUMBRANCE OR DISPOSITION OF THE SHARES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO A SHAREHOLDER'S AGREEMENT DATED AS OF THE __ DAY OF OCTOBER, 1992 BY AND BETWEEN CVB FINANCIAL CORP., CHINO VALLEY BANK AND (NAME OF SHAREHOLDER), COPIES OF WHICH ARE ON FILE AT THE OFFICES OF FONTANA FIRST NATIONAL BANK."

1.3 Restrictions on Dispositions. Shareholder agrees that, from and after the date of the Original Shareholder's Agreement and during the term of this Agreement, he will not take any action that will alter or affect in any way the right to vote the Shares, except (i) with the prior written consent of CVB and Chino Valley or (ii) to change such right from that of a shared right of the Shareholder to vote the Shares to a sole right of the Shareholder to vote the Shares.

1.4 Shareholder Approval. The Shareholder shall (i) recommend shareholder approval of the Reorganization Agreement, the Agreement to Consolidate and the transactions contemplated thereby by the Fontana shareholders at the Shareholders' Meeting and (ii) advise the Fontana shareholders to reject any subsequent proposal or offer received by Fontana relating to any Alternative Transaction or purchase, sale, acquisition, merger or other form of business combination involving Fontana or any of its assets, equity securities or debt securities and to proceed with the transactions contemplated by the Reorganization Agreement; provided, however, that the Shareholder shall not be obligated to take any action

specified in clause (ii) if the Board of Directors of Fontana is advised in writing by outside legal counsel (Horgan, Rosen, Beckham & Coren, or such other counsel that is reasonably acceptable to CVB and Chino Valley) that, in the exercise of his or her fiduciary duties, a director of Fontana should not take such action.

I put a block protect here on 9/9/92.ARTICLE II
REPRESENTATIONS AND WARRANTIES OF SHAREHOLDER

Shareholder represents and warrants to CVB and Chino Valley that the statements set forth below are true and correct as of the date of this Agreement, except those that are specifically as of a different date:

2.1 Ownership and Related Matters.

(a) Schedule 2.1(a) hereto correctly sets forth the number of Shares and the nature of Shareholder's voting power with respect thereto as of the date hereof. Within five business days after the Record Date, the Shareholder shall amend said Schedule 2.1(a) to correctly reflect the number of Shares and the nature of Shareholder's voting power with respect thereto as of the Record Date.

(b) There are no proxies, voting trusts or other agreements or understandings to or by which Shareholder or his or her spouse is a party or bound or that expressly requires that any of the Shares be voted in any specific manner other than as provided in this Agreement.

2.2 Authorization; Binding Agreement. Shareholder has the legal right, power, capacity and authority to execute, deliver and perform this Agreement, and this Agreement is the valid and binding obligation of Shareholder enforceable in accordance with its terms, except as the enforcement thereof may be limited by general principles of equity.

2.3 Non-Contravention. The execution, delivery and performance of this Agreement by Shareholder will not (a) conflict with or result in the breach of, or default or actual or potential loss of any benefit under, any provision of any agreement, instrument or obligation to which Shareholder or his or her spouse is a party or by which any of Shareholder's properties or his or her spouse's properties are bound, or give any other party to any such agreement, instrument or obligation a right to terminate or modify any term thereof; (b) require any Consents; (c) result in the creation or imposition of any Encumbrance on any of the Shares or any other assets of Shareholder or his or her spouse; or (d) violate any Rules to which Shareholder or his or her spouse is subject.

ARTICLE III
GENERAL

3.1 Amendments. To the fullest extent permitted by law, this Agreement and any schedule or exhibit attached hereto may be amended by agreement in writing of the parties hereto at any time.

3.2 Integration. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and (except for the agreement in the form of the Noncompetition Agreement attached as Exhibit B to the Reorganization Agreement (if executed by Shareholder)) supersedes all prior agreements and understandings of the parties in connection therewith.

3.3 Specific Performance. Shareholder, CVB and Chino Valley each expressly acknowledge that, in view of the uniqueness of the obligations of Shareholder contemplated hereby, CVB and Chino Valley would not have an adequate remedy at law for money damages in the event that this Agreement has not been performed by Shareholder in accordance with its terms, and therefore Shareholder, CVB and Chino Valley agree that CVB and Chino Valley shall be entitled to specific enforcement of the terms hereof in addition to any other remedy to which it may be entitled at law or in equity.

3.4 Termination. This Agreement shall terminate automatically without further action at the earlier of the Effective Time of the Consolidation or the termination of the Reorganization Agreement in accordance with its terms. Upon termination of this Agreement as provided herein, the respective obligations of the parties hereto shall immediately become void and have no further force and effect.

3.5 No Assignment. Neither this Agreement nor any rights, duties or obligations hereunder shall be assignable by CVB, Chino Valley or Shareholder, in whole or in part. Any attempted assignment in violation of this prohibition shall be null and void. Subject to the foregoing, all of the terms and provisions hereof shall be binding upon, and inure to the benefit of, the successors of the parties hereto.

3.6 Headings. The descriptive headings of the several Articles and Sections of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

3.7 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party hereto and delivered to each party hereto.

3.8 Notices. Any notice or communication required or permitted hereunder, shall be deemed to have been given if in writing and (a) delivered in person, (b) delivered by confirmed facsimile transmission or (c) mailed by certified or registered mail, postage prepaid with return receipt requested, addressed as follows:

If to CVB and Chino Valley, addressed to:

CVB Financial Corp.
701 North Haven Avenue
Suite 350
Ontario, California 91764
Attention: D. Linn Wiley
Telecopier No. (714) 980-5232

With a copy addressed to:

Manatt, Phelps, Phillips & Kantor
11355 West Olympic Boulevard
Los Angeles, California 90064
Attention: William T. Quicksilver
Facsimile No: (310) 312-4224

If to Shareholder, addressed to:

_____
_____
_____
_____

With a copy addressed to:

Horgan, Rosen, Beckham & Coren
3900 W. Alameda
Suite 2000
Toluca Lake, California 90802
Attention: Gary Horgan
Telecopier No.: (818) 955-7300

or at such other address and to the attention of such other person as a party may notice to the others in accordance with this Section 3.8. Any such notice or communication shall be deemed received on the date delivered personally or delivered by confirmed facsimile transmission or on the third Business Day after it was sent by certified or registered mail, postage prepaid with return receipt requested.

3.9 Governing Law. This Agreement and the legal relations between the parties shall be governed by and construed in accordance with the laws of the State of California applicable to contracts between California parties made and performed in such State.

3.10 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party hereto and delivered to each party hereto.

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

CVB FINANCIAL CORP.

By:

Title:

CHINO VALLEY BANK

By:

Title:

SHAREHOLDER

(Shareholder's Name)

SPOUSAL CONSENT

I am the spouse of _____, the Shareholder in the above Agreement. I understand that I may consult independent legal counsel as to the effect of this Agreement and the consequences of my execution of this Agreement and, to the extent I felt it necessary, I have discussed it with legal counsel. I hereby confirm this Agreement and agree that it shall bind my interest in the Shares, if any.

(Shareholder's Spouse's Name)

EXHIBIT D

FORM OF OPINION OF FONTANA'S COUNSEL

The opinion of counsel required by section 8.2(e) of the First Amended and Restated Agreement and Plan of Reorganization (the "Agreement") shall be dated as of the Closing Date, shall be in form and substance reasonably satisfactory to CVB and Chino Valley, and shall contain opinions substantially in the form set forth below. (All capitalized terms not otherwise defined herein having the meaning specified in the Agreement).

1. Fontana is a national banking association, duly organized, existing and in good standing under the laws of the United States and is authorized by the Comptroller to conduct a general banking business. Fontana is a member of the Federal Reserve System and its deposits are insured by the FDIC. Fontana has all necessary corporate power and all Permits, including all necessary California and United States federal banking authorizations, licenses and qualifications, to own or lease its properties and assets, and to carry on its business as now conducted. All such Permits are valid and in full force and effect and, to the best knowledge of Fontana, no suspension or cancellation of any of them has been initiated or is threatened and all related filings, applications and registrations are current. Neither the scope of the business of Fontana nor the location of any of its properties requires that it be licensed to do business in any jurisdiction other than the State of California.

2. The authorized capital of Fontana is as set forth in section 4.2 of the Agreement. All of the outstanding shares of Fontana Stock are validly issued, fully paid and nonassessable (except as provided for in 12 U.S.C. Section 55). Except for the Fontana Options referred to in section 4.2 of the Agreement, there are no outstanding options, warrants or other rights in or with respect to the unissued shares of Fontana Stock or any other securities convertible into Fontana Stock and Fontana is not obligated to issue any additional shares of Fontana Stock or any additional options, warrants or other rights in or with respect to the unissued shares of such stock or securities convertible into such stock.

3. The execution and delivery by Fontana of the Agreement, the Agreement to Consolidate and the consummation of the transactions contemplated thereby, have been duly and validly authorized by all necessary action on the part of Fontana. The Agreement and the Agreement to Consolidate are valid and binding obligations of Fontana, enforceable in accordance with their terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors generally and by general equitable principles or by Section 8(b)(6)(D) of the Federal Deposit Insurance Act, 12 U.S.C. Section 1818(b)(6)(D).

4. Neither the execution and delivery by Fontana of the Agreement or the Agreement to Consolidate nor the consummation of the transactions contemplated thereby, including the Merger, nor compliance by Fontana with any of the provisions thereof, will (a) conflict with or result in the breach of, or default or loss of any benefit under, any

provision of the Charter Documents of Fontana or any agreement, instrument or obligation to which Fontana is, or the Consolidated Association will become, a party or by which any of the properties or assets of Fontana or the Consolidated Association are bound, or give any other party thereto the right to terminate or modify any term thereof; (b) except for the prior approval of the FRB, the Comptroller, the FDIC or the Superintendent and the shareholders of Fontana, require any Consents; (c) result in the creation or imposition of any Encumbrance on any of the properties or assets of Fontana or the Consolidated Association; or (d) subject to obtaining the Consents referred to in subsection (b) of this paragraph and the expiration of any required waiting period, violate any Rule to which Fontana is subject.

5. All Consents under California and federal law required to be obtained by Fontana in order to permit the consummation by it of the transactions contemplated by the Agreement and the Agreement to Consolidate have been obtained.

6. Assuming that the Agreement to Consolidate has been duly authorized by all necessary corporate proceedings on the part of New Bank and that New Bank has taken all actions required to be taken by it prior to the Effective Time of the Consolidation, upon the issuance of official certification by the Comptroller for the Consolidation, the Consolidation will be validly consummated in accordance with the laws of the United States, Fontana will be consolidated with New Bank, each share of Fontana Stock issued and outstanding as of the Effective Time of the Consolidation (except Perfected Dissenting Shares) will be cancelled and converted into the right to receive the Per Share Price and each outstanding option to purchase Fontana Stock will be cancelled.

7. Except as disclosed in the schedules to the Agreement or in such opinion, to the best knowledge of such counsel, based upon reasonable investigation of the records of the Superior Court of California for the County of Los Angeles and the U.S. District Court for the Central District of California and responses of attorneys to audit inquiries of the public accountants of Fontana and responses, if any, to inquiries of the Comptroller, (i) there are no actions, suits or proceedings pending or threatened against Fontana or any directors, officers or employees of Fontana relating to the performance of their duties in such capacities, or affecting any of the property of Fontana, before any court or arbitration tribunal or before or by any governmental or regulatory authority or body; (ii) Fontana has not been the subject of any indictment, information or administrative notice of charges with respect to, nor is Fontana under investigation with respect to, any violation of any provision of any federal, state or other applicable law or regulation in respect of its business, except as disclosed in writing to CVB and Chino Valley and acknowledged by it; and (iii) Fontana is not a party to or bound by, and none of the property of Fontana is subject to, any order, arbitration award, judgment or decree entered in an action or proceeding brought by any

governmental or regulatory authority or body or by any other person against Fontana.

8. The Proxy Statement for use at the shareholders' meeting required pursuant to Section 4.27 of the Agreement, as of the date of mailing and the date of the shareholders' meeting, complied as to form in all material respects with the requirements of the National Bank Act and all applicable rules and regulations.

Counsel shall further state that although counsel has necessarily assumed the correctness and completeness of the statements made by Fontana in the Proxy Statement and takes no responsibility therefor, such counsel has, in the course of the preparation of the Proxy Statement, had conferences with representatives of Fontana with respect thereto, and that its examination of the Proxy Statement and its discussions in the above-mentioned conferences did not disclose to it any information which has caused such counsel to believe that the Proxy Statement at the time of mailing and at the time of the meeting of Fontana's shareholders contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein not misleading (except that such counsel need express no belief or opinion as to financial statements or other financial or statistical data or as to any information supplied by CVB and Chino Valley).

In rendering its opinion, such counsel may rely, to the extent that such counsel deems reliance necessary or appropriate, as to matters of fact, upon certificates of government officials and of any officer or officers of Fontana or Fontana's registrar and transfer agent. The opinion need refer only to matters of California and federal law, and such counsel may expressly exclude any opinions as to choice of law matters, antitrust matters and (except as set forth in paragraph 8) securities law matters and may add other qualifications and explanations of the basis of its opinion as may be reasonably acceptable to CVB and Chino Valley.

EXHIBIT E

FORM OF OPINION OF CVB AND CHINO VALLEY'S COUNSEL

The opinion of counsel required by Section 8.3(c) of the First Amended and Restated Agreement and Plan of Reorganization (the "Agreement") shall be dated as of the Closing Date, shall be in form and substance reasonably satisfactory to Fontana and shall contain opinions substantially in the form set forth below. (All capitalized terms not otherwise defined herein having the meaning specified in the Agreement).

1. CVB is a corporation duly organized, existing and in a good standing under the laws of the State of California. Chino Valley is a

banking corporation duly organized, existing and in a good standing under the laws of the State of California and is authorized by the Superintendent to conduct a general banking business. New Bank is a banking corporation duly organized, existing and in good standing under the laws of the State of California.

2. The execution and delivery by CVB and Chino Valley of the Agreement and by New Bank of the Agreement to Consolidate, and the consummation of the transactions contemplated thereby, have been duly and validly authorized by all necessary corporate action on the part of CVB, Chino Valley and New Bank. The Agreement is a valid and binding obligation of CVB and Chino Valley, and the Agreement to Consolidate is a valid and binding obligation of New Bank, each enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors generally and by general equitable principles or by Section 8(b)(6)(D) of the Federal Deposit Insurance Act, 12 U.S.C. Section 1818(b)(6)(D).

3. Neither the execution and delivery by CVB and Chino Valley of the Agreement or by New Bank of the Agreement to Consolidate, nor the consummation of the transactions contemplated thereby, nor compliance by CVB, Chino Valley or New Bank with the provisions thereof, will (i) conflict with their respective Charter Documents, (ii) except for the prior approval of the FRB, the Comptroller, the FDIC, the Superintendent, require any Consents, or (iii) subject to obtaining the Consents referred to in subsection (ii) of this paragraph and the expiration of any required waiting period, violate any Rules to which CVB, Chino Valley or New Bank is subject.

4. All approvals required under federal and California law to be obtained by CVB, Chino Valley and New Bank in order to permit the consummation by them of the Consolidation and the Agreement to Consolidate have been obtained. Assuming that the Agreement to Consolidate has been duly authorized by all necessary corporate proceedings on the part of Fontana and that Fontana has taken all actions required to be taken by it prior to the Effective Time of the Consolidation, upon the issuance of official certification by the Comptroller for the Consolidation, the Consolidation will be validly consummated in accordance with the laws of the United States, New Bank will be consolidated with Fontana and each share of New Bank Stock issued and outstanding as of the Effective Time of the Consolidation will be cancelled and converted into one share of Consolidated Association Stock.

In rendering its opinion, such counsel may rely upon certificates of governmental officials and of any officer or officers of CVB, Chino Valley or New Bank. The opinion need refer only to matters of federal and California law, and such counsel may expressly exclude any opinion as to choice of law matters, antitrust matters and security law matters and may

add other qualifications and explanations of the basis of its opinion as may be reasonably acceptable to Fontana.

AMENDMENT NO. 1 TO
FIRST AMENDED AND RESTATED
AGREEMENT AND PLAN OF REORGANIZATION

This Amendment No. 1 to First Amended and Restated Agreement and Plan of Reorganization ("Agreement") is made and entered into as of February __, 1993 by and between CVB Financial Corp., a California corporation ("CVB"), Chino Valley Bank, a California banking corporation ("Chino Valley"), and Fontana First National Bank, a national banking association ("Fontana").

Capitalized terms used herein shall have the meanings given them in the First Amended and Restated Agreement and Plan of Reorganization dated as of October 28, 1992 (the "Restated Agreement").

R E C I T A L S

A. CVB, Chino Valley and Fontana entered into the Restated Agreement, providing for the acquisition by CVB of all of the outstanding shares of Fontana Stock pursuant to the Consolidation and Merger, subject to the terms and conditions specified therein.

B. The Restated Agreement provides that the Restated Agreement may be terminated by either party if certain conditions have not been met or if the Closing has not occurred by February 28, 1993 (the "Expiration Date").

C. The parties now desire to extend the Expiration Date.

Now, therefore, the parties hereto agree as follows:

A G R E E M E N T

1. Paragraph 10.1(b) of the Restated Agreement shall be amended in its entirety to read as follows:

> "General Conditions Not Met. By CVB and Chino Valley or Fontana, if any conditions set forth in Section 8.1 shall not have been met by March 31, 1993."

2. Paragraph 10.1(c) of the Restated Agreement shall be amended in its entirety to read as follows:

> "Conditions. By CVB and Chino Valley, if any conditions set forth in Section 8.2 shall not have been met, or by Fontana if any conditions set forth in Section 8.3 shall not have been met, by March 31, 1993 or such earlier time as it becomes apparent that such condition cannot be met."

3. Paragraph 10.1(i) of the Restated Agreement shall be amended in its entirety to read as follows:

"Expiration Date. By CVB and Chino Valley or Fontana if the Closing has not occurred by March 31, 1993, unless such date is extended by mutual agreement of the Parties (the "Expiration Date")."

4. Except as specifically modified herein, the Restated Agreement shall continue in full force and effect.

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

CVB FINANCIAL CORP.

By
Name
Title

CHINO VALLEY BANK

By
Name
Title

FONTANA FIRST NATIONAL BANK

By
Name
Title

AGREEMENT

AND

PLAN OF REORGANIZATION By and Between

CVB FINANCIAL CORP., CHINO VALLEY BANK

and

WESTERN INDUSTRIAL NATIONAL BANK

November 16, 1993

AGREEMENT AND PLAN OF REORGANIZATION

This Agreement and Plan of Reorganization ("Agreement") is made and entered into as of November 16, 1993 by and between CVB Financial Corp., a California corporation ("CVB"), Chino Valley Bank, a California banking corporation ("Chino Valley"), and Western Industrial National Bank, a national banking association ("Western").

R E C I T A L S

CVB, Chino Valley and Western desire to enter into this Agreement in order to provide for the acquisition by CVB of all of the outstanding shares of Western Stock (as defined below) pursuant to the Consolidation (as defined below) and Merger (as defined below), subject to the terms and conditions specified herein, as follows:

(a) CVB will establish New Bank (as defined below) as a wholly-owned subsidiary;

(b) Western and New Bank will enter into an Agreement to Consolidate (as defined below) providing for the consolidation of New Bank and Western under the charter of Western; and

(c) Immediately thereafter, the Consolidated Association (as defined below) will merge with and into Chino Valley pursuant to an Agreement of Merger (as defined below).

In consideration of the mutual covenants, agreements, representations and warranties contained herein, the parties hereto agree as follows:

NOTE: PARAGRAPH DEFINITION REDEFINED AS FOLLOWS:

LEVELS:	1	2	3	4	5	6
# STYLE	0	5	3	1	2	4
PUNCTUATION	0	0	3	3	3	3
EXAMPLE	I	1.1	(a)	(i)	(A)	(1)

TYPE IN PARAGRAPH LEVELSARTICLE 1

DEFINITIONS

1.1 Definitions. Capitalized terms used in this Agreement shall have the meanings set forth below unless the context otherwise requires:

"Affiliate" means any Person (as defined below) that directly, or through one or more intermediaries controls, or is controlled by, or is under common control with, the Person specified.

"Agreement to Consolidate" shall mean the Agreement to Consolidate to be entered into by and between New Bank and Western substantially in the form of Exhibit A-1 hereto, but subject to any changes that may be necessary to conform to any requirements of any regulatory agency having authority over the Consolidation (as defined below).

"Aggregate Purchase Price" shall have the meaning given such term in Section 2.4.

"Aggregate Purchase Price Certificate" shall mean a certificate, executed by the Chief Executive Officer and Chief Financial Officer of Western and dated as of the Determination Date (as defined below), setting forth the Aggregate Purchase Price and Per Share Price (as defined below), including the Net Income/Losses (as defined below).

"Agreement of Merger" shall mean the Agreement of Merger to be entered into by and between Chino Valley and the Consolidated Association (as defined below) substantially in the form of Exhibit A-2 hereto, but subject to any changes that may be necessary to conform to any requirements of any regulatory agency having authority over the Merger.

"Alternative Transaction" shall have the meaning given such term in subsection (a) of Section 6.5.

"Business Day" shall mean any day other than a Saturday, Sunday or day on which commercial banks in California are authorized or required to be closed.

"Charter Documents" shall mean, with respect to any business organization, any certificate or articles of incorpo ration or association, any bylaws, any partnership agreement and any other similar documents that regulate the basic organization of the business organization and its internal relations.

"Chino Valley" shall mean Chino Valley Bank, a California banking corporation.

"Chino Valley Stock" shall mean the common stock, no par value, of Chino Valley.

"Closing" shall mean the consummation of the transactions contemplated by this Agreement on the Closing Date (as defined below) at the offices of Manatt, Phelps & Phillips, 11355 West Olympic Boulevard, Los Angeles, California, or at such other place as the Parties (as defined below) may agree upon.

"Closing Date" shall mean, unless the Parties (as defined below) agree on another date, the first Friday following the receipt of the approvals and consents and expiration of the waiting periods specified in subsection (c) of Section 8.1 and subsection (b) of Section 8.2.

"Code" shall mean the United States Internal Revenue Code of 1986, as amended, and all regulations thereunder.

"Comptroller" shall mean the Comptroller of the Currency.

"Confidential Information" shall mean all information heretofore or hereafter provided by Western to CVB and Chino Valley, which is information related to the business, financial position or operations of Western (such information to include, by way of example only and not of limitation, client lists, pricing information, company manuals, internal memoranda, strategic plans, budgets, forecasts, projections, computer models and marketing plans). Notwithstanding the foregoing, "Confidential Information" shall not include any information that (i) at the time of disclosure or thereafter is generally available to and known by the public (other than as a result of a disclosure directly or indirectly by CVB and Chino Valley or any of its officers, directors, employees or other representatives), (ii) was available to CVB and Chino Valley on a nonconfidential basis from a source other than Western, provided that such source learned the information independently and is not and was not bound by a confidentiality agreement with respect to the information, or (iii) has been independently acquired or developed by CVB and Chino Valley without violating any obligations under this Agreement.

"Consents" shall mean every consent, approval, absence of disapproval, waiver or authorization from, or notice to, or registration or filing with, any Person (as defined below).

"Consolidation" shall mean the consolidation of New Bank and Western.

"Consolidated Association" shall mean the national banking association surviving the Consolidation.

"Consolidated Association Stock" shall mean the common stock, $5.00 par value, of the Consolidated Association.

"Contingent Loans" shall mean the loans of Western described on Schedule 1.1.

"Contingent Payment Rights" and "Contingent Payment Right" shall have the meanings given such terms in Section 2.6.

"Contingent Reserve" shall mean a special loan loss reserve established by Western with respect to the Contingent Loans which shall be equal to 20% of the principal amount of the Contingent Loans; provided, however, that such reserve shall not exceed $400,000.

"CRA" shall mean the Community Reinvestment Act.

"CVB" shall mean CVB Financial Corp., a California corporation.

"CVB Supplied Information" shall have the meaning given such term in Section 5.4.

"Deposit" shall mean any deposit as defined in Section 3(l) of the Federal Deposit Insurance Act, as amended to the date of this Agreement (12 U.S.C. Section 1813(l)).

"Determination Date" shall mean the last day of the month immediately preceding the Effective Time of the Consolidation (as defined below), unless such day is less than 10 Business Days prior to the Effective Time of the Consolidation,
in which case the Determination Date shall be the last day of the second month immediately preceding the Effective Time of the Consolidation.

"DPC Property" shall mean voting securities, other personal property and real property acquired by foreclosure or otherwise, in the ordinary course of collecting a debt previously contracted in good faith, retained with the object of sale for a period not longer than one year, or any applicable statutory holding period, and recorded in the holder's business records as such.

"Effective Time of the Consolidation" shall have the meaning given such term in Section 2.1.

"Effective Time of the Merger" shall mean the date and time of the filing of the Agreement of Merger bearing the certi fication of the Secretary of State (as defined below) with the Superintendent.

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

"Environmental Law" shall mean any federal, state, provincial or local statute, law, ordinance, rule, regulation, order, consent, decree, judicial or administrative decision or directive of the United States or other jurisdiction whether now existing or as hereinafter promulgated, issued or enacted relat ing to: (A) pollution or protection of the environment, includ ing natural resources; (B) exposure of persons, including employees, to Hazardous Substances (as defined below) or other products, materials or chemicals; (C) protection of the public health or welfare from the effects of products, by-products, wastes, emissions, discharges or releases of chemical or other substances from industrial or commercial activities; or (D) regu lation of the manufacture, use or

introduction into commerce of substances, including, without limitation, their manufacture, formulation, packaging, labeling, distribution, transportation, handling, storage and disposal. For the purposes of this definition the term "Environmental Law" shall include, without limiting the foregoing, the following statutes, as amended from time to time: (1) the Clean Air Act, as amended, 42 U.S.C. 7401 et seq.; (2) the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.; (3) the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. 6901 et seq., (4) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (including the Superfund Amendments and Reauthorization Act of 1986), 42 U.S.C 2601 et seq.; (5) the Toxic Substances Control Act, as amended, 15 U.S.C. 2601 et seq.; (6) the Occupational Safety and Health Act, as amended, 29 U.S.C. 651; (7) the Emergency Planning and Community Right-To-Know Act of 1986, 42 U.S.C. 1101 et seq.; (8) the Mine Safety and Health Act of 1977, as amended, 30 U.S.C. 801 et seq.; (9) the Safe Drinking Water Act, 42 U.S.C. 300f et seq.; and (10) all comparable state and local laws, laws of other jurisdictions or orders and regulations including, but not limited to, the Carpenter-Presley-Tanner Hazardous Substance Account Act, Cal. Health & Safety Code 25300 et seq.

"Equity Securities" shall mean the capital stock of Western or any options, rights, warrants or other rights to subscribe for or purchase, or any plans, contracts or commitments that are exercisable in, such capital stock or that provide for the issuance of, or grant the right to acquire, or are convert
ible into, or exchangeable for, such capital stock.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, and all regulations thereunder.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and all rules and regulations thereunder.

"Exchange Agent" shall mean the corporation or financial institution appointed by CVB to effect the exchange contemplated by Section 2.5.

"Executive Officer" shall mean a natural person who participates or has the authority to participate (other than in the capacity of a director) in major policy making functions, whether or not such person has a title or is serving with salary or other compensation.

"FDIC" shall mean the Federal Deposit Insurance Corporation.

"Governmental Entity" shall mean any court or tribunal in any jurisdiction or any United States federal, state, munici pal, domestic, foreign or other administrative agency, depart ment, commission, board, bureau or other governmental authority or instrumentality.

"Hazardous Substances" shall mean (i) substances that are defined or listed in, or otherwise classified pursuant to, or the use or disposal of which are regulated by, any Environmental Law as "hazardous substances,"

"hazardous materials," "hazardous wastes," toxic substances," or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcino genicity, reproductive toxicity, or "EP toxicity;" (ii) oil, petroleum or petroleum derived from substances and drilling fluids, produced waters, and other wastes associated with the exploration, development, or production of crude oil, natural gas, or geothermal resources; (iii) any flammable substances or explosives, any radioactive materials, any hazardous wastes or substances, any toxic wastes or substances or any other materials or pollutants which pose a hazard to any property or to Persons on or about such property; and (iv) asbestos in any form or electrical equipment which contains any oil or dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million.

"Interim Period Amount" shall mean an amount equal to the net income of Western for the six month period ending December 31, 1993, divided by the number of days in such six month period, multiplied by the number of days from the Determination Date to the Effective Time of the Consolidation; provided, however, that the Interim Period Amount shall not include any extraordinary charges relating to the transactions contemplated by this Agreement.

"Material Contract" shall have the meaning given such term in Section 4.11.

"Merger" shall mean the merger of the Consolidated Association with and into Chino Valley.

"Net Income/Losses" shall mean an amount equal to the net income or net losses of Western for the period commencing on January 1, 1993 and ending on the Determination Date (as defined below) (the "Income Period"), determined in accordance with generally accepted accounting principles on a basis consistent with those utilized in the preparation of the Western Financial Statements (as defined below) for the year ended December 31, 1992 (except for changes, if any, required by generally accepted accounting principles), taking into account (A) all accruals and reserves necessary to fairly present the net income or net losses of Western for the Income Period, (B) all amounts not previously expensed or accrued for (i) payments to holders of Western Options (as defined below) for the cancellation of Western Options in accordance with Section 2.1(c), (ii) payments in respect of the cancellation and termination of the Western Employment Agreements (as defined below), (iii) payments in respect of expenses and costs relating to the transactions contemplated by this Agreement, (iv) payments in respect of the termination of all Western employee benefit plans and all benefits payable thereunder, (v) establishing the Contingent Reserve and (vi) establishing a loan loss reserve for all loans other than the Contingent Loans that is, as of the Determination Date, not less than $700,000 and (C) any other adjustments mutually agreed to by Western, CVB and Chino Valley. Notwithstanding the foregoing, the parties hereto agree that any increase in capital resulting from the exercise of Western Options for cash shall be added to net income.

"New Bank" shall mean the interim California banking corporation established by CVB solely for the purpose of effecting the Consolidation.

"New Bank Stock" shall mean the common stock, no par value, of New Bank.

"Noncompetition Agreement" shall mean an agreement, substantially in the form of Exhibit B-1 or B-2 hereto, pursuant to which each of the directors and Executive Officers of Western as of the date of the Original Agreement shall covenant not to compete with the Surviving Bank (as defined below).

"Operating Loss" shall have the meaning given such term in Section 4.24.

"Party" shall mean any of CVB, Chino Valley or Western and "Parties" shall mean all of CVB, Chino Valley and Western.

"Per Share Price" shall mean the quotient obtained by dividing (x) the Aggregate Purchase Price by (y) the total number of shares of Western Stock outstanding immediately prior to the Effective Time of the Consolidation (including Perfected Dissenting Shares).

"Perfected Dissenting Shares" shall mean shares of Western Stock the holders of which have satisfied the requirements of Section 215 (as defined below) and have not effectively withdrawn or lost their dissenters' rights under Section 215.

"Permit" shall mean any United States federal, foreign, state, local or other license, permit, franchise, certificate of authority, order or approval necessary or appropriate under any applicable Rule (as defined below).

"Person" shall mean any natural person, corporation, trust, association, unincorporated body, partnership, joint venture, Governmental Entity, statutorily or regulatory sanctioned unit or any other person or organization.

"Proxy Statement" shall have the meaning given such term in Section 4.27.

"Real Property" shall have the meaning given such term in subsection (a) of Section 4.12.

"Representatives" shall have the meaning given such term in subsection (a) of Section 6.1.

"Rule" shall mean any statute or law or any judgment, decree, injunction, order, regulation or rule of any Governmental Entity, including, without limitation, those relating to dis closure, usury, equal credit opportunity, equal employment, fair credit reporting and anticompetitive activities.

"Second Anniversary Date" shall mean the day that is the second

anniversary date of the Closing Date.

"Secretary of State" shall mean the Secretary of State of the State of California.

"Section 215" shall mean Section 215 of Title 12 of the United States Code.

"Securities Act" shall mean the Securities Act of 1933, as amended, and all rules and regulations thereunder.

"Shareholder's Agreement" shall mean an agreement, substantially in the form of Exhibit C hereto, pursuant to which each signatory shall agree to vote or cause to be voted all shares of Western Stock with respect to which such Person has voting power on the date hereof or hereafter acquires to approve the Agreement and the transactions contemplated hereby and all requisite matters related thereto.

"Superintendent" shall mean the Superintendent of Banks of the State of California.

"Surviving Bank" shall mean the bank surviving the Merger.

"Surviving Bank Stock" shall mean the common stock, no par value, of the Surviving Bank.

"Tax Filings" shall have the meaning given such term in Section 4.10.

"Third Party Consent" shall have the meaning given such term in subsection (b) of Section 7.1.

"To the knowledge" and "to the best knowledge" shall have the meanings given such terms in Section 11.12.

"Western" shall mean Western Industrial National Bank, a national banking association, and all of its subsidiaries.

"Western Employment Agreements" shall mean any employment agreement, severance agreement, "golden parachute" agreement or any other agreement which provides for payments to employees of Western upon termination of employment, including termination after a change in control.

"Western Filings" shall have the meaning given such term in Section 4.9.

"Western Lease" shall mean the Agreement of Lease dated July 29, 1982 between Ray E. Andruss and Margaret M. Andruss and Western.

"Western Options" shall mean options to purchase Western Stock (as defined below) pursuant to the Western Stock Option Plan (as defined below).

"Western Stock" shall mean the common stock, $5.00 par value, of

Western.

"Western's Stock Option Plan" shall mean the Incentive Stock Option Plan of Western.

"Western Supplied Information" shall have the meaning given such term in Section 4.27.

"Western Financial Statements" shall have the meaning given such term in subsection (a) of Section 4.4.

"WIN Investment Group" shall mean an investment group comprised of the following individuals: Thomas Walker; Mildred Walker; Evans Menon; Gay Menon; Roger Gutierrez; Noel Castellon; Robert Byram; and Lewis Beery.

ARTICLE 2

THE CONSOLIDATION AND RELATED MATTERS

2.1 The Consolidation. The Parties hereto agree that each will use their best efforts to perfect the organization of New Bank in accordance with the California Financial Code and the regulations promulgated thereunder prior to the Closing Date. The directors and officers of New Bank, and the Articles of Incorporation and Bylaws of New Bank, shall be determined by CVB. Subject to the provisions of this Agreement, the Parties agree to request that the approval of the Consolidation to be issued by the Comptroller on or prior to the Closing Date shall provide that the Consolidation shall become effective (the "Effective Time of the Consolidation") as of the Closing Date and immediately prior to the Effective Time of the Merger. At the Effective Time of the Consolidation, the following transactions will occur simultaneously:

(a) Consolidation of Western and New Bank. Western and New Bank shall be consolidated under the charter of Western.

(b) Effect on Western Stock. Subject to Section 2.3, each share of Western Stock issued and outstanding immediately prior to the Effective Time of the Consolidation shall, on and at the Effective Time of the Consolidation, pursuant to the Agreement to Consolidate and without any further action on the part of Western or the holders of Western Stock, be automatically cancelled and cease to be an issued and outstanding share of Western Stock and be converted into the right to receive (i) the Per Share Price and (ii) one Contingent Payment Right.

(c) Effect on Western Options. Prior to the Effective Time of the Consolidation, Western shall make arrange ments satisfactory to CVB for the surrender for cancellation of all Western Options outstanding immediately prior to the Effective Time of the Consolidation, such cancellation to become effective at the Effective Time of the Consolidation.

(d) Effect on New Bank Stock. Each share of New Bank Stock issued and outstanding immediately prior to the Effective Time of the Consolidation shall, on and at the

Effective Time of the Consolidation, pursuant to the Agreement to Consolidate and without any further action on the part of Western or the holder of the New Bank Stock be converted into, and shall for all purposes be deemed to represent, one share of Consolidated Association Stock. Because the Consolidation is subject to, and will occur only if it is immediately followed by, the Merger and the cancellation of the Consolidated Association Stock, no certificates representing shares of the Consolidated Association Stock will be issued.

2.2 Effect of the Consolidation. At the Effective Time of the Consolidation, the corporate existence of New Bank and Western shall be merged into and continued in the Consolidated Association and the Consolidated Association shall be deemed the same corporation as each bank participating in the Consolidation. All rights, franchises, and interests of New Bank and Western in and to every type of property (real, personal and mixed) and choses in action shall be transferred to and vested in the Consolidated Association by virtue of the Consolidation without any deed or other transfer and the Consolidated Association shall hold and enjoy all rights of property, franchises and interests, in the same manner and to the same extent as such rights, franchises and interests were held or enjoyed by any one of the consolidating banks at the Effective Time of the Consolidation.

2.3 Dissenting Shareholders. Any Perfected Dissenting Shares shall not be converted into the right to receive the Per Share Price and one Contingent Payment Right, but the holders thereof shall be entitled only to such rights as are granted them by Section 215. Each dissenting shareholder who is entitled to payment for his shares of Western Stock under Section 215 shall receive such payment in an amount as determined pursuant to Section 215.

2.4 The Aggregate Purchase Price and Per Share Price.

(a) Computation of the Aggregate Purchase Price. The Aggregate Purchase Price shall be the sum of (i) $13,450,000, (ii) the Net Income/Losses, as defined above and (iii) the Interim Period Amount, as defined above.

(b) Officers' Certificate; Accountant's Review. The Aggregate Purchase Price and Per Share Price, including the Net Income/Losses shall be set forth in the Aggregate Purchase Price Certificate. The procedures upon which the calculation of the Aggregate Purchase Price and Per Share Price, including the Net Income/Losses, are based shall be reviewed and confirmed by Deloitte & Touche, or such other independent accountants as CVB may designate.

2.5 Delivery of Cash. Prior to the Effective Time of the Consolidation, CVB or Chino Valley will deliver to the Exchange Agent an amount of cash equal to the Per Share Price multiplied by the number of shares of Western Stock outstanding immediately prior to the Effective Time of the Consolidation. Delivery to such holders of the cash to which they are entitled will subsequently be made by the Exchange Agent against delivery of share certificates formerly evidencing Western Stock (duly executed and in proper form for transfer) to the Exchange Agent in

accordance with this Section 2.5 and an agreement to be entered into between CVB and the Exchange Agent.

2.6 Contingent Payment Rights.

(a) The Contingent Payment Rights shall represent the right to receive cash in an aggregate amount equal to the remaining balance, if any, of the Contingent Reserve on the Second Anniversary Date, and each Contingent Payment Right shall represent the right to receive a pro rata portion thereof. The Contingent Reserve shall be reduced by the amount of net charge offs incurred by Chino Valley with respect to the Contingent Loans from the Effective Time of the Merger until the Second Anniversary Date; provided, however, that (i) no charge off against the Contingent Reserve for any one of the Contingent Loans will exceed 20% of the amount of any such Contingent Loan on the date the Contingent Reserve is established and (ii) no loss with respect to any one Contingent Loan may be charged against the Contingent Reserve for any other Contingent Loan. During the time from the Effective Date of the Merger until the Second Anniversary Date, Chino Valley shall collect and manage the Contingent Loans, including charging off such loans against the Contingent Reserve, in a commercially reasonably manner and consistent with the manner in which it manages, collects and charges off other loans in its loan portfolio with similar characteristics. From the Effective Time of the Merger until the Second Anniversary Date, Chino Valley (i) shall notify WIN Investment Group five (5) Business Days prior to charging off any amount of the Contingent Loans against the Contingent Reserve and (ii) on a semi-annual basis, provide a written notice to WIN Investment Group as to the status of the Contingent Reserve.

(b) The Contingent Payment Rights (i) will not be represented by any certificate or instrument; (ii) will not be transferable or assignable, except by will, the laws of intestacy or by other operation of law; (iii) will not represent any ownership or equity interest in CVB or Chino Valley; and (iv) will not entitle the holders thereof to any rights as a security holder of CVB or Chino Valley.

(c) Each Contingent Payment Right will be initially registered in the same name(s) as appears on the certificate evidencing the share of Western Stock that has been converted into such right. CVB, Chino Valley or a designated agent of either of them, will maintain a listing of the names, addresses and tax identification numbers of the registered holders of the Contingent Payment Rights, and such list will be conclusive and binding for purposes of determining the registered holders of the Contingent Payment Rights. CVB, Chino Valley or a designated agent of either of them, will not change the registered holder of a Contingent Payment Right unless it receives documents and assurances that it, in its sole discretion, deems adequate to demonstrate that such Contingent Payment Right has been transferred by will, the laws of intestacy or by other operation of law. As soon as practicable, but in no event later than 45 days, after the Second Anniversary Date, Chino Valley shall pay, or cause its designated agent to pay, each registered holder of a Contingent Payment Right a pro rata portion of the remaining balance, if any, of the Contingent Reserve as of the Second Anniversary Date. Such payment shall not include or accrue any interest.

(d) From the Effective Time of the Merger until the Second Anniversary Date, WIN Investment Group shall have the option to purchase any Contingent Loan which Chino Valley has elected to charge off, in whole or in part, against the Contingent Reserve at a price equal to the principal amount of such Contingent Loan less the amount to be charged off.

2.7 Name of Consolidated Association. The name of the Consolidated Association shall be "Western Industrial National Bank."

2.8 Directors and Officers of Consolidated Association. At the Effective Time of the Consolidation, the directors of New Bank shall be the directors of the Consolidated Association until their successors have been chosen and qualified in accordance with the Articles of Association and Bylaws of the Consolidated Association. The officers of New Bank at the Effective Time of the Consolidation shall be the officers of the Consolidated Association until they resign or are replaced or terminated by the Board of Directors of the Consolidated Association or otherwise in accordance with the Consolidated Association's Articles of Association or Bylaws.

2.9 Noncompetition Agreements. Concurrently with the execution of this Agreement, Western shall cause each of its directors to enter into an agreement substantially in the form of Exhibit B-1 hereto, and Western shall cause each of its Executive Officers to enter into an agreement substantially in the form of Exhibit B-2 hereto.

2.10 Shareholder's Agreements. Concurrently with the execution of this Agreement, Western shall cause each of its directors to enter into a Shareholder's Agreement.

ARTICLE 3

THE CLOSING

3.1 Closing Date. The Closing shall, unless another date or place is agreed in writing by the Parties hereto, take place at the offices of Manatt, Phelps & Phillips, 11355 West Olympic Boulevard, Los Angeles, California, on the Closing Date.

3.2 Execution of Agreement to Consolidate. Prior to the Closing Date, and as soon as practicable after approval of the Superintendent to organize New Bank, the Agreement to Consolidate (as amended, if necessary, to conform to any requirements of any regulatory authority having authority over the Consolidation) shall be executed by Western and New Bank. On the Closing Date, the Consolidation shall become effective in accordance with the approval granted by the Comptroller.

3.3 Execution of Agreement of Merger. Prior to the Closing Date, and as soon as practicable after approval of the Superintendent to organize New Bank, the Agreement of Merger (as amended, if necessary to conform to any requirements of any regulatory authority having authority over the Merger) shall be executed by Chino Valley and the Consolidated Association. On the Closing Date, the Agreement of Merger,

bearing the certification of the Secretary of State, together with all requisite certificates shall be duly filed in the office of the Superintendent in accordance with the California Corporations Code and the California Financial Code.

3.4 Documents to be Delivered. At the Closing the Parties shall deliver, or cause to be delivered, such documents or certificates as may be necessary, in the reasonable opinion of counsel for any of the Parties, to effectuate the transactions called for in this Agreement. If, at any time after the Effective Time of the Merger, the Surviving Bank or its successors or assigns shall determine that any further conveyance, assignment or other documents or any further action is necessary or desirable to further effectuate the transactions set forth herein or contemplated hereby, the officers and directors of the Parties shall execute and deliver, or cause to be executed and delivered, all such documents as may be reasonably required to effectuate such transactions.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF WESTERN

Western represents and warrants to CVB and Chino Valley as follows:

4.1 Organization, Standing and Power. Western is a national banking association, duly organized and existing as an association under the laws of the United States, and is authorized by the Comptroller to conduct a general banking business. Western is a member of the Federal Reserve System and its deposits are insured by the FDIC in the manner and to the extent provided by law. Western has all requisite corporate power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted. Neither the scope of the business of Western nor the location of any of its properties requires that it be licensed to do business in any jurisdiction other than the State of California. Western has delivered to CVB and Chino Valley true and correct copies of its Articles of Association and Bylaws, as amended and in effect as of the date hereof.

4.2 Capitalization. As of the date of this Agreement, the authorized capitalization of Western consists of 500,000 shares of Western Stock, of which 374,134 shares are issued and outstanding. All of the outstanding shares of Western Stock are validly issued, fully paid and nonassessable (except as provided for in 12 U.S.C. 55). Except for Western Options covering 15,921 shares of Western Stock granted pursuant to the Western Stock Option Plan, there are no outstanding options, warrants, commitments, agreements or other rights in or with respect to the unissued shares of Western Stock or any other securities convertible into Western Stock. Schedule 4.2 sets forth the name of each holder of a Western Option, the number of shares of Western Stock covered by each such Western Option, the exercise price per share and the expiration date of each such Western Option.

4.3 Subsidiaries. Except as set forth on Schedule 4.3 hereto, Western does not own, directly or indirectly (except as pledgee pursuant to loans which are not in default), any equity position or other voting interest in any corporation, partnership, joint venture or other entity.

4.4 Financial Statements. Western has delivered to CVB and Chino Valley (a) audited Balance Sheets of Western as of December 31, 1992 and 1991, the related Statements of Income, Stockholders' Equity and Cash Flows for each of the years ended December 31, 1992, and 1991, the related notes and related opinions thereon of Deloitte & Touche and (b) an unaudited balance sheet of Western as of June 30, 1993, the related statements of income, stockholders' equity and cash flows for the six months then ended and the related notes thereto (the "Western Financial Statements"). Western has furnished CVB and Chino Valley with true and correct copies of each management letter or other letter delivered to Western by Deloitte & Touche in connection with the Financial Statements of Western or relating to any review of the internal controls of Western by Deloitte & Touche since January 1, 1990. The Western Financial Statements (i) present fairly the financial condition of Western as of the respective dates indicated and its results of operations and the changes in its stockholders' equity and cash flows for the respective periods indicated; (ii) have been prepared in accordance with generally accepted accounting principles applied on a consistent basis (except for changes, if any, required by generally accepted accounting principles and disclosed therein); (iii) set forth as of the respective dates indicated adequate reserves for loan losses and other contingencies; and (iv) are based on the books and records of Western.

4.5 No Material Liabilities. Schedule 4.5 sets forth all material liabilities of Western, including liabilities for Hazardous Substances or under any Environmental Law, contingent or otherwise, that are not reflected or reserved against in the Western Financial Statements dated as of December 31, 1992, except for liabilities incurred or accrued since December 31, 1992 in the ordinary course of business, none of which has had or may reasonably be expected to have a material adverse effect on the business, financial condition, results of operations or prospects of Western. Except as set forth in Schedule 4.5, to the best knowledge of Western, there exists no basis for the assertion against it of any liability, obligation or claim that may reasonably be expected to have a material adverse effect on the business, financial condition results of operations or prospects of Western.

4.6 Authority of Western. The execution and delivery by Western of this Agreement, the Agreement to Consolidate and, subject to the requisite approval of the shareholders of Western, the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary action on the part of Western and this Agreement is, and the Agreement to Consolidate, upon execution by the parties thereto, will be, a valid and binding obligation of Western, enforceable in accordance with its terms, except as the enforce ability thereof may be limited by bankruptcy, insolvency, mora torium or other similar laws affecting the rights of creditors of national banks generally, by general equitable principles and by Section 8(b)(6)(D) of the Federal Deposit Insurance Act, 18 U.S.C.

1818(b)(6)(D).

4.7 Reserved.

4.8 No Conflicts; Defaults. The execution, delivery and performance of this Agreement, the Agreement to Consolidate and the consummation of the transactions contemplated herein, including the Merger, and therein and compliance by Western with any provision hereof and thereof will not
(a) conflict with or result in a breach of, or default or loss of any benefit under, any provision of its Charter Documents or, except as set forth in Schedule 4.8 any material agreement, instrument or obligation to which it is, or the Consolidated Association will become, a party or by which the property of Western is, or the Consolidated Association will become, bound or give any other party to any such agreement, instrument or obligation the right to terminate or modify any term thereof; (b) except for the prior approval of the FRB, the Comptroller, the FDIC, the Superintendent and as set forth in Schedule 4.8, require any Consents; (c) result in the creation or imposition of any Encumbrance on any of the properties or assets or Western or the Consolidated Association; or (d) subject to obtaining the Consents referred to in subsection (b) of this Section 4.8 and the expiration of any required waiting period, violate any Rules to which Western is subject.

4.9 Reports and Filings. Since January 1, 1990, Western has filed all reports, returns, registrations and statements (such reports and filings referred to as "Western Filings"), together with any amendments required to be made with respect thereto, that were required to be filed with (a) the Comptroller, (b) the FDIC, (c) the Superintendent and (d) any other applicable Governmental Entity, including taxing authorities, except where the failure to file such reports, returns, registrations and statements has not had and is not reasonably expected to have a material adverse effect on the business, financial condition, results of operations or prospects of Western. No administrative actions have been taken or orders issued in connection with such Western Filings. As of their respective dates, each of such Western Filings (y) complied in all material respects with all Rules enforced or promulgated by the Governmental Entity with which it was filed (or was amended so as to be so promptly following discovery of any such noncompliance); and (z) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Any financial statement contained in any of such Western Filings that was intended to present the financial position of Western fairly presented the financial position of Western and was prepared in accordance with generally accepted accounting principles or banking regulations consistently applied, except as stated therein, during the periods involved. Western has furnished CVB and Chino Valley with true and correct copies of all Western Filings filed by Western since January 1, 1990.

4.10 Tax and Other Returns and Reports.

(a) Returns; Liabilities Recorded. Western has filed all United States federal and foreign income tax returns, all state and

local franchise and income tax, real and personal property tax, sales and use tax, premium tax, excise tax and all other United States federal, state or local tax reports and returns that it is required to file ("Tax Filings") and has paid all taxes, together with any interest and penalties, shown or required to be shown to be owing thereon, except taxes contested in good faith and for which adequate reserves have been set aside. Adequate provision has been made in the books and records of Western, and to the extent required by generally accepted accounting principles, reflected in the Financial Statements of Western, for all taxes, interest and penalties, whether or not due and payable and whether or not disputed, with respect to any and all United States federal, foreign, state, local, environmental (including under any Environmental Law) and other taxes for the periods covered by the Financial Statements of Western and for all prior and subsequent periods. Western has furnished CVB and Chino Valley with true and correct copies of all Tax Filings filed since January 1, 1990.

(b) Elections. Western has not elected to be treated as a consenting corporation under Section 341(f) of the Code.

(c) Taxes. Except as set forth on Schedule 4.10, (i) neither the Internal Revenue Service nor any foreign, state, local or other taxing authority (A) has, for any period beginning on or after January 1, 1987, examined or is in the process of examining any United States federal, foreign, state, local or other tax returns of, or affecting, Western, or (B) is now asserting or, to the best knowledge of Western, threatening to assert or initiate, any deficiency or claim for taxes (or interest thereon or penalties in connection therewith) against Western; and (ii) no waivers of statutes of limitations as to any
United States federal, foreign, state, local or other tax matters relating to Western have been given by Western or have been requested from it.

4.11 Contracts. Except as otherwise set forth in Schedule 4.12 or Schedule 4.18, Schedule 4.11 sets forth a description of each contract or offer that would become binding on acceptance by any third party, whether written or oral
(a) that obligates Western to pay or forego receipt of $10,000 or more in any 12-month period, other than any Deposit or any loan or commitment to lend made in the ordinary course of business; (b) that involves the payment by or to Western of more than $10,000 per year and may not be terminated by Western on less than 30 days' notice without liability for penalty or damages of any kind, other than for the provision of retail banking products in the ordinary course of business or a commitment to lend made in the ordinary course of business; (c) that relates to any guarantee or indemnification, other than for the provision of retail banking products in the ordinary course of business or a loan or commitment to lend made in the ordinary course of business; (d) that would be terminable, other than by Western, as a result of the consummation of the transactions contemplated by this Agreement, including the Merger; (e) that may not be terminated by Western on less than 30 days' notice without liability for penalty or damages in an amount of $10,000 or more, other than for the provision of retain banking products in the ordinary course of business or any loan or commitment to lend made in the ordinary course of business; (f) that binds Western and contains a covenant by Western not to compete or restricts in any manner the ability of Western to engage in or conduct any activities;

(g) that binds Western or any of its properties and contains a preferential right in favor of a third party; (h) that relates to the purchase or sale by Western of any loan, lease or other extension of or commitment to extend credit or any interest therein, in each case for a aggregate amount exceeding $25,000, whether or not servicing rights or obligations have been retained by Western; or (i) that is otherwise material to the business, financial condition, results of operations or prospects of Western ("Material Contract"). Except as set forth on Schedule 4.11, (x) each Material Contract is valid and subsisting;
(y) Western has duly performed all obligations under the Material Contracts to be performed by it to the extent that such obligations to perform have accrued; and (z) there are no breaches, violations or defaults or allegations or assertions of such by any party under any Material Contract. Western has furnished CVB and Chino Valley with true and correct copies of all Material Contracts, including all amendments and supplements thereof.

4.12 Title to Property.

(a) Real Property. Schedule 4.12 sets forth a description (including the character of the ownership interest of Western) of all real property of Western, including fees, leaseholds and all other interests in real property (including real property that is DPC Property) ("Real Property"). Except as set forth on Schedule 4.12, (i) Western has duly recorded, in the appropriate county, all recordable interests in Real Property, (ii) Western has good and marketable title to all Real Property and other assets and properties reflected in the Financial Statements of Western dated as of December 31, 1992 free and clear of all Encumbrances, except (A) Encumbrances that in the aggregate do not materially detract from the value, interfere with the use, or restrict the sale, transfer or disposition, of such properties and assets or otherwise materially affect Western; (B) any lien for taxes not yet due; (C) any Encumbrances arising under the document that created the interest in the Real Property (other than Encumbrances arising as a result of any breach or default by Western); and (D) assets and properties dis posed of since December 31, 1992 in the ordinary course of business and consistent with past practice. Western has furnished CVB and Chino Valley with true and correct copies of all leases included on Schedule 4.12 delivered as of the date of the Agreement, all title insurance policies relating to the Real Property and all documents evidencing recordation of all recordable interests in the Real Property.

(b) Condition of Properties. All tangible properties of Western that are material to the business, financial condition, results of operations or prospects of Western are in a good state of maintenance and repair, except for ordinary wear and tear, and are, in all material respects, adequate for the conduct of the business of Western as presently conducted. Except as set forth in Schedule 4.12, (i) the execution of this Agreement, the performance of the obligations of Western hereunder and the consummation of the transactions contemplated herein, including the Merger, does not conflict with and will not result in a breach or default under any lease, agreement or contract described in Schedule 4.12, or give any other party thereto a right to terminate or modify any term thereof; (ii) Western has no obligation to improve any Real Property; (iii) each lease and agreement under which Western is a lessee or holds or operates any property

(real, personal or mixed) owned by any third party is in full force and effect and is a valid and legally binding obligation of Western, and, to the best knowledge of Western, each other party thereto; (iv) Western and, to the best knowledge of Western, each other party to any such lease or agreement have performed in all material respects all the obligations required to be performed by them to date under such lease or agreement and are not in default in any material respect under any such lease or agreement and there is no pending or, to the best knowledge of Western, threatened proceeding, or proceeding which Western has reason to believe may be threatened, that would interfere with the quiet enjoyment of such leasehold or such material property by Western; (v) to the best knowledge of Western, there has not been any generation, use, handling, transportation, treatment, storage, release or disposal of any Hazardous Substance in connection with the conduct of the business of Western that has or might result in any liability under any Environmental Law and there has never been a use of any of the Real Property that has or might result in any liability under any Environmental Law; (vi) to the best knowledge of Western, no underground storage tanks or surface impoundments are on or in the Real Property; and (vii) to the best knowledge of Western, no asbestos or polychlorinated biphenyls are contained or located on any of the Real Property.

4.13 Litigation.

(a) Litigation. Schedule 4.13 sets forth, except as otherwise set forth in Schedule 4.10, a description of each legal, administrative, arbitration, investigatory or other proceeding (including, without limitation, any investigation, action, or proceeding with respect to taxes) pending or, to the best knowledge of Western, that has been threatened, or which Western has reason to believe may be threatened, against or affecting Western or its assets or business, and has had or may have a material adverse effect on the assets, liabilities, business, financial condition, results of operations or prospects of Western or involves or may involve a claim or claims asserting aggregate liability of $10,000 or more. Schedule 4.13 includes with respect to each matter identified, if applicable, the case
title, the court, the court file number, the date filed, the law firm representing Western and such other information as may be reasonably requested by CVB and Chino Valley. Except as set forth on Schedule 4.13, there is no (i) outstanding judgment, order, writ, injunction or decree, stipulation or award of any Governmental Entity or by arbitration, against, or, to the knowledge of Western, affecting Western or its assets or business that (A) has had or may have a material adverse effect on the assets, liabilities, business, financial condition, results of operations or prospects of Western, (B) requires any payment by, or excuses an obligation of a third party to make any payment to, Western of an amount exceeding $10,000 or (C) has the effect of prohibiting any business practice of, or the acquisition, retention or disposition of property by, Western; or (ii) legal, administrative, arbitration, investigatory or other proceeding pending or, to the best knowledge of Western, that has been threatened, or which Western has reason to believe may be threatened, against or affecting any director, officer, employee, agent or representative of Western, in connection with which any such Person has or may have rights to be indemnified by Western.

(b) Regulatory Proceedings. Except as set forth in Schedule 4.13, Western is not subject to any cease and desist order or directive or a party to any written agreement or memorandum of understanding with any Governmental Entity charged with the supervision or regulation of banks or bank holding companies, or engaged in the insurance of bank deposits, that restricts the conduct of its business, or in any manner relates to its capital adequacy, its credit or compliance policies or its management. Copies of any such orders, agreements or memoranda have been made available to CVB and Chino Valley.

4.14 Certain Adverse Changes. Except as specifically required or effected by this Agreement, since December 31, 1992 there has not been, occurred or arisen any of the following (whether or not in the ordinary course of business unless otherwise indicated):

(a) Any change in any of the assets, liabilities, Permits, methods of accounting or accounting practice, business, or manner of conducting business, of Western or any other event or development that has had or may reasonably be expected to have a material adverse effect on the assets, liabilities, Permits, business, financial condition, results of operations or prospects of Western;

(b) Any damage, destruction or other casualty loss (whether or not covered by insurance) that has had or may reasonably be expected to have a material adverse effect on the assets, liabilities, business, financial condition, results of operations or prospects of Western or that may involve a loss of more than $10,000 in excess of applicable insurance coverage; or

(c) Any amendment, modification or termination of any existing, or entry into any new, Material Contract or Permit that has had or may reasonably be expected to have a material adverse effect on the assets, liabilities, business, financial condition, results of operations or prospects of Western;

(d) Any disposition by Western of an asset the lack of which has had or may reasonably be expected to have a material adverse effect on the business, financial condition, results of operations or prospects of Western; or

(e) Any direct or indirect redemption, purchase or other acquisition by Western of any Equity Securities or any declaration, setting aside or payment of any dividend or other distribution on or in respect of Western Stock whether consisting of money, other personal property, real property or other things of value.

4.15 Minute Books. The minute books of Western accurately reflect all material actions duly taken by shareholders, boards of directors and committees and contain true and complete copies of its Charter Documents and all amendments thereto.

4.16 Accounting Records; Data Processing. Western has records that, in all material respects, fairly reflect its transactions, and accounting controls sufficient to ensure that such transactions are in

all material respects (a) executed in accordance with management's general or specific authorization; and (b) recorded in conformity with generally accepted accounting principles. Except as set forth in Schedule 4.16, the procedures and equipment, including, without limitation, the data processing equipment, data transmission equipment, related peripheral equipment and software, used by Western in the operation of its business (including any disaster recovery facility) to generate and retrieve such records are adequate in relation to the size and complexity of the business of Western.

4.17 Insurance. Schedule 4.17 sets forth all insurance policies and bonds maintained by Western. Except as set forth on Schedule 4.17, (a) Western is, and at all times within five years hereof has been, insured with insurers and has insurance coverage adequate to insure against all risks normally insured against by companies in similar businesses and of comparable size; (b) Western is not in default under any policy of insurance or bond such that it could be cancelled and all such insurance policies and bonds maintained by Western are in full force and effect and, except for expirations in the ordinary course, will remain so through and after the Effective Time of the Merger; and (c) Western has filed claims with, or given notice of claims to, its respective insurers with respect to all material matters and occurrences for which it believes it has coverage. Western has furnished CVB and Chino Valley with true and correct copies of all insurance policies and bonds identified on Schedule 4.17, including all amendments and supplements thereto.

4.18 Employee Benefit Plans and Employment and Labor Contracts.

(a) Schedule 4.18, sets forth and describes all employee benefit plans and any collective bargaining agreements, labor contracts and employment agreements in which Western participates, or by which it is bound, including, without limitation, (i) any profit sharing, deferred compensation, bonus, stock option, stock purchase, pension, retainer consulting, retirement, welfare or incentive plan or agreement whether legally binding or not, (ii) any plan providing for "fringe benefits" to its employees, including but not limited to vacation, sick leave, medical, hospitalization, life insurance and other insurance plans, and related benefits, (iii) any written employment agreement and any other employment agreement not terminable at will, or (iv) any other "employee benefit plan" (within the meaning of Section 3(3) of ERISA). Except as set forth in Schedule 4.18, (v) there are no negotiations, demands or proposals that are pending or threatened that concern matters now covered, or that would be covered, by any employment agreements or employee benefit plans; (w) Western is in compliance with the requirements prescribed by any and all Rules currently in effect including but not limited to ERISA and the Code applicable to all such employee benefit plans; (x) Western is in compliance in all material respects with all other Rules applicable to employee benefit plans and employment agreements; (y) Western has performed all of its obligations under all such employee benefit plans and employment agreements; and (z) there are no actions, suits or claims (other than routine claims for benefits) pending or threatened against any such employee benefit plans and employment agreements or the assets of such plans, and to the best knowledge of

Western, no facts exist which could give rise to any actions, suits or claims (other than routine claims for benefits) against such plans or the assets of such plans.

(b) The "employee pension benefit plans" (within the meaning of Section 3(2) of ERISA) described on Schedule 4.18 have been duly authorized by the Board of Directors of Western. Except as set forth in Schedule 4.18, each such plan and associated trust is qualified in form and operation under Section 401(a) and exempt from tax under Section 501(a) of the Code, respectively, and no event has occurred that will or could give rise to disqualification of any such plan or loss of the exemption from tax of any such trust under said Sections. No event has occurred that will or could subject any such plans to tax under Section 511 of the Code. None of such plans has engaged in a merger or consolidation with any other plan or transferred assets or liabilities from any other plan. No prohibited transaction (within the meaning of Section 409 or 502(i) of ERISA or Section 4975 of the Code) or party-in-interest transaction (within the meaning of Section 406 of ERISA) has occurred with respect to any of such plans. No employee of Western has engaged in any transactions which could subject Western to indemnify such person against liability. All costs of plans have been provided for on the basis of consistent methods in accordance with sound actuarial assumptions and practices. No employee benefit plan has incurred any "accumulated funding deficiency" (as defined in ERISA), whether or not waived, taking into account contributions made within the period described in Section 412(c)(10) of the Code; nor are there any unfunded amounts under any employee benefit plan; nor has Western failed to make any contributions or pay any amount due and owing as required by law or the terms of any employee benefit plan or employment agreement. Subject to amendments that are required by the Tax Reform Act of 1986 and later legislation, since the last valuation date for each employee pension benefit plan, there has been no amendment or change to such plan that would increase the amount of benefits thereunder.

(c) Western does not sponsor or participate in, and has not sponsored or participated in, any employee benefit pension plan to which Section 4021 of ERISA applies that would create a liability under Title IV of ERISA.

(d) Western does not sponsor or participate in, and has not sponsored or participated in, any employee benefit pension plan that is a "multi-employer plan" (within the meaning of Section 3(37) of ERISA) that would subject such Person to any liability with respect to any such plan.

(e) All group health plans of Western (including any plans of affiliates of Western that must be taken into account under Section 162(i) or (k) of the Code as in effect immediately prior to the Technical and Miscellaneous Revenue Act of 1988 and Section 4980B of the Code) have been operated in compliance with the group health plan continuation coverage requirements of Section 4980B of the Code to the extent such
requirements are applicable.

(f) There have been no acts or omissions by Western that have given rise to or may give rise to fines, penalties, taxes, or related

charges under Sections 502(c) or (i) or 4071 of ERISA or Chapter 43 of the Code.

(g) Except as described in Section 4.18(j), Western does not maintain any employee benefit plan or employment agreement pursuant to which any benefit plan or other payment will be required to be made by Western or pursuant to which any other benefit will accrue or vest in any director, officer or employee of Western, in either case as a result of the consummation of the transactions contemplated by the Agreement.

(h) No "reportable event," as defined in ERISA, has occurred with respect to any of the employee benefit plans.

(i) All amendments required to bring each of the employee benefit plans into conformity with all of the provisions of ERISA and the Code and all other applicable laws, rules and regulations have been made.

(j) Schedule 4.18 sets forth the name of each director, officer or employee of Western entitled to receive any benefit or any payment of any amount under any existing employment agreement, severance plan or other benefit plan as a result of the consummation of any transaction contemplated in this Agreement, including the Merger, and with respect to each such person, the nature of such benefit or the amount of such payment, the event triggering the benefit or payment, and the date of, and parties to, such employment agreement, severance plan or other benefit plan; provided, however, Western shall not make any "excess parachute payments" to any "disqualified individuals" within the meaning of Section 280G of the Code. Western has furnished CVB and Chino Valley with true and correct copies of true copies of all documents with respect to the plans and agreements referred to in Schedule 4.18 delivered as of the date of the Agreement, including all amendments and supplements thereto, and all related summary plan descriptions. For each of the employee pension benefit plans of Western referred to in Schedule 4.18 delivered as of the date of the Agreement, Western has furnished CVB and Chino Valley with true and correct copies of (i) a copy of the Form 5500 which was filed in each of the three most recent plan years, including without limitation, all schedules thereto and all financial statements with attached opinions of independent accountants; (ii) the most recent determination letter from the Internal Revenue Service; (iii) the statement of assets and liabilities as of the most recent valuation date; and (iv) the statement of changes in fund balance and in financial position or the statement of changes in net assets available for benefits under each of said plans for the most recently ended plan year. The documents referred to in subdivisions (iii) and (iv) fairly present the financial condition of each of said plans as of and at such dates and the results of operations of each of said plans, all in accordance with generally accepted accounting principles applied on a consistent basis.

4.19 Investments. Except for investments that have matured or been sold, Schedule 4.19 sets forth all of the investments reflected in the balance sheet of Western dated December 31, 1992 contained in the Western Financial Statements and all of the investments made since December 31, 1992. Except as set forth in Schedule 4.19, all such investments are

legal
investments under applicable Rules and none of such investments is subject to any restriction, contractual, statutory or other, that would materially impair the ability of the entity holding such investment to dispose freely of any such investment at any time, except restrictions on the public distribution or transfer of such investments under the Securities Act or state securities laws.

4.20 Broker's or Finder's Fees. Except as set forth below, no agent, broker, investment or commercial banker, or other Person acting on behalf of Western, is or will be entitled to any broker's or finder's fee or any other commission or similar fee directly or indirectly in connection with any of the transactions contemplated in this Agreement, including the Merger and the Consolidation, except that Western has retained Geiger/Kochaji & Associates ("Geiger") to act as its representative in connection with the Merger and the Consolidation and the transactions contemplated thereby and has agreed to pay Geiger a fee equal to $144,500, subject to consummation of the transactions contemplated hereby. Western represents and warrants that the obligation to pay Geiger any monies resulting from its engagement in connection with the Merger and the Consolidation is the sole obligation of Western.

4.21 Compliance with Rules. To the best knowledge of Western, Western has conducted its business in accordance with applicable Rules, except for such violations and noncompliance that have not had, and that are not reasonably expected to have, a material adverse effect on the business, financial condition, results of operations or prospects of Western. To the best knowledge of Western, Western's compliance under the CRA should not constitute grounds for either the denial by any bank regulatory authority of any application to consummate the transactions contemplated by this Agreement or the imposition of a materially burdensome condition in connection with the approval of any such application.

4.22 Certain Interests. Schedule 4.22 sets forth a description of each instance in which an officer or director of Western (a) has any material interest in any property, real or personal, tangible or intangible, used by or in connection with the business of Western; (b) is indebted to Western except for normal business expense advances; or (c) is a creditor (other than as a Deposit holder) of Western except for amounts due under normal salary and related benefits or reimbursement of ordinary business expenses. Except as set forth in Schedule 4.22, all such arrangements are arm's length transactions pursuant to normal commercial terms and conditions.

4.23 Extensions of Credit. Schedule 4.23 sets forth a description (a) by type and classification, if any, of each loan, lease other extension of credit and commitment to extend credit; (b) by type and classification of all loans, leases, other extensions of credit and commitments to extend credit that have been classified by its bank examiners or auditors (external or internal) as "Watch List," "Substandard," "Doubtful," "Loss" or any comparable classification; and (c) all consumer loans as to which any payment of principal, interest or other amount is 90 days or more past due.

4.24 Operating Losses. Schedule 4.24 sets forth any Operating Loss (as defined below) that has occurred at Western during the period after December 31, 1992. Except as set forth on Schedule 4.24, since December 31, 1992, to the knowledge of Western, no event has occurred, and no action has been taken or omitted to be taken by any employee of Western that has
resulted in the incurrence by Western of an Operating Loss or that might reasonably be expected to result in the incurrence by Western of an Operating Loss after December 31, 1992, which, net of any insurance proceeds payable in respect thereof, exceeds, or would exceed $5,000 by itself or $10,000 when aggregated with all other Operating Losses during such period. For purposes of this Agreement, "Operating Loss" means any loss resulting from cash shortages, lost or misposted items, disputed clerical and accounting errors, forged checks, payment of checks over stop payment orders, counterfeit money, wire transfers made in error, theft, robberies, defalcations, check kiting, fraudulent use of credit cards or electronic teller machines, civil money penal ties, fines, litigation, claims, arbitration awards or other similar acts or occurrences.

4.25 Powers of Attorney. Western has not granted any Person a power of attorney or similar authorization that is presently in effect or outstanding.

4.26 Offices and ATMs. Schedule 4.26 sets forth the headquarters of Western (identified as such) and each of the offices and automated teller machines ("ATMs") maintained and operated by Western (including, without limitation, representatives and loan production offices and operations centers) and the location thereof. Except as set forth on Schedule 4.26, Western maintains no other office or ATM and conducts business at no other location, and Western has not applied for nor received permission to open any additional branch nor operate at any other location.

4.27 Disclosure Documents and Applications. None of the information supplied or to be supplied by or on behalf of Western ("Western Supplied Information") for inclusion in (a) the proxy statement or other materials and documents ("Proxy Statement") to be mailed to the shareholders of Western in connection with obtaining the approval of the shareholders of Western of this Agreement, the Consolidation and the other transactions contemplated hereby, and (b) any other documents to be filed with the FRB, the Comptroller, the FDIC, the Superintendent or any other Governmental Entity in connection with the transactions contemplated in this Agreement will, at the respective times such documents are filed or become effective, or with respect to the Proxy Statement, when mailed, contain any untrue statement of a material fact, or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

4.28 Accuracy and Currentness of Information Furnished. The representations and warranties made by Western hereby or in the schedules hereto contain no statements of fact which are untrue or misleading, or omit to state any material fact which is necessary under the circumstances to prevent the statements contained herein or in such schedules from being misleading. Western hereby covenants that it shall, not later than the

15th day of each calendar month between the date hereof and the Closing Date, amend or supplement the schedules prepared and delivered pursuant to this Article 4 to ensure that the information set forth in such schedules accurately reflects the then-current status of Western. Western shall further amend or supplement the schedules as of the Closing Date if necessary to reflect any additional changes in the status of Western.

4.29 Effective Date of Representations, Warranties, Covenants and Agreements. Each representation, warranty, covenant and agreement of Western set forth in this Agreement shall be deemed to be made on and as of the date hereof and as of the Closing Date.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF CVB AND CHINO VALLEY

CVB and Chino Valley represent and warrant to Western as follows:

5.1 Organization, Standing and Power of CVB and Chino Valley. CVB is duly organized and existing as a corporation under the laws of the State of California and is registered as a bank holding company under the Bank Holding Company Act of 1956, as amended. Chino Valley is duly organized and existing as a corporation under the laws of the State of California and is authorized by the Superintendent to conduct a general banking business. CVB and Chino Valley have all requisite corporate power and authority to own, lease and operate their respective properties and assets and to carry on their respective businesses as presently conducted.

5.2 Authority of CVB and Chino Valley. The execution and delivery by CVB and Chino Valley of this Agreement and by Chino Valley of the Agreement of Merger and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of CVB and Chino Valley and this Agreement is a valid and binding obligation of CVB and Chino Valley, enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors of California banks generally, by general equitable principles and by Section 8(b)(6)(D) of the Federal Deposit Insurance Act, 18 U.S.C. 1818(b)(6)(D).

5.3 No Conflicts; Defaults. The execution, delivery and performance of this Agreement by CVB and Chino Valley, and the Agreement of Merger by Chino Valley, the consummation of the transactions contemplated herein and compliance by CVB and Chino Valley with any provision hereof will not (a) conflict with their respective Charter Documents; (b) except for the prior approval of the FRB, the Comptroller, the FDIC and the Superintendent, require any Consents; or (c) subject to obtaining the Consents referred to in subsection (b) of this Section 5.3 and the expiration of any required waiting period, violate any Rules to which CVB or Chino Valley is subject.

5.4 Accuracy of Information Furnished. None of the information supplied or to be supplied by or on behalf of CVB or Chino

Valley ("CVB Supplied Information") for inclusion in (a) the Proxy Statement, and (b) any other documents to be filed with the FRB, the Comptroller, the FDIC, the Superintendent or any Governmental Entity in connection with the transactions contemplated in this Agreement will, at the respective times such documents are filed or become effective, or with respect to the Proxy Statement when mailed, contain any untrue statement of a material fact, or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

5.5 Adequacy of Capital. To the best knowledge of CVB, CVB has as of the date of this Agreement sufficient capital and the financial resources to consummate the transactions contemplated by this Agreement, including the Merger.

5.6 Compliance with Rules. To the best knowledge of CVB and Chino Valley, neither CVB nor Chino Valley is in default under, or in violation of, any Rule where such default or violation would cause either of them not to be able to consummate the transactions contemplated by this Agreement, including the Merger.

5.7 Authority of New Bank. The execution and delivery by New Bank of the Agreement to Consolidate and, subject to the requisite approval of the shareholder of New Bank, the consummation of the transactions completed thereby will be duly and validly authorized by all necessary corporation action on the part of New Bank, and the Agreement to Consolidate will be upon execution by the parties thereto a valid and binding obligation of New Bank, enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors generally and by general equitable principles or by the provisions of Section 8(b)(6)(D) of the Federal Deposit Insurance Act, 12 U.S.C. Section 1818(b)(6)(D). Except as set forth in Schedule 5.7, neither the execution and delivery by New Bank of the Agreement to Consolidate, nor the consummation of the transactions contemplated therein, nor compliance by New Bank with any of the provisions thereof will (a) conflict with or result in a breach of any provision of its Charter Documents, (b) except for approval by the shareholder of New Bank and the prior approval of the FRB, the Comptroller or the FDIC, require any Consents; (c) result in the creation or imposition of any Encumbrance on any of the properties or assets of New Bank; or (d) subject to obtaining the Consents referred to in subsection (b) of this Section 5.7, and the expiration of any waiting period, violate any Rules to which New Bank is subject.

ARTICLE 6

CONDUCT AND TRANSACTIONS PRIOR TO EFFECTIVE TIME OF MERGER

6.1 Access to Information. (a) Western will authorize and permit CVB and Chino Valley, their representatives, accountants and counsel (collectively "Representatives"), to conduct complete and full reviews of the business, operations, assets and liabilities of Western at such dates as CVB and Chino Valley may from time to time request. Without limiting

the foregoing, CVB and Chino Valley and their Representatives shall have the right (i) to review all of Western's properties, books, records, loans and leases, operating reports, audit reports, operation instructions and procedures, tax returns, tax settlement letters, contracts and documents, and all other information with respect to its business affairs, financial condition, assets and liabilities, (ii) to make copies of such books, records and other documents and (iii) to discuss its business affairs, condition (financial and otherwise), assets and liabilities with Western's directors, officers, accountants and counsel, as CVB and Chino Valley consider necessary or appropriate for the purposes of familiarizing themselves with the business and operations of Western, conducting an evaluation of the assets and liabilities of Western, determining whether to proceed with the transactions contemplated by this Agreement, determining the accuracy of the representations and warranties set forth in Article 4, obtaining any necessary orders, consents or approvals of the transactions contemplated by this Agreement by any Governmental Entity. Any such review shall be conducted in cooperation with the officers of Western and in such a manner to minimize any disruption of, or interference with, the normal business operations of Western. In addition, Western will cause Deloitte & Touche to make available to CVB and Chino Valley and their Representatives such personnel, work papers and other documentation of Deloitte & Touche, relating to its work papers and its audits and examinations of the books and records of Western or the tax returns of Western as may be requested by CVB and Chino Valley in connection with their review of the foregoing matters.

(b) In addition to the requirements of subsection (j) of Section 6.3, a Representative of CVB and Chino Valley, selected by CVB and Chino Valley in their sole discretion, shall be authorized and permitted to review each loan, lease, or other credit originated by Western after the date hereof, and all information associated with such loan, lease or other credit within three Business Days of such origination.

(c) A Representative of CVB and Chino Valley, selected by CVB and Chino Valley in their sole discretion, shall be permitted by Western to attend all regular and special Board of Directors' and committee meetings of Western from the date shareholder approval pursuant to Section 6.7 has been obtained until the Effective Time of the Consolidation; provided, however, that the attendance of such Representative shall not be required at any meeting, or portion thereof, for the sole purpose of discussing the transactions contemplated by this Agreement or the obligations of Western under this Agreement.

6.2 Material Adverse Changes; Reports; Financial Statements; Filings.

(a) Western will promptly notify CVB and Chino Valley as provided in Section 11.11 (i) of any event which may materially and adversely affect the business, financial condition, results of operations or prospects of Western; (ii) in the event it determines it is possible that the conditions to the performance of CVB and Chino Valley set forth in Sections 8.1 and 8.2 may not be satisfied; or (iii) any event, development or circumstance that, to the best knowledge of Western, will or, with the passage of time or the giving of notice or both, is reasonably expected to

result in the loss to Western of the ser vices of any Executive Officer of Western.

(b) Western will furnish to CVB and Chino Valley as provided in Section 11.11, as soon as practicable, and in any event within five Business Days after it is prepared or becomes available to Western, (i) a copy of any report submitted to the Board of Directors of Western or committee thereof and access to the working papers related thereto and copies of other operating or financial reports prepared for management of any of its business and access to the working papers related thereto; provided, however, that Western need not furnish CVB and Chino Valley communications of their legal counsel regarding Western's rights against and obligations to CVB and Chino Valley under this Agreement; (ii) copies of all Western Filings; (iii) monthly unaudited balance sheets and statements of earnings for Western; and (iv) such other reports as CVB and Chino Valley may reasonably request relating to Western.

(c) Each of the financial statements delivered pursuant to subsection (b)(iii) of this Section 6.2 (i) shall be prepared in accordance with generally accepted accounting principles on a basis consistent with that of the audited Western Financial Statements; (ii) shall set forth adequate reserves for loan losses and other contingencies; and (iii) shall be accompanied by a certificate of the Chief Financial Officer of Western to the effect that such financial statements fairly present the financial condition and results of operations of Western for the periods covered, and reflect all adjustments (which consist only of normal recurring adjustments) necessary for a fair presentation thereof.

(d) The calculation of Net Income/Losses shall be made in accordance with generally accepted accounting principles on a basis consistent with that of the audited Western Financial Statements.

(e) Western agrees that through the Effective Time of the Consolidation, each of its filings, including those referred to in Section 4.9, (i) will comply in all material respects with all of the Rules enforced or promulgated by the Governmental Entity with which it will be filed; and (ii) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading. Any financial statement contained in any of such filings that is intended to present the financial position of the entity to which it relates will fairly present the financial position of such entity and will be prepared in accordance with generally accepted accounting principles or banking regulations consistently applied during the period involved.

6.3 Limitation on Western's Conduct Prior to Closing. From and after the date of this Agreement, unless (i) otherwise provided in this Agreement, (ii) required by any applicable Rule or (iii) consented to by CVB and Chino Valley (which consent shall be deemed granted, except with respect to subsection (j) of this Section 6.3, if within 5 days of CVB and Chino Valley's receipt of a written notice of a request for prior consent, written notice of objection is not received by Western), Western agrees that:

(a) Ordinary Course. Western shall conduct its affairs in the ordinary course of business consistent with past practice and will use all reasonable efforts to preserve its relationships with customers, suppliers and others having business dealings with it.

(b) Preservation of Permits. Western shall not amend, modify, terminate or fail to renew or preserve its Permits.

(c) Preservation of Contracts. Western shall not amend, modify, or, except as they may expire in accordance with their terms, terminate any Material Contract or any lease or other agreement relating to the Real Property or materially default in the performance of any of its obligations under any Material Contract or any lease or other agreement relating to the Real Property.

(d) Restrictions on New Contracts. Western shall not enter into any Material Contract or any lease or other agreement relating to the Real Property, except (i) Deposits and short-term debt securities (obligations maturing within one year) issued in the ordinary course of business and consistent with past practice; (ii) obligations arising out of, incurred in con nection with, or related to the consummation of this Agreement; (iii) commitments to make loans or other extensions of credit in compliance with subsections (j) and (k) below; (iv) loan sales in the ordinary course of business and consistent with past prac tice, without any recourse except to a reserve account funded by an interest rate spread otherwise payable to the servicer of the loans sold, provided that no such commitment to sell loans shall extend beyond the Effective Time of the Consolidation; and (v) in the ordinary course of business and consistent with past practice, purchases of interest in loans or purchases of loan portfolios originated and serviced (if not by Western) by a nationally recognized originator and servicer, the debt of which is of investment grade.

(e) Maintenance of Insurance. Western shall not terminate or unilaterally fail to renew any existing insurance coverage or bonds.

(f) Restrictions on Compensation. Western shall not grant any general or uniform increase in the rates of pay of employees or employee benefits or any increase in salary, employee benefits or compensation of any officer, employee, director, agent or any Person or pay any bonus to any Person, except as required by any existing written employment agreement; provided, however, Western may pay bonuses to employees consistent with past practice.

(g) Restrictions on Transfer of Assets. Western shall not sell, transfer, mortgage, encumber or otherwise dispose of any assets or release or waive any claim, except in the ordinary course of business and consistent with past practice or as required by any existing contract or for ordinary repairs, renewals or replacements.

(h) Grant or Issuance of Securities; Distributions; Reclassifications. Western shall not acquire for value or grant, issue, sell or redeem any Equity Securities or debt securities of

Western, or declare, issue or pay any dividend or other distribution of assets, whether consisting of money, other personal property, real property or other things of value, to the shareholders of Western, or split, combine or reclassify any shares of its capital stock or other Equity Securities; provided, however, that Western may issue Western Stock upon the exercise Western Options.

(i) Charter Documents. Western shall not amend or modify any of its Charter Documents.

(j) Extensions of Credit. Until the date which is 45 days from the date of this Agreement, Western shall deliver to CVB and Chino Valley on a weekly basis a report setting forth all extensions of credit made by Western for the preceding week. Thereafter, Western shall not grant or commit to grant any loan or other extension of credit, if such loan or other extension of credit, together with all other credit then outstanding to the same Person and all Affiliates of such Person, would exceed $25,000, prior to receiving CVB and Chino Valley's Consent. For extensions of credit in an amount of $75,000 or less, consent shall be deemed granted if within one Business Day of written notice delivered to CVB and Chino Valley's designee, a written notice of objection is not received by Western. For extensions of credit in excess of $75,000, consent shall be deemed granted if within two Business Days of written notice delivered to CVB and Chino Valley's designee, a written notice of objection is not received by Western.

(k) Credit Standards. Western shall not make its credit underwriting policies, standards or practices relating to the making of loans and other extensions of credit, or com mitments to make loans and other extensions of credit, less stringent than those in effect on December 31, 1992.

(l) Capital Expenditures. Western shall not make any capital expenditures, or commitments with respect thereto, except in the ordinary course of business and consistent with past practice.

(m) No Extraordinary Payments. Western shall not make special or extraordinary payments to any Person, except as contemplated by Section 6.3(f).

(n) Investments. Western shall not make any investment, by purchase of stock or securities, contributions to capital, property transfers, purchases of any property or assets or otherwise, in any other Person, except in the ordinary course of business and consistent with past practice.

(o) Compromise of Taxes. Western shall not (i) compromise or otherwise settle or adjust any assertion or claim of a deficiency in taxes (or interest thereon or penalties in connection therewith); (ii) file any appeal from an asserted deficiency; (iii) file or amend any United States federal, foreign, state or local tax return; or (iv) make any tax election or change any method or period of accounting unless required by generally accepted accounting principles or United States federal Rules.

(p) Employee Benefits. Western shall not enter into or consent to any new employment agreement or other employee benefit arrangement, or amend or modify any employment agreement or other employee benefit arrangement in effect on the date of this Agreement to which Western is a party or bound.

(q) Powers of Attorney. Western shall not grant any Person a power of attorney or similar authority, except in accordance with a written policy previously disclosed to CVB and Chino Valley.

(r) Offices. Western shall not open or close any branch or other office at which the business of Western is or will be conducted.

(s) No Agreement to Forbidden Actions. Western shall not agree or make any commitment to take any actions prohibited by this Section 6.3.

6.4 Certain Loans and Other Extension of Credit. Western will promptly inform CVB and Chino Valley of the amounts and categories of any loans, leases or other extensions of credit of Western that have been classified by any bank supervisory authority, by any unit of Western or by any other Person as "Watch List," "Substandard," "Doubtful," "Loss" or any comparable classification. Western will furnish to CVB and Chino Valley, as soon as practicable, and in any event within 10 days after the end of each calendar month, schedules including a listing of the following:

(a) classified credits, showing with respect to each such credit the classification category, credit type and office;

(b) nonaccrual credits, showing with respect to each such credit the credit type and office;

(c) accrual exception credits that are delinquent 90 or more days and have not been placed on nonaccrual status, showing with respect to each such credit the credit type and office;

(d) delinquent credits, showing with respect to each such credit the credit type, office and an aging schedule broken down into 30-59, 60-89, 90-119 and 120+ day categories;

(e) loan and lease participations, stating, with respect to each, whether it was purchased or sold, the loan or lease type, and the office;

(f) loans or leases (including any commitments) by Western to any director, officer, or employee of Western, or any shareholder holding 5% or more of the Western Stock, including with respect to each such loan or lease, the identity and, to the best knowledge of Western, the relation of the borrower to Western, the loan or lease type and the outstanding and undrawn amounts;

(g) letters of credit, showing with respect to

each letter of credit the credit type and office;

(h) loans or leases charged off during the previous month, showing with respect to each such loan or lease, the credit type and office;

(i) loans or leases written down during the previous month, including with respect to each such loan or lease, the credit type and office;

(j) other real estate or assets owned, stating with respect to each its credit type;

(k) a reconciliation of the allowance for loan and lease losses, identifying specifically the amount and sources of all additions and reductions to the allowance (which may be by reference to specific portions of another schedule furnished pursuant to this Section 6.4 and, in the case of unallocated adjustments, shall disclose the methodology and calculations through which the amount of such adjustment was determined);

(l) extensions of credit originated on or after the date of the schedule previously provided to CVB and Chino Valley (or, if it is the first such schedule, the date of this Agreement) and before the date of the schedule in which reported, showing with respect to each, the credit type and the office; and

(m) renewals or extensions of maturity of outstanding extensions of credit, showing with respect to each, the credit type and the office.

6.5 No Solicitation, etc.

(a) Western shall not, and will cause each of its officers, directors, employees, agents, legal and financial advisors and Affiliates not to, directly or indirectly, make, solicit, encourage, initiate or enter into any agreement or agreement in principle, or announce any intention to do any of the foregoing, with respect to any of Western's business and properties or any of Western's Equity Securities or debt secur ities, whether by purchase, merger (other than by CVB and Chino Valley), purchase of assets, tender offer or otherwise (an "Alternative Transaction").

(b) Western shall not, and will cause each of its officers, directors, legal and financial advisors, agents and Affiliates not to, directly or indirectly, participate in any negotiations or discussions regarding, or furnish any information with respect to, or otherwise cooperate in any way in connection with, or assist or participate in, facilitate or encourage, any effort or attempt to effect or seek to effect, any Alternative Transaction with or involving any Person other than CVB and Chino Valley, unless Western shall have received an unsolicited written offer from a Person other than CVB and Chino Valley to effect an Alternative Transaction and the Board of Directors of Western is advised in writing by outside legal counsel that in the exercise of the

fiduciary obligations of the Board of Directors such information should be provided to or such discussions or negotiations undertaken with the Person submitting such unsolicited written offer.

(c) Western will promptly communicate to CVB and Chino Valley the terms of any proposal which it may receive in respect of any Alternative Transaction and will keep CVB and Chino Valley informed as to the status of any actions, including negotiations or discussions, taken pursuant to subsection (b) of this Section 6.5.

6.6 Schedules of Western. Promptly in the case of material matters, and not less than monthly in the case of all other matters, Western shall amend or supplement the schedules provided for herein as necessary so that the information contained therein accurately reflects the then current status of Western and shall transmit copies of such amendments or supple ments to CVB and Chino Valley in accordance with Section 11.11.

6.7 Shareholder Approval. Promptly after the execution of this Agreement, Western shall prepare the Proxy Statement and take all action necessary in accordance with applicable Rules and its Charter Documents to submit to its shareholders for approval the Agreement, the Agreement to Consolidate and the other transactions contemplated hereby. In connection with such submission, the Board of Directors shall recommend shareholder approval of all the matters referred to in this Section 6.7 and Western shall use its best efforts to obtain such shareholder approval. Western shall complete the solicitation of shareholder approval of the matters referred to in this Section 6.7 prior to March 31, 1994.

6.8 Compliance with Rules. Western shall comply with the requirements of all applicable Rules, the noncompliance with which would materially and adversely affect the assets, liabilities, business, financial condition, results of operations or prospects of Western.

6.9 Disposition of Employee Benefit Plans. Western shall take all actions requested by CVB and Chino Valley to cause, on or before the Closing Date, (i) the termination of all of its employee benefits plans, programs and arrangements, including the Western Deferred Compensation Plan and (ii) the payment of all benefits payable under such plans, programs and arrangements.

6.10 Cancellation of Western Options. Western shall use its best efforts to cancel and terminate all outstanding Western Options on terms and conditions satisfactory to CVB and Chino Valley on or before the Closing Date.

6.11 Termination of Western Employment Agreements. Western shall take all actions necessary to terminate all Western Employment Agreements on terms and conditions satisfactory to CVB and Chino Valley on or before the Closing Date.

6.12 Action on Lease. Western shall take all actions necessary to ensure the validity and enforceability of the Western Lease following the Closing and shall obtain any necessary consents or assignments required thereunder as a result of the Merger and/or

Consolidation.

6.13 Execute Agreement to Consolidate. As soon as possible after receipt of approval of the Superintendent to organize New Bank, Western shall execute the Agreement to Consolidate.

ARTICLE 7

FURTHER COVENANTS OF THE PARTIES

7.1 Execution of Agreement to Consolidate. As soon as practicable after receipt of approval of the Superintendent to form New Bank, CVB shall cause New Bank to execute the Agreement to Consolidate.

7.2 Filings, Consents and Insurance.

(a) The Parties will cooperate and use all reasonable efforts to make all registrations, filings and applications, to give all notices and to obtain all Consents necessary or desirable on the part of the Parties for the consummation of the Consolidation, the Merger, and the other transactions contemplated in this Agreement.

(b) To the extent that the Consent of a third party ("Third Party Consent") with respect to any contract, agreement, license, franchise, lease, commitment, arrangement, permit or release that is material to the business of Western or that is contemplated in this Agreement is required in connection with the Consolidation, the Merger or the transactions contemplated in this Agreement, Western shall use all reasonable efforts to obtain such Third Party Consent prior to the Effective Time of the Consolidation.

(c) To the extent that a Third Party Consent identified on Schedule 5.3 is required in connection with the Consolidation, the Merger or the transactions contemplated by this Agreement, CVB and Chino Valley shall use all reasonable efforts to obtain such Third Party Consent prior to the Effective Time of the Consolidation.

(d) To the extent that a Third Party Consent that is contemplated in this Agreement is required to consummate the Consolidation, the Merger or the transactions contemplated in this Agreement, CVB and Chino Valley shall use all reasonable efforts to obtain such Third Party Consent prior to the Effective Time of the Merger.

(e) The Parties shall use all reasonable efforts to obtain insurance policies and bonds for the Surviving Bank that are comparable in terms of both cost and coverage to those maintained by or with respect to Chino Valley or its officers and directors prior to the Effective Time of the Merger.

7.3 Preservation of Employment Relations Prior to Effective Time. Western will consult with CVB and Chino Valley concerning, and Western will use all reasonable efforts to keep available to CVB and Chino Valley, the services of the officers and employees of Western prior to the

Effective Time of the Consolidation. Prior to the Effective Time of the Consolidation,
CVB or Chino Valley will notify Western of the employees CVB desires to retain as employees of the Surviving Bank. Western agrees that, following such notification, it will lay off, effective immediately prior to the Effective Time of the Consolidation, all remaining employees. Western agrees to pay such laid-off employees (other than persons who are parties to Western Employment Agreements) an amount equal to two week's salary at the employee's then current weekly rate in consideration for a release from the employee of all known and unknown claims against Western, New Bank, the Consolidated Association, CVB, Chino Valley or the Surviving Bank, or any of them. Western further agrees that all such employees will be laid off in accordance with Western's existing policies and practices. CVB and Chino Valley will use their best efforts to offer employment with the Surviving Bank to all qualified Western officers and employees. Nothing in this Section 7.3, however, shall obligate CVB and Chino Valley to retain or offer employment to any officer or employee of Western.

ARTICLE 8

CONDITIONS PRECEDENT TO CONTEMPLATED TRANSACTIONS

8.1 Conditions to Each Party's Obligation to Close. The respective obligations of the Parties to consummate the trans actions contemplated hereby are subject to the satisfaction or waiver (where permissible) at or prior to the Closing Date of each of the following:

(a) The Agreement, the Consolidation, and the other transactions contemplated hereby shall have received all requisite approvals of the shareholders of Western and New Bank.

(b) No Rule shall be outstanding or threatened by any Governmental Entity which prohibits or restricts the effectuation of, or threatens to invalidate or set aside, the Consolidation, unless counsel to the Party against whom such action or proceeding was instituted or threatened renders to the other Party or Parties hereto a favorable opinion that such Rule is without merit.

(c) To the extent required by applicable Rule, all Consents of any Governmental Entity, including, without limi tation, those of the FRB, the Comptroller, the FDIC and Superintendent, shall have been obtained or granted for the Consolidation, and all applicable waiting periods under all Rules shall have expired.

8.2 Additional Conditions to Obligations of CVB and Chino Valley to Close. The obligations of CVB and Chino Valley to consummate the transactions contemplated hereby are subject to the satisfaction or waiver (where permissible) at or prior to the Closing Date of each of the following conditions:

(a) No Rule shall be outstanding or threatened by any Governmental Entity which prohibits or restricts the effectuation of, or threatens to invalidate or set aside, the Merger or which would not permit

the business presently carried on by Western, CVB or Chino Valley to continue unimpaired following the Closing Date.

(b) To the extent required by applicable Rule, all Consents of any Governmental Entity, including, without limi tation, those of the FRB, the Comptroller, the FDIC and Superintendent, shall have been obtained or granted for the
Merger and the other transactions contemplated hereby, and all applicable waiting periods under all Rules shall have expired.

(c) All actions necessary to authorize the execution, delivery and performance of the Agreement by Western and the consummation of the Consolidation by Western shall have been duly and validly taken by the Board of Directors and shareholders of Western.

(d) The representations and warranties of Western contained in Article 4 of this Agreement shall have been true and correct (i) on the date of this Agreement and (ii) at and as of the Effective Time of the Consolidation as though all such repre sentations and warranties had been made on and as of the Effective Time of the Consolidation. CVB and Chino Valley shall have received a certificate to that effect from Western dated as of the Closing Date and executed on behalf of Western by its Chief Executive Officer and Chief Financial Officer.

(e) Each of the covenants and agreements of Western contained in this Agreement to be performed at or before the Effective Time of the Consolidation shall have been so performed in all material respects. CVB and Chino Valley shall have received a certificate to that effect from Western dated as of the Closing Date and executed on behalf of Western by its Chief Executive Officer and Chief Financial Officer.

(f) During the period from the date of this Original Agreement to the Effective Time of the Consolidation, there shall not have occurred any event related to the business, condition (financial or otherwise), prospects, capitalization or properties of Western that has had or could reasonably be expected to have a material adverse effect on the business, financial condition, results of operations or prospects of Western, whether or not such event, change or effect is reflected in any amended or supplemented schedule of Western delivered after the date of the Original Agreement. CVB and Chino Valley shall have received a certificate to that effect from Western dated the Closing Date and signed by the Chief Executive Officer and the Chief Financial Officer of Western.

(g) CVB and Chino Valley shall have received (i) the Aggregate Purchase Price Certificate and the statements contained therein shall be true and correct and (ii) a report of Deloitte & Touche confirming its review of the procedures upon which the calculation of the Aggregate Purchase Price, including the Net Income/Losses, are based.

(h) Western shall have delivered to CVB and Chino Valley a written opinion of Labowe, Labowe & Hoffman, or other legal counsel acceptable to CVB and Chino Valley, dated the Closing Date in substantially the form attached to this Agreement as Exhibit D.

(i) The Parties shall have obtained all Third Party Consents contemplated by subsections (b), (c) and (d) of Section 7.2.

(j) CVB and Chino Valley shall have received evidence satisfactory to it that all directors and Executive Officers of Western, have tendered their resignations, to be effective immediately after the Effective Time of the Consolidation.

(k) Any Consents of a Governmental Entity which are referred to in this Agreement and are necessary to consummate the Consolidation, the Merger or any of the other transactions contemplated hereby shall have been granted without the imposition, in the sole opinion of CVB and Chino Valley, of materially burdensome conditions.

(l) There shall have been executed and delivered to CVB and Chino Valley, contemporaneously with the execution and delivery of this Agreement:

(i) Noncompetition Agreements with each of Western's directors and Executive Officers; and

(ii) Shareholder's Agreements with each of the directors of Western.

(m) CVB and Chino Valley shall have received an opinion from Manatt, Phelps & Phillips to the effect that (i) the Consolidation constitutes a "qualified stock purchase" under Section 338(a) of the Code, (ii) the Merger qualifies as a taxfree reorganization under Section 368(a)(1)(A) of the Code and (iii) the Consolidation and Merger will not result in the recognition of gain or loss for federal income tax purposes by Western, CVB, Chino Valley or the Surviving Bank.

(n) CVB shall have received satisfactory evidence that all Western Options have been cancelled and terminated on terms and conditions satisfactory to CVB.

(o) CVB and Chino Valley shall have received satisfactory evidence that all Western Employment Agreements, have been terminated on terms and conditions satisfactory to CVB and Chino Valley.

(p) The Western Lease shall have been extended on terms and conditions satisfactory to CVB and Chino Valley.

(q) CVB and Chino Valley shall have received satisfactory evidence that (i) all of Western's employee benefit plans, programs and arrangements, have been terminated on terms and conditions satisfactory to CVB and Chino Valley and (ii) all benefits payable under such plans, programs and arrangements have been paid.

(r) CVB and Chino Valley shall have received satisfactory assurances that the Surviving Bank shall have, on and after the Effective Time of the Merger, insurance policies and bonds that are comparable in terms of both coverage and cost to those maintained by or with respect to Chino Valley or its officers and directors prior to the Effective Time of the Merger.

(s) As of the Determination Date, Western's allowance for loan losses shall not be less than $700,000. CVB and Chino Valley shall have received a certificate to that effect from Western dated as of the Closing Date and executed on behalf of Western by its Chief Executive Officer and Chief Financial Officer.

(t) As of the Determination Date and immediately prior to the Effective Time of the Consolidation and the Effective Time of the Merger, the Contingent Reserve shall equal that number which is equal to 20% of the principal amount of the Contingent Loans at the Effective Time of the Merger.

(u) CVB and Chino Valley shall have received from the Securities and Exchange Commission and the California Department of Corporations a letter to the effect that such agencies will not take any action against CVB or Chino Valley if
CVB issues the Continent Payment Rights without registration or qualification under the Securities Act of 1993, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939 or the California Corporate Securities Laws of 1968.

(v) All material legal matters in connection with the consummation of the transactions contemplated hereby, including the Merger, shall have been approved by Manatt, Phelps & Phillips or such other counsel of CVB and Chino Valley.

8.3 Additional Conditions to Obligations of Western to Close. The obligations of Western to consummate the transactions contemplated hereby are subject to the satisfaction or waiver (where permissible) at or prior to the Closing Date of each of the following conditions:

(a) All actions necessary to authorize the execution, delivery and performance of the Agreement by CVB and Chino Valley and consummation of the Consolidation by New Bank shall have been duly and validly taken by the Board of Directors of CVB, Chino Valley and New Bank.

(b) The covenants and agreements of CVB to be performed at or before the Effective Time of the Consolidation shall have been duly performed in all material respects. Western shall have received a certificate to that effect dated the Closing Date and executed on behalf of CVB by the Chief Executive Officer and Chief Financial Officer of CVB.

(c) CVB shall have delivered to Western the written opinion of Manatt, Phelps & Phillips or other legal counsel reasonably acceptable to Western, dated the Closing Date in substantially the form attached to this Agreement as Exhibit E.

(d) Cash representing the Aggregate Purchase Price shall have been deposited with the Exchange Agent at least one Business Day prior to the Effective Time of the Consolidation.

(e) All material legal matters in connection with the consummation of the transactions contemplated hereby, including the Merger, shall been approved by Labowe, Labowe & Hoffman, or such other counsel of

Western.

ARTICLE 9

EMPLOYEE BENEFITS

9.1 Termination of Western Employee Benefits Plans. Western shall have terminated all employee benefit plans prior to the Effective Time of the Consolidation and no such employee benefit plans shall become plans of the Consolidated Association or the Surviving Bank.

9.2 Western Employee Benefits. At and as of the Effective Time of the Merger, the former officers and employees of Western who become officers and employees of the Surviving Bank shall, in that capacity, be entitled to participate in all employee benefits and benefit programs of the Surviving Bank in accordance with the terms of such employee benefit programs. Surviving Bank shall recognize such former officers' and employees' service with Western for purposes of eligibility of benefits under such benefit programs, except that no former officer or employee of Western shall be deemed to have accrued any rights under the Chino Valley Employee Profit Sharing Plan by reason of past employment by Western. Such former employee or officer of Western shall commence accruing service for eligibility and vesting purposes under such Profit Sharing Plan beginning on the date he first performs an hour of service for the Surviving Bank.

ARTICLE 10

TERMINATION OF AGREEMENT; WAIVER OF CONDITIONS; PAYMENT OF EXPENSES; FILINGS AND APPROVALS

10.1 Termination of Agreement.

Anything herein to the contrary notwithstanding, this Agreement, the Consolidation and the Merger contemplated hereby may be terminated at any time before the Effective Time of the Consolidation, whether before or after approval by the shareholders of Western and New Bank as follows, and in no other manner:

(a) Initial Due Diligence. By CVB and Chino Valley, at any time, within 45 days after the date of this Agreement, if in the course, or as a result, of its examination of assets, liabilities, business, condition (financial or otherwise) operations and prospects of Western, including, but not limited to, its examination and review of (i) any matters, documents, agreements or instruments included or referred to on the schedules of Western delivered pursuant to Article 4 of this Agreement, (ii) the accounting books and records of Western, (iii) the loan portfolio of Western (iv) the minute and corporate books and records of Western, or (v) the material contracts, agreements and leases of Western, CVB and Chino Valley conclude, in their sole discretion, that (A) CVB, Chino Valley or the Surviving Bank may not realize fully the benefits of the Consolidation or Merger and the transactions contemplated by this Agreement or (B) there

exists a fact or event related to the business, condition (financial or otherwise), prospects, capitalization or properties of Western that has or could reasonably have a material adverse effect on the business, financial condition, results of operations or prospects of Western or the Surviving Bank.

(b) Mutual Consent. By mutual consent of the Parties.

(c) General Conditions Not Met. By CVB and Chino Valley or Western, if any conditions set forth in Section 8.1 shall not have been met by May 31, 1994.

(d) Conditions. By CVB and Chino Valley, if any conditions set forth in Section 8.2 shall not have been met, or by Western if any conditions set forth in Section 8.3 shall not have been met, by May 31, 1994, or such earlier time as it becomes apparent that such condition cannot be met.

(e) FRB, Comptroller, FDIC or Superintendent Approval. By CVB and Chino Valley or Western, if the FRB or the Comptroller shall have finally declined to approve the Consolidation or by CVB and Chino Valley if the FDIC or Superintendent shall have finally declined to approve the Merger.

(f) Default.

(i) By CVB and Chino Valley, if Western should materially default in the observance or in the due and timely performance of any of its covenants and agreements herein contained (other than Section 6.5) and such default shall not have been fully cured within 20 Business Days after written notice specifying the alleged default.

(ii) By Western, if CVB or Chino Valley should materially default in the observance or in the due and timely performance of any of their covenants and agreements herein contained and such default shall not have been fully cured within 20 Business Days after written notice specifying the alleged default.

(g) Alternative Transactions.

(i) By CVB and Chino Valley, at any time, if Western violates the covenants set forth in subsections (a), (b) or (c) of Section 6.5.

(ii) By either Western or CVB and Chino Valley, at any time, if Western has received an unsolicited offer from a Person other than CVB and Chino Valley to effect an Alternative Transaction and takes any action referred to in subsection (b) of Section 6.5 after the Board of Directors of Western is advised in writing by outside legal counsel that in the exercise of its fiduciary duty such action should be taken.

(h) Withdrawal of Board Recommendation. By CVB and Chino Valley, at any time, if the Board of Directors of Western withdraws its recommendation pursuant to Section 6.7.

(i) Shareholder Non-Approval. By CVB and Chino Valley, at any time, if the approval of the shareholders of Western to all of the matters referred to in Section 6.7 is not obtained prior to March 31, 1994.

(j) Expiration Date. By CVB and Chino Valley or Western if the Closing has not occurred by May 31, 1994, unless such date is extended by mutual agreement of the Parties (the "Expiration Date").

10.2 Effect of Termination; Liquidated Damages; Expenses.

(a) No termination of this Agreement under this Article 10 for any reason or in any manner shall release, or be construed as so releasing, any Party from its obligations under subsection (b) of this Section 10.2, or Sections 11.8, 11.9 and 11.11 or from any liability or damage to any other Party hereto arising out of, in connection with or otherwise relating to, directly or indirectly, said Party's material breach, default or failure in performance of any of its covenants, agreements, duties or obligations arising hereunder; provided, however, that, if such termination shall result from (i) an election to terminate by CVB and Chino Valley pursuant to subsection (g)(i) of Section 10.1, Western shall pay to CVB and Chino Valley as reasonable and full liquidated damages and reasonable compensation for the loss sustained thereby and not as a penalty or forfeiture, the sum of $500,000, within ten Business Days following the notice that such violation has occurred and (ii) an election to terminate by CVB and Chino Valley pursuant to subsections (g)(ii) or (h) of Section 10.1, Western shall pay to CVB and Chino Valley, as reasonable and full liquidated damages and reasonable compensation for the loss sustained thereby and not as a penalty or forfeiture, the sum of $250,000 plus CVB and Chino Valley's out-of-pocket expenses in connection with this Agreement and the transactions contemplated hereby (including, but not limited to, attorney's fees) up to $100,000 within ten Business Days following notice of such election; and provided, further, that if such termination shall result from CVB's willful failure to cause New Bank to consummate the Consolidation on or before the Expiration Date, notwithstanding each and every condition to its obligation to cause New Bank to consummate the Consolidation having been satisfied prior to that date, CVB shall pay to Western (provided Western is not otherwise in breach of this Agreement), as full liquidated damages and reasonable compensation for the loss sustained thereby and not as a penalty or forfeiture, the sum of $150,000 plus Western's out-of-pocket expenses in connection with this Agreement and the transactions, contemplated hereby (including, but not limited to, attorney's fees) up to $100,000 within ten Business Days following notice thereof.

Any claim for reimbursement of out-of-pocket expenses pursuant to this Section 10.2(a) shall be subject to reasonable documentation.

(b) Except as otherwise provided in this Section 10.2, all legal and other costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses as indicated below:

(i) all fees and disbursements of their counsel, consultants and accountants shall be paid by CVB and Chino Valley;

(ii) all fees and disbursements of its counsel, consultants and accountants shall be paid by Western;

(iii) all fees and out-of-pocket expenses in connection with obtaining approval by shareholders of Western of the matters referred to in Section 6.7, including any proxy solicitation costs, shall be paid by Western; and

(iv) all filing fees in connection with securing approval of the transactions contemplated in this Agreement by the Comptroller, the FRB, the FDIC and the Superintendent shall be paid by CVB and Chino Valley.

ARTICLE 11

GENERAL

11.1 Amendments. To the fullest extent permitted by law, this Agreement and any schedule or exhibit attached hereto may be amended by agreement in writing of the Parties hereto at any time prior to the Effective Time of the Consolidation, whether before or after approval of this Agreement by the shareholders of Western.

11.2 Schedules; Exhibits; Integration. Each schedule, exhibit and letter delivered pursuant to this Agreement shall be in writing and shall constitute a part of the Agreement, although schedules and letters need not be attached to each copy of this Agreement. This Agreement, together with such schedules, exhibits, and letters, constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements and understandings of the Parties in connection therewith. Any representation or warranty made as of the Closing Date shall be deemed to have been made with respect to the schedules, exhibits and letters provided as of the
date of this Agreement and not as amended and supplemented pursuant to Sections 4.28 or 6.6 on or before such date.

11.3 Third Parties. Except as contemplated by Section 4.20, each Party intends that this Agreement shall not benefit or create any right or cause of action in any Person other than the Parties hereto.

11.4 Governing Law. This Agreement and the legal relations between the Parties shall be governed by and construed in accordance with the laws of the State of California applicable to contracts between California parties made and performed in such state except that the provisions of this Agreement with respect to the Consolidation and the Merger shall also be governed by United States law.

11.5 No Assignment. Neither this Agreement nor any rights, duties or obligations hereunder shall be assignable by the Parties,

in whole or in part. Any attempted assignment in violation of this prohibition shall be null and void. Subject to the foregoing, all of the terms and provisions hereof shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties hereto.

11.6 Headings. The descriptive headings of the several Articles, Sections and subsections of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

11.7 Counterparts. This Agreement and any exhibit hereto may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each Party hereto and delivered to each Party hereto.

11.8 Publicity. The Parties shall coordinate all publicity relating to the transactions contemplated by this Agreement, and no Party shall issue any press release, publicity statement, shareholder communication or other public notice relating to this Agreement or any of the transactions contem plated hereby without obtaining the prior consent of the Parties except to the extent that independent legal counsel to the Parties, as the case may be, shall deliver a written opinion to the Parties that a particular action is required by applicable Rules.

11.9 Confidentiality. All Confidential Information disclosed heretofore or hereafter by any Party to this Agreement to any other Party to this Agreement shall be kept confidential by such other Party and shall not be used by such other Party otherwise than as herein contemplated, except to the extent that (a) it is necessary or appropriate to disclose to the FRB, the Comptroller, the Superintendent, the FDIC or any other Governmental Entity having jurisdiction over Western or CVB and Chino Valley or as may otherwise be required by Rule (any disclosure of Confidential Information to a Governmental Entity shall be accompanied by a request that such Governmental Entity preserve the confidentiality of such Confidential Information); or (b) to the extent such duty as to confidentiality is waived by the other Party. Such obligation as to confidentiality and nonuse shall survive the termination of this Agreement pursuant to Article 10. In the event of such termination and on request of another Party, each Party shall use all reasonable efforts to (y) return to the other Parties all documents (and reproductions thereof) received from such other Parties that contain Confidential Information (and, in the case of reproductions, all
such reproductions made by the receiving Party); and (z) destroy the originals and all copies of any analyses, computations, studies or other documents prepared for the internal use of such Party that include Confidential Information.

11.10 Waiver. No waiver of any term, provision or condition of this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, provision or condition of this Agreement.

11.11 Notices. Any notice or communication required or permitted hereunder, including, without limitation, supplemental schedules required under Section 6.6, shall be deemed to have been given if in

writing and (a) delivered in person, (b) delivered by confirmed facsimile transmission or
(c) mailed by certified or registered mail, postage prepaid, with return receipt requested, addressed as follows:

If to CVB and Chino Valley addressed to:

CVB Financial Corp.
701 N. Haven Avenue, Suite 350
Ontario, California 91764 Attention: D. Linn Wiley
Telecopier No.: (714) 980-5232

With a copy addressed to:

Manatt, Phelps & Phillips 11355 West Olympic Boulevard Los Angeles, California 90064 Attn: Barnet Reitner, Esq.
Telecopier No.: (310) 312-4224

If to Western addressed to:

Western Industrial National Bank 9754 Rush Street
South El Monte, California 91733 Attention: Thomas A. Walker
Telecopier No.: (818) 444-2763

With a copy addressed to:

Labowe, Labowe & Hoffman
1631 West Beverly Boulevard
2nd Floor
Los Angeles, CA 90026
Attn: Ronald B. Labowe, Esq.
Telecopier No.: (213) 975-1145

If to WIN Investment Group addressed to:

WIN Investment Group
1500 North Potrero Avenue
South El Monte, California 91733 Attention: Evans Menon
Telecopier No.: (818) 444-2915

With a copy addressed to:

Labowe, Labowe & Hoffman
1631 West Beverly Boulevard 2nd Floor
Los Angeles, CA 90026 Attn: Ronald B. Labowe, Esq.
Telecopier No.: (213) 975-1145

or at such other address and to the attention of such other Person as a Party may give notice to the others in accordance with this Section 11.11. Any such notice or communication shall be deemed received on the date delivered personally or delivered by confirmed facsimile transmission or on the third Business Day after it was sent by certified or registered mail, postage prepaid with return receipt requested.

11.12 Knowledge. Whenever any statement herein or in any Schedule, certificate or other documents delivered to any Party pursuant to this Agreement is made "to the knowledge" or "to the best knowledge" of any Party or another Person, such Party or other Person shall make such statement only after con ducting an investigation reasonable under the circumstances of the subject matter thereof, and each such statement shall constitute a representation that such investigation has been conducted.

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

CVB FINANCIAL CORP.

By /s/ D. Linn Wiley
President and Chief Executive Officer

ATTEST:
Secretary

/s/ Donna Marchesi

CHINO VALLEY BANK
By /s/ D. Linn Wiley
President and Chief Executive Officer

ATTEST:

Secretary /s/ Donna Marchesi

WESTERN INDUSTRIAL NATIONAL BANK

By /s/ Tom L. Walker
President and Chief Executive Officer

ATTEST:

Secretary /s/ Noel A. Castellon

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SUBLEASE

(LSN 800191)

This Sublease is made this 15th day of October, 1993 by and between Bank of America National Trust and Savings Association, a national banking association ("Sublandlord") and Chino Valley Bank ("Subtenant").

WITNESSETH:

1.Recitals. This Sublease is made with reference to the following facts:

1.1 Sinclair-Arcadia, L.P. ("Master Landlord") and Pacific Southwest Realty Company, predecessor in interest to Sublandlord, as tenant, entered into a written lease dated April 17, 1991, a copy of which is attached hereto as Exhibit A ("Master Lease") covering premises described in Section 1.01 and shown on Exhibit "B" of the Master Lease.

1.2 Intentionally omitted.

1.3 Subtenant desires to sublet all the premises described in Section 1.01 and shown on Exhibit "B" of the Master Lease (the "Premises") from Sublandlord on the terms and conditions contained in this Sublease.

2. Basic Sublease Provisions.

2.1 Building Name: Arcadia Metro Centre

Floors: Ground Floor and Mezzanine
Premises Address: 630 W. Duarte Road
Suite 101
Arcadia, CA

2.2 Rentable Area of Premises: 6,800 square feet.

2.3 Operating Expenses: Subtenant shall pay Tenant's Share of Operating Expenses as provided for and on the terms set forth on page (ii) and in Section 6 of the Master Lease.

2.4 Commencement Date: The earlier of (i) the date Subtenant receives a certificate of occupancy

with respect to the improvements to be conStrUCted by Subtenant in the PreiniSes and (ii) September 1, 1993-

2.5 Expiration Date: April 30, 2001.

2.6 Basic Monthly Rent: $9,860. subject to Paragraphs 2.8 and 2.11, all rent Bhall be paid without demand, deduction, set-off or counter claim, in advance, on the first day OE each calendar month during the term of this Sublease, and in the event of a

partial rental inonth, rent shall be prorated on the basis at a thirty (30) day month.

2.7 Permitted Uset Any use permitted by law.

2.8 Subtenant Improvement Concession: As considoration for Subtenant's performance of all obligations to be performed by Subtenant under this Sublease, and for so long as Subtenant shall not be in default hereunder, subtenant shall be excused from the payment of one-half (1/2) of the Basic Monthly Rent beginnimg on the first day of the Ilth month of the terra of this Sublease, and ending when the total concession to Subtenant equals $75,000. should subtenant at any time during the term hereof be in default under this Sublease, then the total sum so conditionally excused shall become immediately dua and payable by Subtenant to the Sublandlord.

2.9 Late Charges: The parties agree that late payments by Subtenant to Sublandlord of rent will cause Sublandlord to incur costs not contemplated by this sublease, the amount of which is extremely difficult to ascertain. Therefore, the parties agree that if any installiaent of rent is not received by Sublandlord within seven (7) days after rent is due, Subtenant will pay to Sublandlord, with such late installment, a sum equal to 2.5% of the Basic monthly Rent as a late charge. Additionally, after rent is past due for seven (1) days, interest at Sublandlord's prime rate shall apply to any such unpaid atiount from the due date until the date paid.

2.10 Rental Adjustment(s) during initial term:

Adjustment-Date	Adjusted Rent
January 1, 1997	$10,846 per month

2.11 Rental Abatement: As consideration for Subtenant's performance of all obligations to be performed by Subtenant under this Sublease and for so long as Subtenant shall not be in default hereunder, Subtenant shall be excused from the payment of one-half (1/2) of the Basic Monthly Rent for the first ten (10) months of the term of this Sublease. Should Subtenant at any time during the term hereof be in default under this Sublease, then the total sum of such Basic Monthly Rent so conditionally excused shall become immediately due and payable by Subtenant to Sublandlord. If at the date of expiration of the term of this Sublease, including any option period, Subtenant is not in default hereunder, Sublandlord shall waive any payment of all such Basic Monthly Rent so excused.

2.12 Options to Extend: None. If Subtenant obtains from Master Landlord the right to exercise the two (2) five (5) year options granted by Master Landlord to Sublandlord in the Master Lease, such extension periods are to be pursuant to a direct lease with Master Landlord and Sublandlord shall have no obligations with respect thereto. Sublandlord's obligations under the Master Lease and under

this Sublease shall terminate on the Termination Date set forth above.

2.13 Intentionally omitted.

2.14 Intentionally omitted.

2.15 Acceptance of Premises: Subtenant agrees to accept the Premises in an "as is" condition. Without limiting the foregoing, Subtenant's rights in the Premises are subject to all local, state and federal laws, regulations and ordinances governing and regulating the use and occupancy of the Premises and subject to all matters now or hereafter of record. Subtenant acknowledges that neither Sublandlord nor Sublandlord's agent has made any representation or warranty as to:

(i) the present or future suitability of the Premises for the conduct of Subtenant's business;

(ii) the physical condition of the Premises;

(iii) the expenses of operation of the Premises;

(iv) the safety of the Premises, whether for the use of Subtenant or any other person, including Subtenant's employees, agents, invitees or customers;

(v) the compliance of the Premises with any applicable laws, regulations or ordinances; or

(vi) any other matter or thing affecting or related to the Premises.

Subtenant acknowledges that no rights, easements or licenses are acquired by Subtenant by implication or otherwise except as expressly set forth herein. Subtenant shall, prior to delivery of possession of the Premises, inspect the Premises and become thoroughly acquainted with their condition, and acknowledges that the taking of possession of the Premises by Subtenant shall be conclusive evidence that the Premises were in good and satisfactory condition at the time such possession was so taken. Subtenant specifically agrees that Sublandlord has no duty to make any disclosures concerning the condition of the Project and the Premises and/or the fitness of the Project and the Premises for Subtenant's intended use and Subtenant expressly waives any duty which Sublandlord might have to make any such disclosures. Subtenant further agrees that, in the event Subtenant subleases all or any portion of the Premises, Subtenant will indemnity and defend Sublandlord (in accordance with Paragraph 9 hereof) for, from and against any matters which arise as a result of Subtenant's failure to disclose any relevant infornation about the Project or %-.he Premises to any cubtanant or aos4-gnAe. Subtenant shall comply with all laws and regulations relating to the use or occupancy of the Pren, ises and to tl,,e common areas, including, without limitation, mak4-ng structural alterations or providing auxiliary aids and services to the Pre;-,iises as requ'i-red by the Anericans wi-@h Disabilities Act 0: 1990, 42 U.S.C. SS 12101 et @e -

(the "ADAII).

2.16 Base Year for Operating Expenses: 1991 as per the master Lease.

2.17 Intentionally omitted.

2.18 Address for payment of rent and notices:

sublandlord;	Subtenant:
Bank of America, NT&SA	Chino Valley Bank
20 N. Raynond Avenue	701 N. Haven Ave. Suite 350
Pasadena, CA 91103	Ontario, CA 91764
Attn: Real Estate Manager	(909)980-4030
(818) 578-8700	

2.19 Intentionally omitted.

2.20 Broker: CB Commercial

3.Incorporation By Reference; Assumption.All of the Sections of the master Lease are incorporated ink-.o this Sublease as if fully set for-"-h in this Sublease except for the following: 2, 3, 4, 5.10, 8, 9.02, 11, 12, 16.01, 16.02, 16.17, 17 and 18.

3.1 If any provisions of this Sulolease conflict with any portion of the Master Lease as incorporated herein, the terms of tries Sublease shall govern.

3.2 Subtenant-. shall assume and perform, to Sublandlord the Tenantlg obligations under the Viaster Lease provisions. Subtenant shall pay to Sublandlord Tenant's Share of operating 'Expenses and any other sums payable by Sublandlord to Master Landlord urder the Master Lease not later than ten (10) days prior to the date any such arounts are due and payable by Sublandlord.

3.3 Sublandlord does not assume the obligations of the Master Landlord under the Master Lease.

3.4 With respect to work, services, repairs, repainting, restoration, the provision of utilities, elevator or HVAC services, or the performance of other obligations required of Master Landlord under the Master Lease, Sublandlord's sole obligation with respect thereto shall be to request the same, on request in writing by Subtenant, and to use reasonable efforts to obtain the same from Master Landlord; provided, however, Sublandlord shall have no obligation to institute legal action against Master Landlord. Subtenant shall cooperate with Sublandlord as may be required to obtain from Master Landlord any such work, services, repairs, repainting restoration, the provision of utilities, elevator or HVAC services, or the performance of any of Master Landlord's other obligations under the Master Lease.

4.Subtenant's Performance Under Master Lease. At any time and on reasonable prior notice to Subtenant, Sublandlord can elect to require Subtenant to perform its obligations under this Sublease directly to Master Landlord, in which event Subtenant shall send to Sublandlord from time to time copies of all notices and other communications it shall send to and receive from Master Landlord.

5.Covenant Of Ouiet Enjoyment: Sublandlord represents that the Master Lease is in full force and effect and that there are no defaults on Sublandlord's part under it as of the Commencement Date set forth in Paragraph 2.4 above. Subject to this Sublease terminating as provided in sections 10.3, 10A or 13.02 of the Master Lease, Sublandlord represents that if Subtenant performs all the provisions in this Sublease to be performed by Subtenant, Subtenant shall have and enjoy throughout the term of this Sublease the quiet and undisturbed possession of the Premises. Sublandlord shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times, for the purpose of inspecting the condition of the Premises and for verifying compliance by Subtenant with this Sublease and the Master Lease and to permit Sublandlord to perform its obligations under this Sublease and the Master Lease.

6. Master Lease.

6.1 Subtenant shall not do or permit to be done anything which would constitute a violation or breach of any of the terms, conditions or provisions of the Master Lease or which would cause the Master Lease to be terminated or forfeited by virtue of any rights of termination or forfeiture reserved by or vested in Master Landlord.

6.2 If the Master Lease terminates, this Sublease shall terminate and the parties shall be relieved from all liabilities and obligations under this Sublease excepting obligations which have accrued as of the date of termination; except that if this Sublease terminates as a result of a default of one of the parties under this Sublease or the Master Lease, the defaulting party shall be liable to the non-defaulting party for all damage suffered by the non-defaulting party as a result of the termination.

6.3 If Sublandlord is given the right under the Master Lease to terminate the Master Lease (e.g. in case of destruction), Subtenant shall have the right, in its sole discretion, to determine whether it wishes to have the Master Lease terminated. If Subtenant elects to have the Master Lease terminated, then Subtenant shall so notify Sublandlord, Subtenant shall terminate this Sublease and Sublandlord shall terminate the Master Lease; provided, however, in such event Subtenant shall indemnify Sublandlord against any liabilities which may arise as a result of such termination.

7.Hazardous Materials. For the purposes of this Sublease, the following terms have the following meanings:

(a) "Hazardous Materials Laws" means any and all laws, statutes, ordinances or regulations pertaining to health, industrial hygiene or

the environment including, without limitation, CERCLA (Comprehensive Environmental Response Compensation and Liability Act of 1980) and RCRA (Resources Conservation and Recovery Act of 1976).

(b) "Hazardous Materials" means asbestos or any substance, material or waste which is or becomes designated, classified or regulated as being "toxic" or "hazardous" or a "pollutant" or which is or becomes
similarly designated, classified or regulated under any federal, state or local law.

At its own expense, Subtenant will procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for Subtenant's use of the Premises, including, without limitation, discharge of appropriately treated materials or wastes into or through any sanitary sewer serving the Premises. Except as discharged into the sanitary sewer in strict accordance and conformity with all applicable Hazardous Materials Laws, Subtenant will cause any and all Hazardous Materials removed from the Premises to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal. Subtenant will, in all respects, handle, treat, deal with and manage any and all Hazardous Materials in, on, under or about the Premises in total conformity with all applicable Hazardous Materials Laws and prudent industry practices regarding management of such Hazardous Materials. Upon expiration or earlier termination of the term of this Sublease, Subtenant will cause all Hazardous Materials placed on, under or about the Premises by Subtenant or at Subtenant's direction to be removed and transported for use, storage or disposal in accordance and compliance with all applicable Hazardous Materials Laws. Subtenant will not take any remedial action in response to the presence of any Hazardous Materials in or about the Premises or any building, nor enter into any settlement agreement, consent decree or other compromise in respect to any claims relating to any Hazardous Materials in any way connected with the Premises without first notifying Master Landlord and Sublandlord of Subtenant's intention to do so and affording Master Landlord and Sublandlord ample opportunity to appear, intervene or otherwise appropriately assert and protect Master Landlord's and Sublandlord's interests with respect thereto.

8.Artwork. Subtenant will not install any artwork of any nature in the Premises which cannot be removed without damage or destruction to the artwork. Subtenant may not alter or modify any piece of artwork within the Premises without Sublandlord's express written consent, which Sublandlord may withhold in its sole discretion.

9.Indemnity. Subtenant will indemnify, defend (by counsel reasonably acceptable to Sublandlord), protect and hold Sublandlord harmless from and against any and all liabilities, claims, demands, losses, damages, costs and expenses (including attorneys' fees and the allocated costs of Sublandlord's in-house attorneys) arising out of or relating to (i) the death of or injury to any person, or damage to any property whatsoever, on or about the Premises; or (ii) Subtenant's breach or default under this Sublease (including, without limitation, Subtenant's breach of Paragraph 7

above) or, to the extent incorporated herein, the Master Lease.

10.Attorneys' Fees. If there is any legal or arbitration action or proceeding between Sublandlord and Subtenant to enforce any provision of this Sublease or to protect or establish any right or remedy of either Sublandlord or Subtenant hereunder, the unsuccessful party to such action or proceeding will pay to the prevailing party all costs and expenses, including reasonable attorneys' fees (including allocated costs of Sublandlord's in-house attorneys) incurred by such prevailing party in such action or proceeding and in any appearance in connection therewith, and if such prevailing party recovers a judgment in any such action, proceeding or appeal, such costs, expenses and attorney's fees will be determined by the court or arbitration panel handling the proceeding and will be included in and as a part of such judgment.

ii. No Encumbrance. Subtenant shall not voluntarily, involuntarily or by operation of law mortgage or otherwise encumber all or any part of Subtenant's interest in the Sublease or the Premises.

12. Assignment and Subletting.

12.1 Subtenant shall not voluntarily, involuntarily or by operation of law assign this Sublease or any interest therein and shall not sublet the Premises or any part thereof, or any right or privilege appurtenant thereto, without first obtaining the written consent of Sublandlord, which consent shall not be unreasonably withheld.
Determining whether or not to consent to the proposed assignment or subletting, Sublandlord may consider among other factors:

(i) whether the proposed sublessee or assignee has a net worth equal to or greater than Subtenant,

(ii) whether the proposed use of the Premises by the proposed sublessee or assignee is consistent with Paragraph 2.7,

(iii) the experience and business reputation of the proposed sublessee or assignee, and

(iv) whether Sublandlord's consent will result in a breach of the Master Lease or any other lease or agreement to which Sublandlord is a party affecting the Project or Premises.

12.2 Any attempted assignment or subletting, without Sublandlord's consent shall be null and void and of no effect. No permitted assignment or subletting of Subtenant's interest in this Sublease, shall relieve Subtenant of its obligations to pay the rent or other sum or charge due hereunder and to perform all the other obligations to be performed by Subtenant hereunder. The acceptance of rent by Sublandlord from any other person shall not be deemed to be a waiver by Sublandlord of any provision of this Sublease or to be a consent to any subletting or assignment. Consent to one sublease or assignment shall not be deemed to constitute consent to any subsequent attempted subletting or assignment.

12.3 Within five (5) days following the date received by Subtenant from any assignee or sublessee, Subtenant shall pay to Sublandlord as additional rent, one hundred percent (100%) of the amount by which the rent payable by such assignee or sublessee to Subtenant exceeds the rent payable by Subtenant to Sublandlord under this Sublease until the rent paid by Subtenant to Sublandlord equals the amount paid by Sublandlord to Master Landlord under the Master Lease and thereafter, fifty percent (50%) of the amount by which the rent payable by such assignee or sublessee to Subtenant throughout the term exceeds the rent paid by Subtenant to Sublandlord under this Sublease. By way of example, if during a year of the term the annual rent under the Master Lease is $12 per square foot, the rent under the Sublease is $10 per square foot, and the rent under such subsublease is $14 per square foot, of the $14 per square foot paid to Subtenant by its subsublessee, $13 per square foot will be paid by Subtenant to Sublandlord hereunder. If Subtenant receives a lump sum payment in connection with an assignment, such amount shall be allocated between Subtenant and Sublandlord, in the same manner taking into account the total rents payable during the remaining terms of the Master Lease and Sublease.

The foregoing is a freely negotiated arrangement between Subtenant and Sublandlord respecting the allocation of appreciated rents. This covenant shall survive the expiration of the term of this Sublease. Notwithstanding the foregoing, Subtenant shall not be obligated to pay Sublandlord any portion of such appreciated rentals until Subtenant has recovered any costs it has reasonably incurred in connection with the subletting of the Premises to any third party broker or for improvements to the Premises. Any such costs to be deducted from appreciated rents shall be submitted to Sublandlord and shall be subject to Sublandlord's reasonable approval.

13. ALTERATIONS

(a) Alterations and Improvements Bv Subtenant.

Subtenant shall not make any alterations, additions or improvements to the Premises ("Alterations") without obtaining the prior written consent of Sublandlord thereto,
which Sublandlord may grant or withhold, and to which Sublandlord may impose any conditions, in Sublandlord's sole discretion. The term "Alterations" shall include any alterations, additions or improvements made by Subtenant to comply with the ADA as required by Paragraph 2.15 above. All such Alterations shall be constructed only after necessary permits, licenses and approvals have been obtained by Subtenant from appropriate governmental agencies. All Alterations shall be constructed in a good and workmanlike manner using materials of a quality comparable to those on the Premises, and shall conform to all relevant codes regulations and ordinances. All such Alterations shall be made at Subtenant's sole cost and expense and shall be diligently prosecuted to completion. Any contractor or person making such Alterations shall first be approved in writing by Sublandlord, and Sublandlord may require that all work be performed under its supervision. Upon the expiration or earlier termination of this Sublease, Sublandlord may elect to have Subtenant either (i) surrender with the Premises any or all of such Alterations as Sublandlord shall determine (except personal property as provided in Subparagraph (b) below), in which case, such Alterations shall become the property of Sublandlord, or
(ii) promptly remove any or all of such Alterations designated by Sublandlord to be removed, in which case Subtenant shall, at its sole cost and expense, repair and restore the Premises to its original condition as of the Commencement Date, reasonable wear and tear excepted. Subtenant shall permit no mechanic's or other liens to be recorded against the Premises. Should a lien be made or filed against the Premises or real property on which the Premises are situated, Subtenant shall, at its sole cost, bond against or discharge said lien within ten (10) days after Sublandlord's or Master Landlord's request to do so.

(b) Removal of Personal Property. All articles of personal property, and all business and trade fixtures, machinery and equipment, cabinet work, furniture and movable partitions, if any, owned or installed by Subtenant at its expense in the Premises shall be and remain the property of Subtenant and may be removed by Subtenant at any time, provided that Subtenant, at its expense, shall repair any damage to the Premises caused by such removal or by the original installation. Sublandlord may elect to require Subtenant to remove all or any part of such property at the expiration or sooner termination of this Sublease, in which event such removal shall be done at Subtenant's expense, and Subtenant shall at its own expense repair any damage to the Premises caused by such removal prior to the termination of this Sublease.

14.Holding over. If Subtenant holds over after the expiration or earlier termination of this Sublease, with or without the express or implied consent of Sublandlord, then at the option of Sublandlord, Subtenant shall become and be only a month-to-month tenant at a rent equal to one hundred and fifty percent --(l50%) of the rent payable by Subtenant immediately prior to such expiration or termination, and otherwise upon the terms,

covenants and conditions herein specified. Notwithstanding any provision to the contrary contained herein, (i) Sublandlord expressly reserves the right to require Subtenant to surrender possession of the Premises upon the expiration of the term hereof or upon the earlier termination hereof and the right to assert any remedy at law or in equity to evict Subtenant and/or collect damages in connection with any such holding over, and (ii) Subtenant shall indemnify, defend and hold Sublandlord harmless from and against any and all liabilities, claims, demands, actions, losses, damages, obligations, costs and expenses, including, without limitation, attorneys' fees including the allocated costs of Sublandlord's in-house attorneys) incurred or suffered by Sublandlord by reason of Subtenant's failure to surrender the Premises on the expiration or earlier termination of this Sublease in accordance with the provisions of this Sublease.

15.Liens. Subtenant will keep the Premises and the Project free from any liens arising out of any work performed, materials furnished, or obligations incurred by Subtenant. Sublandlord has the right to post and keep posted on the Premises any notices that may be provided by law or which Sublandlord may deem to be proper for the protection of Sublandlord, the Premises and the Project from such liens.

16.Maintenance and Repairs. Subtenant acknowledges that the Premises are in good order and repair. At all times during the term of this Sublease, Subtenant, at its sole cost and expense, will maintain the Premises and every part thereof and all equipment, fixtures and improvements therein in good condition and repair. At the end of the term of this Sublease, Subtenant will surrender the Premises in as good condition as received, normal wear and tear excepted. Subtenant shall be responsible for all repairs required to be performed by the Tenant under the Master Lease.

17.Insurance. At all times during the term of this Sublease, Subtenant shall, at its sole expense, procure and maintain the following types and amounts of insurance coverage (but in no event less than the types and amounts of amounts of coverage required from time to time under the Master Lease):

17.1 Comprehensive general liability insurance against any and all damages and liability, including attorneys' fees on account or arising out of injuries to or the death of any person or damage to property, however occasioned, in, on or about the Premises with at least a single combined liability and property damage limit of $1,000,000.

17.2 Insurance on all plate or tempered glass in or enclosing the Premises, for the replacement cost of such glass.

17.3 Insurance adequate in amount to cover damage to the Premises including, without limitation, leasehold improvements, trade fixtures, furnishings, equipment, goods and inventory.

17.4 Rent insurance in an amount equal to all rent and other sums or

charges payable under this Sublease for period of at least twelve (12) months commencing with the date of loss.

17.5 Employer's liability insurance and worker's compensation insurance as required by applicable law.

17.6 All such insurance shall be in a form satisfactory to Sublandlord and carried with companies reasonably acceptable to Sublandlord. Subtenant shall provide Sublandlord with a certificate of insurance showing Sublandlord as additional insured. The certificate shall provide for a thirty-day written notice to Sublandlord in the event of cancellation or material change of coverage.

17.7 Sublandlord and Subtenant shall each obtain from their respective insurers under all policies of fire, theft, public liability, workers' compensation and other insurance maintained by either of them at any time during the term hereof insuring or covering the Premises, a waiver of all rights of subrogation which the insurer of one party might otherwise have, if at all, against the other party.

18.Events of Default. If one or more of the following events ("Event of Default") occurs, such occurrence constitutes a breach of this Sublease by Subtenant:

18.1 Subtenant abandons or vacates the Premises; or

18.2 Subtenant fails to pay any monthly Basic Monthly Rent or Operating Expenses and Taxes, if applicable, as and when the same become due and payable, and such failure continues for more than three (3) days after Sublandlord gives written notice thereof to Subtenant; or

18.3 Subtenant fails to pay any other sum or charge payable by Subtenant hereunder as and when the same becomes due and payable, and such failure continues for more than twenty-five (25) days after Sublandlord gives written notice thereof to Subtenant; or

18.4 Subtenant fails to perform or observe any other agreement, covenant, condition or provision of this Sublease to be performed or observed by Subtenant as and when performance or observance is due, and such failure continues for more than twenty-five (25) days after Sublandlord gives written notice thereof to Subtenant, or if the default cannot be cured within said twenty-five (25) day period and Subtenant fails within said period to commence with due diligence and dispatch the curing of such default or, having so commenced, thereafter fails to prosecute or complete with due diligence and dispatch the curing of such default; or

18.5 Subtenant (a) files or consents by answer or otherwise to the filing against it of a petition for relief or reorganization or arrangement or any other petition in bankruptcy or liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction; (b) makes an assignment for the benefit of its creditors; (c) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of itself or of any substantial part of its property; or (d) takes

action for the purpose of any of the foregoing; or

18.6 A court or governmental authority of competent jurisdiction, without consent by Subtenant, enters an order appointing a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial portion of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding up or liquidation of Subtenant, or if any such petition is filed against Subtenant and such petition is not dismissed within thirty (30) days; or

18.7 This Sublease or any estate of Subtenant hereunder is levied upon under any attachment or execution and such attachment or execution is not vacated within thirty (30) days.

19. Remedies of Sublandlord on Default.

19.1 In the event of any breach of this Sublease by Subtenant, Sublandlord may, at its option, terminate the Sublease and recover from Subtenant (a) the worth at the time of award of the unpaid rent which was earned at the time of termination; (b) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of the award exceeds the amount of such rental loss that the Subtenant proves could have been reasonably avoided; (c) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that Subtenant proves could be reasonably avoided; and (d) any other amount necessary to compensate Sublandlord for all detriment proximately caused by Subtenant's failure to perform this obligations under the Lease or which in the ordinary course of things would be likely to result therefrom.

19.2 Sublandlord may, in the alternative, continue this Sublease in effect, as long as Sublandlord does not terminate Subtenant's right to possession, and Sublandlord may enforce all its.rights and remedies under the Sublease, including the right to recover the rent as it becomes due under the Sublease. If said breach of the Sublease continues, Sublandlord may, at any time thereafter, elect to terminate the Sublease. Sublandlord shall not be deemed to have terminated this Sublease or the liability of Subtenant to pay rent or any other amounts due hereunder by any reentry or by any action in unlawful detainer, unless Sublandlord shall have specifically notified Subtenant in writing that Sublandlord has elected to terminate this Sublease. Nothing contained herein shall be deemed to limit any other rights or remedies which Sublandlord may have.

20. Estoppal Certificates.

20.1 Subtenant shall at any time upon not less than ten (10) days' prior written notice from Sublandlord execute, acknowledge and deliver to Sublandlord a statement in writing (i) certifying that this Sublease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Sublease, as so modified, is in full force and effect), the amount of any security deposit,

and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Subtenant's knowledge, any uncured defaults on the part of Sublandlord hereunder or of Master Landlord under the Master Lease, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer to the Premises.

20.2 At Sublandlord's option, Subtenant's failure to deliver such statement within such time shall be conclusive upon Subtenant (i) that this Sublease is in full force and effect, without modification except as may be represented by Sublandlord, (ii) that there are no uncured defaults in Sublandlord's performance hereunder or in Master Landlord's performance under the Master Lease, and (iii) that not more than one month's rent has been paid in advance, or such failure may be considered by Sublandlord as a material default by Subtenant under this Sublease.

20.3 If the Master Landlord desires to finance, refinance, or sell the Premises, or any part thereof, Subtenant hereby agrees to deliver to any lender or purchaser designated by Master Landlord such financial statements of Subtenant as may be reasonably required by such lender or purchaser. Such statements shall include the past three years' financial statements of Subtenant.

21.Real Estate Brokers. Each party warrants to the other that there are no brokerage commissions or fees payable in connection with this Sublease except to the broker set forth in Paragraph 2.20. Each party further agrees to indemnify and hold the other party harmless, from any cost, liability and expense (including attorney's fees and the allocated costs of Sublandlord's in-house attorneys) which the other party may incur as the result of any breach of this Paragraph 21.

22. ARBITRATION OF DISPUTES.

The provisions of this Paragraph 22 shall apply to the resolution of disputes between Sublandlord and Subtenant unless the Master Landlord is or may become a party to the dispute, in which event the provisions of this Paragraph 22 shall apply only if the Master Landlord agrees to settle the dispute pursuant to the terms hereof.

ANY CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THIS SUBLEASE OR ANY AGREEMENTS OR INSTRUMENTS RELATING HERETO OR DELIVERED IN CONNECTION HEREWITH, INCLUDING BUT NOT LIMITED TO A CLAIM BASED ON OR ARISING FROM AN ALLEGED TORT WILL, AT THE REQUEST OF ANY PARTY, BE DETERMINED BY ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT (9 U.S.C. SECTION 1 ET SEQ.) UNDER THE AUSPICES AND RULES OF THE AMERICAN ARBITRATION ASSOCIATION (-AAA"). THE AAA SHALL BE INSTRUCTED BY EITHER OR BOTH OF THE PARTIES TO PREPARE A LIST OF THREE (3) JUDGES WHO HAVE RETIRED FROM THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, A HIGHER CALIFORNIA COURT OR ANY FEDERAL COURT. WITHIN TEN (10) DAYS OF RECEIPT OF THE LIST, EACH PARTY MAY STRIKE ONE (1) NAME FROM THE LIST. THE AAA WILL THEN APPOINT THE ARBITRATOR FROM THE NAME(S) REMAINING ON THE LIST. THE ARBITRATION PROCEEDING SHALL BE CONDUCTED IN SAN FRANCISCO, LOS ANGELES OR SAN DIEGO, WHICHEVER IS THE CLOSEST CITY TO THE NEXUS OF THE DISPUTE. ANY CONTROVERSY IN INTERPRETATION

OR ENFORCEMENT OF THIS PROVISION, OR WHETHER A DISPUTE IS ARBITRABLE, SHALL BE DETERMINED BY THE ARBITRATOR(S). JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR(S) MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. THE INSTITUTION AND MAINTENANCE OF AN ACTION FOR JUDICIAL RELIEF OR IN PURSUIT OF A PROVISIONAL OR ANCILLARY REMEDY DOES NOT CONSTITUTE A WAIVER OF THE RIGHT OF ANY PARTY, INCLUDING THE PLAINTIFF, TO SUBMIT THE CONTROVERSY OR CLAIM TO ARBITRATION. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE PARTIES HERETO ACKNOWLEDGE AND AGREE THAT THE PROVISIONS OF THIS PARAGRAPH 22 WILL NOT APPLY TO ANY SUMMARY PROCEEDINGS TO OBTAIN POSSESSION OF REAL PROPERTY PURSUANT TO CHAPTER 4 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE (SECTION 1159 ET SEQ.) AS AMENDED FROM TIME TO TIME OR ANY SIMILAR LAW, STATUTE OR ORDINANCE NOW OR HEREAFTER IN EFFECT.

NOTICE: BY INITIALLING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALLING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

/s/ Jay W,. Coleman	/s/ Mark Friedman
SUBTENANT'S INITIALS	SUBLANDLORD'S INITIALS

23.Master Landlord Default; Consents. Notwithstanding any provision of this Sublease to the contrary, (a) Sublandlord shall not be liable or responsible in any way for any loss, damage, cost, expense, obligation or liability suffered by Subtenant by reason or as the result of any breach, default or failure to perform by the Master Landlord under the Master Lease, and (b) whenever the consent or approval of Sublandlord and Master Landlord is required for a particular act, event or transaction (i) any such consent or approval by Sublandlord shall be subject to the consent or approval of Master Landlord, and (ii) should Master Landlord refuse to grant such consent or approval, under all circumstances, Sublandlord shall be released from any obligation to grant its consent or approval.

24.Notices. All notices or other communications required or permitted hereunder must be in writing, and be personally delivered (including by means of professional messenger service) or sent by registered or certified mail, postage prepaid, return receipt requested to the addresses set forth in Paragraph 2.18. All notices will be deemed received on the date sent.

25.Master Landlord's Consent. This Sublease is expressly conditioned upon receipt of the written consent of Master Landlord within ten (10) days from the date of this Sublease.

(Signature Page Follows)

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Sublease as of the day and year first above written.

SUBLANDLORD
Bank of America National Trust and Savings Association

By: /s/ Steve Ohigashi
Title: Dispositions Manager

By: /s/ Yvonne Tom
Title: Vice President

SUBTENANT
Chino Valley Bank

By: /s/ Jay W. Coleman
Title: Executive Vice President

By: /s/ Robert J. Schurheck
Title: E.V.P. & C.F.O.

CONSENT OF MASTER LANDLORD

("Master Landlord"), hereby consents to the foregoing Sublease.

Date: 10/15/93

MASTER LANDLORD

Sinclair-Arcadia, L.P.,
a California limited
partnership

By: /S/ Keith Sinclar
Name: Keith Sinclar
Its General Partner

FIRST AMENDMENT TO SUBLEASE
(LSN 800191)

This Amendment to Sublease ("Amendment") is made this 22nd day of October, 1993 by and between Bank of America National Trust and Savings Association, a national banking association ("Sublandlord") and Chino valley Bank ("Subtenant") as an amendment to that certain Sublease dated September 9, 1993 between Sublandlord and Subtenant ("Subleasell).

Sublandlord and Subtenant wish to amend the Sublease as follows:

1.Paragraph 2.4 is amended in its entirety to read as follows:

112.4 Commencement Date: October 15, 1993.11

2.With reference to Paragraphs 2.6, 2.8 and 2.11, based on the established Commencement Date Of October 15, 1993, the one-half rental abatement under Paragraph 2.11 will commence on October 15, 1993 and end on August 15, 1994 and the one-half rental abatement under Paragraph 2.8 will commence on August 16, 1994 and end with the November 1, 1995 payment in the amount of $6,345, calculated by subtracting from the full Basic Monthly Rent of $9,860 the sum of $3,515 which will be the balance of the $75,000 Subtenant Improvement Concession of $3,515. Attached bereto as Schedule 1 is a payment schedule for the entire Sublease term.

3.As modified herein, the Sublease is hereby ratified by Sublandlord and Subtenant.

(Signature page follows)

SUBLANDLORD
Bank of America National Trust and
Savings Association

By:
Title:

By :
Title:Vice President

SUBTENANT
Chino Valley Bank

By: /s/ Jay W. Coleman
Title: E.V.P.

By: /s/ Robert J. Schurheck
Title:E.V.P. & C.F.O.

SCHEDULE 1

Payment Date	Period Covered	Amount Due
11/01/93	10/15 - 10/31 = $2,465 -1/ 11/01 - 11/30 = $4,930	$7,395
12/01/93	12/01/93 - 12/31/93	4,930
01/01/94	01/01/94 - 01/31/94	4,930
02/01/94	02/01/94 - 02/28/94	4,930
03/01/94	03/01/94 - 03/31/94	4,930
04/01/94	04/01/94 - 04/30/94	4,930
05/01/94	05/01/94 - 05/31/94	4,930
06/01/94	06/01/94 - 06/30/94	4,930
07/01/94	07/01/94 - 07/31/94	4,930
08/01/94	08/01/94 - 08/15/94 = $2,465 -2/ 08/16/94 - 08/31/94 = $2,465 -3/	
09/01/94	09/01/94 - 09/30/94	4,930
10/01/94	10/01/94 - 10/31/94	4,930
11/01/94	11/01/94 - 11/30/94	4,930
12/01/94	12/01/94 - 12/31/94	4,930
01/01/95	01/01/95 - 01/31/95	4,930
02/01/95	02/01/95 - 02/28/95	4,930
03/01/95	03/01/95 - 03/31/95	4,930
04/01/95	04/01/95 - 04/30/95	4,930
05/01/95	05/01/95 - 05/31/95	4,930
06/01/95	06/01/95 - 06/30/95	4,930
07/01/95	07/01/95 - 07/31/95	4,930
08/01/95	08/01/95 - 08/31/95	4,930
09/01/95	09/01/95 - 09/30/95	4,930
10/01/95	10/01/95 - 10/31/95	4,930
11/01/95	11/01/95 - 11/30/95 -4/	6,345
12/01/95 and the first day of each month thereafter through, June 1, 1997	12/01/95 - 06/30/97	9,860
07/01/97 and the first day of."each month thereafter through April 1, 2001	07/01/97 -5/ -04/30/01	10,846

1/Commencement of rental abatement period under Paragraph 2.11.

2/End of rental abatement period under Paragraph 2.11.

3/Commencement of rental abatement period for under Paragraph 2.8.

4/End of rental abatement period under Paragraph 2.8.

5/Rental adjustment under Paragraph 2.10.

Office Building Lease
CB Commercial Real State Group, Inc.
Brokerage and Management
Licensed Real Estate Broker

Table of Contents

This Lease between RCI - Loring, L.P., a California limited partnership ("Landlord"), and C.V.B. Financial Corporation a California corporation, ("Tenant"), is dated March 1, 1993.

1. Lease of Premises

In Consideration of the Rent (as defined at Section 5.4) and the provisions of this Lease, Landlord leases to Tenant and Tenant leases from the Landlord the Premises show by diagonal lines on the floor plan attached hereto as Exhibit "A", and further described at Section 2l. The Premises are located within the Building and Project described in Section 2m. Tenant shall have the non-exclusive right (unless otherwise provided herein) in common with Landlord, other tenants, subtenants and invitees, to use the Common Areas (as defined at Section 2e).

2. Definitions

As used in this Lease, the following terms shall have the following meanings:

a. Base Rent (initial): $ 65,511.00 per year.
b. Base Year: The calendar year of 1993.
c. Broker(s)
Landlord's: None
Tenant's: None

In the event that CB Commercial Real Estate Group, Inc. represents both Landlord and Tenant, Landlord and Tenant hereby confirm that they were timely and advised of the dual representation and that they consent to the same, and that they do not expect said broker to disclose to either of them the confidential information of the other party.

d. Commencement Date: Upon obtaining a Certificate of Occupance for the space.

e. Common Areas: the building lobbies, common corridors and hallways, restrooms, garage and parking areas, stairways, elevators and other generally understood public or common areas. Landlord shall have the right to regulate or restrict the use of the Common Areas.

f. Expense Stop: (fill in if applicable): $ Base Year.

g. Expiration Date: November 30, 2000 or 90 months from commencement date, unless otherwise sooner determined in accordance with the provisions of this Lease.

h. Index (Section 5.2): United States Department of Labor, Bureau of Labor Statistics Consumer Price Index for All Urban Consumers, Average Subgroup "All Items" (1967=100).

i. Landlord's Mailing Address: 3516 9th Street, Suite F
Riverside, CA 92501
Tenant's Mailing Address: 701 N. Haven Avenue
P.O. Box 51000

Ontario, CA 91761

j. Monthly Installments of Base Rent (initial): $5,459.25 per month.

k. Parking: Tenant shall be permitted, upon payment of the then prevailing monthly rate (as set by the Landlord from time to time) to park ten (10) cars on a non-exclusive basis in the area(s) designated by Landlord for parking. Tenant shall abide by any and all parking regulations and rules established from time to time by Landlord or Landlord's parking operator.

l. Premises: that portion of th Building containing approximately 3.675 square feet of Rentable Area shown by diagonal lines on Exhibit "A", located on the first floor of the Building and known as 3595 Main Street.

m. Project: the building of which the Premises are part (the "Building") and any other buildings or improvements on the real property (the "Property") located at 3671-3695 Main Street, Riverside, CA 92501 and further described at Exhibit "B". The Project is known as the Loring Building.

n. Rentable Areas: as to both the Premises and the Project, the respectable measurements of floor area as may from time to time be subject to lease by Tenant and all tenants of the Project, respectively, as determined by Landlord and applied on a consistent basis throughout the Project.

o. Security Deposit (Section 7): $ 5,459.25

p. State: the State of California.

q. Tenant's First Adjustment Date (Section 5.2): the first day of the calendar month following the Commencement Date plus 30 months.

r. Tenant's Proportionate Share 15.16%. Such share is a fraction, the numerator of which is the Rentable Area of the Premises, and the denominator of which is the Rentable Area of the Project, as determined by Landlord from time to time. The Project consists of one (1) building(s) containing a total Rentable Area of 24,827 square feet.

s. Tenant's Use Clause (Article 8): Tenant shall use the premises for a bank operation and related uses.

t. Term: the period commencing on the Commencement Date and expiring at midnight on the Expiration Date.

3. Exhibits and Addenda

The exhibits and addenda listed below (unless lined out) are incorporated by reference in this Lease:

a. Exhibit "A" - Floor Plan showing the Premises.
b. Exhibit "B" - Site Plan of the Project.
f. Addenda: f.1, f.2, f.3, f.4

4. Delivery of Possession

If for any reason, Landlord does not deliver possession of the Premises to Tenant on the Commencement Date, Landlord shall not be subject to any liability for such failure, the Expiration Date shall not change and the validity of this Lease shall not be impaired, but Rent shall be abated until delivery of possession. "Delivery of possession" shall be deemed to occur on the date Landlord completes Landlord's Work as defined in Exhibit "C". If Landlord permits Tenant to enter into possession of the Premises before the Commencement Date, such possession shall be subject to the provisions of this Lease, including, without limitation, the payment of Rent.

5. Rent

5.1. Payment of Base Rent. Tenant agrees to pay the Base Rent for the Premises. Monthly Installations of Base Rent shall be payable in advance on the first day of each calendar month of the Term. If the Term begins (or ends) on other than the first (or last) day of the a calendar month, the Base Rent for the partial month shall be prorated on a per diem basis. Tenant shall pay Landlord the first Monthly Installment of Base Rent when Tenant executes the Lease.

5.2. Adjusted Base Rent.

a. The Base Rent (and the corresponding Monthly Installments of Base Rent) set forth at Section 2a shall be adjusted annually (the "Adjustment Date"), commencing on Tenant's First Adjustment Date, Adjustments, if any, shall be based upon increases (if any) in the Index. The Index in publication three (3) months before each Adjustment Date shall be the "Comparison Index." As of each Adjustment Date, the Base Rent payable during the ensuing twelve-month period shall be determined by increasing the initial Base Rent by a percentage equal to the percentage increase, if any, in the Comparison Index over the Base Index. If the Comparison Index for any Adjustment Date is equal to or less than Comparison Index for the preceding Adjustment Date (or the Base Index, in the case of First Adjustment Date), the Base Rent for the ensuing twelve-month period shall remain the amount of Base Rent payable during the preceding twelve-month period. When the Base Rent payable as of each Adjustment Date is determined, Landlord shall promptly give Tenant written notice of such adjusted Base Rent and the manner in which it was computed. The Base Rent as so adjusted from time to time shall be the "Base Rent" for all purposes under this Lease.

b. If at any Adjustment Date the Index no longer exists in the form described in this lease, Landlord may substitute any substantially equivalent official index published by the Bureau of Labor Statistics or its successor. Landlord shall use any appropriate conversion factors to accomplish such substitution. The substitute index shall then become the "Index" hereunder.

5.3. Project Operating Costs.

a. In order that the Rent payable during the Term reflect any increase in Project Operating Costs, Tenant agrees to pay to Landlord as Rent, Tenant's Proportionate Share of all increases in costs, expenses, and obligations attributable to the Project and its operation, all as provided below.

b. If during any calendar year during the Term, Project Operating Costs exceed the Project Operating Costs for the Base Year, Tenant shall pay to Landlord, in addition to the Base Rent and all other payments due under this lease, an amount equal to Tenant's Proportionate Share of such excess Project Operating Costs in accordance with the provisions of this Section 5.3b.

(1) The term "Project Operating Costs" shall include all those items described in the following subparagraphs (a) and (b).

(a) All taxes, assessments, water and sewer charges and other similar governmental charges levied on or attributable to the Building or Project or their operation, including without limitation, (i) real property taxes or assessments levied pr assessed against the Building or Project, (ii) assessments or charges levied or assessed against the Building or Project by any redevelopment agency, (iii) any tax measured by gross rentals received from the leasing of the Premises, Building or Project, excluding any net income, franchise, capital stock, estate or inheritance taxes imposed by the State or federal government or their agencies, branches or departments; provided that if at any time during the Term any governmental entity levies, assesses or imposes on Landlord any (1) general or special, ad valorem or specific, excise, capital levy or other tax, assessment, levy or charge based directly or indirectly upon the transaction represented by this Lease or on the rent received under any other leases of space in the Building or Project, or (2) any license fee, excise or franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rent , or (3) any transfer, transaction, or similar tax, assessment, levy or charge based directly or indirectly upon the transaction represented by this Lease or such other leases, or (4) any occupancy, use, per capita or other tax, assessment, levy or charge based directly or indirectly upon the use or occupancy of the Premises or other premises within the Building or Project, then any such taxes, assessments, levies and charges shall be deemed to be included in the term Project Operating Costs. If at any time during the Term the assessed valuation of or taxes on, the Project are not based on a completed Project having at least eight-five percent (85%) of the Rentable Area occupied, then the "taxes" component of Project Operating costs shall be adjusted by Landlord to reasonably approximate the taxes which would have been payable if the Project were completed and at least eighty-five percent (85%) occupied. Further, in no event shall the total rent exceed one hundred fourty-two percent (142%) of the base rent.

(2) Tenant's Proportionate Share of Project Operating Costs shall be payable by Tenant to Landlord as follows:

(a) Beginning with the calendar year following the Base Year and for each calendar year thereafter ("Comparison Year"), Tenant shall pay Landlord an amount equal to Tenant's Proportionate Share of the Project Operating Costs incurred by Landlord in the Comparison Year which exceeds the total amount of Project Operating Costs payable by Landlord for the Base Year. This excess is referred to as the "Excess Expenses."

(b) To provide for current payments of Excess Expenses, Tenant shall, at Landlord's request, pay as additional rent during each Comparison Year, an amount equal to Tenant's Proportionate Share of the Excess Expenses payable during such Comparison Year, as estimated by Landlord from time to time. Such payments shall be made in monthly installments, commencing on the

first day of the month following the month in which Landlord notifies Tenant of the amount it is to pay hereunder and continuing until the first day of the month following the month in which Landlord gives Tenant a new notice of estimated Excess Expenses. It is the intention hereunder to estimate from time to time the amount of the Excess Expenses for each Comparison year and Tenant's Proportionate Share thereof, and then to make an adjustment in the following year based on the actual Excess Expenses incurred for that Comparison Year.

(c) On or before April 1 of each Comparison Year after the first Comparison Year after the first Comparison Year (or as soon thereafter as is practical), Landlord shall deliver to Tenant a statement setting forth Tenant's Proportionate Share of the Excess Expenses for the preceding Comparison Year. If Tenant's Proportionate Share of the actual Excess Expenses for the previous Comparison Year exceeds the total of the estimated monthly payments made by Tenant for such year, Tenant shall pay Landlord the amount of the deficiency within ten (10) days of the receipt of the statement. If such total exceeds Tenant's Proportionate Share of the actual Excess Expenses for such Comparison Year, then Landlord shall credit against Tenant's next ensuing monthly installment(s) of additional rent an amount equal to the difference until the credit is exhausted. If a credit is due from Landlord on the Expiration Date, Landlord shall pay Tenant the amount of the credit. The obligations of Tenant and Landlord to make payments required under this Section 5.3 shall survive the Expiration Date.

(d) Tenant's Proportionate Share o Excess Expenses in any Comparison Year having less than 365 days shall be appropriately prorated.

(e) If any dispute arises as to the amount of any additional rent due hereunder, Tenant shall have the right after reasonable notice and at reasonable times to inspect Landlord's accounting records at Landlord's accounting office and, if after such inspection Tenant still disputes the amount of additional rent owed, a certification as to the proper amount shall be made by Landlord's certified public accountant, which certification shall be final and conclusive. Tenant agrees to pay the cost of such certification unless it is determined that Landlord's original statement overstated Project Operating Costs by more than five percent (5%).

(f) If this Lease sets forth an Expense Stop at Section 2f, then during the Term Tenant shall be liable for Tenant's Proportionate Share of any actual Project Operating Costs which exceed the amount of the Expense Stop. Tenant shall make current payments of such excess costs during the Term in the same manner as is provided for payment of Excess Expenses under the applicable provisions of Section 5.3b(2)(b) and (c) above.

5.4 Definition of Rent. All costs and expenses which Tenant assumes or agrees to pay to Landlord under this Lease shall be deemed additional rent (which, together with the Base Rent is sometimes referred to as the "Rent"). The Rent shall be paid to the Building manager (or other person) and at such place, as Landlord may from time to time designate in writing, without any prior demand therefor and without deduction or offset, in lawful money of United States of America.

5.5 Rent Control. If the amount of Rent or any other payment due under this Lease violates the terms of any governmental restrictions on such Rent or payment, then the Rent or payment due during the period of such restrictions shall be the maximum amount allowable under those

restrictions. Upon termination of the restrictions, Landlord shall, to the extent it is legally permitted, recover from Tenant the difference between the amounts received during the period of the restrictions and the amounts Landlord would have received had there been no restrictions.

5.6 Taxes Payable by Tenant. In addition to the Rent and any other charges to be paid by Tenant hereunder, Tenant shall reimburse Landlord upon demand for any and all taxes payable by Landlord (other than net income taxes) which are not other wise reimbursable under this Lease, whether or not now customary within the contemplation of the parties, where such taxes are upon, measured by or reasonably attributable to (a) the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises, or the cost or value or any leasehold improvements made in or to the Premises by or for Tenant other than Building Standard Work made by Landlord, regardless of whether title to such any rental or gross receipts tax levied by any taxing authority with respect to the receipt of the Rent hereunder; (c) the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof; or (d) this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises. It if becomes unlawful for Tenant to reimburse Landlord for any costs as required under this Lease, the Base Rent shall be revised to net Landlord the same net Rent after imposition of any tax or other charge upon Landlord as would have been payable to Landlord but for the reimbursement being unlawful.

6. Interest and Late Charges

If Tenant fails to pay when due any Rent or other amounts or charges which Tenant is obligated to pay under the terms of this Lease, the unpaid amounts shall bear interest at the maximum rate then allowed by law. Tenant acknowledges that the late payment of any Monthly Installment of Base Rent will cause Landlord to lose the use of that money and incur costs and expenses not contemplated under this Lease, including without limitation, adminstatrative and collection costs and processing and accounting expenses, the exact amount of which is extremely difficult to ascertain. Therefore, in addition to interest, if an y such installment is not received by Landlord with ten (10) days from the date it is due, Tenant shall pay Landlord a late charge equal to ten percent (10%) of such installment. Landlord and Tenant agree that this late charge represents reasonable estimate of such costs and expenses and is fair compensation to Landlord for the loss suffered from such nonpayment by Tenant. Acceptance of any interest or late charge shall not constitute a waiver of Tenant's default with respect to such nonpayment by Tenant nor prevent Landlord from exercising any other rights or remedies available to Landlord under this Lease.

7. Security Deposit

Tenant agrees to deposit with Landlord the Security Deposit set forth at Section 2.0 upon execution of this Lease as security for Tenant's faithful performance of its obligations under this Lease. Landlord and Tenant agree that the Security Deposit may be commingled with funds of Landlord and Landlord shall have no obligation or liability for payment of interest on

such deposit. Tenant shall not mortgage, assign, transfer or encumber the Security Deposit without the prior written consent of Landlord and any attempt by Tenant to do so shall be void, without force or effect and shall not be binding upon Landlord.

If Tenant fails to pay any Rent or other amount when due and payable under this Lease, or fails to perform any of the terms hereof, Landlord may appropriate and apply or use all or any portion of the Security Deposit for Rent Payments or any other amount then due and unpaid, for payment of any amount for which Landlord has become obligated as a result of Tenant's default or breach and use this deposit without prejudice to any other remedy Landlord may have by reason of Tenant's default or breach. If Landlord so uses any of the Security Deposit, Tenant shall, within ten (10) days after written demand therefor, restore the Security Deposit to the full amount originally deposited; Tenant's failure to do so shall constitute an act of default after the Term (or any extension thereof) has expired or Tenant has vacated the Premises, whichever shall have the right to exercise any remedy provided for at Article 27 hereof. Within fifteen (15) days provided Tenant is not then in default on any of its obligations hereunder, Landlord shall return the Security Deposit to Tenant, or if Tenant has assigned its interest under this Lease, to the last assignee of Tenant. If Landlord sells its interest in the Premises, Landlord may deliver this deposit to the purchaser of Landlord's interest and thereupon be relieved of any further liability or obligation with respect to the Security Deposit.

8. Tenant's Use of the Premises

Tenant shall use the Premises solely for the purposes in the Tenant's Use Clause. Tenant shall not use or occupy the Premises in violation of law or any covenant, condition or restriction affecting the Building or Project or the certificate of occupancy issued for the Building or Project, and shall, upon notice from Landlord, immediately discontinue any use of the Premises which is declared by any governmental authority having jurisdiction to be a violation of law or the certificate of occupancy. Tenant, at Tenant's own cost and expense, shall comply with all laws, ordinances, regulations, rules and/or any directions of any governmental agencies or authorities having jurisdiction which shall, by reason of the nature of Tenant's use or occupancy of Premises, impose any duty upon Tenant or Landlord with respect to the Premises or its use or occupation. A judgment of any court of competent jurisdiction or the admission by Tenant in any action or proceeding against Tenant that Tenant has violated any such laws, ordinances, regulations, rules and/or directions in the use of the Premises shall be deemed to be a conclusive determination of that fact as between Landlord and Tenant. Tenant shall not do or permit to be done anything which will invalidate or increase the cost of any fire, extended coverage or other insurance policy covering the Building or Project and/or property located herein, and shall comply with all rules, orders, regulations, requirements and recommendations of the Insurance Services Offices or any other organization performing a similar function. Tenant shall promptly upon demand reimburse Landlord for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Article. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of

other tenants or occupants of the Building or Project or injure or annoy them, or use or allow the Premises to be used for any improper, immoral or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

9. Services and Utilities.

Provided that Tenant is not in default hereunder, Landlord agrees to furnish the Premises during generally recognized business days, and during hours determined by Landlord in its sole discretion, and subject to the Rules and Regulations of the Building or Project, electricity for normal desk top office equipment and normal copying equipment, and heating, ventilation and air conditioning ("HVAC") as required in Landlord's judgment for the comfortable use and occupancy of the Premises. If Tenant desires HVAC at any other time, Landlord shall use reasonable efforts to furnish such service upon reasonable notice from Tenant and Tenant shall pay Landlord's charges therefor on demand. Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, nor shall the Rent be abated by reason of (i) the installation, use or interruption of use of any equipment in connection with the furnishing of any of the foregoing services, (ii) failure to furnish or delay in furnishing any such services where such failure or delay is caused by accident or any condition or event beyond the reasonable control of Landlord, or by the making or necessary repairs or improvements to the Premises, Building or Project, or (iii) the limitation, curtailment or rationing or, or restrictions on, use of water, electricity, gas or any other form of energy serving the Premises, Building or Project. Landlord shall not be liable under any circumstances for a loss of or injury to property or heat generating machines or equipment in the Premises which affect the temperature otherwise maintained by the HVAC system. Landlord reserves the right to install supplementary air conditioning units in the Premises and the costs thereof, including the cost of installation, operation and maintenance thereof, shall be paid by Tenant to Landlord upon demand by Landlord.

Tenant shall not, without the written consent of Landlord, use any apparatus or device in the Premises, including without limitation electronic data processing machines, punch card machines or machines using in excess of 120 volts, which consumes more electricity than is usually furnished or supplied for the use of premises as general office space, as determined by Landlord. Tenant shall not connect any apparatus with electric current except through existing electrical outlets in the Premises. Tenant shall not consume water or electric current in excess of that usually furnished or supplied for the use of premises as general office space (as determined by Landlord), without first procuring the writing consent of Landlord, which Landlord may refuse, and in the event of consent, Landlord may have installed a water meter or electrical current meter in the Premises to measure the amount of water or electric current consumed. The cost of any such meter and of its installation, maintenance and repair shall be paid for by the Tenant and Tenant agrees to pay Landlord promptly upon the local public utility plus any additional expense incurred in keeping account of the water and electric current so consumed. If a separate meter is not installed, the excess cost for such water and

electric current shall be established by an estimate made by a utility company or electrical engineer hired by Landlord at Tenant's expense.

Nothing contained in this Article shall restrict Landlord's right to require at any time separate metering utilities furnished to the Premises. In the event utilities are separately metered, Tenant shall pay promptly upon demand for all utilities consumed at utility rates charged by the local public utility plus any additional expense incurred by Landlord in keeping account of the utilities so consumed. Tenant shall be responsible for the maintenance and repair of any such meters at its sole cost.

Landlord shall furnish elevator service, lighting replacement for building standard lights, restroom supplies, window washing and janitor services in a manner that such services are customarily furnished to comparable office buildings in the area.

10. Condition of the Premises

Tenant's taking possession of the Premises shall be deemed conclusive evidence that as of the date taking possession the Premises are in good order and satisfactory condition, except for such matters as to which Tenant gave Landlord notice on or before ninety (90) days from the Commencement Date. No promise of Landlord to alter, remodel, repair or improve the Premises, the Building or the Project and no representation, express or implied, respecting any matter or thing relating to the Premises, Building, Project or this Lease (including, without limitation, the condition of the Premises, the Building or the Project) have been made to Tenant by Landlord or its Broker or Sales Agent, other than as may be contained herein or in a separate exhibit or addendum signed by Landlord and Tenant.

11. Construction, Repairs and Maintenance.

a. Landlords Obligations. Landlord shall perform Landlord's Work to the Premises as described in Exhibit "C". Landlord shall maintain in good order, condition and repair the Building and all other portions of the Premises not the obligation of Tenant or any other tenant in the Building.

b. Tenant's Obligations.

(1) Tenant shall perform Tenant's Work to the Premises as described in Exhibit "C".

(2) Tenant at Tenant's sole expense shall, except for services furnished by Landlord pursuant to Article 9 hereof, maintain the Premises in good order, condition and repair, including the interior surfaces of the ceilings, walls and floors, all doors, all interior windows, all plumbing, pipes and fixtures, electrical wiring, switches and fixtures, Building Standard furnishings and special items and equipment installed by or at the expense of Tenant.

(3) Tenant shall be responsible for all repairs and alterations in and to the Premises, Building and Project and the facilities and systems thereof, the need for which arises out of (i) Tenant's use or occupancy of the

Premises, (ii) the installation, removal, use or operation of Tenant's Property (as defined in Article 13) in the Premises, (iii) the moving of Tenant's Property into or out of the Building, or (iv) the act, omission, misuse or negligence of Tenant, its agent contractors, employees or invitees.

(4) If Tenant fails to maintain the Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. If Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to so such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amount so expended by Landlord shall be paid by Tenant promptly after demand with interest at the prime commercial rate then being charged by Bank of America NT&SA plus two percent (2%) per annum, from the date of such work, but not to exceed the maximum rate then allowed by law. Landlord shall have not liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performing any such work.

c. Compliance with Law. Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligations as set forth herein.

d. Waiver by Tenant. Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this Lease because of Landlord's failure to keep the Premises in good order, condition and repair.

e. Load and Equipment Limits. Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry, as determined by Landlord or Landlord's structural engineer. The cost of any such determination made by Landlord's structural engineer shall be paid for by Tenant upon demand. Tenant shall not install business machines or mechanical equipment which cause noise or vibration to such a degree as to be objectionable to Landlord or other Building tenants.

f. Except as otherwise expressly provided in this Lease, Landlord shall have no liability to Tenant nor shall Tenant's obligations under this Lease be reduced or abated in any manner whatsoever by reason of inconvenience, annoyance, interruption or injury to business arising from Landlord's making any repairs or changes which Landlord is required or permitted by this Lease or by any other tenant's lease or required by law to make in or to any portion of the Project, Building or the Premises. Landlord shall nevertheless use reasonable efforts to minimize any interference with Tenant's business in the Premises.

g. Tenant shall give Landlord prompt notice of any damage to or defective condition in any part or appurtenance of the Building's mechanical, electrical, plumbing, HVAC or other systems serving, located in, or passing through the Premises.

h. Upon the expiration or earlier termination of this Lease, Tenant shall return the Premises to Landlord clean and in the same condition as on the date Tenant took possession, except for normal wear and tear. Any damage to the Premises, including any structural damage, resulting from Tenant's use or from the removal of Tenant's fixtures, furnishings and equipment pursuant to Section 13b shall be repaired by Tenant at Tenant's expense.

12. Alterations and Additions

a. Tenant shall not make any additions, alterations or improvements to the Premises without obtaining the prior written consent of Landlord. Landlord's consent may be conditioned on Tenant's removing any such additions, alterations or improvements upon the expiration of the Term and restoring the Premises to the same condition as on the date Tenant took possession. All work with respect to any addition, alteration or improvement shall be done in a good and workmanlike manner by properly qualified and licensed personnel approved by Landlord, and such work shall be diligently prosecuted to completion.

b. Tenant shall pay the costs of any work done on the Premises pursuant to Section 12a, and shall keep the Premises, Building and Project free and clear of liens of any kind. Tenant shall indemnify, defend against and keep Landlord free and harmless from all liability, loss, damage, costs, attorney's fees and any other expense incurred on account of claims by any person performing work or furnishing materials or supplies for Tenant or any person claiming under Tenant.

Tenant shall keep Tenant's leasehold interest, and any additions or improvements which are or become the property of Landlord under this Lease, free and clear of all attachment or judgment liens. Before the actual commencement of any work for which a claim or lien may be filed, Tenant shall give Landlord notice of the intended commencement date a sufficient time before that date to enable Landlord to post notices of non-responsibility or any other notices which Landlord deems necessary for the proper protection of Landlord's interest in the Premises, Building or the Project, and Landlord shall have the right to enter the Premises and post such notices at any reasonable time.

c. Landlord may require, at Landlord's sole option, that Tenant provide to Landlord, at Tenant's expense, a lien and completion bond in an amount equal to at lease one and one-half (1 1/2) times the total estimated cost of any additions, alterations or improvements to be made in or to the Premises, to protect Landlord against any liability for mechanic's and materialmen's liens and to insure timely completion of the work. Nothing contained in this Section 12c shall relieve Tenant of its obligation under Section 12b to keep the Premises, Building and Project free of all liens.

d. Unless their removal is required by Landlord as provided in Section 12a, all additions, alterations and improvements made to the Premises shall become the property of Landlord and be surrendered with the Premises upon the expiration of the Term; provided, however, Tenant's equipment, machinery and trade fixtures which can be removed without damage to the Premises shall remain the property of the Tenant and may be removed, subject to the provisions of Section 13b.

13. Leasehold Improvements; Tenants Property.

a. All fixtures, equipment, improvements and appurtenances attached to or built into the Premises at the commencement of or during the Term, whether or not by or at the expense of Tenant ("Leasehold Improvements"), shall be and remain a part of the Premises, shall be the property of Landlord and shall not be removed by Tenant, except as expressly provided in Section 13b.

b. All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Premises and acquired by or for the account of Tenant, without expense to Landlord, which can be removed without structural damage to the Building, and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the Premises (collectively "Tenant's Property") shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term; provided that if any of Tenant's Property is removed, Tenant shall promptly repair any damage to the Premises or to the Building resulting from such removal.

14. -deleted-

15. Certain Rights Reserved by Landlord.

Landlord reserves the following rights, exercisable without liability to Tenant for (a) damage or injury to property, person or business, (b) causing an actual or constructive eviction from the Premises, or (c) disturbing Tenant's use or possession of the Premises;

a. - deleted -

b. To install and maintain all signs on the exterior and interior of the Building and Project;

c. - deleted -

d. At any time during the Term, and on reasonable prior notice to Tenant, to inspect the Premises, and to show the Premises to any prospective purchaser or mortgagee of the Project, or to any assignee of any mortgage on the Project, or to others having an interest in the Project or Landlord, and during the last six months of the Term, to show the Premises to prospective tenants thereof; and;

e. To enter the Premises for the purpose of making inspections, repairs, alterations, additions or improvements to the Premises or the Building (including, without limitation, checking, calibrating, adjusting or balancing controls and other parts of the HVAC system), and to take all steps as may be necessary or desirable for the safety, protection, maintenance or preservation of the Premises or the Building or Landlord's interest therein, or as may be necessary or desirable for the operation or improvement of the Building or in order to comply with laws, orders or requirements of governmental or other authority. Landlord agrees to use its best efforts (except in an emergency) to minimize interference with

Tenant's business in the Premises in the course of any such entry.

16. - deleted -

17. Holding Over.

If after expiration of the Term, Tenant remains in possession of the Premises with Landlord's permission (express or implied), Tenant shall become a tenant from month to month only, upon all the provisions of this lease (except as to term and Base Rent), but the "Monthly Installments of Base Rent" payable by Tenant shall be increase one hundred twenty five percent (125%) o the Monthly Installments of Base Rent Payable by Tenant at the expiration of the Term. Such monthly rent shall be payable in advance on or before the first day of each month. If either party desires to terminate such month to month tenancy, it shall give the other party not less than thirty (30) days advance written notice of the date of termination.

18. Surrender of Premises.

a. Tenant shall peaceably surrender the Premises to Landlord on the Expiration Date, in broom-clean condition and in as good condition as when Tenant took possession, except for (i) reasonable wear and tear, (ii) loss by fire or other casualty, and (iii) loss by condemnation. Tenant shall, on Landlord's request, remove Tenant's Property on or before the Expiration Date and promptly repair all damage to the Premises or Building caused by such removal.

b. If Tenant abandons or surrenders the Premises, or is dispossessed by process of law or otherwise, any of Tenant's Property left on the Premises shall be deemed to be abandoned, and, at Landlord's option, title shall pass to Landlord under this Lease as by a bill of sale. If Landlord elects to remove all or any part of such Tenant's Property, the cost of removal, including repairing any damage to the Premises or Building caused by such removal, shall be paid by Tenant. On the Expiration Date Tenant shall surrender all keys to the Premises.

19. Destruction or Damage.

a. If the Premises or the portion of the Building necessary for Tenant's occupancy is damaged by fire, earthquake, act of God, the elements of other casualty, Landlord shall, subject to the provisions of this Article, promptly repair the damage, if such repairs can, in Landlord's opinion, be completed within (90) ninety days. If Landlord determines that repairs can be completed within ninety (90) days, this Lease shall remain in full force and effect, except that is such damage is not the result of negligence or willful misconduct of Tenant or Tenant's agents, employees, contractors, licensees or invitees, the Base Rent shall be abated to the extend Tenant's use of the Premises in impaired, commencing with the date of damage and continuing until completion of the repairs required of Landlord under 19d.

b. If in Landlord's opinion, such repairs to the Premises or portion of the Building necessary for Tenant's occupancy cannot be completed within ninety(90) days, Landlord may elect, upon notice to Tenant given within

thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.

c. If any other portion of the Building or Project is totally destroyed or damaged to the extent that in Landlord's opinion repair thereof cannot be completed within ninety (90) days, Landlord may elect upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not elect to make such repairs, the Lease shall terminate as of the date of such fire or other casualty.

d. If the Premises are to be repaired under this Article, Landlord shall repair at its cost any injury or damage to the Building, and Building Standard Work in the Premises. Tenant shall bear responsible at its sole cost and expense for the repair, restoration and replacement of any other Leasehold Improvements and Tenant's Property. Landlord shall not be liable for any loss of business, inconvenience or annoyance arising from any repair or restoration of any portion of the Premises, Building or Project as a result of any damage from fire or other casualty.

e. This Lease shall be considered an express agreement governing any case of damage to or destruction of the Premises, Building or Project by fire or other casualty, and any present or future laws which proports to govern the rights of Landlord and Tenant in such circumstances in the absence of express agreement, shall have no application.

20. Eminent Domain

a. If the whole of the Building or Premises is lawfully taken by condemnation or in any other manner for any public or quasi-public purpose, this Lease shall terminate as of the date of such taking, and Rent shall be prorated to such date. If less than the whole of the Building or Premises is so taken, this Lease shall be unaffected by such taking, provided that (i) Tenant shall have the right to terminate this Lease by notice to Landlord given within ninety (90) days after the date of such taking is twenty percent (20%) or more of the Premises is taken and the remaining area of the Premises is not reasonably sufficient for Tenant to continue operation of its business, and (ii) Landlord shall have the right to terminate this Lease by notice to Tenant given within ninety (90) days after the date of such taking. If either Landlord or Tenant so elects to terminate this Lease, the Lease shall terminate on the thirtieth (30th) day after either such notice. The Rent shall be prorated to the date of termination. If this Lease continues in force upon such partial taking, the Base Rent and Tenant's Proportionate Share shall be equitably adjusted according to the remaining Rentable Area of the Premises and Project.

b. In the event of any taking, partial or whole, all of the proceeds of any award, judgment or settlement payable by the condemning authority shall be the exclusive property of Landlord, and Tenant hereby assigns to Landlord all of its right, title and interest in any award, judgment or

settlement from the condemning authority. Tenant however, shall have the right, to the extent that Landlord's award is not reduced or prejudiced, to claim from the condemning authority (but not from Landlord) such compensation as may be recoverable by Tenant in its own right for relocation expenses and damage to Tenant's personal property.

c. In the event of a partial taking of the Premises which does not result in a termination of this Lease, Landlord shall restore the remaining portion of the Premises as nearly as practicable to its condition prior to the condemnation or taking, but only to the extent of Building Standard Work. Tenant shall be responsible at its sole expense for the repair, restoration and placement of any other Leasehold Improvements and Tenant's Property.

21. Indemnification

a. Tenant shall indemnify and hold Landlord harmless against and from liability and claims of any kind for loss or damage to property of Tenant or any other person, or for any injury to or death of any person, arising out of (1) Tenant's use and occupancy of the Premises, or any work, activity or other things allowed or suffered by Tenant to be done in, on or about the Premises; (2) any breach or default by Tenant of any of Tenant's obligations under this Lease; or (3) any negligent or otherwise tortious act or omission of Tenant, its agents, employees, invitees or contractors. Tenant shall at Tenant's expense and by counsel satisfactory to Landlord, defend Landlord in any action or proceeding arising from any such claim and shall indemnify Landlord against all costs, attorney's fees, expert witness frees and any other expenses incurred in such action or proceeding. As a material part of the consideration for Landlord's execution of this Lease, Tenant hereby assumes all risk of damage or injury to any person or property in, on or about the Premises from any cause.

b. Landlord shall not be liable for injury or damage which may be sustained by the person or property of Tenant, its employees; invitees or customers, or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water or rain which may leak of flow from or into any part of the Premises, or from the breakage, leakage, obstruction r other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, whether such damage or injury results from conditions arising upon the Premises or upon other portions of the Building or Project or from other sources. Landlord shall not be liable for any damages arising upon the
premises or upon other portions of the building or project or from other sources. Landlord shall not be liable for any damages arising from any act or omission of any other tenant of the building or project.

22. TENANTS INSURANCE.

a. All insurance required to be carried by tenant hereunder shall be issued by responsible insurance companies acceptable to landlord and landlord's lender and qualified to do business in the state. Each policy shall name landlord, and at landlord's request any mortgagee of landlord, as an additional insured, as their

respective interests may appear. Each policy shall contain (i) a cross-liability endorsement, (ii) a provision that such policy and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by landlord and that any coverage carried by landlord shall be excess insurance, and (iii) a waiver by the insurer of any right of subrogation against landlord, its agents, employees and representatives, which arises or might arise by reason of any payment under such policy or by reason of any act or omission of landlord, its agents, employees or representatives. A copy of each paid up policy shall be cancelable except after twenty (20) days written notice to landlord and landlord's lender. Tenant shall furnish landlord with renewals or "binders" of any such policy at least ten (10) days prior to the expiration thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, landlord may (but shall not be required to) procure said insurance on
Tenant's behalf and charge the tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by the Tenant, provided such blanket policies expressly afford coverage to the premises, landlord, landlord's mortgagee and tenant as required by this lease.

b. Beginning on the date tenant is given access to the Premises for any purpose and continuing until expiration of the Term, tenant shall procure, pay for and maintain in effect policies of casualty insurance covering (i) all leasehold improvements (including any alterations, additions or improvements as may be made by tenant pursuant to the provisions of Article 12 hereof), and (ii) trade fixtures, merchandise and other personal property from time to time in, on or about the Premises, in an amount not less than one hundred percent (100%) of their actual replacement cost from time to time, providing protection against any peril included within the classification "Fire and Extended Coverage" together with insurance against sprinkler damage, vandalism and malicious mischief. The proceeds of such insurance shall be used for the repair or replacement of the property so insured. Upon termination of this lease following a casualty as set forth herein, the proceeds under (i) shall be paid to landlord, and the proceeds under (ii) above shall be paid to tenant.

c. Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the term, tenant shall procure, pay for and maintain in effect workers' compensation insurance as required by law and comprehensive public liability and property damage insurance with respect to the construction of improvements on the premises, the use, operation or condition of the Premises and the operations of Tenant in, on or about the Premises, providing personal injury and broad form property damage coverage for not less than One Million Dollars ($1,000,000.00) combined single limit for bodily injury, death and property damage liability.

d. Not less than every three (3) years during the Term, landlord and tenant shall mutually agree to increases in all of tenant's insurance policy limits for all insurance to be carried by Tenant as set forth in the Article. In the event landlord and tenant cannot mutually agree upon the amounts of said increases, then tenant agrees that all insurance policy limits as set forth in this Article shall be adjusted for increases in the

cost of living in the same manner as is set forth in Section 5.2 hereof for the adjustment of the Base Rent.

23. WAIVER OF SUBROGATION.

Landlord and Tenant each hereby waive all rights of recovery against the other and against the officers, employees, agents and representatives of the other, on account of loss by or damage to the waiving party of its property or the property of others under its control, to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of the loss or damage. Tenant shall, upon obtaining the policies of insurance required under this lease, give notice to its insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this lease.

24. SUBORDINATION AND ATTORNMENT.

Upon written request of landlord, or any first mortgagee or first deed of trust beneficiary of landlord, or ground lessor of Landlord, Tenant shall, in writing, subordinate its rights under this lease to the lien of any first mortgage or first deed of trust, or to the interest of any lease in which landlord is lessee, and to all advances made or hereafter to be made thereunder. However, before signing any subordination agreement, tenant shall have the right to obtain from any lender or lessor or landlord requesting such subordination, an agreement in writing providing that, as long as Tenant is not in default hereunder, this lease shall remain in effect for the full term. The holder of any security interest may, upon written notice to tenant, elect to have this lease prior to its security interest regardless of the time of the granting or recording of such security interest.

In the event of any foreclosure sale, transfer in lieu of foreclosure or termination of the lease in which landlord is lessee, tenant shall attorn to the purchaser, transferee or lessor as the case may be, and recognize that party as landlord under this lease, provided such party acquires and accepts the Premises subject to this lease.

25. TENANT ESTOPPEL CERTIFICATES.

Within ten (10) days after written request from landlord, Tenant shall execute and deliver to landlord or landlord's designee, a written statement certifying (a) that this lease is unmodified and in full force and effect, or is in full force and effect as modified and stating the modifications; (b) the amount of Base Rent and the date to which Base Rent and additional rent have been paid in advance; (c) the amount of any security deposited with landlord; and (d) that landlord is not in default hereunder or, if landlord is claimed to be in default, stating the nature of any claimed default. Any such statement may be relied upon by a purchaser, assignee or lender. Tenant's failure to execute and deliver such statement within the time required shall at landlord's election be a default under this lease and shall also be conclusive upon tenant that: (1) this lease is in full force and effect and has not been modified except as represented by landlord; (2) there are no uncured defaults in landlord's performance and that Tenant has no right of offset, counter claim or deduction against

rent; and (3) not more than one month's Rent has been paid in advance.

26. DELETED.

27. DEFAULT.

27.1 Tenant's Default. The occurrence of any one or more of the following events shall constitute a default and breach of this lease by Tenant:

a. If Tenant abandons or vacated the Premises; or

b. If Tenant fails to pay any Rent or any other charges required to be paid by Tenant under this lease and such failure continues for five (5) days after such payment is due and payable; or

c.If Tenant fails to promptly and fully perform any other covenant, condition or agreement contained in this lease and such failure continues for thirty (30) days after written notice thereof from landlord to Tenant; or

d. If a writ of attachment or execution is levied on this lease or on any of tenant's property; or

e. If Tenant makes a general assignment for the benefit of creditors, or provides for an arrangement, composition, extension or adjustment with its creditors; or

f. If Tenant files a voluntary petition for relief or if a petition against tenant in a proceeding under the federal bankruptcy laws or other insolvency laws is filed and not withdrawn or dismissed within forty-five (45) days thereafter, of if under the provisions of any law providing for reorganization or winding up of corporations, any court of competent jurisdiction assumes jurisdiction, custody or control of Tenant or any substantial part of its property and such jurisdiction, custody or control remains in force unrelinquished, unstayed or unterminated for a period of forty-five (45) days; or

g. If in any proceeding or action in which tenant is a party, a trustee, receiver, agent or custodian is appointed to take charge of the Premises or Tenant's Property (or has the authority to do so) for the purpose of enforcing a lien against the Premises or Tenant's Property; or

h. If Tenant is a partnership or consists of more than one (1) person or entity, if any partner of the partnership or other person or entity is involved in any of the acts or events described in subparagraphs d through g above.

27.2 Remedies. In the event of Tenant's default hereunder, then in addition to any other rights or remedies landlord may have under any law, landlord

shall have the right, at landlord's option, without further notice or demand of any kind to do the following;

a. Terminate this lease and Tenant's right to possession of the Premises and reenter the Premises and take possession thereof, and Tenant shall have no further claim to the Premises or under this lease: or

b. Continue this lease in effect, reenter and occupy the Premises for the account of Tenant, and collect any unpaid rent or other charges which have or thereafter become due and payable; or

c. Reenter the Premises under the provisions of subparagraph b, and thereafter elect to terminate this lease and tenant's right to possession of the Premises.

If landlord reenters the Premises under the provisions of subparagraphs b or c above, landlord shall not be deemed to have terminated this lease or the obligation of Tenant to pay any Rent or other charges thereafter accruing, unless landlord notifies Tenant in writing of landlord's election to terminate this lease. In the event of any reentry or retaking of possession by landlord, landlord shall have the right, but not the obligation, to remove all or any part of Tenant's property in the Premises and to place such property in storage at a public warehouse at the expense and risk of Tenant. If landlord elects to relet the Premises for any indebtedness other than Rent due hereunder from Tenant to landlord; second, to the payment of any costs of such reletting; third, to the payment of the cost of any alterations or repairs to the Premises; fourth to the payment of Rent due. If that portion of rent received from the reletting which is applied against the Rent due hereunder is less than the amount of the Rent due, Tenant shall pay the deficiency to landlord promptly upon demand by landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to landlord, as soon as determined, any costs and expenses incurred by landlord in from the reletting.

Should landlord elect to terminate this lease under the provisions of subparagraph a or c above, landlord may recover as damages from tenant the following:

1. Past Rent. The worth at the time of the award of any unpaid Rent which had been earned at the time of termination; plus

2. Rent prior to Award. The worth at the time of the award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

3. Rent After Award. The worth at the time of the award of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of the rental loss that Tenant proves could be reasonably

avoided; plus

4. Proximately Caused Damages. Any other amount necessary to compensate landlord for all detriment proximately caused by Tenant's failure to perform its obligations under this lease or by which in the ordinary course of things would be likely to result therefrom, including but not limited to, any costs or expenses (including attorneys' fees), incurred by landlord in (a) retaking possession of the Premises, (b) maintaining the Premises after Tenant's default, (c) preparing the Premises for reletting to a new tenant, including any repairs or alterations, and (d) reletting the Premises, including broker's commissions.

"The worth at the time of the award" as used in subparagraphs 1 and 2 above, is to be computed by allowing interest at the rate of ten percent (10%) per annum. "The worth at the time of the award" as used in subparagraph 3 above, is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank situated nearest to the Premises at the time of the award plus one percent (1%).

The waiver by landlord of any breach of any term, covenant or condition of this lease shall not be deemed a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition. Acceptance of Rent by landlord subsequent to any breach hereof shall not be deemed a waiver of any preceding breach other than the failure to pay the particular Rent so accepted, regardless of landlord's knowledge of any breach at the time of such acceptance of Rent. Landlord shall not be deemed to have waived any term, covenant or condition unless landlord gives Tenant written notice of such waiver.

27.3 Landlord's Default. If landlord fails to perform any covenant, condition or agreement contained in this lease within thirty (30) days after receipt of written notice from Tenant specifying such default, or if such default cannot reasonably be cured within thirty (30) days, if landlord fails to commence to cure within that thirty (30) day period, then landlord shall be liable to Tenant for any damages sustained by Tenant as a result of landlord's breach; provided, however, it is expressly understood and agreed that if Tenant obtains a money judgment against landlord resulting from any default or other claim arising under this lease that judgment shall be satisfied only out of the rents, issues, profits, and other income actually received on account of landlord's right, title and interest in the Premises, building or Project, and no other real, personal or mixed property of landlord (or of any of the partners which comprise landlord, if any) wherever situated, shall be subject to levy to satisfy such judgment. If, after notice to landlord of default, landlord (or any first mortgagee or first deed of trust beneficiary of landlord) fails to cure the default as provided herein, then tenant shall have the right to cure that default at landlord's expense. Tenant shall not have the right to terminate this lease or to withhold, reduce or offset any amount against any payments of Rent or any other charges due and payable under this lease except as otherwise specifically provided herein.

28. BROKERAGE FEES.

Tenant warrants and represents that it has not dealt with any real estate broker or agent in connection with this lease or its negotiation except those noted in Section 2, c. Tenant shall indemnify and hold landlord harmless from any cost, expense or liability (including costs of suit and reasonable attorneys' fees) for any compensation, commission or fees claimed by any other real estate broker or agent in connection with this lease or its negotiation by reason of any act of Tenant.

29. NOTICES.

all notices approvals and demands permitted or required to be given under this lease shall be in writing and deemed duly served or given if personally delivered or sent by certified or registered U.S. mail, postage prepaid, and addressed as follows: (a) if to landlord, to landlord's mailing address and to the building manager, and (b) if to tenant, to tenant's mailing address; provided, however, notices to Tenant shall be deemed duly served or given if delivered or mailed to Tenant at the Premises. Landlord and Tenant may from time to time by notice to the other designate another place for receipt of future notices.

30. GOVERNMENT ENERGY OR UTILITY CONTROLS.

In the event of imposition of federal, state or local government controls rules, regulations, or restrictions on the use or consumption of energy or other utilities during the term, both landlord and tenant shall be bound thereby. In the event of a difference in interpretation by landlord and tenant of any such controls, the interpretation of landlord shall prevail, and landlord shall have the right to enforce compliance therewith, including the right of entry into the Premises to effect compliance.

31. DELETED.

32. QUIET ENJOYMENT.

Tenant, upon paying the Rent and performing all of its obligations under this lease, shall peaceably and quietly enjoy the Premises, subject to the terms of this lease and to any mortgage, lease, or other agreement to which this lease may be subordinate.

33. OBSERVANCE OF LAW.

Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance and governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment of any court of competent

jurisdiction or the admission of Tenant in any action against tenant, whether landlord is a party thereto or not, that tenant has violated any law, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between landlord and Tenant.

34. FORCE MAJEURE.

Any prevention, delay or stoppage of work to be performed by Landlord or Tenant which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefor, acts of God, governmental restrictions or regulations or controls, judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty, or other causes beyond the reasonable control or the party obligated to perform hereunder, shall excuse performance of the work by that party for a period equal to the duration of that prevention, delay or stoppage.

35. Curing Tenant's Defaults

If Tenant defaults in the performance of any of its obligations under this Lease, Landlord may (but shall not be obligated to) without waiving such default, perform the same for the account at the expense of the Tenant. Tenant shall pay Landlord all costs of such performance promptly upon receipt of a bill therefor.

36. Sign Control

Tenant shall not affix, paint, erect or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the Premises, Building or Project, including without limitation, the inside of windows or doors, without the written consent of Landlord. Landlord shall have the right to remove any signs or other matter, installed without Landlord's permission, without being liable to Tenant by reason of such removal, and to charge the cost or removal to Tenant as additional rent hereunder, payable within ten (10) days of written demand by Landlord.

37. Miscellaneous

a. Accord and Satisfaction; Allocation of Payments. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent provided in this Lease shall be deemed to be other than on account of the earliest due Rent, nor shall any endorsement or statement on any check or letter accompanying without prejudice to Landlord's right to recover the balance of the Rent or pursue any other remedy provided for in this Lease. In connection with the foregoing, Landlord shall have the absolute right in its sole discretion to apply any payment received from Tenant to any account or other payment of Tenant then not current and due or delinquent.

b. Addenda. If any provision contained in an addendum to this Lease is inconsistent with any other provision, herein, the provision contained in the addendum shall control, unless otherwise provided in the addendum.

c. Attorney's Fees. If any action or proceeding is brought by either party against the other pertaining to or arising out of this Lease, the

finally prevailing party shall be entitled to recover all costs and expenses, including reasonable attorney's fees, incurred on account of such action or proceeding.

d. Captions, Articles, and Section Numbers. The captions appearing within the body of this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Lease. All references to Article and Section numbers refer to Articles and Sections in this Lease.

e. Changes Requested by Lender. Neither Landlord or Tenant shall reasonably withhold its consent to changes or amendments to this Lease requested by the lender on Landlord's interest, so long as these changes do not alter the basic business terms of this Lease or otherwise materially diminish any rights or materially increase any obligations of the party from whom consent to such charge or amendment is requested.

f. Choice of Law. This Lease shall be construed and enforced in accordance with the laws of the State.

g. Consent - deleted

h. Corporate Authority. If Tenant is a corporation, each individual signing this Lease on behalf of Tenant represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of the corporation, and that this Lease is binding on Tenant in accordance with its terms. Tenant shall, at Landlord's request, deliver a certified copy of a resolution of its board of directors authorizing such execution.

i. Counterparts. This Lease may be executed in multiple counterparts, all of which shall constitute one and the same Lease.

j. Execution of Lease; No Option. The submission of this Lease to Tenant shall be for examination purposes only, and is not and shall not constitute a reservation of or option for Tenanat to lease, or otherwise create any interest of Tenant in the premises or any other premises within the building or project. Execution of this Lease by Tenant and its return to Landlord shall not be binding on Landlord notwithstanding any time interval, until Landlord has in fact signed and delivered this Lease to Tenant.

k. Furnishings of Financial Statements - deleted

l. Further Assurances. The parties agree to promptly sign al documents reasonably requested to give effect to the provisions of this Lease.

m. Mortgagee Protection. Tenant agrees to send by certified or registered mail to any first mortgagee or first deed of trust beneficiary of Landlord whose address has been furnished to Tenant, a copy of any notice of default served by Tenant on Landlord. If Landlord fails to cure such default within the time provided for in this Lease, such mortgagee or beneficiary shall have an additional thirty (30) days to cure such default; provided that if such default cannot reasonably be cured within that thirty (30) day period, then such mortgagee or beneficiary shall have such additional time

to cure the default as is reasonably necessary under the circumstances.

n. Prior Agreements; Amendments. This Lease contains all of the agreements of the parties with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest.

o. Recording. Tenant shall not record this Lease without the prior written consent of Landlord. Tenant upon the request of Landlord, shall execute and acknowledge a ``
short form'' memorandum of this Lease for recording purposes.

p. Severability. A final determination by a court of competent jurisdiction that any provision, and any provision so determined to be invalid shall, to the extent possible, be construed to accomplish its intended effect.

q. Successors and Assigns. This Lease shall apply to and bind the heirs, personal representatives, and permitted successors and assigns of the parties.

r. Time of the Essence. Time is of the essence of this Lease.

s. Waiver. No delay or omission in the exercise of any right or remedy of Landlord upon any default by Tenant shall impair such right or remedy or be construed as a waiver of such default.

The receipt and acceptance by Landlord of delinquent Rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment of the particular Rent payment involved.

No act or conduct of Landlord, including, without limitation, the acceptance of keys to the Premises by Tenant before the expiration of the Term. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

The parties hereto have executed this Lease as of the dates set forth below.

Date: March 1, 1993 Date: March 1, 1993

Landlord: RCI-Loring, L.P. Tenant: C.V.B. Financial Corporation a California limited a California corporation

partnership

By: Riverside Commercial Investors, Inc. a California corporation, General Partner	By: Robert J. Schurheck Title: Chief Financial Officer
By: Rufus C. Barkley, III	By: /s/ Robert J. Schurheck Robert J. Schurheck
Title: President	Title: Chief Financial Officer

ADDENDUM AND MODIFICATION TO LEASE

BETWEEN RCI-LORING, L.P.,

a California Limited Partnership, and

CHINO VALLEY BANK

The following is a modification of the Lease Agreement between RCI-Loring, L.P., and Chino Valley Bank concerning the premises located at the first floor of 3695 Main Street, Riverside, California:

Paragraph 2.e. is amended to read:

> Common areas: the building lobbies, common corridors and hallways, restrooms, garage and parking areas, stairways, elevators and other generally understood public or common areas. Landlord shall have the right to reasonably regulate or restrict the use of the Common Areas. In the event of a dispute concerning such regulation, the parties hereto agree to submit the matter to a non-judicial arbitration.

Paragraph 2.k is amended to delete the last line, which states: Landlord reserves the right to separately charge Tenant's guests and visitors for parking. The tenant is aware they will pay the prevailing City surface parking lot rate for all ten (10) spaces it will be provided.

Paragraph 4., Delivery of Possession is amended to add the following sentence:

In the event that Landlord fails to deliver possession of the premises to tenant on or before December 1, 1993, tenant, at its option, may declare material breach of the contract.

In the event the Tenant fails to deliver the Landlord with approved tenant improvement working drawings for construction by June 15, 1993, the Landlord, at its option, may declare material breach of this contract.

In the event Tenant submits approved tenant improvement working drawings prior to June 15, 1993, then the number of days prior to that date of June 15, 1993 shall advance the date by which the Landlord shall be committed to deliver possession of the premises to tenant, with all other conditions but remaining in effect.

Paragraph 5.3, Project Operating Costs, subparagraph b. (1)(b) is amended to add the following:

(a) Notwithstanding any other provision of this paragraph of the lease, the Tenant shall only be responsible for its proportionate share of "Project Operating Costs" throughout its tenancy.

(b) Operating costs incurred by Landlord in maintaining and operating the Building and Project, including without limitation the following: costs of (1) utilities; (2) supplies; (3) insurance for public liability and fire and extended coverage insurance for the full replacement cost of the Building and Project that is required by Landlord or its lenders for the Project; (4) services of independent contractors; (5) compensation of all persons who perform duties connected with the operation of, maintenance, repair or overhaul of the Building or Project, and equipment, improvements and facilities located within the project, including without limitation engineers, janitors, painters, floor waxes, window washers, security and parking personnel and gardeners (but excluding persons performing services not uniformly available to or performed for substantially all Building or project tenants and excluding repair, replacement or maintenance of the elevator), operation and maintenance of any room for delivery and distribution of mail, management of the Project, and any on site managers office. If at any time during the Term, less than ninety-five (95%) of the rental area of the Project is occupied, the "Operating Costs" component of the Project Operating Costs shall be calculated as if the Building was ninety percent (90%) occupied.

Paragraph 5.3, Project operating Costs, subparagraph (2) (e) is amended as follows:

If any dispute arises as to the amount of any additional rent due hereunder, Tenant shall have the right after reasonable notice and at times to inspect Landlord's accounting records at Landlord's accounting office and, if after such inspection Tenant still disputes the amount of additional rent owed, a certification as to the proper amount shall be made by Landlord's certified public accountant. In the event of a dispute as to the propriety of charges, the parties agree to resolve the dispute in a binding private arbitration. Tenant agrees to pay the reasonable costs of such certification by the certified public accountant unless it is determined that Landlord's original statement overstated Project Operating Costs by more than five percent (5%).

Paragraph 9., Services and Utilities, is amended as follows:

Provided that Tenant is not in default hereunder, Landlord agrees to furnish to the Premises without limitation or charge, electricity for normal banking operations and heating, ventilation and air conditioning (HVAC) for the comfortable use and occupancy of the Premises. Such service will be provided Monday through Thursday between the hours of 7:00 a.m. and 6:00 p.m., 7:00 a.m. to 7:00 p.m.

on Fridays and on Saturdays from 9:00 a.m. to 1:00 p.m.

Tenant shall not, without the written consent of Landlord, use any apparatus of device in the Premises using and excess of 120 volts which consumes more electricity than is usually furnished or supplied for the use of the premises as a bank. Tenant shall not consume water or electric current in excess of that usually furnished or supplied the use of Premises as a bank without first procuring the written consent of Landlord.

Paragraph 11., Construction, Repairs and Maintenance, subparagraphs b.(2,.b.(3) and b.(4) are amended as follows:

(2) Tenant's sole expense shall, except for services furnished by Landlord pursuant to Article 9 hereof, maintain the Premises in good order, condition and repair, including the interior surfaces of the ceilings, walls and floors, all doors, all interior windows, electrical wiring, switches and fixtures.

(3) Tenant shall be responsible for all repairs and alterations in and to the occupied Premises, Building and Project and the facilities and systems thereof, the need for which arises out of (i) Tenant's use or occupancy of the Premises, (ii) the installation, removal, use or operation of Tenant's Property on the Premises,, (iii) the moving of Tenant's Property into or out of the Building, or (iv) the act, omission, misuse or negligence of Tenant, its agents, contractors, employees or invitees.

(4) If Tenant fails to maintain the Premises in good order, condition or repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. If Tenant fails promptly to commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts at a reasonable cost and chargeable to Tenant.

Paragraph 11., Construction, Repairs and Maintenance, subparagraph f. is amended as follows:

f. Except as otherwise provided in this Lease, Landlord shall have no liability to Tenant nor shall Tenant's obligations under this Lease be reduced or abated in any manner whatsoever by reason of any inconvenience, annoyance interruption or injury to business resulting reasonable repairs or changes which Landlord is required or permitted by this Lease to make in or to any portion of the Project, Building or the Premises. Landlord's undertaking shall be done in a reasonable manner taking into consideration the nature and hours of Tenant's business.

Paragraph 12., Alteration and Additions, is amended to add the following paragraph:

(e) In the event that Tenant wishes to install automatic teller machine service, Tenant may do so if the installation can reasonably be accomplished. Upon termination of the lease, the Tenant shall restore the area to its original condition.

Paragraph 13. , Leasehold Improvements; Tenant I s Property, is amended as follows:

At the end of the lease term, Tenant may remove any and all personal property and fixtures placed in or on the property by Tenant, whether attached or not. Tenant will adequately repair any damage caused by such removal.

Paragraph 16., Assignment Subletting is replaced with following:

The Tenant shall not sublease the subject space without obtaining the prior written consent of the Landlord, which shall not be unreasonably withheld.

Paragraph 19., Destruction of Damage, is amended as follows:

In the event of total destruction of the Premises, the Lease and all obligations thereunder shall terminate. In the event of a partial destruction, meaning damage that will reasonably require less than 180 days to repair, Landlord shall promptly commence to cure the damage and, once commenced, shall proceed reasonably to cause the work to be completed in a prompt manner. Rent during repairs will be abated.

Paragraph 21., Indemnification, is amended as follows:

Tenant shall indemnify and hold Landlord harmless against and from liability and claims of any kind or loss or damage to property of Tenant or any other person, or for any injury or death of any person, arising out of: (1) Tenant's negligent use or occupancy of the Premises, or nay work, activity or other things allowed or suffered by Tenant to be done in, or about the Premises; (2) and breach of default by Tenant of any

of Tenant's obligations under this Lease; or (3) and negligent or otherwise tortious act or omission of Tenant, its agents, employees, invitees and contractors. Tenant shall provide insurance as set forth in Section 22 infra, for this purpose.

Paragraph 27.3, Landlord's Default, is amended as follows:

If Landlord fails to perform and covenant, condition or agreement contained in this Lease within thirty (30) days after receipt of written notice from Tenant specifying such default, or if such default cannot reasonably be cured within (30) days, if Landlord fails to commence to cure within that thirty (30) day period, then Landlord shall be liable to Tenant for any damages sustained by Tenant as a result of Landlord's breach.

FURTHER TERMS

Paragraph 38. Tenant Improvements Allowance

The Landlord shall provide a Tenant allowance of Ninety-one thousand eight hundred seventy-five dollars ($91,975.00) ($25.00 per rentable square foot) for Tenant improvements on the leasehold, including building signage and space planning. Such improvements will be made to the specifications of Tenant and under Tenant's direction and control.

Paragraph 39. Free Rent

Tenant shall not be required to pay the Rent for the first six (6) months of the Lease term, commencing with the "Commencement Date".

Paragraph 40. Rent Adjustment

Notwithstanding any other provision of this Lease, the monthly Rent shall increase in the thirty-first (31st) month by eight percent (8%) to Five thousand eight hundred ninety-five dollars and ninety-one cents ($5,895.99) and in the sixty-first 961st) month by ten percent (10%) to Six thousand four hundred eighty-five dollars and fifty-nine cents ($6,485.59).

Paragraph 41. Options to Extend Lease Term

Tenant shall have the option to extend the Lease term by (3) successive sixty (60) month periods. The Base Rent shall increase in the first

month of each option period by ten percent (10%) of the Base Rent paid in the last month of the previous period.

Paragraph 42. Tenant Parking Space Designation

The ten (10) parking spaces to be reserved for the Tenant in the parking lot immediately adjacent to West wall of the building shall clearly marked to identify their exclusive use by Chino Valley Bank. The Landlord shall insure for a period of year that the Tenant's exclusive use of these spaces shall be enforced.

Paragraph 43. Tenant Signage

The Tenant shall have until May 15, 1993 to design the signage for the property and obtain approval from the Landlord and all necessary governmental agencies. In the event that Landlord or governmental agencies do not approve the proposed signage, then Chino Valley Bank shall be entitled to cancel this Lease.

The foregoing amendments are incorporated in and become a part of a Lease Agreement between the parties hereto. The foregoing is agreed to:

DATED: 3/2/93

RCI-LORING, L.P.
a California limited partnership

By: Riverside Commercial Investor, Inc.
a California corporation, General
Partner

By:/s/ Rufus C. Barkley III
RUFUS C. BARKLEY, III
President

DATED:

C.V.B. FINANCIAL CORPORATION,
a California Corporation

By: /s/ Robert J Schurheck, EVP
Robert J. Schurheck
Chief Financial Officer

EXHIBIT 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors and Stockholders
CVB Financial Corp.

We consent to the incorporation by reference in the 1981 Stock Option Plan Registration Statement No. 2-76121 on Form S-8, the 1991 Stock Option Plan Registration Statement No. 33-41318 on Form S-8 and the Key Employee Stock Grant Plan Registration Statement No. 33-50442 on Form S-8 of our report dated January 27, 1994, appearing on page 79 of this Annual Report in Form 10-K for the fiscal year ended December 31, 1993.

/s/ Deloitte & Touche
Deloitte & Touche
Los Angeles, California
March 28, 1994