

FEDERAL DEPOSIT INSURANCE CORPORATION

Washington, D.C. 20429

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

March 19, 2019

Date of Report (Date of earliest event reported)

FIRST BANK

(Exact name of registrant as specified in its charter)

New Jersey
(State or other jurisdiction
of incorporation)

58481
(FDIC
Certificate Number)

20-8164471
(IRS Employer
Ident. No.)

2465 Kuser Road, Hamilton, New Jersey
(Address of principal executive offices)

08690
(Zip Code)

(609) 643-4211
Registrant's telephone number, including area code

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☒ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01 Entry into a Material Definitive Agreement.

Merger Agreement

On March 19, 2019, First Bank (“First Bank”), a New Jersey chartered commercial bank, and Grand Bank, N.A. (“Grand Bank”), a national banking association, entered into an Agreement and Plan of Merger (the “Agreement”), pursuant to which, subject to the terms and conditions of the Agreement, among other things, Grand Bank will merge with and into First Bank (the “Merger”), with First Bank continuing as the surviving corporation in the Merger.

Subject to the terms and conditions of the Agreement, upon the consummation of the Merger, each share of common stock, par value \$1.00 per share, of Grand Bank (“Grand Bank Common Stock”), will be converted into the right to receive 3,262.956 shares of common stock, par value \$5.00 per share, of First Bank (“First Bank Common Stock”). The Agreement also provides that, upon the occurrence of the sale of certain property owned by Grand Bank following the closing of the Merger, Grand Bank shareholders will be entitled to receive contingent consideration not to exceed \$2.4 million, payable in the form of First Bank Common Stock.

The Agreement contains customary representations and warranties and covenants by First Bank and Grand Bank, including, among others, covenants relating to (1) the conduct of each party’s business during the period prior to the consummation of the Merger, (2) each party’s obligations to facilitate its stockholders’ consideration of, and voting upon, the Agreement and the Merger as well as, in the case of First Bank, the issuance of shares of First Bank Common Stock in connection with the Merger (the “First Bank Share Issuance”), (3) the recommendation by the parties’ respective boards of directors in favor of approval of the Agreement and the Merger, and, in the case of First Bank, the First Bank Share Issuance, and (4) Grand Bank’s non-solicitation obligations relating to alternative business combination transactions.

The Merger is subject to customary closing conditions, including, among others, (1) approval of the Merger by the stockholders of Grand Bank and First Bank and the approval of the First Bank Share Issuance by the stockholders of First Bank, (2) receipt of required regulatory approvals, (3) the absence of any law or order prohibiting the consummation of the transactions contemplated by the Agreement (including the Merger), (4) the clearance of the offering circular for the First Bank Common Stock to be issued in the Merger, (5) the approval of the listing on the Nasdaq Global Select Market of the First Bank Common Stock to be issued in the Merger and (6) receipt by each party of an opinion from First Bank’s counsel to the effect that the Merger will qualify as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended.

Each party’s obligation to consummate the Merger is also subject to certain additional customary conditions, including (1) subject to certain exceptions, the accuracy of the representations and warranties of the other party and (2) performance in all material respects by the other party of its obligations under the Agreement. First Bank’s obligation to consummate the Merger is further conditioned on receipt of regulatory approvals without the imposition of a condition that would reasonably be expected to be materially financially burdensome to the business, operations, financial condition or results of operations on First Bank’s business or on the business of Grand Bank. Finally, First Bank will not be obligated to consummate the Merger unless Grand Bank meets certain asset quality and capitalization requirements and provided to First Bank its audited financial statements for the year ended December 31, 2018.

The Agreement provides certain termination rights for both First Bank and Grand Bank and further provides that a termination fee of \$900,000 will be payable by Grand Bank upon termination of the Agreement under certain circumstances.

The representations, warranties and covenants of each party set forth in the Agreement have been made only for purposes of, and were and are solely for the benefit of the parties to, the Agreement, may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the Agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Accordingly, the representations and warranties may not describe the actual state of affairs at the date they were made or at any other time, and investors should not rely on them as statements of fact. In

addition, such representations and warranties (1) will not survive consummation of the Merger, unless otherwise specified therein, and (2) were made only as of the date of the Agreement or such other date as is specified in the Agreement. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the Agreement, which subsequent information may or may not be fully reflected in the parties' public disclosures. Accordingly, the Agreement is included with this filing only to provide investors with information regarding the terms of the Agreement, and not to provide investors with any other factual information regarding First Bank or Grand Bank, their respective affiliates or their respective businesses. The Agreement should not be read alone, but should instead be read in conjunction with the other information regarding First Bank, Grand Bank, their respective affiliates or their respective businesses, the Agreement and the Merger that will be contained in, or incorporated by reference into, the offering circular in the form required by the Federal Deposit Insurance Company ("FDIC"), as well as in the Forms 10-K, Forms 10-Q, Forms 8-K and other filings that First Bank may make with the FDIC.

The foregoing summary of the Agreement is not complete and is qualified in its entirety by reference to the complete text of the Agreement, which is filed as Exhibit 2.1 to this Current Report on Form 8-K, and incorporated by reference herein.

Voting Agreement

In connection with the Agreement, First Bank entered into a Voting Agreements with Grand Bank, and each director of Grand Bank, a form of which is attached to this Current Report as Exhibit 10.1 (the "Voting Agreements"). The stockholders that are party to the Voting Agreement beneficially own in the aggregate approximately 36.87% of the outstanding shares of Grand Bank Common Stock. The Voting Agreements require, among other things, that the stockholder party thereto vote all of his or her shares of Grand Bank Common Stock in favor of the Merger and the other transactions contemplated by the Agreement and against alternative transactions and not to, directly or indirectly, assign, sell, transfer or otherwise dispose of their shares of Grand Bank Common Stock, subject to certain exceptions.

The foregoing description of the Voting Agreement does not purport to be complete and is qualified in its entirety by reference to the form of Voting Agreement, which is attached to this Current Report as Exhibit 10.1 and incorporated by reference herein.

Important Additional Information will be Filed with the SEC

In connection with the proposed Merger, First Bank will file with the FDIC an offering circular that will include a joint proxy statement/offering circular of Grand Bank and First Bank and an offering circular of First Bank, as well as other relevant documents concerning the proposed transaction. This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval.

SHAREHOLDERS OF GRAND BANK AND FIRST BANK ARE URGED TO READ THE OFFERING CIRCULAR AND THE JOINT PROXY STATEMENT/OFFERING CIRCULAR REGARDING THE MERGER WHEN IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE FDIC BY FIRST BANK, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

A free copy of the joint proxy statement/offering circular, as well as other filings containing information about First Bank, may be obtained at the FDIC's Internet site (<https://efr.fdic.gov/fcxweb/efr/index.html>), when they are filed by First Bank. You will also be able to obtain the offering circular which will include the joint proxy statement/offering circular, when it is filed, free of charge, from First Bank at www.firstbanknj.com under the heading "Investor Relations." Copies of the proxy statement/offering circular can also be obtained, when it becomes available, free of charge, by directing a request to First Bank, 2465 Kuser Road, Hamilton, NJ 08690, Attention: Patrick L. Ryan, President and CEO, Telephone: (609) 643-0168 or to Grand Bank, N.A., 2297 State Highway 33, Hamilton Square, NJ 08690, Attention: Peter Pantages, Chairman, President and CEO Telephone: (609) 514-3900.

Participants in the Solicitation

First Bank, Grand Bank, and certain of their respective directors and executive officers may be deemed to be

participants in the solicitation of proxies from the shareholders of First Bank or Grand Bank, respectively, in connection with the proposed Merger. Information about the directors and executive officers of First Bank who may be deemed participants in the proxy solicitation, and their direct and indirect interests, by security holdings or otherwise, will be set forth in the proxy statement for First Bank's 2019 annual meeting of shareholders, which was filed with the FDIC on Schedule 14A on March 22, 2019. Additional information regarding all of the participants in the solicitation may be obtained by reading the joint proxy statement/offering circular regarding the proposed Merger when it becomes available. Free copies of this document may be obtained as described in the preceding paragraph.

Forward-Looking Statements

Certain statements contained in this Current Report on Form 8-K may not be based on historical facts and are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements may be identified by reference to a future period(s) or by the use of forward-looking terminology, such as "anticipate," "estimate," "expect," "foresee," "may," "might," "will," "would," "could" or "intend," future or conditional verb tenses, and variations or negatives of such terms. These forward-looking statements include, without limitation, those relating to First Bank's and Grand Bank's future growth and management's outlook or expectations for revenue, assets, asset quality, profitability, business prospects, net interest margin, non-interest revenue, allowance for loan losses, the level of credit losses from lending, liquidity levels, capital levels, or other future financial or business performance strategies or expectations.

Readers are cautioned not to place undue reliance on the forward-looking statements contained in this Current Report on Form 8-K in that actual results could differ materially from those indicated in such forward-looking statements, due to a variety of factors. In addition to factors disclosed in First Bank's reports filed with the Federal Deposit Insurance Corporation (the "FDIC") and those identified elsewhere in this Current Report on Form 8-K, the following factors among others, could cause actual results to differ materially from forward-looking statements or historical performance: changes in First Bank's operating or expansion strategy, availability of and costs associated with obtaining adequate and timely sources of liquidity, the ability to maintain credit quality, possible adverse rulings, judgments, settlements and other outcomes of pending litigation, the ability of First Bank and Grand Bank to collect amounts due under loan agreements, changes in consumer preferences, effectiveness of First Bank's interest rate risk management strategies, laws and regulations affecting financial institutions in general or relating to taxes, the effect of pending or future legislation, the ability to obtain regulatory approvals and meet other closing conditions to the Merger, including approval by First Bank and Grand Bank shareholders on the expected terms and schedule, delay in closing the Merger, difficulties and delays in integrating the Grand Bank business or fully realizing cost savings and other benefits of the Merger, business disruption following the Merger, changes in interest rates and capital markets, inflation, customer acceptance of First Bank's products and services, customer borrowing, repayment, investment and deposit practices; customer disintermediation; the introduction, withdrawal, success and timing of business initiatives; competitive conditions and other risk factors. Any forward-looking statement speaks only as of the date of this Current Report on Form 8-K, and we undertake no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date of this Current Report on Form 8-K.

Item 9.01 Exhibits

(d) Exhibits

- 2.1 Agreement and Plan of Merger, dated March 19, 2019, by and between First Bank and Grand Bank, N.A.*
- 10.1 Form of Voting Agreement, dated March 19, 2019, by and between First Bank and certain stockholders of Grand Bank, N.A.

* Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule will be furnished supplementally to the FDIC upon request; provided, however, that the parties may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, for any document so furnished.

SIGNATURES

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

FIRST BANK

Dated: March 25, 2019

By: /s/ Patrick L. Ryan
Patrick L. Ryan
President and
Chief Executive Officer

**AGREEMENT AND PLAN OF MERGER
BY AND BETWEEN
FIRST BANK
AND
GRAND BANK, N.A.
Dated as of March 19, 2019**

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Exhibit A - Form of Voting Agreement

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Grand Bank’s Disclosure Memorandum

First Bank’s Disclosure Memorandum

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this “Agreement”) is made and entered into as of March 19, 2019, by and between First Bank (“First Bank”), a New Jersey chartered commercial bank, and Grand Bank, N.A. (“Grand Bank”), a national banking association.

Preamble

The boards of directors of Grand Bank and First Bank have each approved this Agreement and declared that this Agreement and the transactions contemplated hereby are advisable and in the best interests of the Parties to this Agreement and their respective stockholders. This Agreement provides for the acquisition of Grand Bank by First Bank pursuant to the merger of Grand Bank with and into First Bank (the “Merger”) with First Bank as the surviving corporation (sometimes referred to in such capacity as the “Surviving Bank”). Grand Bank is located in Hamilton, in the State of New Jersey, with total capital of \$22.3 million, paid in capital and surplus of \$38.9 million for 521.00 shares of common stock, each with a par value of \$1.00 per share, and undivided profits or capital reserves of \$(16.6) million as of February 28, 2019. First Bank is located in Hamilton, Mercer County, in the State of New Jersey, with total capital of \$194.8 million, paid in capital and surplus of \$67.4 million for 18.7 million shares of common stock, each with a par value of \$5.00 per share, and undivided profits and capital reserves of \$32.5 million, as of December 31, 2018.

At the Effective Time, the outstanding shares of capital stock of Grand Bank shall be converted into the right to receive a fixed number of shares of common stock of First Bank, subject to the terms and conditions set forth herein. As an inducement for First Bank to enter into this Agreement, each of the directors and certain executive officers of Grand Bank have simultaneously herewith entered into a Voting Agreement (each a “Voting Agreement”) in connection with the Merger, in the form of Exhibit A hereto. The transactions described in this Agreement are subject to the approvals of the stockholders of Grand Bank and First Bank and applicable regulatory authorities and the satisfaction of certain other conditions described in this Agreement.

It is the intention of the Parties to this Agreement that the Merger for federal income tax purposes shall qualify as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code, and this Agreement is intended to be and is adopted as a “plan of reorganization” for purposes of Sections 354 and 361 of the Internal Revenue Code.

Capitalized terms used in this Agreement and not otherwise defined herein are defined in Section 10.1 of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual warranties, representations, covenants, and agreements set forth herein, and intending to be legally bound hereby, the Parties agree as follows:

ARTICLE 1 TRANSACTIONS AND TERMS OF MERGER

1.1. Merger.

Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time, Grand Bank is the merging bank and shall be merged with and into First Bank, who is the receiving bank,

in accordance with the provisions of Chapter 9A, Article 133 of the New Jersey Banking Act of 1948, as amended (the “NJBA”) with the effects set forth in the NJBA. First Bank, as the receiving bank, shall be the Surviving Bank resulting from the Merger, and shall succeed to and assume all the rights and obligations of Grand Bank in accordance with the NJBA. The name of the receiving bank shall be First Bank. Upon consummation of the Merger the separate corporate existence of Grand Bank shall terminate. The Merger shall be consummated pursuant to the terms of this Agreement, which has been approved by the board of directors of First Bank and the board of directors of Grand Bank.

1.2. Time and Place of Closing.

The closing of the transactions contemplated hereby (the “Closing”) will take place at 10:00 A.M., Eastern Time, on the date that the Effective Time occurs, or at such other date and time as the Parties, acting through their authorized officers, may mutually agree in writing (the “Closing Date”). The Closing shall be held at the offices of Covington & Burling LLP, located at 850 Tenth Street NW, Washington, DC 20001, unless another location is mutually agreed upon by the Parties.

1.3. Effective Time.

The Merger shall become effective (the “Effective Time”) on the date and at the time specified in the certificate of merger is filed with the New Jersey Department of Banking and Insurance (the “NJDOBI”). Subject to the terms and conditions hereof, unless otherwise mutually agreed upon in writing by the authorized officers of each Party, the Parties shall cause the Effective Time to occur no later than the third Business Day following satisfaction or waiver (subject to applicable Law) of the last to occur of the conditions set forth in ARTICLE 8 (other than those conditions that by their nature are to be satisfied or waived at the Effective Time).

1.4. Capitalization.

The amount of capital stock of the Surviving Bank shall be \$217.1 million, divided into 20,400,000 shares of common stock, each of \$5.00 par value, and at the Effective Time, the Surviving Bank shall have a surplus of \$106.3 million, and undivided profits, including capital reserves, which when combined with the capital and surplus will be equal to the combined capital structures of the Parties as stated in the preamble of this Agreement, adjusted for normal earnings and expenses (and if applicable, purchase accounting adjustments) between December 31, 2018 and the Effective Time.

1.5. Contribution and Assumption.

(a) All Assets of each of the Parties as they exist at the Effective Time shall pass to and vest in the Surviving Bank without any conveyance or other transfer. The Surviving Bank shall be responsible for all of the Liabilities existing as of the Effective Time of each of the Parties.

(b) Grand Bank shall contribute to the Surviving Bank Assets having a book value over and above Grand Bank’s Liabilities to its creditors and having an estimated fair value over and above Grand Bank’s Liabilities to its creditors.

(c) At the Effective Time, First Bank shall have on hand Assets having a book value over and above First Bank’s Liabilities to its creditors and having an estimated fair value over and above First Bank’s Liabilities to its creditors.

1.6. Charter.

The certificate of incorporation of First Bank in effect immediately prior to the Effective Time shall be the certificate of incorporation of the Surviving Bank until duly amended or repealed.

1.7. Bylaws.

The bylaws of First Bank in effect immediately prior to the Effective Time shall be the bylaws of the Surviving Bank until duly amended or repealed.

1.8. Directors and Officers.

The directors of First Bank in office immediately prior to the Effective Time are set forth in Schedule 1.8(a) to this Agreement and, except as set forth in this Agreement, those directors shall serve as the directors of the Surviving Bank from and after the Effective Time in accordance with the bylaws of the Surviving Bank. The officers of First Bank in office immediately prior to the Effective Time are set forth in Schedule 1.8(b) to this Agreement and those officers shall serve as the officers of the Surviving Bank from and after the Effective Time in accordance with the bylaws of the Surviving Bank.

1.9. Business; Locations.

(a) The principal office of First Bank, as the receiving bank, is 2465 Kuser Road, Hamilton, New Jersey 08690. The principal office of Grand Bank, as the merging bank, is 2297 State Highway 33, Hamilton Square, New Jersey 08690.

(b) The business of the Surviving Bank shall be that of a New Jersey chartered commercial bank. At the Effective Time, the principal office of the Surviving Bank shall be maintained at 2465 Kuser Road, Hamilton, New Jersey 08690.

(c) The branch offices of Grand Bank, as the merging bank, are set forth on Schedule 1.9(c).

(d) The branch offices of First Bank, as the receiving bank, are set forth on Schedule 1.9(d). The branch offices at the locations set forth on each of Schedule 1.9(c) and Schedule 1.9(d) hereto shall be continued as branch offices of the Surviving Bank after the Effective Time.

ARTICLE 2 MANNER OF CONVERTING SHARES

2.1. Conversion of Shares.

Subject to the provisions of this ARTICLE 2, at the Effective Time, by virtue of the Merger and without any action on the part of First Bank, Grand Bank or the stockholders of any of the foregoing, the shares of the consolidated corporations shall be converted as follows:

(a) Each share of capital stock of First Bank issued and outstanding immediately prior to the Effective Time (excluding the First Bank Dissenting Shares) shall remain issued and outstanding from and after the Effective Time and shall not be affected by the Merger.

(b) Each share of Grand Bank Common Stock issued and outstanding immediately prior to the Effective Time that is held by Grand Bank, First Bank or any First Bank Subsidiary (in each case other than shares held in any Employee Benefit Plans or related trust accounts or otherwise held in any fiduciary or

agency capacity or as a result of debts previously contracted) (collectively, the “Canceled Shares”) shall automatically be canceled and retired and shall cease to exist, and no payment shall be made with respect thereto.

(c) Each share of Grand Bank Common Stock issued and outstanding immediately prior to the Effective Time (excluding the Canceled Shares and Grand Bank Dissenting Shares) shall be converted into the right to receive, without interest, (i) 3,262.956 shares (the “Initial Exchange Ratio”) of First Bank Common Stock (the “Initial Merger Consideration”) and (ii) the Contingent Exchange Ratio, which shall be calculated in accordance with, and subject to the terms and conditions of, Section 2.4 (the “Contingent Merger Consideration”) and, collectively with the Initial Merger Consideration, the “Merger Consideration”).

(d) Each share of Grand Bank Common Stock, when so converted pursuant to Section 2.1(c) shall automatically be canceled and retired and shall cease to exist, and each holder of a certificate (a “Certificate”) or book-entry share (a “Book-Entry Share”) registered in the transfer books of Grand Bank that immediately prior to the Effective Time represented shares of Grand Bank Common Stock shall cease to have any rights with respect to such Grand Bank Common Stock other than the right to receive the Merger Consideration in accordance with ARTICLE 3, including the right, if any, to receive pursuant to Section 2.3, cash in lieu of fractional shares of First Bank Common Stock into which such shares of Grand Bank Common Stock have been converted together with the amounts, if any, payable pursuant to Section 3.1(d).

2.2. Anti-Dilution Provisions.

Without limiting the other provisions of this Agreement and subject to Sections 6.2(d) and (e), if at any time during the period between the date of this Agreement and the Effective Time, the issued and outstanding shares of Grand Bank Common Stock or securities convertible or exchangeable into or exercisable for shares of Grand Bank Common Stock or the issued and outstanding shares of First Bank Common Stock or securities convertible or exchangeable into or exercisable for shares of First Bank Common Stock, shall have been changed into a different number of shares or a different class by reasons of any reclassification, stock split (including reverse stock split), stock dividend or distribution, reorganization, recapitalization, redenomination, merger, issuer tender or exchange offer or other similar transaction, then, the Merger Consideration (including the Initial Exchange Ratio and the Contingent Exchange Ratio) shall be equitably and proportionately adjusted, if necessary and without duplication, to reflect fully the effect of any such change.

2.3. Fractional Shares.

No certificate, book-entry share or scrip representing fractional shares of First Bank Common Stock shall be issued upon the surrender for exchange of Certificates or Book-Entry Shares, no dividend or distribution of First Bank shall be payable on or with respect to any such fractional share interests, and such fractional share interests will not entitle the owner thereof to vote or to any other rights of a stockholder of First Bank. Notwithstanding any other provision of this Agreement, each holder of shares of Grand Bank Common Stock exchanged pursuant to the Merger who would otherwise have been entitled to receive a fraction of a share of First Bank Common Stock (after taking into account all Certificates or Book-Entry Shares delivered by such holder) shall receive, in lieu thereof, a cash payment, rounded up to the nearest cent (without interest), which payment shall be determined by multiplying (i) the fraction of a share (rounded to the nearest thousandth when expressed in decimal form) of First Bank Common Stock that such holder of shares of Grand Bank Common Stock would otherwise have been entitled to receive pursuant to Section 2.1(c)(i) or Section 2.1(c)(ii), as applicable by (ii) the Average Closing Price.

2.4. Contingent Merger Consideration.

If (a) the Property Sale occurs on or prior to the third anniversary of the Closing Date and (b) the Sale Proceeds exceed the Selling and Administrative Expenses, then the Holders shall be entitled to receive, without interest, an amount of a share of First Bank Common Stock equal to the following formula: $(A/B) / C$, where: A = an amount equal to the lesser of (1) the Contingent Consideration Cap and (2) the difference between (x) the Sale Proceeds and (y) the sum of the Selling and Administrative Expenses plus all Taxes incurred by First Bank as a result of the Property Sale, net of any tax benefit received by First Bank as a result of the Property Sale; B = the Grand Bank Shares Outstanding; and C = the First Bank Reference Stock Price. Such an amount of a share of First Bank Common Stock shall be the “Contingent Exchange Ratio”).

ARTICLE 3 EXCHANGE OF SHARES

3.1. Exchange Procedures.

(a) Deposit of Merger Consideration. At or prior to the Effective Time, First Bank shall deposit, or shall cause to be deposited, with an exchange agent reasonably acceptable to Grand Bank (the “Exchange Agent”), for the benefit of the holders of record of shares of Grand Bank Common Stock (excluding the Canceled Shares) issued and outstanding immediately prior to the Effective Time (the “Holders”), for exchange in accordance with this ARTICLE 3, (i) certificates or, at First Bank’s option, evidence of First Bank Common Stock in book-entry form issuable pursuant to Section 2.1(c) (collectively referred to as “First Bank Certificates”) for shares of First Bank Common Stock equal to the aggregate Merger Consideration and (ii) immediately available funds for any cash payable in lieu of fractional shares pursuant to Section 2.3, to the extent then determinable (collectively, the “Exchange Fund”). The Exchange Agent shall invest any cash included in the Exchange Fund as directed by First Bank, provided, that no such investment or losses thereon shall affect the amount of Merger Consideration and other amounts payable to the Holders. Any interest and other income resulting from such investments shall be paid to First Bank. First Bank shall instruct the Exchange Agent to timely pay the Merger Consideration and cash in lieu of fractional shares, in accordance with this Agreement.

(b) Delivery of Merger Consideration. As soon as reasonably practicable after the Effective Time, the Exchange Agent shall mail to each Holder of a Certificate or Book-Entry Share notice advising such Holders of the effectiveness of the Merger, including appropriate transmittal materials specifying that delivery shall be effected, and risk of loss and title to the Certificates or Book-Entry Shares shall pass, only upon delivery of the Certificates or Book-Entry Shares and instructions for surrendering the Certificates or Book-Entry Shares to the Exchange Agent (such materials and instructions to include customary provisions with respect to delivery of an “agent’s message” with respect to Book-Entry Shares). Upon proper surrender of a Certificate or Book-Entry Shares for exchange and cancellation to the Exchange Agent, together with the appropriate transmittal materials, duly completed and validly executed in accordance with the instructions thereto, and such other documents as may be required pursuant to such instructions, the Holder of such Certificate or Book-Entry Share shall be entitled to receive in exchange therefor the Merger Consideration, which the Holder shall receive (i) the Initial Merger Consideration in non-certificated book-entry form and (ii) a check representing the amount of (A) any cash in lieu of fractional shares which such Holder has the right to receive pursuant to Section 2.3 in respect of the Certificate or Book-Entry Share surrendered pursuant to the provisions of this ARTICLE 3 and (B) any dividends or distributions which the Holder thereof has the right to receive pursuant to Section 3.1(d), and the Certificate or Book-Entry Share so surrendered shall forthwith be canceled. No interest will be paid or accrued for the benefit of Holders on the Merger Consideration or any cash in lieu of fractional shares payable upon the surrender of the Certificates or Book-Entry Shares. If the Property Sale is consummated and each Holder is entitled to

receive the Contingent Merger Consideration pursuant to Section 2.4, then First Bank shall cause the Exchange Agent to deliver and each Holder who has complied with the delivery and exchange instructions of the Exchange Agent (as described in this Section 3.1(b)) shall receive (x) the Contingent Merger Consideration in non-certificated book-entry form and (y) a check representing the amount of any cash in lieu of fractional shares which such Holder has the right to receive pursuant to Section 2.3 in respect of the Certificate or Book-Entry Share surrendered pursuant to the provisions of this ARTICLE 3.

(c) Share Transfer Books. At the Effective Time, the share transfer books of Grand Bank shall be closed, and thereafter there shall be no further registration of transfers of shares of Grand Bank Common Stock. From and after the Effective Time, Holders who held shares of Grand Bank Common Stock immediately prior to the Effective Time shall cease to have rights with respect to such shares, except as otherwise provided for herein. Until surrendered for exchange in accordance with the provisions of this Section 3.1, each Certificate or Book-Entry Share theretofore representing shares of Grand Bank Common Stock (other than the Canceled Shares) shall from and after the Effective Time represent for all purposes only the right to receive the consideration provided in ARTICLE 2 in exchange therefor, subject, however, to First Bank's obligation to pay any dividends or make any other distributions with a record date prior to the Effective Time which have been declared or made by Grand Bank in respect of such shares of Grand Bank Common Stock in accordance with the terms of this Agreement and which remain unpaid at the Effective Time. On or after the Effective Time, any Certificates or Book-Entry Shares presented to the Exchange Agent or the Surviving Bank for any reason shall be canceled and exchanged for the Merger Consideration, any cash in lieu of fractional shares (if any) pursuant to Section 2.3 and any dividends or distributions (if any) pursuant to Section 3.1(d) with respect to the shares of Grand Bank Common Stock formerly represented thereby.

(d) Dividends with Respect to First Bank Common Stock. No dividends or other distributions declared with respect to First Bank Common Stock with a record date after the Effective Time shall be paid to the Holder of any unsurrendered Certificate or Book-Entry Shares with respect to the whole shares of First Bank Common Stock issuable with respect to such Certificate or Book-Entry Shares in accordance with this Agreement until the surrender of such Certificate or Book-Entry Shares (or affidavit of loss in lieu thereof) in accordance with this Agreement. Subject to applicable Laws, following surrender of any such Certificate or Book-Entry Shares (or affidavit of loss in lieu thereof) there shall be paid to the record holder of the whole shares of First Bank Common Stock, if any, issued in exchange therefor, without interest, (i) all dividends and other distributions payable in respect of any such whole shares of First Bank Common Stock with a record date after the Effective Time and a payment date on or prior to the date of such surrender and not previously paid and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to such surrender and with a payment date subsequent to such surrender payable with respect to such shares of First Bank Common Stock.

(e) Termination of Exchange Fund. Any portion of the Exchange Fund (including any interest and other income received with respect thereto) which remains undistributed to the former Holders on the first anniversary of the Effective Time shall be delivered to First Bank, and any former Holders who have not theretofore received any Merger Consideration (including any cash in lieu of fractional shares and any applicable dividends or other distributions with respect to First Bank Common Stock) to which they are entitled under this ARTICLE 3 shall thereafter look only to First Bank and the Surviving Bank for payment of their claims with respect thereto.

(f) No Liability. None of First Bank, Grand Bank, the Surviving Bank or the Exchange Agent, or any employee, officer, director, agent or Affiliate of any of them, shall be liable to any Holder in respect of any cash that would have otherwise been payable in respect of any Certificate or Book-Entry Shares from the Exchange Fund delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law. Any amounts remaining unclaimed by Holders immediately prior to the time at

which such amounts would otherwise escheat to, or become property of, any Regulatory Authority shall, to the extent permitted by applicable Law, become the property of the Surviving Bank, free and clear of any claims or interest of any such Holders or their successors, assigns or personal representatives previously entitled thereto.

(g) Withholding Rights. Each and any of First Bank, the Surviving Bank or the Exchange Agent, as applicable, shall be entitled to deduct and withhold from the Merger Consideration, cash in lieu of fractional shares of First Bank Common Stock, cash dividends or distributions payable pursuant to Section 3.1(d) or any other cash amounts otherwise payable pursuant to this Agreement to any Person such amounts or property (or portions thereof) as First Bank, the Surviving Bank or the Exchange Agent is required to deduct and withhold with respect to the making of such payment or distribution under the Internal Revenue Code, and the rules and regulations promulgated thereunder, or any provision of applicable Tax Law. To the extent that amounts are so deducted or withheld and paid over to the appropriate Regulatory Authority by First Bank, the Surviving Bank, or the Exchange Agent, as applicable, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made by First Bank, the Surviving Bank, or the Exchange Agent, as applicable.

(h) Lost Certificates. If any Certificate shall have been lost, stolen or destroyed, then upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by the Exchange Agent, the posting by such Person of a bond in such reasonable and customary amount as the Exchange Agent may direct, as indemnity against any claim that may be made against it with respect to such Certificate, the Exchange Agent will issue in exchange for such lost, stolen or destroyed Certificate the Merger Consideration, any cash in lieu of fractional shares and dividend or distributions to which the holder thereof is entitled pursuant to this Agreement.

(i) Change in Name on Certificate. If any First Bank Certificate representing shares of First Bank Common Stock is to be issued in a name other than that in which the Certificates or Book-Entry Shares surrendered in exchange therefor is or are registered, it shall be a condition of the issuance thereof that the Certificates or Book-Entry Shares so surrendered shall be properly endorsed (or accompanied by an appropriate instrument of transfer) and otherwise in proper form for transfer, and that the Person requesting such exchange shall pay to the Exchange Agent in advance any transfer or other similar Taxes required by reason of the issuance of a First Bank Certificate representing shares of First Bank Common Stock in any name other than that of the registered holder of the Certificates or Book-Entry Shares surrendered, or required for any other reason, or shall establish to the satisfaction of the Exchange Agent that such Tax has been paid or is not payable.

(j) Rights of Former Grand Bank Stockholders. If any Certificates shall not have been surrendered (or any Book-Entry Shares have not been canceled) prior to three years after the Effective Time (or immediately prior to such earlier date on which the Merger Consideration would escheat to or become the property of any Regulatory Authority), any such Merger Consideration in respect thereof shall, to the extent permitted by applicable Law, become the property of First Bank, free and clear of all claims or interest of any Person previously entitled thereto,

3.2. Dissenting Stockholders.

(a) Notwithstanding anything in this Agreement to the contrary, shares of Grand Bank Common Stock that are issued and outstanding immediately prior to the Effective Time and which are held by any Grand Bank Stockholder who is entitled to demand and properly demands appraisal of such shares of Grand Bank Common Stock pursuant to, and who complies in all respects with, the provisions of Section 17:9A-140 of the NJBA ("Section 140") (the "Grand Bank Dissenting Stockholders"), shall not be

converted into or be exchangeable for the right to receive any of the consideration as specified in ARTICLE 2 (the “Grand Bank Dissenting Shares”), but instead such Grand Bank Stockholder shall be entitled to payment of the fair value of such Grand Bank Dissenting Shares in accordance with the provisions of Section 140. At the Effective Time, all Grand Bank Dissenting Shares shall no longer be outstanding, shall automatically be canceled and retired and shall cease to exist, and each holder of Grand Bank Dissenting Shares shall cease to have any rights with respect thereto, except the right to receive the fair value of such Grand Bank Dissenting Shares in accordance with the provisions of Section 140. Notwithstanding the foregoing, if any such holder shall fail to perfect or otherwise shall waive, withdraw or lose the right to appraisal under Section 140, or a court of competent jurisdiction shall determine that such holder is not entitled to the relief provided by Section 140, then the right of such holder to be paid the fair value of such holder’s Grand Bank Dissenting Shares under Section 140 shall cease and such Grand Bank Dissenting Shares shall be deemed to have been converted at the Effective Time into, and shall have become, the right to receive the Merger Consideration as provided in Section 2.1(c) of this Agreement, any cash in lieu of fractional shares (if any) pursuant to Section 2.3 and any dividends or distributions (if any) pursuant to Section 3.1(d).

(b) Grand Bank shall give First Bank prompt written notice (but in any event within 48 hours) to First Bank of any demands for appraisal of any shares of Grand Bank Common Stock and any withdrawals of such demands, and First Bank shall have the right to participate in and direct all negotiations and proceedings with respect to such demands. Grand Bank shall not, except with the prior written consent of First Bank, voluntarily make any payment with respect to, or settle, or offer or agree to settle, any such demand for payment.

(c) Any holder of First Bank Common Stock immediately prior to the Effective Time and which are held by a stockholder who is entitled to demand and properly demands appraisal of such shares of First Bank Common Stock (the “First Bank Dissenting Shares”) pursuant to, and who complies in all respects with, the provisions of Section 140 (the “First Bank Dissenting Stockholders”), shall be entitled to payment of the fair value of such First Bank Dissenting Shares in accordance with the provisions of Section 140. At the Effective Time, all First Bank Dissenting Shares shall no longer be outstanding, shall automatically be canceled and retired and shall cease to exist, and each holder of First Bank Dissenting Shares shall cease to have any rights with respect thereto, except the right to receive the fair value of such First Bank Dissenting Shares in accordance with the provisions of Section 140. Notwithstanding the foregoing, if any such holder shall fail to perfect or otherwise shall waive, withdraw or lose the right to appraisal under Section 140, or a court of competent jurisdiction shall determine that such holder is not entitled to the relief provided by Section 140, then the right of such holder to be paid the fair value of such holder’s First Bank Dissenting Shares under Section 140 shall cease and such First Bank Dissenting Shares shall revert to shares of First Bank Common Stock.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF GRAND BANK

Except as Previously Disclosed, Grand Bank hereby represents and warrants to First Bank as follows:

4.1. Organization, Standing, and Power.

Grand Bank is duly organized, validly existing and in good standing under the Laws of the United States of America, is authorized under the Laws of the United States of America to engage in its business and otherwise has the corporate power and authority to own or lease all of its Assets and to conduct its business in the manner in which its business is now being conducted. Grand Bank is authorized by the Office of the Comptroller of the Currency (“OCC”) to engage in the business of banking as a national

banking association. Grand Bank is in good standing in each jurisdiction in which its ownership of Assets or conduct of business requires such qualification except where failure to be so qualified has not had or would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Grand Bank. True, complete and correct copies of the articles of association and bylaws of Grand Bank, each as in effect as of the date of this Agreement, have been delivered or made available to First Bank.

4.2. Authority of Grand Bank; No Breach By Agreement.

(a) Authority. Grand Bank has the corporate power and authority necessary to execute, deliver, and, other than with respect to the Merger, perform this Agreement, and with respect to the Merger, upon the approval of this Agreement and the Merger by the affirmative vote of at least two-thirds of the outstanding shares of Grand Bank entitled to vote on this Agreement and the Merger as contemplated by Section 7.1 (the “Grand Bank Stockholder Approval”), to perform its obligations under this Agreement and to consummate the transactions contemplated hereby. The execution, delivery, and performance of this Agreement and the consummation of the transactions contemplated herein, including the Merger, have been duly and validly authorized and approved by all necessary corporate action in respect thereof on the part of Grand Bank (including, approval by, and a determination by all of the members of the board of directors of Grand Bank that this Agreement is advisable and in the best interests of Grand Bank’s stockholders and directing the submission of this Agreement to a vote at a meeting of Grand Bank’s stockholders), subject to the Grand Bank Stockholder Approval. Subject to the Grand Bank Stockholder Approval, and assuming the due authorization, execution and delivery by First Bank, this Agreement represents a legal, valid, and binding obligation of Grand Bank, enforceable against Grand Bank in accordance with its terms (except in all cases as such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, receivership, conservatorship, moratorium, or similar Laws affecting the enforcement of creditors’ rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought (the “Bankruptcy and Equity Exceptions”)).

(b) No Conflicts. Subject to the receipt of the Grand Bank Stockholder Approval, neither the execution and delivery of this Agreement by Grand Bank, nor the consummation by Grand Bank of the transactions contemplated hereby, nor compliance by Grand Bank with any of the provisions hereof, will (i) conflict with or result in a breach of any provision of Grand Bank’s articles of association, bylaws or other governing instruments, or (ii) subject to receipt of the Requisite Regulatory Approvals, (x) violate any Law applicable to Grand Bank or any of its Assets or (y) violate, conflict with, constitute or result in a Default under or the loss of any benefit under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the Assets of Grand Bank under any of the terms, conditions or provisions of any Contract or Permit of Grand Bank or under which any of its respective Assets may be bound, except (in the case of clause (y) above) where such violations, conflicts, or Defaults have not had or would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Grand Bank.

(c) Consents. Other than in connection or compliance with the provisions of the Securities Laws, applicable state corporate and securities Laws, the NJBA, the National Bank Act, and the Requisite Regulatory Approvals, no notice to, filing with, or Consent of, any Regulatory Authority or any third party is necessary for the consummation by Grand Bank of the Merger and other transactions contemplated in this Agreement. As of the date hereof, Grand Bank is not aware of any reason why the Requisite Regulatory Approvals will not be received in order to permit consummation of the Merger on a timely basis.

4.3. Capitalization of Grand Bank.

(a) Ownership. The authorized capital stock of Grand Bank consists of 521 shares of Grand Bank Common Stock, \$1.00 par value per share. As of the close of business on February 28, 2019, 521 shares of Grand Bank Common Stock (excluding treasury shares) were issued and outstanding and no shares of Grand Bank Common Stock were held by Grand Bank in its treasury. As of the Effective Time, no more than 521 shares of Grand Bank Common Stock will be issued and outstanding (excluding treasury shares) and no shares of Grand Bank Common Stock will be held by Grand Bank in its treasury.

(b) Other Rights or Obligations. All of the issued and outstanding shares of capital stock of Grand Bank have been duly authorized and validly issued and outstanding, and are fully paid and nonassessable and free of preemptive rights, with no personal liability attaching to the ownership thereof. None of the outstanding shares of capital stock of Grand Bank has been issued in violation of or subject to any preemptive rights or other rights to subscribe for or purchase securities of the current or past stockholders of Grand Bank.

(c) Outstanding Equity Rights. There are no (i) existing Equity Rights with respect to the securities of Grand Bank, (ii) Contracts under which Grand Bank is or may become obligated to sell, issue or otherwise dispose of or redeem, purchase or otherwise acquire any securities of Grand Bank, (iii) stockholder agreements, voting trusts or other agreements, arrangements or understandings to which Grand Bank is a party or of which Grand Bank is aware, that may reasonably be expected to affect the exercise of voting or any other rights with respect to the capital stock of Grand Bank, or (iv) outstanding bonds, debentures, notes or other indebtedness having the right to vote on any matters on which the stockholders of Grand Bank may vote.

(d) Voting Debt. No bonds, debentures, notes or other indebtedness having the right to vote (or which are convertible into, or exchangeable for, securities having the right to vote) on any matters on which stockholders of Grand Bank may vote are issued or outstanding. There are no Contracts pursuant to which Grand Bank is or could be required to register shares of Grand Bank's capital stock or other securities under the Securities Act or to issue, deliver, transfer or sell any shares of capital stock, Equity Rights or other securities of Grand Bank.

4.4. Grand Bank Subsidiaries.

Grand Bank has no direct or indirect Subsidiaries nor owns any equity interests in any other Person.

4.5. Insured Deposits.

The deposits in Grand Bank are insured by the FDIC through the Deposit Insurance Fund to the maximum amount permitted by applicable Law and all premiums and assessments required to be paid in connection therewith have been paid when due. No proceedings for the revocation or termination of such deposit insurance are pending or, to the Knowledge of Grand Bank, threatened.

4.6. Regulatory Reports.

Grand Bank has duly filed with the OCC and any other applicable Regulatory Authorities, as the case may be, all reports, returns, filings, forms, information, data, registrations, submissions, and statements, required to be filed under any applicable Law, including any and all federal and state banking Laws, and such reports were complete and accurate in all material respects and in compliance in all material respects with the requirements of any applicable Law since December 31, 2014. There (i) is no unresolved violation, criticism, or exception by any Regulatory Authority with respect to any report or statement

relating to any examinations, inspections or investigations of Grand Bank and (ii) has been no formal or informal inquiries by, or disagreements or disputes with, any Regulatory Authority with respect to the business, operations, policies or procedures of Grand Bank.

4.7. Financial Matters.

(a) Financial Statements. The Grand Bank Financial Statements (i) are true, accurate and complete in all material respects, and have been prepared from, and are in accordance with the books and records of Grand Bank, (ii) have been prepared in accordance with GAAP and regulatory accounting principles, in each case, consistently applied except as may be otherwise indicated in the notes thereto and except with respect to the interim financial statements for the omission of footnotes and (iii) fairly present in all material respects the financial condition of Grand Bank as of the respective dates set forth therein and the consolidated results of operations, stockholders' equity and cash flows of Grand Bank for the respective periods set forth therein, subject in the case of the interim Grand Bank Financial Statements to year-end adjustments. The consolidated Grand Bank Financial Statements to be prepared after the date of this Agreement and prior to the Closing (A) will be true, accurate and complete in all material respects, (B) will have been prepared in accordance with GAAP and regulatory accounting principles, in each case, consistently applied except as may be otherwise indicated in the notes thereto and except with respect to unaudited financial statements for the omission of footnotes, and (C) will fairly present in all material respects the financial condition of Grand Bank as of the respective dates set forth therein and the results of operations, stockholders' equity and cash flows of Grand Bank for the respective periods set forth therein, subject in the case of unaudited financial statements to year-end adjustments.

(b) Call Reports. The financial statements contained in the Call Reports of Grand Bank for the periods ended December 31, 2018, September 30, 2018, June 30, 2018, March 31, 2018, December 31, 2017, September 30, 2017, and June 30, 2017 (as each may have been amended subsequent to filing, but prior to the date of this Agreement) (i) are true, accurate and complete in all material respects, (ii) have been prepared in accordance with GAAP and regulatory accounting principles consistently applied, except as may be otherwise indicated in the notes thereto and except for the omission of footnotes and (iii) fairly present in all material respects the financial condition of Grand Bank as of the respective dates set forth therein and the results of operations and stockholders' equity for the respective periods set forth therein, subject to year-end adjustments. The financial statements contained in the Call Reports of Grand Bank to be prepared after the date of this Agreement and prior to the Closing (A) will be true, accurate and complete in all material respects, (B) will have been prepared in accordance with GAAP and regulatory accounting principles consistently applied, except as may be otherwise indicated in the notes thereto and except for the omission of footnotes, and (C) will fairly present in all material respects the financial condition of Grand Bank as of the respective dates set forth therein and the results of operations and stockholders' equity of Grand Bank for the respective periods set forth therein, subject to year-end adjustments.

(c) Systems and Processes. Grand Bank has in place sufficient systems and processes that are customary for a financial institution of the size of Grand Bank and that are designed to (i) provide reasonable assurances regarding the reliability of Grand Bank Financial Statements and (ii) in a timely manner accumulate and communicate to Grand Bank's principal executive officer and principal financial officer the type of information that would be required to be disclosed in Grand Bank Financial Statements, Call Reports of Grand Bank or any report or filing to be filed or provided to any Regulatory Authority. Since December 31, 2014, neither Grand Bank nor, to Grand Bank's Knowledge, any employee, auditor, accountant or representative of Grand Bank has received or otherwise had or obtained knowledge of any complaint, allegation, assertion or claim, whether written or oral, regarding the adequacy of such systems and processes or the accuracy or integrity of Grand Bank Financial Statements or the accounting or auditing practices, procedures, methodologies or methods (including with respect to loan loss reserves, write-downs, charge-offs and accruals) of Grand Bank or its internal accounting controls, including any complaint,

allegation, assertion or claim that Grand Bank has engaged in questionable accounting or auditing practices. Since December 31, 2014, no attorney representing Grand Bank, whether or not employed by Grand Bank, has reported evidence of a material violation of Securities Laws, breach of fiduciary duty or similar violation by Grand Bank or any of its officers, directors or employees to the board of directors of Grand Bank or any committee thereof or to any director or officer of Grand Bank. To Grand Bank's Knowledge, there has been no instance of fraud by Grand Bank, whether or not material, that occurred during any period covered by Grand Bank.

(d) Records. The records, systems, controls, data and information of Grand Bank are recorded, stored, maintained and operated under means (including any electronic, mechanical or photographic process, whether computerized or not) that are under the exclusive ownership and direct control of Grand Bank (including all means of access thereto and therefrom), except for any non-exclusive ownership and non-direct control that would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Grand Bank. Grand Bank (i) has implemented and maintains disclosure controls and procedures to ensure the reliability of the Grand Bank Financial Statements and to ensure that information relating to Grand Bank, is made known to the chief executive officer, chief financial officer or other members of executive management of Grand Bank by others within those entities as appropriate (A) which allow for maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the Assets of Grand Bank, (B) that provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of Grand Bank are being made only in accordance with authorizations of management and directors of Grand Bank and (C) that provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Grand Bank's Assets that could have a material adverse effect on its financial statements and (ii) has disclosed, based on its most recent evaluation prior to the date hereof, to Grand Bank's outside auditors and the audit committee of the board of directors of Grand Bank (x) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that would be reasonably likely to adversely affect Grand Bank's ability to record, process, summarize and report financial data, and have disclosed to its auditors any material weaknesses in internal control over financial reporting, and (y) any fraud, whether or not material, that involves management or other employees who have a significant role in Grand Bank's internal control over financial reporting.

(e) Auditor Independence. The independent registered public accounting firm engaged to express its opinion with respect to the Grand Bank Financial Statements is, and has been throughout the periods covered thereby, independent of Grand Bank. As of the date hereof, the external auditor for Grand Bank has not resigned or been dismissed as a result of or in connection with any disagreements with Grand Bank on a matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

4.8. Books and Records.

Since December 31, 2014, the Books and Records have been and are being maintained in the Ordinary Course in accordance and compliance with all applicable accounting requirements and Laws and are complete and accurate in all material respects to reflect corporate action by Grand Bank.

4.9. Absence of Undisclosed Liabilities.

Grand Bank has not incurred any Liability, except for Liabilities (a) incurred in the Ordinary Course since December 31, 2017, (b) incurred in connection with this Agreement and the transactions contemplated hereby, or (c) that are accrued or reserved against in the consolidated balance sheet of Grand Bank as of

December 31, 2018 included in the Grand Bank Financial Statements at and for the period ending December 31, 2018.

4.10. Absence of Certain Changes or Events.

(a) Since December 31, 2017, there has not been a Material Adverse Effect on Grand Bank.

(b) Since December 31, 2017, (i) the Grand Bank has carried on its business in all material respects only in the Ordinary Course, (ii) there has not been any material damage, destruction or other casualty loss with respect to any material Asset owned, leased or otherwise used by Grand Bank whether or not covered by insurance and (iii) Grand Bank has not taken any action that would be prohibited by Section 6.2 if taken after the date hereof.

4.11. Tax Matters.

(a) Grand Bank has timely filed with the appropriate Taxing authorities all material Tax Returns in all jurisdictions in which such Tax Returns are required to be filed, and all Grand Bank Tax Returns are correct and complete in all material respects. Grand Bank is not the beneficiary of any extension of time within which to file any Tax Return (other than any extensions to file Tax Returns automatically granted). All material Taxes of Grand Bank that are due have been fully and timely paid. There are no Liens for any material amount of Taxes (other than a Lien for Taxes not yet due and payable) on any of the Assets of Grand Bank. No claim has been made in the last six years in writing by an authority in a jurisdiction where Grand Bank does not file a Tax Return that Grand Bank may be subject to Taxes by that jurisdiction.

(b) Grand Bank has not received any written notice of assessment or proposed assessment in connection with any material amount of Taxes, and there are no threatened in writing or pending disputes, claims, audits or examinations regarding any Taxes of Grand Bank or the Assets of Grand Bank. Grand Bank has not waived any statute of limitations in respect of any Taxes.

(c) Grand Bank has complied in all material respects with all applicable Laws relating to the withholding of Taxes and the payment thereof to appropriate authorities, including Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee or independent contractor, and Taxes required to be withheld and paid pursuant to Sections 1441, 1442, 1446, 1471, 1472 and 3406 of the Internal Revenue Code or similar provisions under foreign Law.

(d) The unpaid Taxes of Grand Bank (i) did not, as of the most recent fiscal month end, materially exceed the reserve for Tax Liability (other than any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the face of the most recent balance sheet (rather than in any notes thereto) for Grand Bank and (ii) do not exceed that reserve as adjusted for the passage of time through the Closing Date in accordance with past custom and practice of Grand Bank in filing its Tax Returns.

(e) Grand Bank is not a party to any Tax indemnity, allocation or sharing agreement (other than any customary Tax indemnifications contained in credit or other commercial agreements the primary purpose of which agreements does not relate to Taxes) and Grand Bank has not been a member of an affiliated group filing a consolidated federal income Tax Return or has any Tax Liability of any Person under Treasury Regulation Section 1.1502-6 or any similar provision of state, local or foreign Law, or as a transferee or successor.

(f) During the five-year period ending on the date hereof, Grand Bank was not a distributing corporation or a controlled corporation in a transaction intended to be governed by Section 355 of the Internal Revenue Code. During the five-year period ending on the date hereof, Grand Bank was not a United States real property holding corporation within the meaning of Section 897(c)(2) of the Internal Revenue Code.

(g) Grand Bank will not be required to include after the Closing any material adjustment in taxable income pursuant to Section 481 of the Internal Revenue Code or any comparable provision under state or foreign Tax Laws as a result of transactions or events occurring prior to the Closing. Grand Bank has not participated in any “reportable transactions” within the meaning of Treasury Regulation Section 1.6011-4.

(h) Grand Bank has made a valid election to be treated as an “S corporation” within the meaning of Section 1361(a)(1) of the Internal Revenue Code since inception, and such treatment has been and remains in effect through the date hereof.

4.12. Assets.

Grand Bank has good and marketable title to those Assets reflected in the most recent Grand Bank Financial Statements as being owned by Grand Bank or acquired after the date thereof (except Assets sold or otherwise disposed of since the date thereof in the Ordinary Course), free and clear of all Liens, except (a) statutory Liens securing payments not yet due, (b) Liens for real property Taxes not yet due and payable, (c) easements, rights of way, and other similar encumbrances that do not materially affect the use of the properties or Assets subject thereto or affected thereby or otherwise materially impair business operations at such properties and (d) such imperfections or irregularities of title or Liens as do not materially affect the use of the properties or Assets subject thereto or affected thereby or otherwise materially impair business operations at such properties (collectively, “Permitted Liens”). Grand Bank is the fee simple owner of all owned real property and the lessee of all leasehold estates reflected in the most recent Grand Bank Financial Statements, free and clear of all Liens of any nature whatsoever, except for Permitted Liens, and is in possession of the properties purported to be owned or leased thereunder, as applicable, and each such lease is valid without default thereunder by the lessee or, to the Knowledge of Grand Bank, the lessor. There are no pending or, to the Knowledge of Grand Bank, threatened condemnation or eminent domain proceedings against any real property that is owned or leased by Grand Bank. Grand Bank owns or leases all properties as are necessary to its operations as now conducted and no Person has any option or right to acquire or purchase any ownership interest in the owned real property or any portion thereof.

4.13. Intellectual Property; Privacy.

(a) Grand Bank owns or has a valid license to use (in each case, free and clear of any Liens other than any Permitted Liens) all of the Intellectual Property necessary to carry on the business of Grand Bank as it is currently conducted. Grand Bank is the owner of or has a license, with the right to sublicense, to any Intellectual Property sold or licensed to a third party by Grand Bank in connection with its business operations, and Grand Bank has the right to convey by sale or license any Intellectual Property so conveyed. Grand Bank is not in Default under any of its Intellectual Property licenses. No proceedings have been instituted, or are pending or to the Knowledge of Grand Bank threatened, which challenge the rights of Grand Bank with respect to Intellectual Property used, sold or licensed by Grand Bank in the course of its business, nor has any Person claimed or alleged any rights to such Intellectual Property. The conduct of the business of and use of any Intellectual Property by Grand Bank does not infringe, misappropriate or otherwise violate the Intellectual Property rights of any other person. No Person has asserted to Grand Bank in writing that Grand Bank has infringed, misappropriated or otherwise violated the Intellectual Property rights of such Person.

(b) (i) The computer, information technology and data processing systems, facilities and services used by Grand Bank, including all software, hardware, networks, communications facilities, platforms and related systems and services (collectively, the “Systems”), are reasonably sufficient for the conduct of the business of Grand Bank as currently conducted and (ii) the Systems are in good working condition to effectively perform all computing, information technology and data processing operations necessary for the operation of the business of Grand Bank as currently conducted. To Grand Bank’s Knowledge, no third party has gained unauthorized access to any Systems owned or controlled by Grand Bank, and Grand Bank has taken commercially reasonable steps and implemented commercially reasonable safeguards to ensure that the Systems are secure from unauthorized access and free from any disabling codes or instructions, spyware, Trojan horses, worms, viruses or other software routines that permit or cause unauthorized access to, or disruption, impairment, disablement, or destruction of, software, data or other materials. Grand Bank has implemented backup and disaster recovery policies, procedures and systems consistent with generally accepted industry standards and sufficient to reasonably maintain the operation of the business of Grand Bank in all material respects. Grand Bank has implemented and maintained commercially reasonable measures and procedures designed to reasonably mitigate the risks of cybersecurity breaches and attacks.

(c) Grand Bank has (i) complied in all material respects with all applicable Laws which govern the receipt, collection, compilation, use, storage, processing, sharing, safeguarding, security, disposal, destruction, disclosure or transfer of the personal information of customers or other individuals and similar Laws governing data privacy, and with all of its published privacy and data security policies and internal privacy and data security policies and guidelines, including with respect to the collection, storage, transmission, transfer, disclosure, destruction and use of personally identifiable information and (ii) taken commercially reasonable measures to ensure that all personally identifiable information in its possession or control is protected against loss, damage, and unauthorized access, use, modification, or other misuse. To Grand Bank’s Knowledge, there has been no loss, damage, or unauthorized access, use, modification, or other misuse of any such information by Grand Bank or any other Person.

4.14. Environmental Matters.

(a) Grand Bank, its Participation Facilities, and its Operating Properties are, and have been since December 31, 2014, in compliance, in all material respects, with all Environmental Laws.

(b) Except as has not had or would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Grand Bank, there is no Litigation pending or, to the Knowledge of Grand Bank, threatened before any court, governmental agency, or authority or other forum in which Grand Bank or any of its Operating Properties or Participation Facilities (or Grand Bank in respect of such Operating Property or Participation Facility) has been or, with respect to threatened Litigation, may be named as a defendant (i) for alleged noncompliance (including by any predecessor) with or Liability under any Environmental Law or (ii) relating to the release, discharge, spillage, or disposal into the environment of any Hazardous Material, whether or not occurring at, on, under, adjacent to, or affecting (or potentially affecting) a site currently or formerly owned, leased, or operated by Grand Bank or any of its Operating Properties or Participation Facilities, nor is there any reasonable basis for any Litigation of a type described in this sentence. Grand Bank is not subject to any Order imposing any Liability or obligation with respect to any Environmental Law that has had or would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Grand Bank.

4.15. Compliance with Laws.

(a) Grand Bank has, and since December 31, 2014, has had, in effect all Permits necessary for it to own, lease, or operate its material Assets and to carry on its business as now conducted (and have paid

all fees and assessments due and payable in connection therewith), except where neither the cost of failure to hold nor the cost of obtaining and holding such Permit has had or would, reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Grand Bank. There has occurred no Default under any such Permit and to the Knowledge of Grand Bank no suspension or cancellation of any such Permit is threatened. Grand Bank (i) is not in Default under any of the provisions of its articles of association or bylaws (or other governing instruments); (ii) is not in material Default under any Laws, Orders, or Permits applicable to its business or employees conducting its business; and (iii) since December 31, 2014, has not received any written notification or communication from any agency or department of federal, state, or local government or any Regulatory Authority or the staff thereof asserting that Grand Bank is not in compliance with any Laws or Orders, engaging in an unsafe or unsound activity, or in troubled condition.

(b) Grand Bank is in compliance with all applicable Laws, Orders or conditions imposed in writing by a Regulatory Authority to which they or their properties or Assets may be subject, including, but not limited to, the Securities Laws, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Foreign Corrupt Practices Act, the Interagency Policy Statement on Retail Sales of Nondeposit Investment Products, the Bank Secrecy Act, the USA PATRIOT Act of 2001, the Fair Housing Act, the Community Reinvestment Act, the Home Mortgage Disclosure Act, the Fair Credit Reporting Act, Fair Debt Collections Practices Act, the Electronic Funds Transfer Act, the Consumer Credit Protection Act, the Truth-in-Lending Act and Regulation Z, the SAFE Mortgage Licensing Act of 2008, the Real Estate Settlement Procedures Act of 1974 and Regulation X, the Equal Credit Opportunity Act and Regulation B, Sections 23A and 23B of the Federal Reserve Act and Regulation W of the Federal Reserve (12 C.F.R. Part 223) (“Regulation W”), Sections 22(g) and 22(h) of the Federal Reserve Act and Regulation O of the Federal Reserve (12 C.F.R. Part 215) (“Regulation O”), the Gramm-Leach-Bliley Act, the BHC Act, the Federal Deposit Insurance Act (the “FDIA”), any Laws promulgated by the Bureau of Consumer Financial Protection, Laws administered or enforced by the OCC, the Federal Reserve, the FDIC, the NJDOBI, the U.S. Department of the Treasury’s Office of Foreign Assets Control, the U.S. Department of the Treasury’s Financial Crimes Enforcement Network or any other Regulatory Authority, and any other applicable Law related to data protection or privacy, bank secrecy, financing or leasing practices, money laundering prevention, fair lending and fair housing, discrimination (including, without limitation, discriminatory lending, anti-redlining, equal credit opportunity and fair credit reporting), truth-in-lending, real estate settlement procedures or consumer credit, all agency requirements relating to the origination, sale and servicing of mortgage and consumer loans, and all applicable Laws under the foregoing. Grand Bank is “well-capitalized” and “well managed” (as those terms are defined in applicable Laws).

(c) Grand Bank (i) has properly certified all foreign deposit accounts and has made all necessary tax withholdings on all of its deposit accounts, (ii) has timely and properly filed and maintained all requisite Currency Transaction Reports and other related forms, including any requisite Custom Reports required by any agency of the U.S. Department of the Treasury, including the IRS, and (iii) has timely filed all Suspicious Activity Reports with the Financial Crimes Enforcement Network (bureau of the U.S. Department of the Treasury) required to be filed by it pursuant to applicable Laws and regulations referenced in this Section 4.15.

(d) Since December 31, 2014, Grand Bank has properly administered all accounts for which it acts as a fiduciary, including accounts for which Grand Bank serves as a trustee, agent, custodian, personal representative, guardian, conservator or investment adviser, in accordance with the terms of the applicable governing documents and applicable Laws, except where the failure to so administer such accounts has not had or would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Grand Bank. Since December 31, 2014, neither Grand Bank nor, to Grand Bank’s Knowledge, any director, officer, or employee of Grand Bank, has committed any breach of trust or fiduciary duty with respect to any such fiduciary account, and the accountings for each such fiduciary account are true and

correct and accurately reflect the assets of such fiduciary account, except as has not had or would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Grand Bank.

4.16. Community Reinvestment Act Performance.

Grand Bank is an “insured depository institution” as defined in the FDIA and applicable regulations thereunder, has received a Community Reinvestment Act rating of “satisfactory” or better in its most recently completed performance evaluation, and Grand Bank has no Knowledge of the existence of any fact or circumstance or set of facts or circumstances which could reasonably be expected to result in Grand Bank having its current rating lowered such that it is no longer “satisfactory” or better.

4.17. Labor Relations.

(a) Grand Bank is not the subject of any pending or, to the Knowledge of Grand Bank, threatened Litigation asserting that it has committed an unfair labor practice (within the meaning of the National Labor Relations Act or comparable state Law) or other violation of state or federal labor Law or seeking to compel it to bargain with any labor organization or other employee representative as to wages or conditions of employment. Neither Grand Bank nor any of its predecessors or Affiliates is or has ever been a party to any collective bargaining agreement or subject to any bargaining order, injunction or other Order relating to Grand Bank’s relationship or dealings with its employees, any labor organization or any other employee representative, and neither Grand Bank nor any Affiliate of Grand Bank is currently negotiating any collective bargaining agreement. To the Knowledge of Grand Bank, since December 31, 2014, there has not been any attempt by any Grand Bank employees or any labor organization or other employee representative to organize or certify a collective bargaining unit or to engage in any other union organization activity with respect to the workforce of Grand Bank. The employment of each employee of Grand Bank is terminable at will by the Grand Bank without any Liability or severance obligation incurred by Grand Bank.

(b) Section 4.17(b) of Grand Bank’s Disclosure Memorandum separately sets forth all of Grand Bank’s employees, including for each such employee: name, job title, hire date, full- or part-time status, Fair Labor Standards Act designation, work location (identified by street address), current compensation paid or payable, all wage arrangements, fringe benefits (other than employee benefits applicable to all employees, which benefits are set forth on Section 4.18 of Grand Bank’s Disclosure Memorandum), bonuses, incentives, or commissions paid the past three years, and visa and greencard application status. To Grand Bank’s Knowledge, no employee of Grand Bank is a party to, or is otherwise bound by, any agreement or arrangement, including any confidentiality or non-competition agreement, that in any way adversely affects or restricts the performance of such employee’s duties. No Key Employee of Grand Bank has provided written notice to Grand Bank of his or her intent to terminate his or her employment with Grand Bank as of the date hereof, and, as of the date hereof, to Grand Bank’s Knowledge, no Key Employee intends to terminate his or her employment with Grand Bank before Closing.

(c) Section 4.17(c) of Grand Bank’s Disclosure Memorandum contains a complete and accurate listing of the name (if an entity, including the name of the individuals employed by or providing service on behalf of such entity) and contact information of each individual who has provided personal services to Grand Bank as an independent contractor, consultant, freelancer or other service provider (collectively, “Independent Contractors”) during the prior three years. A copy of each Contract relating to the services provided by any such Independent Contractor to Grand Bank has been made available to First Bank prior to the date hereof. Grand Bank has no Liability with respect to any taxes (or the withholding thereof) in connection with any Independent Contractor. Grand Bank has properly classified, pursuant to the Internal Revenue Code, the Fair Labor Standards Act, and any other applicable Law, all Independent

Contractors used by Grand Bank at any point. The engagement of each Independent Contractor of Grand Bank is terminable at will by Grand Bank without any Liability or severance obligation incurred by Grand Bank.

(d) Grand Bank has no “leased employees” within the meaning of Internal Revenue Code Section 414(n).

(e) Grand Bank has, or will have no later than the Closing Date, paid all accrued salaries, bonuses, commissions, and other wages due to be paid through the Closing Date. Grand Bank is and at all times has been in material compliance with all Law governing the employment of labor and the withholding of taxes, including but not limited to, all contractual commitments and all such Laws relating to wages, hours, affirmative action, collective bargaining, discrimination, civil rights, disability accommodation, employee leave, unemployment, worker classification, immigration, safety and health, workers’ compensation and the collection and payment of withholding or Social Security taxes and similar taxes.

(f) Since December 31, 2014, there have not been any wage and hour claims, discrimination, disability accommodation, or other employment claims or charges by any employee of Grand Bank or by any individual who has applied for employment with Grand Bank, nor, to Grand Bank’s Knowledge, are there any such claims or charges currently threatened by any employee or applicant of Grand Bank. To Grand Bank’s Knowledge, there are no governmental investigations open with or under consideration by the United States Department of Labor (“DOL”), Equal Employment Opportunity Commission, or any other federal or state governmental body charged with administering or enforcing employment related Laws.

(g) All of Grand Bank’s employees are employed in the United States and are either United States citizens or are legally entitled to work in the United States under the Immigration Reform and Control Act of 1986, as amended, other United States immigration Laws and the Laws related to the employment of non-United States citizens applicable in the state in which the employees are employed.

(h) Since December 31, 2014, Grand Bank has not implemented any plant closing or mass layoff, as defined under the WARN Act and no such actions are currently contemplated, planned or announced.

4.18. Employee Benefit Plans.

(a) Grand Bank has made available to First Bank prior to the execution of this Agreement, true and correct copies of each current Grand Bank Benefit Plan, a complete and accurate list of which is included in Section 4.18(a) of Grand Bank’s Disclosure Memorandum. “Grand Bank Benefit Plan” means any Employee Benefit Plan (including all amendments thereto) that has been adopted, maintained, sponsored in whole or in part by, or contributed to or required to be maintained or contributed to, by Grand Bank or any Grand Bank ERISA Affiliate for the benefit of employees, retirees, dependents, spouses, directors, independent contractors, or other beneficiaries or under which employees, retirees, former employees, dependents, spouses, directors, independent contractors, or other beneficiaries are eligible to participate or with respect to which Grand Bank or any Grand Bank ERISA Affiliate has or may have any obligation or Liability. For the avoidance of doubt, the term “Grand Bank Benefit Plans” includes plans, programs, policies, and arrangements sponsored or maintained by a third-party professional employer organization in which the current or former employees, retirees, dependents, spouses, directors, independent contractors, or other beneficiaries of Grand Bank or any of its affiliates are eligible to participate. No Grand Bank Benefit Plan is subject to any Laws other than those of the United States or any state, county, or municipality in the United States. Grand Bank has made available to First Bank prior to the execution of this Agreement, with respect to each Grand Bank Benefit Plan, (i) all trust agreements or other funding

arrangements, (ii) all determination letters and opinion letters, (iii) all information letters or advisory opinions issued by DOL, the United States Internal Revenue Service (“IRS”), or the Pension Benefit Guaranty Corporation (“PBGC”) during this calendar year or any of the preceding three calendar years, (iv) annual reports on Forms 5500 for the last three plan years to the extent required under applicable Law and any other annual reports or returns, audited or unaudited financial statements, actuarial reports and valuations prepared for the current plan year and the preceding plan year, (v) the most recent summary plan descriptions and any material modifications thereto, (vi) material contracts including insurance contracts and administrative services agreements, and (vii) any correspondence with the DOL, IRS, PBGC, or any other governmental entity regarding a Grand Bank Benefit Plan, in the past three years. Grand Bank may terminate or amend any Grand Bank Benefit Plan, at any time in its sole discretion, without incurring any liability, other than ordinary administrative expenses in connection with such termination or amendment.

(b) Each Grand Bank Benefit Plan is and has been established and maintained in all material respects in compliance with the terms of such Grand Bank Benefit Plan, and in compliance with the applicable requirements of the Internal Revenue Code, ERISA, and any other applicable Laws. No Grand Bank Benefit Plan is required to be amended within the ninety-day period beginning on the Closing Date in order to continue to comply with ERISA, the Internal Revenue Code, and other applicable Law. Each Grand Bank Benefit Plan that is intended to be qualified under Section 401(a) of the Internal Revenue Code is so qualified and has received a favorable determination letter, or for a prototype plan, opinion letter, from the IRS that is still in effect and applies to the Grand Bank Benefit Plan and on which Grand Bank is entitled to rely. To Grand Bank’s Knowledge, nothing has occurred and no circumstance exists that would be reasonably expected to adversely affect the qualified status of such Grand Bank Benefit Plan. Within the past three years, Grand Bank has not taken any action to take material corrective action or make a filing under any voluntary correction program of the IRS, DOL or any other Regulatory Authority with respect to any Grand Bank Benefit Plan. All assets of each Grand Bank Benefit Plan that is a retirement plan consist exclusively of cash and actively traded securities.

(c) There are no pending, or, to Grand Bank’s Knowledge, threatened claims or disputes under the terms of, or in connection with, the Grand Bank Benefit Plans other than claims for benefits in the Ordinary Course that are not expected to result in material Liability to Grand Bank, and no action, proceeding, prosecution, inquiry, hearing or investigation or audit has been commenced with respect to any Grand Bank Benefit Plan.

(d) Neither Grand Bank nor any Affiliate of Grand Bank has engaged in any prohibited transaction for which there is not an exemption, within the meaning of Section 4975 of the Internal Revenue Code or Section 406 of ERISA, with respect to any Grand Bank Benefit Plan and no prohibited transaction has occurred with respect to any Grand Bank Benefit Plan that would be reasonably expected to result in any Liability or excise Tax under ERISA or the Internal Revenue Code. None of Grand Bank, the Grand Bank employees, and any committee of which any Grand Bank employee is a member has breached his, her or its fiduciary duty with respect to a Grand Bank Benefit Plan in connection with any acts taken (or failed to be taken) with respect to the administration or investment of the assets of any Grand Bank Benefit Plan, and to Grand Bank’s Knowledge, no other fiduciary, within the meaning of Section 3(21) of ERISA, has breached his or her fiduciary duty with respect to a Grand Bank Benefit Plan or otherwise has any Liability in connection with any acts taken (or failed to be taken) with respect to the administration or investment of the assets of any Grand Bank Benefit Plan.

(e) Neither Grand Bank nor any Grand Bank ERISA Affiliate has at any time been a party to or maintained, sponsored, contributed to or has been obligated to contribute to, or had any material Liability with respect to, or would reasonably be expected to have any such obligation to contribute to or material Liability with respect to a: (i) plan subject to Title IV of ERISA, (ii) multiemployer plan (as defined in ERISA Section 3(37) and 4001(a)(3)), (iii) multiple employer plan (as defined in 29 C.F.R. § 4001.2) or a

plan subject to Section 413(c) of the Internal Revenue Code, (iv) multiple employer welfare arrangement (within the meaning of Section 3(40) of ERISA or applicable state law), (v) self-funded health or welfare benefit plan or (vi) voluntary employees' beneficiary association (within the meaning of Section 501(c)(9) of the Internal Revenue Code).

(f) Each Grand Bank Benefit Plan or other arrangement of Grand Bank that is a "nonqualified deferred compensation plan" within the meaning of Section 409A of the Internal Revenue Code has a plan document that satisfies the requirements of Section 409A of the Internal Revenue Code and has been operated in compliance with the terms of such plan document and the requirements of Section 409A of the Internal Revenue Code, in each case such that no Tax is or has been due or payable under Section 409A of the Internal Revenue Code. No Grand Bank Benefit Plan provides, and Grand Bank has no obligation to provide, any "gross up" to an individual for any taxes, including under Section 409A of the Internal Revenue Code.

(g) Each Grand Bank Benefit Plan that is a health or welfare plan has been amended and administered in accordance with the requirements of the Patient Protection and Affordable Care Act of 2010. Grand Bank has no Liability or obligation to provide postretirement health, medical or life insurance benefits to Grand Bank's employees or former employees, officers, or directors, or any dependent or beneficiary thereof, except as otherwise required under state or federal benefits continuation Laws and for which the covered individual pays the full cost of coverage. No Tax under Internal Revenue Code Sections 4980B or 5000 has been incurred with respect to any Grand Bank Benefit Plan and no circumstance exists which could give rise to such Tax.

(h) Neither the Grand Bank nor any ERISA Affiliate has ever established, maintained or contributed to, or had an obligation to maintain or contribute to, a plan that is or was subject to Title IV of ERISA

(i) All contributions required to be made to any Grand Bank Benefit Plan by applicable Law or regulation or by any plan document or other contractual undertaking, and all premiums due or payable with respect to insurance policies funding any Grand Bank Benefit Plan, for any period through the date hereof, have been timely made or paid in full or, to the extent not required to be made or paid on or before the date hereof, have been fully reflected on the Books and Records of Grand Bank.

(j) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (either alone or in conjunction with any other event) result in, cause the vesting, exercisability or delivery of, or increase in the amount or value of, any payment, right or other benefit to any employee, officer, director or other service provider of Grand Bank, or result in any (i) requirement to fund any benefits or set aside benefits in a trust (including a rabbi trust), (ii) limitation on the right of Grand Bank to amend, merge, terminate or receive a reversion of assets from any Grand Bank Benefit Plan or related trust, (iii) acceleration of the time of payment or vesting of any such payment, right, compensation or benefit, or (iv) entitlement by any recipient of any payment or benefit to receive a "gross up" payment for any income or other Taxes that might be owed with respect to such payment or benefit. Without limiting the generality of the foregoing, no amount paid or payable (whether in cash, in property, or in the form of benefits) in connection with the transactions contemplated hereby (either solely as a result thereof or as a result of such transactions in conjunction with any other event) will be an "excess parachute payment" within the meaning of Section 280G of the Internal Revenue Code. Section 4.18(j) of Grand Bank's Disclosure Memorandum sets forth accurate and complete data with respect to each individual who has a contractual right to severance pay or benefits (or increase in severance pay or benefits, including the acceleration of any payment or vesting) triggered by a change in control and the amounts potentially payable to each such individual in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby (either alone or in conjunction with any other event)

or as a result of a termination of employment or service, taking into account any contractual provisions relating to Section 280G of the Internal Revenue Code.

(k) The Grand Bank ESOP (the “Grand Bank ESOP”) was terminated effective December 31, 2017, and all shares were distributed as of December 29, 2017. Grand Bank maintains no other employee stock ownership plans within the meaning of ERISA Section 407(d)(6)(A). Grand Bank has not been subject to any Tax imposed by Internal Revenue Code Sections 4978 or 4979A. Any transaction to which the Grand Bank ESOP was at any time a party involving the purchase, sale or exchange of any security complied with the applicable requirements of ERISA and the Internal Revenue Code, including ERISA Section 3(18). No Grand Bank Benefit Plan other than the Grand Bank ESOP at any pointed invested, or permitted investments, in equity of Grand Bank or investments in which the value is based on or associated with equity of Grand Bank.

4.19. Material Contracts.

Except as otherwise reflected in the Grand Bank Financial Statements, neither Grand Bank nor any of its Assets, businesses, or operations, is a party to, or is bound or affected by, or receives benefits under, any Contract, (a) that is a “material contract” (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC, if Grand Bank were subject to the reporting obligations under the Exchange Act), (b) which prohibits or materially restricts Grand Bank (or, following consummation of the transactions contemplated by this Agreement, First Bank) from engaging in any business activities in any geographic area, line of business or otherwise in competition with any other Person, (c) which limits the payment of dividends by Grand Bank, (d) pursuant to which Grand Bank has agreed with any third party to a change of control transaction such as an acquisition, divestiture or merger or contains a put, call or similar right involving the purchase or sale of any equity interests or Assets of any Person and which contains representations, covenants, indemnities or other obligations (including indemnification, “earn-out” or other contingent obligations) that are still in effect, (e) between Grand Bank, on the one hand, and (i) any officer or director of Grand Bank, or (ii) to the Knowledge of Grand Bank, any (x) record or beneficial owner of five percent or more of the voting securities of Grand Bank, (y) Affiliate or family member of any such officer, director or record or beneficial owner or (z) any other Affiliate of Grand Bank, on the other hand, except those of a type available to employees of Grand Bank generally, (f) that provides for indemnification by Grand Bank of any Person, except for non-material Contracts entered into in the Ordinary Course, (g) with or to a labor union or guild (including any collective bargaining agreement), (h) that grants any “most favored nation” right, right of first refusal, right of first offer or similar right with respect to any material Assets, or rights of Grand Bank, taken as a whole, or (i) any other Contract or amendment thereto that is material to Grand Bank or its respective business or Assets and not otherwise entered into in the Ordinary Course. Each contract, arrangement, commitment or understanding of the type described in this Section 4.19, whether or not set forth in Grand Bank’s Disclosure Memorandum together with all Contracts referred to in Sections 4.13 and 4.18, are referred to herein as the “Grand Bank Contracts.” With respect to each Grand Bank Contract: (i) the Contract is legal, valid and binding on Grand Bank and is in full force and effect and is enforceable in accordance with its terms, (ii) Grand Bank is not in Default thereunder, (iii) Grand Bank has not repudiated or waived any material provision of any such Contract and (iv) no other party to any such Contract is, to the Knowledge of Grand Bank, in Default or has repudiated or waived any material provision thereunder. All of the Grand Bank Contracts have been Previously Disclosed. All of the indebtedness of Grand Bank for money borrowed is prepayable at any time by Grand Bank without penalty or premium.

4.20. Agreements with Regulatory Authorities.

Grand Bank is not subject to any cease-and-desist or other order or enforcement action issued by, or is a party to any written agreement, consent agreement or memorandum of understanding with, or is a party to any commitment letter, safety and soundness compliance plan, or similar undertaking to, or is

subject to any order or directive by, or has been ordered to pay any civil money penalty by, or has been a recipient of any supervisory letter from, or has adopted any policies, procedures or board resolutions at the request or suggestion of any Regulatory Authority that currently restricts in any material respect the conduct of its business or that in any material manner relates to its capital adequacy, its ability to pay dividends, its credit or risk management policies, its management, its business or its acceptance of brokered deposits (each, whether or not set forth in Grand Bank's Disclosure Memorandum, a "Grand Bank Regulatory Agreement"), nor has Grand Bank been advised in writing or, to Grand Bank's Knowledge, orally, since December 31, 2014, by any Regulatory Authority that Grand Bank is in troubled condition or that the Regulatory Authority is considering issuing, initiating, ordering, or requesting any such Grand Bank Regulatory Agreement.

4.21. Investment Securities.

(a) Grand Bank has good title in all material respects to all securities and commodities owned by it (except those sold under repurchase agreements, borrowings of federal funds or borrowings from the Federal Reserve Banks or Federal Home Loan Banks or held in any fiduciary or agency capacity), free and clear of any Lien, except (i) as set forth in the Grand Bank Financial Statements and (ii) to the extent such securities or commodities are pledged in the Ordinary Course to secure obligations of Grand Bank. Such securities are valued on the books of Grand Bank in accordance with GAAP in all material respects.

(b) Grand Bank employs, to the extent applicable, investment, securities, risk management and other policies, practices and procedures that Grand Bank believes are prudent and reasonable in the context of its business, and Grand Bank has, since December 31, 2014, been in compliance with such policies, practices and procedures in all material respects.

4.22. Derivative Instruments and Transactions.

All Derivative Transactions whether entered into for the account of Grand Bank or for the account of a customer of Grand Bank (a) were entered into in the Ordinary Course and in accordance with prudent banking practice and applicable rules, regulations and policies of all applicable Regulatory Authorities, (b) are legal, valid and binding obligations of Grand Bank and, to the Knowledge of Grand Bank, each of the counterparties thereto, and (c) are in full force and effect and enforceable in accordance with their terms. Grand Bank and, to the Knowledge of Grand Bank, the counterparties to all such Derivative Transactions, have duly performed, in all material respects, their obligations thereunder to the extent that such obligations to perform have accrued. To the Knowledge of Grand Bank, there are no material breaches, violations or Defaults or allegations or assertions of such by any party pursuant to any such Derivative Transactions. The financial position of Grand Bank under or with respect to each such Derivative Transaction has been reflected in the Books and Records of Grand Bank in accordance with GAAP.

4.23. Legal Proceedings.

(a) There is no Litigation instituted or pending, or, to the Knowledge of Grand Bank, threatened against Grand Bank, or against any current or former director, officer or employee of Grand Bank in their capacities as such, or against any Asset, interest, or right of any of them, nor are there any Orders outstanding against Grand Bank, in each case, that has had or would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Grand Bank. Section 4.23(a) of Grand Bank's Disclosure Memorandum sets forth a list of all Litigation as of the date of this Agreement to which Grand Bank is a party. Section 4.23(a) of Grand Bank's Disclosure Memorandum sets forth a list of all Orders to which Grand Bank is subject.

(b) There is no Order imposed upon Grand Bank or the Assets of Grand Bank (or that, upon consummation of the Merger, would apply to Grand Bank) that has had or would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Grand Bank.

4.24. Statements True and Correct.

(a) None of the information supplied or to be supplied by Grand Bank or any Affiliate thereof for inclusion in the Offering Circular to be filed by First Bank with the FDIC will, when supplied or when the Offering Circular is first mailed, be false or misleading with respect to any material fact, or omit to state any material fact necessary to make the statements therein not misleading. The portions of the Offering Circular and the Proxy Statement relating to Grand Bank and other portions within the reasonable control of Grand Bank will comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations thereunder.

(b) None of the information supplied or to be supplied by Grand Bank or any Affiliate thereof for inclusion in the Proxy Statement, and any other documents to be filed by Grand Bank or any Affiliate thereof with any Regulatory Authority in connection with the transactions contemplated hereby, will, at the respective time such information is supplied and such documents are filed, and with respect to the Proxy Statement, when first mailed to the stockholders of Grand Bank, be false or misleading with respect to any material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or, in the case of the Proxy Statement or any amendment thereof or supplement thereto, at the time of the Grand Bank Meeting, be false or misleading with respect to any material fact, or omit to state any material fact necessary to correct any statement in any earlier communication with respect to the solicitation of any proxy for the Grand Bank Meeting.

4.25. State Takeover Statutes and Takeover Provisions.

Grand Bank has taken all action required to be taken by it in order to exempt this Agreement and the transactions contemplated hereby from, and this Agreement and the transactions contemplated hereby are exempt from, the requirements of any “moratorium,” “fair price,” “affiliate transaction,” “business combination,” “control share acquisition” or similar provision of any state anti-takeover Law (collectively, “Takeover Statutes”). Grand Bank is not the beneficial owner (directly or indirectly) of more than 10% of the outstanding capital stock of First Bank entitled to vote in the election of First Bank’s directors.

4.26. Opinion of Financial Advisor.

Grand Bank has received the opinion of Sandler O’Neill & Partners, L.P., which, if initially rendered verbally has been confirmed by a written opinion, dated the date of this Agreement, to the effect that, as of such date, the consideration to be paid to the holders of Grand Bank Common Stock in the Merger is fair, from a financial point of view, to such holders. Such opinion has not been amended or rescinded as of the date of this Agreement.

4.27. Tax and Regulatory Matters.

Neither Grand Bank nor, to the Knowledge of Grand Bank, any Affiliate thereof has taken or agreed to take any action, and Grand Bank does not have any Knowledge of any agreement, plan or other circumstance, that is reasonably likely to (a) prevent the Merger from qualifying as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code or (b) materially impede or delay receipt of any of the Requisite Regulatory Approvals.

4.28. Loan Matters.

(a) Grand Bank is not a party to any written or oral Loan in which Grand Bank is a creditor which as of December 31, 2018, had an outstanding balance of \$25,000 or more and under the terms of which the obligor was, as of December 31, 2018, over 90 days or more delinquent in payment of principal or interest. Except as such disclosure may be limited by any applicable Law, Section 4.28(a) of Grand Bank's Disclosure Memorandum sets forth a true, correct and complete list of all of the Loans of Grand Bank that, as of December 31, 2018 had an outstanding balance of \$25,000 or more and were classified by Grand Bank as "Other Loans Specially Mentioned," "Special Mention," "Substandard," "Doubtful," "Loss," "Classified," "Criticized," "Credit Risk Assets," "Concerned Loans," "Watch List" or words of similar import, together with the principal amount of and accrued and unpaid interest on each such Loan and the aggregate principal amount of and accrued and unpaid interest on such Loans as of such date.

(b) Each Loan currently outstanding (i) is evidenced by notes, agreements or other evidences of indebtedness that are true, genuine and what they purport to be, (ii) to the extent secured, has been secured by valid Liens which have been perfected, and (iii) is a legal, valid and binding obligation of the obligor named therein, enforceable in accordance with its terms (except as may be limited by the Bankruptcy and Equity Exceptions). The notes or other credit or security documents with respect to each such outstanding Loan were in compliance in all material respects with all applicable Laws at the time of origination or purchase by Grand Bank and are complete and correct in all material respects.

(c) Each outstanding Loan (including Loans held for resale to investors) was solicited and originated, and is and has been administered and, where applicable, serviced, and the relevant Loan files are being maintained, in all material respects in accordance with the relevant notes or other credit or security documents, Grand Bank's written underwriting standards (and, in the case of Loans held for resale to investors, the underwriting standards, if any, of the applicable investors) and with all applicable requirements of Laws.

(d) None of the Contracts pursuant to which Grand Bank has sold Loans or pools of Loans or participations in Loans or pools of Loans contains any obligation to repurchase such Loans or interests therein solely on account of a payment default by the obligor on any such Loan.

(e) (i) Section 4.28(e) of Grand Bank's Disclosure Memorandum sets forth a list of all Loans as of the date hereof by Grand Bank to any directors, executive officers and principal stockholders (as such terms are defined in Regulation O) of Grand Bank, (ii) there are no employee, officer, director, principal stockholder or other affiliate Loans on which the borrower is paying a rate other than that reflected in the note or other relevant credit or security agreement or on which the borrower is paying a rate which was not in compliance with Regulation O, and (iii) all such Loans are and were originated in compliance in all material respects with all applicable Laws.

(f) Grand Bank is not now nor has it ever been since December 31, 2014, subject to any material fine, suspension, settlement or other Contract or other administrative agreement or sanction by, or any reduction in any loan purchase commitment from, any Regulatory Authority relating to the origination, sale or servicing of mortgage or consumer Loans.

4.29. Allowance for Loan and Lease Losses.

The allowance for loan and lease losses ("ALLL") reflected in the Grand Bank Financial Statements was, as of the date of each of the Grand Bank Financial Statements, in the opinion of management of Grand Bank, in compliance with Grand Bank's existing methodology for determining the

adequacy of the ALLL and in compliance in all material respects with the standards established by the applicable Regulatory Authority, the Financial Accounting Standards Board and GAAP.

4.30. Insurance.

Except as has not had or would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Grand Bank, Grand Bank is insured with reputable insurers against such risks and in such amounts as the management of Grand Bank reasonably has determined to be prudent and consistent with industry practice. Grand Bank is in material compliance with their insurance policies and is not in Default under any of the material terms thereof. Each such policy is outstanding and in full force and effect and, except for policies insuring against potential Liabilities of officers, directors and employees of Grand Bank, Grand Bank is the sole beneficiary of such policies. All premiums and other payments due under any such policy have been paid, and all claims thereunder have been filed in due and timely fashion. Grand Bank has not received any written notice of cancellation or non-renewal of any such policies, nor, to Grand Bank's Knowledge, is the termination of any such policies threatened.

4.31. Brokers and Finders.

Except for Sandler O'Neill & Partners, L.P., neither Grand Bank nor any of its officers, directors, employees, or Affiliates has employed any broker or finder or incurred any Liability for any financial advisory fees, investment bankers' fees, brokerage fees, commissions, or finders' fees in connection with this Agreement or the transactions contemplated hereby.

4.32. Transactions with Affiliates and Insiders.

There are no Contracts, plans, arrangements or other transactions, including but not limited to extensions of credit, between Grand Bank, on the one hand, and (a) any officer, director, or principal stockholder of Grand Bank, (b) any (i) record or beneficial owner of five percent or more of the voting securities of Grand Bank or (ii) Affiliate or family member of any such officer, director or record or beneficial owner, or (c) any other Affiliate of Grand Bank, on the other hand, except those, in each case, that are fully compliant with Regulation O and Regulation W.

4.33. Investment Adviser Status.

Grand Bank does not provide investment management, investment advisory or sub-advisory services to any Person (including management and advice provided to separate accounts and participation in wrap fee programs) and that is required to register with the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended.

4.34. Broker-Dealer Status.

Grand Bank is not a broker-dealer required to be registered under the Exchange Act with the SEC.

4.35. No Insurance Operations.

Grand Bank does not conduct insurance operations that require a license from any national, state or local governmental authority or Regulatory Authority under any applicable Law.

4.36. No Other Representations and Warranties

(a) Except for the representations and warranties in this ARTICLE 4 Grand Bank does not make any express or implied representation or warranty with respect to Grand Bank, or its businesses, operations, Assets, Liabilities, conditions (financial or otherwise) or prospects, and Grand Bank hereby disclaims any such other representations or warranties. In particular, without limiting the foregoing disclaimer, and except for the representations and warranties made by Grand Bank in this ARTICLE 4, Grand Bank does not make and has not made any representation to First Bank or any of First Bank's Affiliates or Representatives with respect to any oral or written information presented to First Bank or any of First Bank's Affiliates or Representatives in the course of their due diligence investigation of Grand Bank (including any financial projections or forecasts), the negotiation of this Agreement or in the course of the transactions contemplated hereby.

(b) Grand Bank acknowledges and agrees that First Bank has not made and is not making any express or implied representation or warranty other than those contained in ARTICLE 5.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF FIRST BANK

Except as Previously Disclosed, First Bank hereby represents and warrants to Grand Bank as follows:

5.1. Organization, Standing, and Power.

(a) Status of First Bank. First Bank is a bank duly organized, validly existing, and in good standing under the Laws of the State of New Jersey, and has the corporate power and authority to carry on its business as now conducted and to own, lease and operate its Assets. First Bank is duly qualified or licensed to transact business as a foreign corporation in good standing in the states of the United States and foreign jurisdictions where the character of its Assets or the nature or conduct of its business requires it to be so qualified or licensed.

5.2. Authority of First Bank; No Breach By Agreement.

(a) Authority. First Bank has the corporate power and authority necessary to execute, deliver, and, other than with respect to the Merger, perform this Agreement, and with respect to the Merger, upon the approval of this Agreement and the Merger by the affirmative vote of at least two-thirds of the outstanding shares of First Bank entitled to vote on this Agreement and the Merger as contemplated by Section 7.1 (the "First Bank Stockholder Approval"), to perform its obligations under this Agreement and to consummate the transactions contemplated hereby. The execution, delivery, and performance of this Agreement and the consummation of the transactions contemplated herein, including the Merger, have been duly and validly authorized and approved by all necessary corporate action in respect thereof on the part of First Bank (including, approval by, and a determination by all of the members of the board of directors of First Bank that this Agreement is advisable and in the best interests of First Bank's stockholders and directing the submission of this Agreement to a vote at a meeting of First Bank's stockholders), subject to the First Bank Stockholder Approval. Subject to the First Bank Stockholder Approval, and assuming the due authorization, execution and delivery by Grand Bank, this Agreement represents a legal, valid, and binding obligation of First Bank, enforceable against First Bank in accordance with its terms (except as may be limited by the Bankruptcy and Equity Exceptions).

(b) No Conflicts. Subject to the receipt of the First Bank Stockholder Approval, neither the execution and delivery of this Agreement by First Bank, nor the consummation by First Bank of the

transactions contemplated hereby, nor compliance by First Bank with any of the provisions hereof, will (i) conflict with or result in a breach of any provision of First Bank's certificate of incorporation, bylaws or other governing instruments, or the articles of incorporation or association, bylaws or other governing instruments of any other First Bank Entity or any resolution adopted by the board of directors or the stockholders of any First Bank Entity, or (ii) subject to receipt of the Requisite Regulatory Approvals, (x) violate any Law applicable to any First Bank Entity or any of their respective Assets or (y) violate, conflict with, constitute or result in a Default under or the loss of any benefit under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the respective Assets of any First Bank Entity under any of the terms, conditions or provisions of any Contract or Permit of any First Bank Entity or under which any of their respective Assets may be bound, except (in the case of clause (y) above) where such violations, conflicts or Defaults have not had or would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on First Bank.

(c) Consents. Other than in connection or compliance with the provisions of the Securities Laws (including the filing and declaration of effectiveness of the Offering Circular), applicable state corporate and securities Laws, the rules of Nasdaq, the NJBA, the Laws of the State of New Jersey and the Requisite Regulatory Approvals, no notice to, filing with, or Consent of, any Regulatory Authority or any third party is necessary for the consummation by First Bank of the Merger and other transactions contemplated in this Agreement. As of the date hereof, First Bank is not aware of any reason why the Requisite Regulatory Approvals will not be received in order to permit consummation of the Merger on a timely basis.

5.3. Capitalization of First Bank.

(a) The authorized capital stock of First Bank consists of (i) 40,000,000 shares of First Bank Common Stock, of which 18,700,000 million shares are issued and outstanding as of December 31, 2018, and (ii) 10,000,000 shares of preferred stock, par value \$2.00 per share, of First Bank, of which no shares are issued and outstanding as of December 31, 2018. As of the date of this Agreement, no more than 944,007 shares of First Bank Common Stock are subject to First Bank Stock Options or other Equity Rights in respect of First Bank Common Stock, and no more than 334,614 shares of First Bank Common Stock were reserved for future grants under the First Bank Stock Plans. Upon any issuance of any shares of First Bank Common Stock in accordance with the terms of the First Bank Stock Plans, such shares will be duly and validly issued and fully paid and nonassessable.

(b) All of the issued and outstanding shares of First Bank Capital Stock are, and all of the shares of First Bank Common Stock to be issued in exchange for shares of Grand Bank Common Stock upon consummation of the Merger, when issued in accordance with the terms of this Agreement, will be, duly and validly issued and outstanding and fully paid and nonassessable under the NJBA. None of the shares of First Bank Common Stock to be issued in exchange for shares of Grand Bank Common Stock upon consummation of the Merger will be, issued in violation of any preemptive rights of the current or past stockholders of First Bank.

(c) Other Rights or Obligations. All of the issued and outstanding shares of capital stock of First Bank have been duly authorized and validly issued and outstanding, and are fully paid and nonassessable and free of preemptive rights, with no personal Liability attaching to the ownership thereof. None of the outstanding shares of capital stock of First Bank has been issued in violation of or subject to any preemptive rights or other rights to subscribe for or purchase securities of the current or past stockholders of First Bank.

(d) Outstanding Equity Rights. Other than the First Bank Stock Options and the First Bank Restricted Stock Awards, in each case, issued prior to the date of this Agreement and set forth in Sections 5.3(a)(iii) and 5.3(a)(iv), there are no (i) existing Equity Rights with respect to the securities of First Bank, (ii) Contracts under which First Bank is or may become obligated to sell, issue or otherwise dispose of or redeem, purchase or otherwise acquire any securities of First Bank, (iii) stockholder agreements, voting trusts or other agreements, arrangements or understandings to which First Bank is a party or of which First Bank is aware, that may reasonably be expected to affect the exercise of voting or any other rights with respect to the capital stock of First Bank or (iv) outstanding bonds, debentures, notes or other indebtedness having the right to vote on any matters on which the stockholders of First Bank may vote.

(e) Voting Debt. No bonds, debentures, notes or other indebtedness having the right to vote (or which are convertible into, or exchangeable for, securities having the right to vote) on any matters on which stockholders of First Bank may vote are issued or outstanding. There are no Contracts pursuant to which First Bank or any First Bank Entity is or could be required to register shares of First Bank's capital stock or other securities under the Securities Act or to issue, deliver, transfer or sell any shares of capital stock, Equity Rights or other securities of any First Bank Entity. No First Bank Subsidiary owns any capital stock of First Bank.

5.4. FDIC Filings; Financial Statements.

(a) First Bank has timely filed and made available to Grand Bank all FDIC Documents required to be filed by First Bank since December 31, 2018 (the "First Bank FDIC Reports"). The First Bank FDIC Reports (i) at the time filed, complied in all material respects with the applicable requirements of the Securities Laws and other applicable Laws and (ii) did not, at the time they were filed (or, if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing or, in the case of registration statements, at the effective date thereof, and in the case of proxy statements, at the date of the relevant meeting) contain any untrue statement of a material fact or omit to state a material fact required to be stated in such First Bank FDIC Reports or necessary in order to make the statements in such First Bank FDIC Reports, in light of the circumstances under which they were made, not misleading.

(b) Each of the First Bank Financial Statements (including, in each case, any related notes) contained in the First Bank FDIC Reports, including any First Bank FDIC Reports filed after the date of this Agreement until the Effective Time, complied as to form in all material respects with the applicable published rules and regulations of the FDIC with respect thereto, was prepared in accordance with GAAP applied on a consistent basis throughout the periods involved (except as may be indicated in the notes to such financial statements or, in the case of unaudited interim statements, as permitted by the FDIC), and fairly presented in all material respects the consolidated financial position of First Bank and its Subsidiaries as at the respective dates and the consolidated results of operations, stockholders' equity and cash flows for the periods indicated, except that the unaudited interim financial statements were or are subject to normal and recurring year-end adjustments which were not or are not expected to be material in amount or effect.

(c) Since December 31, 2018, First Bank and each of its Subsidiaries has had in place disclosure controls and procedures reasonably designed and maintained to ensure that all information (both financial and non-financial) required to be disclosed by First Bank in the First Bank FDIC Reports is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the FDIC, and that such information is accumulated and communicated to the chief executive officer, chief financial officer or other members of executive management of First Bank as appropriate to allow timely decisions regarding required disclosure and to make the certifications of the chief executive officer and chief financial officer of First Bank required by the FDIC with respect to such reports.

(d) First Bank and its Subsidiaries have devised and maintain a system of internal accounting controls sufficient to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. First Bank has disclosed, based on its most recent evaluation prior to the date of this Agreement, to First Bank's outside auditors and the audit committee of the board of directors of First Bank, (i) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that would be reasonably likely to adversely affect First Bank's ability to accurately record, process summarize and report financial information and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in First Bank's internal control over financial reporting.

(e) Since December 31, 2014, (i) neither any First Bank Entity nor, to the Knowledge of First Bank, any director, officer, employee, auditor, accountant or representative of any First Bank Entity has received or otherwise had or obtained knowledge of any complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of any First Bank Entity or their respective internal accounting controls, including any material complaint, allegation, assertion or claim that any First Bank Entity has engaged in questionable accounting or auditing practices and (ii) no attorney representing any First Bank Entity, whether or not employed by any First Bank Entity, has reported evidence of a material violation of Securities Laws, breach of fiduciary duty or similar violation by First Bank or any of its officers, directors, employees or agents to the board of directors of First Bank or any committee thereof or to any of First Bank's directors or officers.

5.5. Absence of Undisclosed Liabilities.

No First Bank Entity has incurred any Liability, except for Liabilities (a) incurred in the Ordinary Course since December 31, 2018, (b) incurred in connection with this Agreement and the transactions contemplated hereby, or (c) that are accrued or reserved against in the consolidated balance sheet of First Bank as of March 31, 2018 included in the First Bank Financial Statements at and for the period ending March 31, 2018.

5.6. Absence of Certain Changes or Events.

Since December 31, 2018, there has not been a Material Adverse Effect on First Bank.

5.7. Compliance with Laws.

(a) Each First Bank Entity has, and since December 31, 2014, has had, in effect all Permits necessary for it to own, lease, or operate its material Assets and to carry on its business as now conducted (and have paid all fees and assessments due and payable in connection therewith), except where neither the cost of failure to hold nor the cost of obtaining and holding such Permit has had or would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on First Bank. There has occurred no Default under any such Permit and to the Knowledge of First Bank no suspension or cancellation of any such Permit is threatened. None of the First Bank Entities:

(i) is in Default under any of the provisions of its articles of incorporation or association or bylaws (or other governing instruments);

(ii) is in material Default under any Laws, Orders, or Permits applicable to its business or employees conducting its business; or

(iii) since December 31, 2014, has received any written notification or communication from any agency or department of federal, state, or local government or any Regulatory Authority

or the staff thereof asserting that any First Bank Entity is not in compliance with any Laws or Orders, engaging in an unsafe or unsound activity, or in troubled condition.

(b) Each First Bank Entity is in compliance with all applicable Laws, Orders or conditions imposed in writing by a Regulatory Authority to which they or their properties or Assets may be subject, including, but not limited to, the Securities Laws, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Foreign Corrupt Practices Act, the Interagency Policy Statement on Retail Sales of Nondeposit Investment Products, the Bank Secrecy Act, the USA PATRIOT Act of 2001, the Fair Housing Act, the Community Reinvestment Act, the Home Mortgage Disclosure Act, the Fair Credit Reporting Act, Fair Debt Collections Practices Act, the Electronic Funds Transfer Act, the Consumer Credit Protection Act, the Truth-in-Lending Act and Regulation Z, the SAFE Mortgage Licensing Act of 2008, the Real Estate Settlement Procedures Act of 1974 and Regulation X, the Equal Credit Opportunity Act and Regulation B, Sections 23A and 23B of the Federal Reserve Act and Regulation W, Sections 22(g) and 22(h) of the Federal Reserve Act and Regulation O, the Gramm-Leach-Bliley Act, HOLA, the FDIA, the Sarbanes-Oxley Act, any Laws promulgated by the Bureau of Consumer Financial Protection, Laws administered or enforced by the Federal Reserve, the FDIC, the OCC, the U.S. Department of the Treasury's Office of Foreign Assets Control, the U.S. Department of the Treasury's Financial Crimes Enforcement Network or any other Regulatory Authority, and any other applicable Law related to data protection or privacy, bank secrecy, financing or leasing practices, money laundering prevention, fair lending and fair housing, discrimination (including, without limitation, discriminatory lending, anti-redlining, equal credit opportunity and fair credit reporting), truth-in-lending, real estate settlement procedures or consumer credit, all agency requirements relating to the origination, sale and servicing of mortgage and consumer loans, and all applicable Laws under the foregoing. First Bank is "well-capitalized" and "well managed" (as those terms are defined in applicable Laws).

(c) First Bank (i) has properly certified all foreign deposit accounts and has made all necessary tax withholdings on all of its deposit accounts, (ii) has timely and properly filed and maintained all requisite Currency Transaction Reports and other related forms, including any requisite Custom Reports required by any agency of the U.S. Department of the Treasury, including the IRS, and (iii) has timely filed all Suspicious Activity Reports with the Financial Crimes Enforcement Network (bureau of the U.S. Department of the Treasury) required to be filed by it pursuant to applicable Laws and regulations referenced in this Section 5.7.

(d) Since December 31, 2014, each First Bank Entity has properly administered all accounts for which it acts as a fiduciary, including accounts for which any First Bank Entity serves as a trustee, agent, custodian, personal representative, guardian, conservator or investment adviser, in accordance with the terms of the applicable governing documents and applicable Laws, except where the failure to so administer such accounts has not had or would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on First Bank. Since December 31, 2014, no First Bank Entity nor, to First Bank's Knowledge, any director, officer, or employee of any First Bank Entity, has committed any breach of trust or fiduciary duty with respect to any such fiduciary account, and the accountings for each such fiduciary account are true and correct and accurately reflect the assets of such fiduciary account, except as has not had or would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on First Bank.

5.8. Community Reinvestment Act Performance.

First Bank is an "insured depository institution" as defined in the FDIA and applicable regulations thereunder, has received a Community Reinvestment Act rating of "satisfactory" or better in its most recently completed performance evaluation, and First Bank has no Knowledge of the existence of any fact

or circumstance or set of facts or circumstances which could reasonably be expected to result in First Bank having its current rating lowered such that it is no longer “satisfactory” or better.

5.9. Legal Proceedings.

(a) There is no Litigation instituted or pending, or, to the Knowledge of First Bank, threatened against any First Bank Entity, or against any current or former director, officer or employee of a First Bank Entity in their capacities as such or Employee Benefit Plan of any First Bank Entity, or against any Asset, interest, or right of any of them, nor are there any Orders outstanding against any First Bank Entity, in each case, that has had or would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on First Bank. Section 5.9(a) of First Bank’s Disclosure Memorandum sets forth a list of all Litigation as of the date of this Agreement to which any First Bank Entity is a party. Section 5.9(a) of First Bank’s Disclosure Memorandum sets forth a list of all Orders to which any First Bank Entity is subject.

(b) There is no Order imposed upon any First Bank Entity or the assets of any First Bank Entity (or that, upon consummation of the Merger, would apply to any First Bank Entity) that has had or would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on any First Bank Entity.

5.10. Statements True and Correct.

(a) None of the information supplied or to be supplied by any First Bank Entity or any Affiliate thereof for inclusion (including by incorporation by reference) in the Offering Circular to be filed by First Bank with the FDIC will, when supplied or when the Offering Circular becomes effective (or when incorporated by reference), be false or misleading with respect to any material fact, or omit to state any material fact necessary to make the statements therein not misleading. The portions of the Offering Circular and Proxy Statement relating to First Bank Entities and other portions within the reasonable control of First Bank Entities will comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations thereunder.

(b) None of the information supplied or to be supplied by any First Bank Entity or any Affiliate thereof for inclusion (including by incorporation by reference) in the Proxy Statement, and any other documents to be filed by a First Bank Entity or any Affiliate thereof with any Regulatory Authority in connection with the transactions contemplated hereby, will, at the respective time such information is supplied and such documents are filed (or when incorporated by reference), and with respect to the Proxy Statement, when first mailed to the stockholders of First Bank, be false or misleading with respect to any material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or, in the case of the Proxy Statement or any amendment thereof or supplement thereto, at the time of the First Bank Meeting, be false or misleading with respect to any material fact, or omit to state any material fact necessary to correct any statement in any earlier communication with respect to the solicitation of any proxy for the First Bank Meeting.

5.11. State Takeover Statutes and Takeover Provisions.

First Bank has taken all action required to be taken by it in order to exempt this Agreement and the transactions contemplated hereby from, and this Agreement and the transactions contemplated hereby are exempt from, the requirements of any Takeover Statutes. No First Bank Entity is the beneficial owner (directly or indirectly) of more than 10% of the outstanding capital stock of Grand Bank entitled to vote in the election of Grand Bank’s directors.

5.12. No Other Representations and Warranties

(a) Except for the representations and warranties in this ARTICLE 5, First Bank does not make any express or implied representation or warranty with respect to the First Bank Entities, or their respective businesses, operations, Assets, Liabilities, conditions (financial or otherwise) or prospects, and First Bank hereby disclaims any such other representations or warranties. In particular, without limiting the foregoing disclaimer, and except for the representations and warranties made by First Bank in this ARTICLE 5, First Bank does not make and has not made any representation to Grand Bank or any of Grand Bank's Affiliates or Representatives with respect to any oral or written information presented to Grand Bank or any of Grand Bank's Affiliates or Representatives in the course of their due diligence investigation of First Bank (including any financial projections or forecasts), the negotiation of this Agreement or in the course of the transactions contemplated hereby.

(b) First Bank acknowledges and agrees that Grand Bank has not made and is not making any express or implied representation or warranty other than those contained in ARTICLE 4.

ARTICLE 6 CONDUCT OF BUSINESS PENDING CONSUMMATION

6.1. Affirmative Covenants of Grand Bank.

From the date of this Agreement until the earlier of the Effective Time or the termination of this Agreement, unless the prior written consent of First Bank shall have been obtained, and except as otherwise expressly contemplated herein or as set forth in Section 6.1 of Grand Bank's Disclosure Memorandum, Grand Bank shall, and shall cause each of its Subsidiaries to, (a) operate its business only in the Ordinary Course, (b) use its reasonable best efforts to preserve intact its business (including its organization, Assets, goodwill and insurance coverage), and maintain its rights, authorizations, franchises, advantageous business relationships with customers, vendors, strategic partners, suppliers, distributors and others doing business with it, and the services of its officers and Key Employees, (c) use its reasonable best efforts to redeem or otherwise retire or exchange the debt reflected in the subordinated notes described in Section 6.1(c) of Grand Bank's Disclosure Memorandum (collectively, the "Subordinated Debt"), and (d) take no action that is intended to or which would reasonably be expected to adversely affect or delay (i) the receipt of any approvals of any Regulatory Authority required to consummate the transactions contemplated by this Agreement, (ii) the consummation of the transactions contemplated by this Agreement, or (iii) performance of its covenants and agreements in this Agreement.

6.2. Negative Covenants of Grand Bank.

From the date of this Agreement until the earlier of the Effective Time or the termination of this Agreement, unless the prior written consent of First Bank shall have been obtained, and except as otherwise expressly contemplated herein or as set forth in Section 6.2 of Grand Bank's Disclosure Memorandum, Grand Bank covenants and agrees that it will not do or agree or commit to do, or permit any of its Subsidiaries to do or agree or commit to do, any of the following:

- (a) amend the articles of association, bylaws or other governing instruments of Grand Bank;
- (b) incur, assume, guarantee, endorse or otherwise as an accommodation become responsible for any additional debt obligation or other obligation for borrowed money (other than indebtedness incurred in the Ordinary Course);

(c) (i) repurchase, redeem, or otherwise acquire or exchange (other than in accordance with the terms of this Agreement), directly or indirectly, any shares, or any securities convertible into or exchangeable or exercisable for any shares, of the capital stock of Grand Bank, (ii) make, declare, pay or set aside for payment any dividend or set any record date for or declare or make any other distribution in respect of Grand Bank's capital stock or other equity interests, except as provided for under Section 7.13(a) hereof;

(d) issue, grant, sell, pledge, dispose of, encumber, authorize or propose the issuance of, enter into any Contract to issue, grant, sell, pledge, dispose of, encumber, or authorize or propose the issuance of, or otherwise permit to become outstanding, any additional shares of Grand Bank Common Stock, or any stock appreciation rights, or any option, warrant, or other Equity Right;

(e) directly or indirectly adjust, split, combine or reclassify any capital stock, or issue or authorize the issuance of any other securities in respect of or in substitution for shares of, Grand Bank Common Stock, or sell, transfer, lease, mortgage, permit any Lien, or otherwise dispose of, discontinue or otherwise encumber (i) any shares of capital stock or other equity interests of Grand Bank or (ii) any Asset other than pursuant to Contracts in force at the date of the Agreement or sales of investment securities in the Ordinary Course;

(f) (i) purchase any securities or make any acquisition of or investment in (except in the Ordinary Course), either by purchase of stock or other securities or equity interests, contributions to capital, Asset transfers, purchase of any Assets (including any investments or commitments to invest in real estate or any real estate development project) or other business combination, or by formation of any joint venture or other business organization or by contributions to capital (other than by way of foreclosures or acquisitions of control in a fiduciary or similar capacity or in satisfaction of debts previously contracted in good faith, in each case in the Ordinary Course), any Person other than a wholly owned Subsidiary of Grand Bank, or otherwise acquire direct or indirect control over any Person or (ii) enter into a plan of consolidation, merger, share exchange, share acquisition, reorganization or complete or partial liquidation with any Person, or a letter of intent, memorandum of understanding or agreement in principle with respect thereto;

(g) (i) grant any increase in compensation or benefits to the employees or officers of Grand Bank, except (A) for merit-based or promotion-based increases in annual base salary or wage rate for employees, in the Ordinary Course that do not exceed, in the aggregate, 3.5% of the aggregate cost of all employee annual base salaries and wages in effect as of the date hereof, and such increases in director fees as are set forth in Section 6.2(g) of the Grand Bank Disclosure Memorandum, or (B) as required by Law, (ii) pay any (x) severance or termination pay or (y) any bonus, in either case other than pursuant to a Grand Bank Benefit Plan in effect on the date hereof that is disclosed in Section 4.18(a) of Grand Bank's Disclosure Memorandum and in the case of clause (x) subject to receipt of an effective release of claims from the employee, and in the case of clause (y) to the extent required under the terms of the Grand Bank Benefit Plan without the exercise of any upward discretion, (iii) enter into, amend, or increase the benefits payable under any severance, change in control, retention, bonus guarantees, collective bargaining agreement or similar agreement or arrangement with employees or officers of Grand Bank, (iv) fund any rabbi trust or similar arrangement, (v) terminate the employment or services of any officer or any employee whose annual base compensation is greater than \$75,000, other than for cause, (vi) hire any officer, employee, independent contractor or consultant (who is a natural person) who has annual base compensation greater than \$75,000, other than to replace any officer, employee, independent contractor or consultant employed on the date hereof whose employment or service terminates prior to the Closing Date, or (vii) implement or announce any employee layoff that would reasonably be expected to implicate the WARN Act;

(h) enter into, amend or renew any employment or independent contractor Contract between Grand Bank and any Person requiring payments thereunder in excess of \$75,000 in any 12-month period (unless such amendment is required by Law) that Grand Bank does not have the unconditional right to terminate without Liability (other than Liability for services already rendered), at any time on or after the Effective Time;

(i) except as required by Law, (i) adopt or establish any plan, policy, program or arrangement that would be considered a Grand Bank Benefit Plan if such plan, policy, program or arrangement were in effect as of the date of this Agreement, or amend in any material respect any existing Grand Bank Benefit Plan, terminate or withdraw from, or amend, any Grand Bank Benefit Plan, (ii) make any distributions from such Grand Bank Benefit Plans, except as required by the terms of such plans, or (iii) fund or in any other way secure the payment of compensation or benefits under any Grand Bank Benefit Plan;

(j) make any change in any Tax or accounting principles, practices or methods or systems of internal accounting controls, except as may be required to conform to changes in Tax Laws or regulatory accounting requirements or GAAP;

(k) commence any Litigation other than in the Ordinary Course, or settle, waive or release or agree or consent to the issuance of any Order in connection with any Litigation (i) involving any Liability of Grand Bank for money damages in excess of \$50,000 or that would impose any restriction on the operations, business or Assets of Grand Bank or the Surviving Bank or (ii) arising out of or relating to the transactions contemplated hereby;

(l) (i) enter into, renew, extend, modify, amend or terminate any Grand Bank Contract or any Contract which would be a Grand Bank Contract if it were in existence on the date hereof, or (ii) waive, release, compromise or assign any material rights or claims under any Contract described in clause (i);

(m) (i) enter into any new line of business or change in any material respect its lending, investment, risk and asset-liability management, interest rate, fee pricing or other material banking or operating policies (including any change in the maximum ratio or similar limits as a percentage of its capital exposure applicable with respect to its loan portfolio or any segment thereof), (ii) change its policies and practices with respect to underwriting, pricing, originating, acquiring, selling, servicing or buying or selling rights to service Loans except as required by Law or by rules or policies imposed by a Regulatory Authority or (iii) change or revoke any systems of internal accounting controls or disclosure controls;

(n) make, or commit to make, any capital expenditures in excess of \$25,000 individually or \$75,000 in the aggregate;

(o) materially change or restructure its investment securities portfolio policy, its hedging practices or policies, or change its policies with respect to the classification or reporting of such portfolios;

(p) make, change or revoke any Tax election, change any method of Tax accounting, adopt or change any taxable year or period, file any amended Tax Returns, agree to an extension or waiver of any statute of limitations with respect to the assessment or determination of Taxes, settle or compromise any Tax Liability of Grand Bank, enter into any closing agreement with respect to any Tax or surrender any right to claim a Tax refund;

(q) take any action, or knowingly fail to take any action, which action or failure to act prevents or impedes, or could reasonably be expected to prevent or impede, the Merger from qualifying as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code;

(r) make or acquire any Loan or issue a commitment (including a letter of credit) or renew or extend an existing commitment for any Loan, or amend or modify in any material respect any Loan (including in any manner that would result in any additional extension of credit, principal forgiveness, or effect any uncompensated release of collateral, *i.e.*, at a value below the fair market value thereof as determined by Grand Bank), except (i) new Loans not in excess of \$750,000 or (ii) existing Loans or commitments for Loans not in excess of \$750,000. For any proposed Loan for which Grand Bank shall seek the prior consent of First Bank, Grand Bank shall send all information which would be necessary for Grand Bank to make a determination in the Ordinary Course to originate the proposed Loan by email to pcahill@firstbanknj.com; and if First Bank has not (i) objected in writing to the proposed Loan or (ii) requested reasonable additional information on the proposed Loan within three Business Days of receipt of Grand Bank's request, First Bank shall be deemed to have consented to the origination of such Loan. If Grand Bank sends additional information on the proposed Loan to First Bank, and First Bank does not (i) request any further additional information on the proposed Loan or (ii) object in writing to the proposed Loan within three Business Days of receipt of such additional information, First Bank shall be deemed to have consent to the origination of such Loan. Any objection or request for additional information shall be sent by e-mail to llucchesi@grandbk.com;

(s) take any action that could reasonably be expected to impede or materially delay consummation of the transactions contemplated by this Agreement;

(t) notwithstanding any other provision hereof, take any action that is reasonably likely to result in any of the conditions set forth in ARTICLE 8 not being satisfied, or materially impair its ability to perform its obligations under this Agreement or to consummate the transactions contemplated hereby, except as required by applicable Law; or

(u) agree to take, make any commitment to take, or adopt any resolutions of Grand Bank's board of directors in support of, any of the actions prohibited by this Section 6.2.

6.3. Covenants of First Bank.

From the date of this Agreement until the earlier of the Effective Time or the termination of this Agreement, unless the prior written consent of Grand Bank shall have been obtained, and except as otherwise expressly contemplated herein, First Bank covenants and agrees that it shall not do or agree or commit to do, or permit any of its Subsidiaries to do or agree or commit to do, any of the following:

(a) amend the articles of incorporation, bylaws or other governing instruments of First Bank or any Significant Subsidiaries (as defined in Regulation S-X promulgated by the SEC) of First Bank in a manner that would adversely affect Grand Bank or the holders of Grand Bank Common Stock adversely relative to other holders of First Bank Common Stock;

(b) take any action, or knowingly fail to take any action, which action or failure to act prevents or impedes, or could reasonably be expected to prevent or impede, the Merger or the Banker Merger from qualifying as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code;

(c) take any action that could reasonably be expected to impede or materially delay consummation of the transactions contemplated by this Agreement;

(d) adjust, split, combine or reclassify any capital stock of First Bank;

(e) notwithstanding any other provision hereof, take any action that is reasonably likely to result in any of the conditions set forth in ARTICLE 8 not being satisfied, or materially impair its ability to

perform its obligations under this Agreement or to consummate the transactions contemplated hereby, except as required by applicable Law; or

(f) agree to take, make any commitment to take, or adopt any resolutions of the board of directors of First Bank in support of, any of the actions prohibited by this Section 6.3.

ARTICLE 7 ADDITIONAL AGREEMENTS

7.1. Offering Circular; Proxy Statement; Stockholder Approvals.

(a) First Bank and Grand Bank shall promptly prepare and file with the FDIC, a joint proxy statement/prospectus in definitive form (including any amendments thereto, the “Proxy Statement”) and First Bank shall prepare and file with the FDIC the Offering Circular (including the Proxy Statement constituting a part thereof and all related documents) as promptly as reasonably practicable after the date of this Agreement, subject to full cooperation of both Parties and their respective advisors and accountants. First Bank and Grand Bank agree to cooperate, and to cause their respective Subsidiaries to cooperate, with the other Party and its counsel and its accountants in the preparation of the Offering Circular and the Proxy Statement. Each of First Bank and Grand Bank agrees to use all commercially reasonable efforts to cause the Offering Circular to be cleared by the FDIC as promptly as reasonably practicable after filing thereof, and following the Offering Circular being cleared by the FDIC, and the receipt of the Requisite Regulatory Approval of the Merger from the Commissioner of NJDOBI (the “Commissioner”) pursuant to N.J.S. 17:9A-136. First Bank and Grand Bank shall thereafter mail or deliver the Proxy Statement to their respective stockholders promptly following the date of effectiveness of the Offering Circular. First Bank also agrees to use its commercially reasonable efforts to obtain all necessary state securities law or “Blue Sky” permits and approvals required to carry out the transactions contemplated by this Agreement, and Grand Bank shall furnish all information concerning Grand Bank and the holders of Grand Bank Common Stock as may be reasonably requested in connection with any such action. Each of First Bank and Grand Bank agrees to furnish to the other Party all information concerning itself, its Subsidiaries, officers, directors and stockholders and such other matters as may be reasonably necessary or advisable or as may be reasonably requested in connection with the Offering Circular, Proxy Statement or any other statement, filing, notice or application made by or on behalf of First Bank, Grand Bank, or their respective Subsidiaries to any Regulatory Authority in connection with the Merger and the other transactions contemplated by this Agreement. Grand Bank shall have the right to review and consult with First Bank with respect to any information included in, the Offering Circular prior to its being filed with the FDIC. First Bank will advise Grand Bank, promptly after First Bank receives notice thereof, of the time when the Offering Circular has been cleared by the FDIC, or the suspension of the qualification of First Bank Common Stock for offering or sale in any jurisdiction, of the initiation or written threat of any proceeding for any such purpose, or of any request by the FDIC for the amendment or supplement of the Offering Circular or for additional information.

(b) Each of Grand Bank and First Bank shall duly call, give notice of, establish a record date for, convene and hold a stockholders’ meeting (the “Grand Bank Meeting” and the “First Bank Meeting” respectively), to be held as promptly as reasonably practicable after the Offering Circular is cleared by the FDIC, for the purpose of obtaining the Grand Bank Stockholder Approval and the First Bank Stockholder Approval and, such other matters of the type customarily brought before an annual or special meeting of stockholders. Grand Bank and First Bank shall use their reasonable best efforts to cooperate to hold the Grand Bank Meeting and the First Bank Meeting on the same day and at the same time, and to set the same record date for each such meeting.

(c) The board of directors of each of Grand Bank and First Bank shall (i) recommend to its stockholders the approval of this Agreement and the transactions contemplated hereby (the “Grand Bank Recommendation” and the “First Bank Recommendation”, respectively), (ii) include such Grand Bank Recommendation and First Bank Recommendation in the Proxy Statement, and (iii) use its reasonable best efforts to obtain the Grand Bank Stockholder Approval, in the case of Grand Bank, and the First Bank Stockholder Approval, in the case of Grand Bank.

(d) Neither the board of directors of Grand Bank nor any committee thereof shall withhold, withdraw, qualify or modify, or propose publicly to withhold, withdraw, qualify or modify, in a manner adverse to First Bank, the Grand Bank Recommendation or take any action, or make any public statement, filing or release inconsistent with the Grand Bank Recommendation, or submit this Agreement to the Grand Bank’s stockholders without recommendation (any of the foregoing being a “Change in the Grand Bank Recommendation”).

(e) Neither the board of directors of First Bank nor any committee thereof shall withhold, withdraw, qualify or modify, or propose publicly to withhold, withdraw, qualify or modify, in a manner adverse to Grand Bank, the First Bank Recommendation or take any action, or make any public statement, filing or release inconsistent with the First Bank Recommendation, or submit this Agreement to the First Bank’s stockholders without recommendation (any of the foregoing being a “Change in the First Bank Recommendation”).

(f) Grand Bank or First Bank shall adjourn or postpone its respective stockholder meeting if, as of the time for which such meeting is scheduled there are insufficient shares of Grand Bank Common Stock or First Bank Common Stock, as the case may be, represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of such meeting. Grand Bank shall also adjourn or postpone its stockholder meeting if, as of the time for which such meeting is scheduled, Grand Bank has not recorded proxies representing a sufficient number of shares necessary to obtain the Grand Bank Stockholder Approval. Notwithstanding anything to the contrary herein, each of the First Bank Meeting and Grand Bank Meeting shall be convened and this Agreement shall be submitted to the stockholders of each of First Bank and Grand Bank at the First Bank Meeting and Grand Bank Meeting, respectively, for the purpose of voting on the approval of this Agreement and the other matters contemplated hereby, and nothing contained herein shall be deemed to relieve either First Bank or Grand Bank of such obligation.

7.2. Acquisition Proposals.

(a) During the period from the date of this Agreement through the Closing Date or the termination of this Agreement pursuant to ARTICLE 9, Grand Bank shall not, and shall cause its respective Representatives not to, directly or indirectly, (i) take any action to solicit, encourage (including by providing information or assistance), initiate, facilitate or induce any Acquisition Proposal, (ii) participate or engage in any discussions or negotiations regarding, or furnish or cause to be furnished to any Person any nonpublic information with respect to, or take any action to facilitate any inquiries or the making of any offer or proposal that constitutes, or may reasonably be expected to lead to an Acquisition Proposal, (iii) approve, agree to, accept, endorse or recommend any Acquisition Proposal, or (iv) approve, agree to, accept, endorse or recommend, or propose to approve, agree to, accept, endorse or recommend any Acquisition Agreement contemplating or otherwise relating to any Acquisition Transaction. Without limiting the foregoing, it is agreed that any violation of the restrictions set forth in this Section 7.2 by any Representative of Grand Bank shall constitute a breach of this Section 7.2 by Grand Bank. In addition to the foregoing, Grand Bank shall not submit to the vote of its stockholders any Acquisition Proposal other than the Merger.

(b) Notwithstanding anything to the contrary in Section 7.2(a), if Grand Bank or any of its Representatives receives an unsolicited, bona fide written Acquisition Proposal by any Person at any time

prior to the Grand Bank Stockholder Approval that did not result from or arise in connection with a breach of Section 7.2(a), Grand Bank and its Representatives may, prior to (but not after) the Grand Bank Meeting, take the following actions if the board of directors of Grand Bank (or any committee thereof) has (i) determined, in its good faith judgment (after consultation with Grand Bank's financial advisors and outside legal counsel), that such Acquisition Proposal constitutes or could reasonably be expected to lead to a Superior Proposal and that the failure to take such actions would reasonably likely cause it to violate its fiduciary duties under applicable Law, and (ii) obtained from such Person an executed confidentiality agreement containing terms at least as restrictive with respect to such Person as the terms of the Confidentiality Agreement is in each provision with respect to First Bank (and such confidentiality agreement shall not provide such Person with any exclusive right to negotiate with Grand Bank): (A) furnish information to (but only if Grand Bank shall have provided such information to First Bank prior to furnishing it to any such Person), and (B) enter into discussions and negotiations with, such Person with respect to such unsolicited, bona fide written Acquisition Proposal.

(c) Grand Bank shall, and Grand Bank shall direct its Representatives to, (i) immediately cease and cause to be terminated any and all existing activities, discussions or negotiations with any Persons conducted heretofore with respect to any offer or proposal that constitutes, or may reasonably be expected to lead to, an Acquisition Proposal, (ii) request the prompt return or destruction of all confidential information previously furnished to any Person (other than First Bank and its Representatives) that has made or indicated an intention to make an Acquisition Proposal and (iii) not waive or amend any "standstill" provision or provisions of similar effect to which it is a party or of which it is a beneficiary and shall strictly enforce any such provisions.

7.3. Exchange Listing.

First Bank shall use its reasonable best efforts to list, prior to the Effective Time, on Nasdaq, subject to official notice of issuance, the shares of First Bank Common Stock to be issued to the holders of Grand Bank Common Stock pursuant to the Merger, and First Bank shall give all notices and make all filings with Nasdaq required in connection with the transactions contemplated herein.

7.4. Consents of Regulatory Authorities.

(a) First Bank and Grand Bank and their respective Subsidiaries shall cooperate and use their respective reasonable best efforts to prepare all documentation, to effect all applications, notices and filings and to obtain all permits, consents, approvals and authorizations of all third parties and Regulatory Authorities that are necessary or advisable to consummate the transactions contemplated by this Agreement (including the Merger), and to comply with the terms and conditions of all such permits, consents, approvals and authorizations of all such third parties and Regulatory Authorities. Each of First Bank and Grand Bank shall use its reasonable best efforts to resolve objections, if any, which may be asserted with respect to this Agreement or the transactions contemplated hereby under any applicable Law or Order. Notwithstanding the foregoing, in no event shall any First Bank Entities be required, and Grand Bank shall not be permitted (without First Bank's prior written consent in its sole discretion), to take any action, or commit to take any action, or to accept any restriction or condition, involving the First Bank Entities or Grand Bank, which is materially and unreasonably burdensome on First Bank's business or Grand Bank's business, in each case following the Closing or which would reduce the economic benefits of the transactions contemplated by this Agreement to First Bank to such a degree that First Bank would not have entered into this Agreement had such condition or restriction been known to it at the date hereof (any such condition or restriction, a "Burdensome Condition").

(b) Each of First Bank and Grand Bank shall have the right to review in advance, and to the extent practicable each will consult with the other, in each case subject to applicable Laws relating to the

exchange of information, with respect to, all written information submitted to any third party or Regulatory Authority in connection with the transactions contemplated by this Agreement, provided, that Grand Bank shall not have the right to review portions of material filed by First Bank with a Regulatory Authority that contain competitively sensitive business or other proprietary information or confidential supervisory information filed under a claim of confidentiality. In exercising the foregoing right, each of the Parties agrees to act reasonably and as promptly as practicable. Each Party agrees that it will consult with the other Party with respect to the obtaining of all Permits and Consents of third parties and Regulatory Authorities necessary or advisable to consummate the transactions contemplated by this Agreement and each Party will keep the other Party apprised of the status of matters relating to completion of the transactions contemplated hereby, including advising the other Party upon receiving any communication from a Regulatory Authority the Consent of which is required for the consummation of the Merger and the other transactions contemplated by this Agreement that causes such Party to believe that there is a reasonable likelihood that any required consent or approval from a Regulatory Authority will not be obtained or that the receipt of such consent or approval may be materially delayed. Each Party shall consult with the other in advance of any meeting or conference with any Regulatory Authority in connection with the transactions contemplated by this Agreement and, to the extent permitted by such Regulatory Authority, give the other Party and/or its counsel the opportunity to attend and participate in such meetings and conferences.

(c) Each Party agrees, upon request, subject to applicable Laws, to promptly furnish the other Party with all information concerning itself, its Subsidiaries, directors, officers and stockholders and such other matters as may be reasonably necessary or advisable in connection with any filing, notice or application made by or on behalf of such other Party or any of its Subsidiaries to any third party and/or Regulatory Authority.

7.5. Access to Information; Confidentiality and Notification of Certain Matters.

(a) Grand Bank and First Bank shall each promptly advise the other of any fact, change, event or circumstance (i) that has had or would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on it or (ii) which it believes would or would be reasonably likely to cause or constitute a material breach of any of its representations, warranties or covenants contained herein or that reasonably could be expected to give rise, individually or in the aggregate, to the failure of a condition in ARTICLE 8; provided, that any failure to give notice in accordance with the foregoing with respect to any breach shall not be deemed to constitute a violation of this Section 7.5(a) or the failure of any condition set forth in Section 8.2 or 8.3 to be satisfied, or otherwise constitute a breach of this Agreement by the Party failing to give such notice, in each case unless the underlying breach would independently result in a failure of the conditions set forth in Section 8.2 or 8.3 to be satisfied.

(b) Prior to the Effective Time, each of Grand Bank and First Bank shall, and shall cause each of their respective Subsidiaries to, afford to the Representatives of the other Party, access during normal business hours to its books, records, Contracts, properties and personnel and such other information as the other Party may reasonably request and furnish to the other Party promptly all other information concerning its business, properties and personnel as the other Party may reasonably request, provided, that such access or requests shall not unreasonably interfere with normal operations of the Party. No investigation by either Party shall affect or be deemed to modify or waive any representation, warranty, covenant or agreement in this Agreement, or the conditions to such Party's obligation to consummate the transactions contemplated by this Agreement. Neither Grand Bank nor First Bank nor any of their respective Subsidiaries shall be required to provide access to or to disclose information where such access or disclosure would violate or prejudice the rights of Grand Bank's or First Bank's, as the case may be, customers, jeopardize the attorney-client privilege of the institution in possession or control of such information (after giving due consideration to the existence of any common interest, joint defense or similar agreement between the Parties) or contravene any Law, fiduciary duty or binding Contract entered into prior to the date of this Agreement.

The Parties will make appropriate substitute disclosure arrangements under circumstances in which the restrictions of the preceding sentence apply.

(c) Each Party shall, and shall cause its Subsidiaries and Representatives to, hold any information obtained pursuant to Section 7.5(b) in accordance with the terms of the letter agreement, dated August 10, 2017, between First Bank and Grand Bank (the “Confidentiality Agreement”).

7.6. Press Releases.

Grand Bank and First Bank shall consult with each other before issuing any press release or other public disclosure or communication (including communications to employees, agents and contractors) related to this Agreement or the transactions contemplated hereby and shall not issue such press release or other public disclosure without the prior written consent of the other Party (which consent shall not be unreasonably withheld, delayed or conditioned); provided, that nothing in this Section 7.6 shall be deemed to prohibit any Party from making any press release or other public disclosure as may upon the advice of the outside counsel be required by Law or the rules or regulations of any United States or non-United States securities exchange, in which case the Party required to make the release or disclosure shall use its reasonable best efforts to allow the other Party reasonable time to comment on such release or disclosure in advance of the issuance thereof. The Parties have agreed upon the form of a joint press release announcing the execution of this Agreement.

7.7. Tax Treatment.

(a) Each of the Parties intends, and undertakes and agrees to use its reasonable best efforts to cause the Merger, and to take no action which would cause the Merger not, to qualify as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code for federal income tax purposes. The Parties adopt this Agreement as a “plan of reorganization” within the meaning of Treasury Regulations Section 1.368-2(g) and for purposes of Sections 354 and 361 of the Internal Revenue Code.

(b) Each of the Parties shall use its reasonable best efforts to cause their appropriate officers to execute and deliver to Covington & Burling LLP, certificates containing appropriate representations and covenants, reasonably satisfactory in form and substance to such counsel, at such time or times as may be reasonably requested by such counsel, including as of the effective date of the Proxy Statement and the Closing Date, in connection with such counsel’s deliveries of opinions with respect to the Tax treatment of the Merger.

(c) Unless otherwise required pursuant to a “determination” within the meaning of Section 1313(a) of the Internal Revenue Code, each of First Bank and Grand Bank shall report the Merger as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code and shall not take any inconsistent position therewith in any Tax Return.

7.8. Employee Benefits.

(a) For a period of one year following the Effective Time, except as contemplated by this Agreement, First Bank shall, or shall cause the Surviving Bank to, provide to employees who are actively employed by Grand Bank on the Closing Date (“Covered Employees”) while employed by First Bank following the Closing Date employee benefits under First Bank Benefit Plans, on terms and conditions which are, in the aggregate, substantially comparable to those provided by First Bank Entities to their similarly situated employees; provided, that in no event shall any Covered Employee be eligible to participate in any closed or frozen plan of any First Bank Entity. Until such time as First Bank shall cause the Covered Employees to participate in the applicable First Bank Benefit Plans, the continued participation

of the Covered Employees in the Grand Bank Benefit Plans shall be deemed to satisfy the foregoing provisions of this clause (it being understood that participation in First Bank Benefit Plans may commence at different times with respect to each of First Bank Benefit Plans). For purposes of determining eligibility to participate and vesting under First Bank Benefit Plans, and for purposes of determining a Covered Employee's entitlement to paid time off under First Bank's paid time off program, the service of the Covered Employees with Grand Bank prior to the Effective Time shall be treated as service with a First Bank Entity participating in such First Bank Benefit Plans, to the same extent that such service was recognized by Grand Bank for purposes of a similar benefit plan; provided, that such recognition of service shall not (i) operate to duplicate any benefits of a Covered Employee with respect to the same period of service or (ii) apply for purposes of any plan, program or arrangement (x) under which similarly-situated employees of First Bank Entities do not receive credit for prior service, (y) that is grandfathered or frozen, either with respect to level of benefits or participation, or (z) for purposes of retiree medical benefits or level of benefits under a defined benefit pension plan.

(b) From and after the Effective Time, without limiting the generality of Section 7.8(a), with respect to each Covered Employee (and their beneficiaries) First Bank shall use commercially reasonable efforts to cause each life, disability, medical, dental or health plan of First Bank or its Subsidiaries in which each such Covered Employee becomes eligible to participate (to the extent permitted by the applicable carrier) to (i) waive any preexisting condition limitations to the extent such conditions were covered under the applicable life, disability, medical, dental or health plans of Grand Bank, (ii) provide credit under medical, dental and health plans for any deductibles, co-payment and out-of-pocket expenses incurred by the Covered Employees (and their beneficiaries) under analogous plans of Grand Bank prior to the Effective Time during the portion of the applicable plan year prior to participation, and (iii) waive any waiting period limitation, actively-at-work requirement or evidence of insurability requirement that would otherwise be applicable to such Covered Employees and their beneficiaries on or after the Effective Time to the extent such employee or beneficiary had satisfied any similar limitation or requirement under an analogous plan prior to the Effective Time.

(c) Upon request by First Bank in writing prior to the Closing Date, Grand Bank shall cooperate in good faith with First Bank prior to the Closing Date to amend, freeze, terminate or modify any other Grand Bank Benefit Plan to the extent and in the manner determined by First Bank effective upon the Closing Date or, with respect to any Grand Bank Benefit Plan that is intended to be qualified under Section 401 of the Internal Revenue Code, upon the day immediately preceding the Closing Date (or at such different time mutually agreed to by the parties) and consistent with applicable Law. The form and substance of the resolutions, plan amendments, notices and other documents prepared to effectuate the actions shall be subject to the prior review and written approval of First Bank, and prior to the Closing Date, Grand Bank shall provide First Bank with the final documentation evidencing that the actions contemplated herein have been effectuated.

(d) Without limiting the generality of Section 10.4, nothing in this Agreement, expressed or implied, is intended to confer upon any Person, including any current or former employee, officer, director or consultant of Grand Bank or any of its Subsidiaries or affiliates, any rights, remedies, or Liabilities under or by reason of this Agreement. In no event shall the terms of this Agreement: (i) establish, amend, or modify any Grand Bank Benefit Plan or any "employee benefit plan" as defined in Section 3(3) of ERISA, or any other benefit plan, program, agreement or arrangement maintained or sponsored by First Bank, Grand Bank or any of their respective Affiliates, (ii) alter or limit the ability of Surviving Bank, First Bank or any of their Subsidiaries or affiliates to amend, modify or terminate any Grand Bank Benefit Plan, employment agreement or any other benefit or employment plan, program, agreement or arrangement after the Closing Date, or (iii) confer upon any current or former employee, officer, director or consultant of Grand Bank or any of its Subsidiaries or affiliates, any right to employment or continued employment or continued service with First Bank or any First Bank Subsidiaries, the Surviving Bank or Grand Bank, or

constitute or create an employment agreement with any employee, or interfere with or restrict in any way the rights of the Surviving Bank, Grand Bank, First Bank or any Subsidiary or Affiliate thereof to discharge or terminate the services of any employee, officer, director or consultant of Grand Bank or any of its Subsidiaries or affiliates at any time for any reason whatsoever, with or without cause.

(e) On the Closing Date, Grand Bank shall provide First Bank with a list of employees who have suffered an “employment loss” (as defined in the WARN Act) in the 90 days preceding the Closing Date or had a reduction in hours of at least 50% in the 180 days preceding the Closing Date, each identified by date of employment loss or reduction in hours, employing entity and facility location.

(f) First Bank shall maintain and administer the retention pool with the terms and conditions set forth in Section 7.8(f) of Grand Bank’s Disclosure Memorandum for the employees of Grand Bank listed in Section 7.8(f) of Grand Bank’s Disclosure Memorandum.

(g) Any individual who is serving as an employee of Grand Bank as of the date hereof whose employment is terminated during the period from the Closing Date until the nine month anniversary of the Closing Date (absent termination for cause) shall be entitled to receive severance in accordance with the terms of Section 7.8(g) of the Grand Bank Disclosure Memorandum, provided that any such employee has provided First Bank with a general release in form and substance acceptable to First Bank.

7.9. Indemnification.

(a) From and after the Effective Time, each of First Bank and the Surviving Bank shall indemnify, defend and hold harmless the present and former directors or officers of Grand Bank (each, an “Indemnified Party”), against all Liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to, the fact that such person is or was a director or officer of Grand Bank or, at Grand Bank’s request, of another corporation, partnership, joint venture, trust or other enterprise and pertaining to matters, acts or omissions existing or occurring at or prior to the Effective Time (including matters, acts or omissions occurring in connection with the approval of this Agreement and the transactions contemplated by this Agreement) (each a “Claim”), whether asserted or claimed prior to, at or after the Effective Time, to the fullest extent permitted under applicable Law (and First Bank or the Surviving Bank shall also advance expenses as incurred to the fullest extent permitted under applicable Law; provided, that the Indemnified Party to whom expenses are advanced provides a written undertaking to repay such advances if it is ultimately determined that such Indemnified Party is not entitled to indemnification).

(b) First Bank shall maintain in effect for a period of six years after the Effective Time Grand Bank’s existing directors’ and officers’ liability insurance policy (provided, that First Bank may substitute therefor (i) policies of at least the same coverage and amounts containing terms and conditions which are substantially no less advantageous to the insured or (ii) with the consent of Grand Bank given prior to the Effective Time, any other policy) with respect to claims arising from facts or events which occurred prior to the Effective Time; provided, that First Bank shall not be obligated to make aggregate premium payments for such six-year period in respect of such policy (or coverage replacing such policy) which exceed, for the portion related to Grand Bank’s directors and officers, 200% of the annual premium payments currently paid on Grand Bank’s current policy in effect as of the date of this Agreement (the “Maximum Amount”). If the amount of the premiums necessary to maintain or procure such insurance coverage exceeds the Maximum Amount, First Bank shall use its reasonable best efforts to maintain the most advantageous policies of directors’ and officers’ liability insurance obtainable for a premium equal to the Maximum Amount. In lieu of the foregoing, First Bank, or Grand Bank in consultation with First Bank, may obtain on or prior to the Effective Time, a six-year “tail” prepaid policy providing equivalent coverage to that described in this Section 7.9(b) at a premium not to exceed the Maximum Amount. If the premium

necessary to purchase such “tail” prepaid policy exceeds the Maximum Amount, First Bank may purchase the most advantageous “tail” prepaid policy obtainable for a premium equal to the Maximum Amount, and in each case, First Bank shall have no further obligations under this Section 7.9(b) other than to maintain such “tail” prepaid policy.

(c) Any Indemnified Party wishing to claim indemnification under Section 7.9(a), upon learning of any such Claim, shall promptly notify First Bank thereof. In the event of any such Claim (whether arising before or after the Effective Time): (i) First Bank or Surviving Bank shall have the right to assume the defense thereof and First Bank and the Surviving Bank shall not be liable to such Indemnified Parties for any legal expenses of other counsel or any other expenses subsequently incurred by such Indemnified Parties in connection with the defense thereof, (ii) the Indemnified Parties will cooperate in the defense of any such matter, and (iii) First Bank and Surviving Bank shall not be liable for any settlement effected without its prior written consent; and provided, further, that First Bank and Surviving Bank shall not have any obligation hereunder to any Indemnified Party when and if a court of competent jurisdiction shall determine, and such determination shall have become final, that the indemnification of such Indemnified Party in the manner contemplated hereby is prohibited by applicable Law.

(d) If First Bank or any successors or assigns shall consolidate with or merge into any other Person and shall not be the continuing or surviving Person of such consolidation or merger or if First Bank (or any successors or assigns) shall transfer all or substantially all of its Assets to any Person, then and in each case, proper provision shall be made so that the successors and assigns of First Bank shall assume the obligations set forth in this Section 7.9.

(e) The provisions of this Section 7.9 are intended to be for the benefit of and shall be enforceable by, each Indemnified Party and their respective heirs and Representatives.

7.10. Operating Functions.

Grand Bank shall cooperate with First Bank in connection with planning for the efficient and orderly combination of the Parties and the operation of the Surviving Bank, and in preparing for the consolidation of appropriate operating functions to be effective at the Effective Time or such later date as First Bank may decide. Each Party shall cooperate with the other Party in preparing to execute after the Effective Time conversion or consolidation of systems and business operations generally (including by entering into customary confidentiality, non-disclosure and similar agreements with such service providers or the other Party). Prior to Effective Time, each Party shall exercise, consistent with terms and conditions of this Agreement, complete control and supervision over its and its Subsidiaries’ respective operations.

7.11. Stockholder Litigation.

Each of Grand Bank and First Bank shall promptly notify each other in writing of any action, arbitration, audit, hearing, investigation, litigation, suit, subpoena or summons issued, commenced, brought, conducted or heard by or before, or otherwise involving, any Regulatory Authority or arbitrator pending or, to the Knowledge of Grand Bank or First Bank, as applicable, threatened against Grand Bank, First Bank or any of their respective Subsidiaries that (a) questions or would reasonably be expected to question the validity of this Agreement or the other agreements contemplated hereby or thereby or any actions taken or to be taken by Grand Bank, First Bank or their respective Subsidiaries with respect hereto or thereto or (b) seeks to enjoin or otherwise restrain the transactions contemplated hereby or thereby. Grand Bank shall give First Bank every opportunity to participate at its own expense in the defense or settlement of any stockholder litigation against Grand Bank or its directors relating to the transactions contemplated by this Agreement, and no such settlement shall be agreed to without First Bank’s prior written consent (such consent not to be unreasonably withheld or delayed).

7.12. Legal Conditions to Merger; Additional Agreements.

Subject to Sections 7.1 and 7.4 of this Agreement, each of Grand Bank and First Bank shall, and shall cause its Subsidiaries to, use their reasonable best efforts (a) to take, or cause to be taken, all actions necessary, proper or advisable to comply promptly with all legal and regulatory requirements that may be imposed on such party or its Subsidiaries with respect to the Merger and, subject to the conditions set forth in ARTICLE 8 hereof, to consummate the transactions contemplated by this Agreement and (b) to obtain (and to cooperate with the other Party to obtain) any Consent or Order by, any Regulatory Authority and any other third party that is required to be obtained by Grand Bank or First Bank or any of their respective Subsidiaries in connection with, or to effect, the Merger and the other transactions contemplated by this Agreement. In case at any time after the Effective Time any further action is necessary or desirable to carry out the purposes of this Agreement (including, any merger between a Subsidiary of First Bank, on the one hand, and a Subsidiary of Grand Bank, on the other hand) or to vest the Surviving Bank with full title to all properties, assets, rights, approvals, immunities and franchises of any of the Parties to the Merger, the proper officers and directors of each Party and their respective Subsidiaries shall take all such necessary action as may be reasonably requested by First Bank.

7.13. Dividends.

(a) Subject to 7.13(b), after the date of this Agreement, each of First Bank and Grand Bank shall coordinate with the other regarding the declaration of any dividends in respect of First Bank Common Stock and Grand Bank Common Stock and the record dates and payment dates relating thereto, it being the intention of the Parties that holders of Grand Bank Common Stock shall not receive two dividends, or fail to receive one dividend, in any quarter with respect to their shares of Grand Bank Common Stock and any shares of First Bank Common Stock any such holder receives in exchange therefor in the Merger.

(b) Immediately prior to the Effective Time, Grand Bank may declare and pay a cash dividend to Holders of Grand Bank Common Stock to, in part, cover their respective tax obligations, in an amount that shall not exceed \$401,200 (any such dividend, the “Special Dividend”); provided, that prior to the board of directors of Grand Bank declaring a Special Dividend, (i) Grand Bank shall have received all necessary regulatory approvals from the OCC and any other Regulatory Authority and shall have provided First Bank with a copy of all such necessary regulatory approvals, (ii) all necessary regulatory approvals shall not contain any conditions that are adverse to Grand Bank or would be adverse to First Bank following the Closing, including any capital maintenance requirements or otherwise cause there to be, or would reasonably likely to result in, a Burdensome Condition, (iii) Grand Bank shall have received the written consent of First Bank to declare and pay the Special Dividend, which consent shall not be unreasonably withheld or delayed, (iv) the Special Dividend does not cause Grand Bank’s tangible book value to be less than Grand Bank’s Tangible Book Value as of December 31, 2018, without giving effect to unrealized gains or losses in Grand Bank’s securities portfolio; and, (v) that if Grand Bank does not receive regulatory approval, First Bank approval, or tangible book value as of the month end immediately prior to the closing is less than Grand Bank’s tangible book value as of December 31, 2018, then no dividend shall be declared or paid.

7.14. Change of Method.

First Bank may at any time change the method of effecting the combination of the Grand Bank and First Bank (including by providing for the merger of Grand Bank with a wholly owned Subsidiary of First Bank) if and to the extent requested by First Bank, and Grand Bank agrees to enter into such amendments to this Agreement as First Bank may reasonably request in order to give effect to such restructuring; provided, that no such change or amendment shall (i) alter or change the amount or kind of the Merger Consideration provided for in this Agreement, (ii) adversely affect the Tax treatment of the Merger with

respect to Grand Bank's stockholders, or (iii) materially delay or impede the consummation of the transactions contemplated by this Agreement.

7.15. Restructuring Efforts.

If either Grand Bank or First Bank shall have failed to obtain the Grand Bank Stockholder Approval or the First Bank Stockholder Approval, as applicable, at the duly convened Grand Bank Meeting or First Bank Meeting, as applicable, or any adjournment or postponement thereof, each of the Parties shall in good faith use its reasonable best efforts to negotiate a restructuring of the transaction provided for herein (it being understood that neither Party shall have any obligation to alter or change any material terms, including the amount or kind of the Merger Consideration, in a manner adverse to such Party or its stockholders or adversely affect the Tax treatment of the Merger with respect to the Grand Bank's stockholders) and/or resubmit this Agreement or the transactions contemplated hereby (or as restructured pursuant to this Section 7.15) to its respective stockholders for approval.

7.16. Takeover Statutes.

Neither First Bank nor Grand Bank shall take any action that would cause any Takeover Statute to become applicable to this Agreement, the Merger, or any of the other transactions contemplated hereby, and each of First Bank and Grand Bank shall take all necessary steps to exempt (or ensure the continued exemption of) the Merger and the other transactions contemplated hereby from any applicable Takeover Statute now or hereafter in effect. If any Takeover Statute may become, or may purport to be, applicable to the transactions contemplated hereby, each of First Bank and Grand Bank will grant such approvals and take such actions as are necessary so that the transactions contemplated by this Agreement may be consummated as promptly as practicable on the terms contemplated hereby and otherwise act to eliminate or minimize the effects of any Takeover Statute on any of the transactions contemplated by this Agreement, including, if necessary, challenging the validity or applicability of any such Takeover Statute.

7.17. Corporate Governance.

On or prior to the Effective Time, the board of directors of First Bank shall cause the number of directors that will comprise the full board of directors of the Surviving Bank at the Effective Time to be increased by one member, and as of the Effective Time shall appoint Peter Pantages to the board of directors of the Surviving Bank, and will nominate Peter Pantages for reelection by the shareholders of First Bank for a new one-year term at the next annual meeting of shareholders following the Effective Time. Notwithstanding the foregoing, First Bank's obligation to appoint Peter Pantages is subject to Peter Pantages's compliance with First Bank's governance and ethics policies in place from time to time, as reasonably determined by First Bank's Corporate Governance and Nominating Committee and compliance by the board of directors of First Bank with its fiduciary duties (including compliance with First Bank's articles of incorporation and bylaws and with applicable Law).

7.18. Exemption from Liability Under Section 16(b).

Grand Bank and First Bank agree that, in order to most effectively compensate and retain those officers and directors of Grand Bank subject to the reporting requirements of Section 16(a) of the Exchange Act (the "Grand Bank Insiders"), both prior to and after the Effective Time, it is desirable that Grand Bank Insiders not be subject to a risk of liability under Section 16(b) of the Exchange Act to the fullest extent permitted by applicable Law in connection with the conversion of shares of Grand Bank Common Stock in the Merger, and for that compensatory and retentive purposes agree to the provisions of this Section 7.17. The boards of directors of First Bank and of Grand Bank, or a committee of non-employee directors thereof (as such term is defined for purposes of Rule 16b-3(d) under the Exchange Act), shall promptly, and in any

event prior to the Effective Time, take all such steps as may be necessary or appropriate to cause (i) any dispositions of Grand Bank Common Stock and (ii) any acquisitions of First Bank Common Stock pursuant to the transactions contemplated by this Agreement and by any Grand Bank Insiders who, immediately following the Merger, will be officers or directors of the Surviving Bank subject to the reporting requirements of Section 16(a) of the Exchange Act, to be exempt from liability pursuant to Rule 16b-3 under the Exchange Act to the fullest extent permitted by applicable Law.

7.19. Property Sale.

(a) Following the Closing, if the Reference Property has not been sold by Grand Bank prior to the Closing, First Bank shall administer the Reference Property in the ordinary course of First Bank's business and consistent with manner that First Bank administers any OREO property owned by First Bank. First Bank shall keep an accounting of all Selling and Administrative Expenses incurred by First Bank in connection its compliance with this Section 7.19 and its administration of the Reference Property. First Bank shall use commercially reasonable efforts to comply with the terms of the Sale Contract in order to consummate the Property Sale; provided, that First Bank is not required to amend the terms of the Sale Contract in a manner that would be adverse to First Bank and First Bank is not required to incur any Liabilities to require compliance with the Sale Contract by any Person (other than First Bank) who is a party to the Sale Contract. First Bank agrees and covenants that in good faith it will not terminate the Sale Contract, or amend the Sale Contract in any manner that reduces the Sale Proceeds to be received upon consummation of the sale of the Reference Property. If the Sale Contract is terminated in accordance with its terms by any Person who is a party to the Sale Contract (other than First Bank), First Bank shall use its good faith efforts to (i) market the Reference Property for sale, (ii) enter into a Successor Contract, and (iii) consummate the sale of the Reference Property under such Successor Contract prior to the third anniversary of the Effective Time.

(b) Grand Bank hereby appoints James R. McCagg II, a current member of the board of directors of Grand Bank (the "Stockholders' Agent"), to oversee and enforce First Bank's compliance with Sections 2.4 and 7.19 hereof, and First Bank agrees to fully cooperate with Stockholders' Agent, including by providing (i) First Bank's calculation of the Administrative Expenses and any requested backup documentation justifying such Administrative Expenses, (ii) Buyer's calculation of the Sale Proceeds, and (iii) such other information as Stockholders' Agent may reasonably request. The "Stockholders' Agent" means the agent for and on behalf of the Holders to (i) give and receive notices and communications to or from First Bank relating to Sections 2.4 and 7.19 of this Agreement, (ii) object to First Bank's calculations of the Administrative Expenses and Sale Proceeds, (iii) consent or agree to, negotiate, enter into, any settlements and compromises of, the calculations of the Administrative Expenses and Sale Proceeds, (iv) take all actions necessary or appropriate in the judgment of the Stockholders' Agent for the accomplishment of the foregoing, and (v) take all actions necessary or appropriate in the judgement of Stockholders Agent, on behalf of the stockholders of Grand Bank to enforce First Bank's obligations under Section 2.4 and 7.19 hereof, including but not limited to commencing an action in the name of the stockholders of Grand Bank against First Bank in each case without having to seek or obtain the consent of any Person under any circumstance. Any notice or communication given or received by, and any decision, action, failure to act within a designated period of time, agreement, consent, settlement, resolution or instruction of, the Stockholders' Agent that is within the scope of the Stockholders' Agent's authority under this Section 7.19(b) shall constitute a notice or communication to or by, or a decision, action, failure to act within a designated period of time, agreement, consent, settlement, resolution or instruction of all the Holders and shall be final, binding and conclusive upon each such Holder, and First Bank shall be entitled to rely upon any such notice, communication, decision, action, failure to act within a designated period of time, agreement, consent, settlement, resolution or instruction as being a notice or communication to or by, or a decision, action, failure to act within a designated period of time, agreement, consent, settlement, resolution or instruction of, each and every such Holder.

7.20. Closing Financial Statements.

At least eight Business Days prior to the Effective Time of the Merger, Grand Bank shall provide First Bank with Grand Bank's consolidated financial statements presenting the financial condition of Grand Bank and its Subsidiaries as of the close of business on the last day of the last month ended prior to the Effective Time of the Merger and Grand Bank's consolidated results of operations and shareholders' equity for the period from January 1, 2019 through the close of business on the last day of the last month ended prior to the Effective Time of the Merger (the "Closing Financial Statements"); provided, that if the Effective Time of the Merger occurs on or before the 15th Business Day of the month, Grand Bank shall have provided consolidated financial statements as of and through the second month preceding the Effective Time of the Merger. Such financial statements shall be accompanied by a certificate of Grand Bank's chief financial officer, dated as of the Effective Time, to the effect that such financial statements continue to reflect accurately, as of the date of the certificate, the financial condition of Grand Bank in all material respects. Such financial statements shall have been prepared in accordance with GAAP and regulatory accounting principles and other applicable legal and accounting requirements, and reflect all period-end accruals and other adjustments. Such Closing Financial Statements shall also reflect as of their date (a) accruals for all fees and expenses incurred or expected to be incurred (whether or not doing so is in accordance with GAAP) in connection (directly or indirectly) with the transactions contemplated by this Agreement, (b) the capital ratios set forth in Section 8.2(f), and (c) the asset quality metrics set forth in Section 8.2(e) and shall be accompanied by a certificate of Grand Bank's chief financial officer, dated as of the Effective Time, to the effect that such financial statements meet the requirements of this Section 7.20 and continue to reflect accurately, as of the date of such certificate, the consolidated financial condition, results of operations, and shareholders' equity of Grand Bank in all material respects. For purposes of making the calculations set forth in this Section 7.20 and the determinations set forth in Section 8.2(f), the accruals described in this Section 7.20 shall be excluded from such calculations and determinations.

ARTICLE 8 CONDITIONS PRECEDENT TO OBLIGATIONS TO CONSUMMATE

8.1. Conditions to Obligations of Each Party.

The respective obligation of each Party to consummate the Merger is subject to the satisfaction at or prior to the Effective Time of the following conditions, unless waived by both Parties pursuant to Section 10.6:

(a) Stockholder Approval. Each of the First Bank Stockholder Approval and the Grand Bank Stockholder Approval shall have been obtained.

(b) Regulatory Approvals. (i) All required regulatory approvals, waivers or non-objections from the Federal Reserve, the OCC, the FDIC, NJDOBI and any other Regulatory Authority and (ii) any other regulatory approvals or consents contemplated by Sections 4.2(c) and 5.2(c) the failure of which to obtain has had or would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on First Bank and Grand Bank (considered as a consolidated entity), in each case required to consummate the transactions contemplated by this Agreement, including the Merger, shall have been obtained and shall remain in full force and effect and all statutory waiting periods in respect thereof shall have expired (all such approvals and the expiration of all such waiting periods being referred to as the "Requisite Regulatory Approvals").

(c) Legal Proceedings. No court or Regulatory Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law or Order (whether temporary, preliminary or

permanent) or taken any other action which prohibits, restricts or makes illegal the consummation of the transactions contemplated by this Agreement (including the Merger).

(d) Offering Circular. The Offering Circular shall be cleared by the FDIC and no action, suit, proceeding or investigation by the FDIC to suspend the effectiveness thereof shall have been initiated and be continuing.

(e) Exchange Listing. The shares of First Bank Common Stock issuable pursuant to the Merger shall have been approved for listing on Nasdaq.

(f) Tax Matters. Each Party shall have received a written opinion of Covington & Burling LLP, in form reasonably satisfactory to such Parties (the "Tax Opinion"), to the effect that the Merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code. In rendering such Tax Opinion, such counsel shall be entitled to rely upon representations of officers of Grand Bank and First Bank reasonably satisfactory in form and substance to such counsel.

8.2. Conditions to Obligations of First Bank.

The obligation of First Bank to consummate the Merger is subject to the satisfaction at or prior to the Effective Time of the following conditions, unless waived by First Bank pursuant to Section 10.6:

(a) Representations and Warranties. For purposes of this Section 8.2(a), the accuracy of the representations and warranties of Grand Bank set forth in this Agreement shall be assessed as of the date of this Agreement and as of the Effective Time with the same effect as though all such representations and warranties had been made on and as of the Effective Time (provided, that representations and warranties which are confined to a specified date shall speak only as of such date). The representations and warranties set forth in Sections 4.3(a), 4.3(c), 4.10(a), and 4.31 shall be true and correct (except for inaccuracies which are de minimis in amount). The representations and warranties set forth in Sections 4.1, 4.2, 4.3(b), and 4.3(d) shall be true and correct in all material respects. The representations and warranties set forth in each other section in ARTICLE 4 shall, in the aggregate, be true and correct in all respects except where the failure of such representations and warranties to be true and correct has not had or would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect; provided, that, for purposes of this sentence only, those representations and warranties which are qualified by references to "material" or "Material Adverse Effect" or to the "Knowledge" of any Person shall be deemed not to include such qualifications.

(b) Performance of Agreements and Covenants. Grand Bank shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Effective Time.

(c) Certificates. Grand Bank shall have delivered to First Bank (i) a certificate, dated as of the Closing Date and signed on its behalf by its chief executive officer and its chief financial officer, to the effect that the conditions set forth in Section 8.1 as such conditions relate to Grand Bank and in Sections 8.2(a) and 8.2(b) have been satisfied and (ii) certified copies of resolutions duly adopted by the board of directors of Grand Bank and stockholders evidencing the taking of all corporate action necessary to authorize the execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, all in such reasonable detail as First Bank and its counsel shall request.

(d) Burdensome Condition. No Requisite Regulatory Approval contains, shall have resulted in or would reasonably be expected to result in, the imposition of a Burdensome Condition.

(e) Asset Quality. As of the last day of the month reflected in the Closing Financial Statements (the “Asset Quality Measuring Date”), (i) the calculation of Grand Bank’s Non-Performing Loans to total Loans shall not be in excess of 3.75%, (ii) Grand Bank’s Non-Performing Assets to total Assets shall not be in excess of 5.00%, (iii) Grand Bank’s non-current Loans to total Loans shall not be in excess of 2.75%, (iv) Grand Bank’s Non-Performing Assets shall not exceed \$10,000,000, and (v) Grand Bank’s Classified Assets shall not exceed \$13,500,000.

(f) Capital. In each case as reflected in the Closing Financial Statements as of the Asset Quality Measuring Date, (i) Grand Bank shall be “well capitalized” as defined under applicable Law, (ii) Grand Bank’s Tier 1 leverage ratio shall be no less than 10.55, (iii) Grand Bank’s Tier 1 risk-based capital ratio shall be no less than 13.10%, (iv) Grand Bank’s total risk-based capital ratio shall be no less than 16.25%, (v) Grand Bank’s total equity to total assets ratio shall be no less than 10.90%, (vi) Grand Bank’s tangible shareholders’ equity to tangible assets ratio shall be no less than 10.60%, (vii) Grand Bank’s shareholders’ equity shall equal or exceed Grand Bank’s shareholders’ equity as of December 31, 2018 (which Grand Bank’s shareholders’ equity as of December 31, 2018 shall be agreed to between First Bank and Grand Bank in writing prior to the date of this Agreement) and (viii) Grand Bank shall not have received any notification from the OCC to the effect that the capital of Grand Bank is insufficient to permit Grand Bank to engage in all aspects of its business and its currently proposed businesses without material restrictions, including the imposition of a Burdensome Condition.

(g) Audit Opinion. Grand Bank shall have delivered to First Bank, in form and substance reasonably satisfactory to First Bank, Grand Bank’s audited Financial Statements for the year ended December 31, 2018, together with an unqualified opinion stating that such Financial Statements reflect accurately the consolidated financial condition of Grand Bank in all material respects as of December 31, 2018, from an independent registered public accounting firm meeting the requirements set forth in Section 4.7(e) hereof.

8.3. Conditions to Obligations of Grand Bank.

The obligation of Grand Bank to consummate the Merger is subject to the satisfaction at or prior to the Effective Time of the following conditions, unless waived by Grand Bank pursuant to Section 10.6:

(a) Representations and Warranties. For purposes of this Section 8.3, the accuracy of the representations and warranties of First Bank set forth in this Agreement shall be assessed as of the date of this Agreement and as of the Effective Time with the same effect as though all such representations and warranties had been made on and as of the Effective Time (provided, that representations and warranties which are confined to a specified date shall speak only as of such date). The representations and warranties set forth in Sections 5.3(a), 5.3(d), and 5.6 shall be true and correct (except for inaccuracies which are de minimis in amount). The representations and warranties set forth in Sections 5.1, 5.2, 5.3(c) and 5.3(e) shall be true and correct in all material respects. The representations and warranties set forth in each other section in ARTICLE 5 shall, in the aggregate, be true and correct in all respects except where the failure of such representations and warranties to be true and correct has not had or would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect; provided, that, for purposes of this sentence only, those representations and warranties which are qualified by references to “material” or “Material Adverse Effect” or to the “Knowledge” of any Person shall be deemed not to include such qualifications.

(b) Performance of Agreements and Covenants. First Bank shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Effective Time.

(c) Certificates. First Bank shall have delivered to Grand Bank (i) a certificate, dated as of the Closing Date and signed on its behalf by its chief executive officer and its chief financial officer, to the effect that the conditions set forth in Section 8.1 as such conditions relate to First Bank and in Sections 8.3(a) and 8.3(a) have been satisfied and (ii) certified copies of resolutions duly adopted by the board of directors of First Bank evidencing the taking of all corporate action necessary to authorize the execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, all in such reasonable detail as Grand Bank and its counsel shall request.

ARTICLE 9 TERMINATION

9.1. Termination.

Notwithstanding any other provision of this Agreement, and notwithstanding the approval of this Agreement by the stockholders of Grand Bank, this Agreement may be terminated and the Merger abandoned at any time prior to the Effective Time:

- (a) by mutual written agreement of First Bank and Grand Bank;
- (b) by either Party, by written notice to the other Party, in the event (i) any Regulatory Authority has denied a Requisite Regulatory Approval and such denial has become final or has advised either Party that it will not grant (or intends to rescind or revoke if previously approved) a Requisite Regulatory Approval, (ii) the stockholders of Grand Bank fail to vote their approval of the matters relating to this Agreement and the transactions contemplated hereby at the Grand Bank Meeting where such matters were presented to such stockholders for approval and voted upon (taking into account any adjournment or postponement thereof as required by this Agreement) or (iii) the stockholders of First Bank fail to vote their approval of the matters relating to this Agreement and the transactions contemplated hereby at the First Bank Meeting where such matters were presented to such stockholders for approval and voted upon (taking into account any adjournment or postponement thereof as required by this Agreement);
- (c) by either Party, by written notice to the other Party, in the event that the Merger shall not have been consummated by March 19, 2020, if the failure to consummate the transactions contemplated hereby on or before such date is not caused by any breach of this Agreement by the Party electing to terminate pursuant to this Section 9.1(c);
- (d) by First Bank, by written notice to Grand Bank, in the event that the board of directors of Grand Bank has (i) failed to make the Grand Bank Recommendation or otherwise effected a Change in the Grand Bank Recommendation, (ii) breached the terms of Section 7.2 in any respect adverse to First Bank, or (iii) breached its obligations under Section 7.1 by failing to call, give notice of, convene or hold the Grand Bank Meeting in accordance with Section 7.1;
- (e) by Grand Bank, by written notice to First Bank, in the event that the board of directors of First Bank has (i) failed to make the First Bank Recommendation or otherwise effected a Change in the First Bank Recommendation or (ii) breached its obligations under Section 7.1 by failing to call, give notice of, convene or hold the First Bank Meeting in accordance with Section 7.1;
- (f) by either Party, by written notice to the other Party (provided that the terminating Party is not then in material breach of any representation, warranty, covenant or other agreement contained herein), if there shall have been a breach of any of the covenants or agreements or any of the representations or warranties (or any such representation or warranty shall cease to be true) set forth in this Agreement on the part of Grand Bank, in the case of a termination by First Bank, or First Bank, in the case of a termination

by Grand Bank, which breach or failure to be true, either individually or in the aggregate with all other breaches by such Party (or failures of such representations or warranties to be true), would constitute, if occurring or continuing on the Closing Date, the failure of a condition set forth in Section 8.2, in the case of a termination by First Bank, or Section 8.3, in the case of a termination by Grand Bank, and which is not cured within 45 days following written notice to Grand Bank, in the case of a termination by First Bank, or First Bank, in the case of a termination by Grand Bank, or by its nature or timing cannot be cured during such period (or such fewer days as remain prior to the date specified in Section 9.1(c));

(g) By First Bank, if either or all of the Federal Reserve, FDIC, OCC or NJDOBI has granted a Requisite Regulatory Approval but such Requisite Regulatory Approval contains, or shall have resulted in or would reasonably be expected to result in, the imposition of a Burdensome Condition; or

(h) By either Party if either or all of the Federal Reserve, FDIC, OCC or NJDOBI shall have requested in writing that First Bank, Grand Bank, or any of their respective Affiliates withdraw (other than for technical reasons), and not be permitted to resubmit within 60 days, any application with respect to a Requisite Regulatory Approval.

9.2. Effect of Termination.

In the event of the termination and abandonment of this Agreement pursuant to Section 9.1, this Agreement shall become void and have no effect, except that (i) the provisions of this Section 9.2, Section 7.5(c), and ARTICLE 10, shall survive any such termination and abandonment and (ii) no such termination shall relieve the breaching Party from Liability resulting from any fraud or breach by that Party of this Agreement.

9.3. Non-Survival of Representations and Covenants.

The respective representations, warranties, obligations, covenants, and agreements of the Parties shall not survive the Effective Time except this Section 9.3, Sections 7.5, 7.7, 7.8, 7.9 and 7.19, and ARTICLE 1, ARTICLE 2, ARTICLE 3, and ARTICLE 10, which shall survive in accordance with their respective terms.

ARTICLE 10 MISCELLANEOUS

10.1. Definitions.

(a) Except as otherwise provided herein, the capitalized terms set forth below shall have the following meanings:

“Acquisition Agreement” means a letter of intent, memorandum of understanding, agreement in principle, merger agreement, acquisition agreement, option agreement or other similar agreement.

“Acquisition Proposal” means any offer, inquiry, proposal or indication of interest (whether communicated to Grand Bank or publicly announced to Grand Bank’s stockholders and whether binding or non-binding) by any Person (other than a First Bank Entity) for an Acquisition Transaction.

“Acquisition Transaction” means any transaction or series of related transactions (other than the transactions contemplated by this Agreement) involving: (i) any acquisition or

purchase, direct or indirect, by any Person (other than a First Bank Entity) of 20% or more in interest of the total outstanding voting securities of Grand Bank whose Assets, either individually or in the aggregate, constitute more than 20% of the consolidated Assets of Grand Bank, or any tender offer or exchange offer that if consummated would result in any Person (other than a First Bank Entity) beneficially owning 20% or more in interest of the total outstanding voting securities of Grand Bank, or any merger, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or similar transaction involving Grand Bank; or (ii) any sale, lease, exchange, transfer, license, acquisition or disposition of 20% or more of the Assets of Grand Bank.

“Affiliate” of a Person means any other Person directly, or indirectly through one or more intermediaries, controlling, controlled by or under common control with such Person including, in the case of any Person that is not a natural person, “control” means (i) the ownership, control, or power to vote 25 percent or more of any class of voting securities of the other Person, (ii) control in any manner of the election of a majority of the directors, trustees, managing members or general partners of the other Person, or (iii) the power to exercise a controlling influence over the management or policies of the other Person.

“Assets” of a Person means all of the assets, properties, deposits, businesses and rights of such Person of every kind, nature, character and description, whether real, personal or mixed, tangible or intangible, accrued or contingent, or otherwise relating to or utilized in such Person’s business, directly or indirectly, in whole or in part, whether or not carried on the books and records of such Person, and whether or not owned in the name of such Person or any Affiliate of such Person and wherever located.

“Average Closing Price” shall mean the average of the daily closing prices for the shares of First Bank Common Stock for the ten consecutive full trading days on which such shares are actually traded on Nasdaq (as reported by The Wall Street Journal or, if not reported thereby, any other authoritative source) ending at the close of trading on the Determination Date.

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

“Books and Records” means all files, ledgers and correspondence, all manuals, reports, texts, notes, memoranda, invoices, receipts, accounts, accounting records and books, financial statements and financial working papers and all other records and documents of any nature or kind whatsoever, including those recorded, stored, maintained, operated, held or otherwise wholly or partly dependent on discs, tapes and other means of storage, including any electronic, magnetic, mechanical, photographic or optical process, whether computerized or not, and all software, passwords and other information and means of or for access thereto, belonging to any specified Person or relating to the business.

“Business Day” means any day other than a Saturday, a Sunday or a day on which all banking institutions in New York, New York are authorized or obligated by Law or executive order to close.

“First Bank Benefit Plan” means an Employee Benefit Plan of First Bank or a Subsidiary of First Bank.

“First Bank Common Stock” means the \$5.00 par value common stock of First Bank.

“First Bank Entities” means, collectively, First Bank and all First Bank Subsidiaries.

“First Bank Financial Statements” means (i) the consolidated statements of condition (including related notes and schedules, if any) of First Bank as of December 31, 2018, 2017 and 2016, and the related statements of operations, changes in stockholders’ equity, and cash flows (including related notes and schedules, if any) for the three and twelve months ended December 31, 2018, and for each of the three fiscal years ended December 31, 2017, 2016 and 2015, as filed by First Bank in FDIC Documents and (ii) the consolidated statements of condition of First Bank (including related notes and schedules, if any) and related statements of operations, changes in stockholders’ equity, and cash flows (including related notes and schedules, if any) included in FDIC Documents filed with respect to periods ended subsequent to most recent quarter end.

“First Bank Stock Options” means each option or other Equity Right to purchase shares of First Bank Common Stock pursuant to stock options or stock appreciation rights.

“First Bank Stock Plans” means the existing stock option and other stock-based compensation plans of First Bank designated as follows: the First Bank 2009 Stock Option Plan-A, the First Bank 2009 Stock Option Plan-B, the First Bank 2015 Equity Compensation Plan-C, the First Bank 2015 Equity Compensation Plan-D, and the First Bank 2017 Equity Compensation Plan-E.

“First Bank Restricted Stock Award” means each award of shares of First Bank Common Stock or other Equity Right to shares of First Bank Common Stock subject to vesting, repurchase or other lapse restriction granted under a First Bank Equity Plan.

“First Bank Subsidiaries” means the Subsidiaries of First Bank, which shall include any corporation, bank, savings association, limited liability company, limited partnership, limited liability partnership or other organization acquired as a Subsidiary of First Bank after the date hereof and held as a Subsidiary by First Bank at the Effective Time.

“Call Reports” mean Consolidated Reports of Condition and Income (FFIEC Form 041) or any successor form of the Federal Financial Institutions Examination Council of Grand Bank or First Bank.

“Classified Assets” means all of the Loans of Grand Bank and its Subsidiaries that, as of December 31, 2018, were classified by Grand Bank as substandard, doubtful, loss or OREO as reported by Grand Bank in the Grand Bank Financial Statements.

“Consent” means any consent, approval, authorization, clearance, exemption, waiver, or similar affirmation by any Person pursuant to any Contract, Law, Order, or Permit.

“Contingent Consideration Cap” means \$2,400,000.

“Contract” means any written or oral agreement, arrangement, authorization, commitment, contract, indenture, instrument, lease, license, obligation, plan, practice, restriction, understanding, or undertaking of any kind or character, or other document to which any Person is a party or that is binding on any Person or its capital stock, Assets or business.

“Default” means (i) any breach or violation of, default under, contravention of, conflict with, or failure to perform any obligations under any Contract, Law, Order, or Permit,

(ii) any occurrence of any event that with the passage of time or the giving of notice or both would constitute a breach or violation of, default under, contravention of, or conflict with, any Contract, Law, Order, or Permit, or (iii) any occurrence of any event that with or without the passage of time or the giving of notice would give rise to a right of any Person to exercise any remedy or obtain any relief under, terminate or revoke, suspend, cancel, or modify or change the current terms of, or renegotiate, or to accelerate the maturity or performance of, or to increase or impose any Liability under, any Contract, Law, Order, or Permit.

“Derivative Transaction” means any swap transaction, option, warrant, forward purchase or sale transaction, futures transaction, cap transaction, floor transaction or collar transaction relating to one or more currencies, commodities, bonds, equity securities, loans, interest rates, catastrophe events, weather-related events, credit-related events or conditions or any indexes, or any other similar transaction (including any option with respect to any of these transactions) or combination of any of these transactions, including collateralized mortgage obligations or other similar instruments or any debt or equity instruments evidencing or embedding any such types of transactions, and any related credit support, collateral or other similar arrangements related to such transactions.

“Determination Date” shall mean the fifth Business Day prior to the Closing Date, provided that if shares of the First Bank Common Stock are not actually traded on Nasdaq on such day, the Determination Date shall be the immediately preceding day to the fifth Business Day prior to the Closing Date on which shares of First Bank Common Stock actually trade on Nasdaq.

“Disclosure Memorandum” of a Party means a letter delivered by such Party to the other Party prior to execution of this Agreement, setting forth, among other things, items the disclosure of which is necessary or appropriate either in response to an express disclosure requirement contained in a provision hereof or as an exception to one or more representations or warranties contained in ARTICLE 4 and ARTICLE 5 or to one or more of its covenants contained in this Agreement; provided, that (i) no such item is required to be set forth in a Disclosure Memorandum as an exception to a representation or warranty if its absence would not be reasonably likely to result in the related representation or warranty being deemed untrue or incorrect, (ii) the mere inclusion of an item in a Disclosure Memorandum as an exception to a representation or warranty shall not be deemed an admission by a Party that such item represents a material exception or fact, event or circumstance or that such item is reasonably expected to result in a Material Adverse Effect on the Party making the representation or warranty, and (iii) any disclosures made with respect to a section of ARTICLE 4 or ARTICLE 5 shall be deemed to qualify (A) any other section of ARTICLE 4 or ARTICLE 5 specifically referenced or cross-referenced and (B) other sections of ARTICLE 4 or ARTICLE 5 to the extent it is reasonably apparent on its face (notwithstanding the absence of a specific cross reference) from a reading of the disclosure that such disclosure applies to such other sections.

“Employee Benefit Plan” means each pension, retirement, profit-sharing, deferred compensation, stock option, restricted stock, stock appreciation rights, employee stock ownership, share purchase, severance pay, vacation, bonus, incentive, retention, change in control or other incentive plan, medical, vision, dental or other health plan, any life insurance plan, flexible spending account, cafeteria plan, vacation, holiday, disability or any other employee benefit plan or fringe benefit plan, including any “employee benefit plan,” as that term is defined in Section 3(3) of ERISA and any other plan, fund, policy,

program, practice, custom, understanding, agreement, or arrangement providing compensation or other benefits, whether or not such Employee Benefit Plan is or is intended to be (i) covered or qualified under the Internal Revenue Code, ERISA or any other applicable Law, (ii) written or oral, (iii) funded or unfunded, (iv) actual or contingent, or (v) arrived at through collective bargaining or otherwise.

“Environmental Laws” means all Laws, Orders, Permits, opinions or agency requirements relating to pollution or protection of human health or safety or the environment (including ambient air, surface water, ground water, land surface, or subsurface strata) including the Comprehensive Environmental Response Compensation and Liability Act, as amended, 42 U.S.C. 9601 *et seq.*, the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6901 *et seq.*, and other Laws relating to emissions, discharges, releases, or threatened releases of any Hazardous Material, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of any Hazardous Material.

“Equity Rights” means all arrangements, calls, commitments, Contracts, options, rights (including preemptive rights or redemption rights), scrip, units, understandings, warrants, or other binding obligations of any character whatsoever relating to, or securities or rights convertible into or exchangeable for, shares of the capital stock or equity interests of a Person or by which a Person is or may be bound to issue additional shares of its capital stock or other equity interests.

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

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

“Exhibit” means the Exhibits so marked, copies of which are attached to this Agreement. Such Exhibits are hereby incorporated by reference herein and made a part hereof, and may be referred to in this Agreement and any other related instrument or document without being attached hereto.

“FDIC Documents” means all forms, proxy statements, registration statements, reports, schedules, and other documents filed, together with any amendments thereto, by First Bank or any of its Subsidiaries with the FDIC on or after January 1, 2017.

“Federal Reserve” means the Board of Governors of the Federal Reserve System or a Federal Reserve Bank acting under the appropriately delegated authority thereof, as applicable.

“First Bank Reference Stock Price” means \$11.43.

“GAAP” means U.S. generally accepted accounting principles, consistently applied during the periods involved.

“Hazardous Material” means (i) any hazardous substance, hazardous material, hazardous waste, regulated substance, or toxic substance (as those terms are defined by any applicable Environmental Laws), (ii) any chemicals, pollutants, contaminants, petroleum, petroleum products, or oil, lead-containing paint or plumbing, radioactive materials or radon, asbestos-containing materials and any polychlorinated biphenyls, and (iii) any other

substance which has been, is, or may be the subject of regulatory action by any government authority in connection with any Environmental Law.

“Intellectual Property” means copyrights, patents, trademarks, service marks, service names, trade names, brand names, internet domain names, logos together with all goodwill associated therewith, registrations and applications therefor, technology rights and licenses, computer software (including any source or object codes therefor or documentation relating thereto), trade secrets, franchises, know-how, inventions, and other intellectual property rights.

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

“Key Employee” means an employee of Grand Bank having the position of Senior Vice President or above.

“Knowledge” or “knowledge” as used with respect to a Person (including references to such Person being aware of a particular matter) means the actual knowledge of the chairman, president, chief financial officer, chief risk officer, chief accounting officer, chief operating officer, chief credit officer, general counsel, any assistant or deputy general counsel, or any senior, executive or other vice president in charge of human resources of such Person and the knowledge of any such Persons obtained or which would have been obtained from a reasonable investigation.

“Law” means any code, law (including common law), ordinance, regulation, reporting or licensing requirement, rule, or statute applicable to a Person or its Assets, Liabilities, or business, including those promulgated, interpreted or enforced by any Regulatory Authority.

“Liability” means any direct or indirect, primary or secondary, liability, indebtedness, obligation, penalty, cost or expense (including costs of investigation, collection and defense), claim, deficiency, judgment, fine, loss, damages, guaranty or endorsement of or by any Person (other than endorsements of notes, bills, checks, and drafts presented for collection or deposit in the Ordinary Course) of any type, whether accrued, absolute or contingent, liquidated or unliquidated, matured or unmatured, or otherwise.

“Lien” means any conditional sale agreement, default of title, easement, encroachment, encumbrance, hypothecation, infringement, lien, mortgage, pledge, option, right of first refusal, reservation, restriction, security interest, title retention or other security arrangement, or any adverse right or interest, charge, or claim of any nature whatsoever of, on, or with respect to any property or property interest, other than Permitted Liens.

“Litigation” means any action, arbitration, cause of action, lawsuit, claim, complaint, criminal prosecution, governmental or other examination or investigation, audit (other than regular audits of financial statements by outside auditors), compliance review, inspection, hearing, administrative or other proceeding relating to or affecting a Party, its business, its records, its policies, its practices, its compliance with Law, its actions, its Assets (including Contracts related to it), or the transactions contemplated by this Agreement, but shall not include regular, periodic examinations of depository institutions and their Affiliates by Regulatory Authorities.

“Loans” means any written or oral loan, loan agreement, note or borrowing arrangement (including leases, credit enhancements, guarantees and interest bearing assets) to which Grand Bank is party as a creditor.

“Material” or “material” for purposes of this Agreement shall be determined in light of the facts and circumstances of the matter in question; provided that any specific monetary amount stated in this Agreement shall determine materiality in that instance.

“Material Adverse Effect” means with respect to any Party and its Subsidiaries, any fact, circumstance, event, change, effect, development or occurrence that, individually or in the aggregate together with all other facts, circumstances, events, changes, effects, developments or occurrences, directly or indirectly, (i) has had or would reasonably be expected to result in a material adverse effect on the condition (financial or otherwise), results of operations, Assets, Liabilities or business of such Party and its Subsidiaries taken as a whole; provided, that a “Material Adverse Effect” shall not be deemed to include effects to the extent resulting from (A) changes after the date of this Agreement in GAAP or regulatory accounting requirements, (B) changes after the date of this Agreement in Laws of general applicability to companies in the financial services industry, (C) changes after the date of this Agreement in global, national or regional political conditions or general economic or market conditions in the United States and the State of New Jersey (including changes in prevailing interest rates, credit availability and liquidity, currency exchange rates, and price levels or trading volumes in the United States or foreign securities markets) affecting other companies in the financial services industry, (D) after the date of this Agreement, general changes in the credit markets or general downgrades in the credit markets, (E) failure, in and of itself, to meet earnings projections or internal financial forecasts, but not including any underlying causes thereof unless separately excluded hereunder, or changes in the trading price of a Party’s common stock, in and of itself, but not including any underlying causes unless separately excluded hereunder, (F) the public disclosure of this Agreement and the impact thereof on relationships with customers or employees, (G) any outbreak or escalation of hostilities, declared or undeclared acts of war or terrorism, or (H) actions or omissions taken with the prior written consent of the other Party or expressly required by this Agreement; except, with respect to clauses (A), (B), (C), (D), and (G), to the extent that the effects of such change disproportionately affect such Party and its Subsidiaries, taken as a whole, as compared to other companies in the industry in which such Party and its Subsidiaries operate or (ii) prevents or materially impairs the ability of such Party to timely consummate the transactions contemplated hereby.

“Nasdaq” means the Nasdaq Global Select Market.

“Non-Performing Assets” means Loans on non-accrual status, accruing Loans that are past due 90 days more, troubled debt restructurings and OREO and impaired securities held by Grand Bank.

“Non-Performing Loans” means Loans on non-accrual status, accruing Loans that are past due 90 days more and troubled debt restructurings held by Grand Bank.

“Offering Circular” means the Offering Circular in a form required by the FDIC to be filed with the FDIC by First Bank with respect to the shares of First Bank Common Stock to be issued to the stockholders of Grand Bank pursuant to this Agreement.

“Operating Property” means any property owned, leased, or operated by the Party in question or by any of its Subsidiaries or in which such Party or Subsidiary holds a security interest or other interest (including an interest in a fiduciary capacity), and, where required by the context, includes the owner or operator of such property, but only with respect to such property.

“Order” means any administrative decision or award, decree, injunction, judgment, order, consent decree, quasi-judicial decision or award, ruling, or writ of any federal, state, local or foreign or other court, arbitrator, mediator, tribunal, administrative agency, or Regulatory Authority.

“Ordinary Course” means the conduct of the business of Grand Bank in substantially the same manner as such business was operated on the date of this Agreement, including operations in conformance and consistent with Grand Bank’s practices and procedures prior to and as of such date.

“Participation Facility” means any facility or property in which the Party in question or any of its Subsidiaries participates in the management and, where required by the context, said term means the owner or operator of such facility or property, but only with respect to such facility or property.

“Party” means either of Grand Bank or First Bank, and “Parties” means Grand Bank and First Bank.

“Permit” means any federal, state, local, or foreign governmental approval, authorization, certificate, easement, filing, franchise, license, notice, permit, or right to which any Person is a party or that is or may be binding upon or inure to the benefit of any Person or its securities, Assets, or business.

“Person” means a natural person or any legal, commercial or governmental entity, such as, but not limited to, a corporation, general partnership, joint venture, limited partnership, limited liability company, limited liability partnership, trust, business association, group acting in concert, or any person acting in a Representative capacity.

“Previously Disclosed” by a Party means information set forth in its Disclosure Memorandum or, if applicable, information set forth in its FDIC Documents, but prior to the date hereof (but disregarding risk factor disclosures contained under the heading “Risk Factors” or disclosures of risk factors set forth in any “forward-looking statements” disclaimer or other statements that are similarly non-specific or cautionary, predictive or forward-looking in nature); provided, that information and documents commonly known as “confidential supervisory information” that is prohibited from disclosure shall not be disclosed by any Party and nothing in this Agreement shall require such disclosure.

“Property Sale” means the sale of the Reference Property pursuant to the Sale Contract, or any Successor Contract.

“Reference Property” means 2601 N. Ocean Blvd., Boca Raton, Florida 33432, Parcel Control Number 06-43-47-16-01-000-0310.

“Regulatory Authority” means, collectively, the SEC, Nasdaq, state securities authorities, the Financial Industry Regulatory Authority, the Securities Investor Protector Corporation,

applicable securities, commodities and futures exchanges, and other industry self-regulatory organizations, the Federal Reserve, the FDIC, the NJDOBI, the OCC, the Bureau of Consumer Financial Protection, the IRS, the DOL, the PBGC, and all other foreign, federal, state, county, local or other governmental, banking or regulatory agencies, authorities (including taxing and self-regulatory authorities), instrumentalities, commissions, boards, courts, administrative agencies, commissions or bodies.

“Representative” means, with respect to any Person, any officer, director, employee, investment banker, financial or other advisor, attorney, accountant, consultant, or other representative or agent of or engaged or retained by such Person.

“Sale Contract” means that certain Amended & Restated Vacant Land Contract dated December 30, 2015, by and between Grand Bank and Richard Caster, as amended by the First Addendum to Amended & Restated Vacant Land Contract dated December 30, 2015, by and between Grand Bank and Richard Caster, which were assigned to and assumed by 2600 N Ocean LLC in that certain Assignment and Assumption of Amended & Restated Vacant Land Contract dated March 14, 2016, as further modified and amended by that Second Addendum to Amended & Restated Vacant Land Contract dated July 13, 2016, Third Addendum to Amended & Restated Vacant Land Contract dated November 2, 2016, Fourth Addendum to Amended & Restated Vacant Land Contract dated August 28, 2017, Fifth Addendum to Amended & Restated Vacant Land Contract dated December 14, 2017 and Sixth Addendum to Amended & Restated Vacant Land Contract dated September 4, 2018.

“Sale Proceeds” means all gross proceeds received by First Bank for the sale of the Reference Property pursuant to the Sale Contract, or any Successor Contract..

“SEC” means the United States Securities and Exchange Commission.

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

“Securities Laws” means the Securities Act, the Exchange Act, the Investment Company Act of 1940, as amended, the Investment Advisers Act of 1940, as amended, the Trust Indenture Act of 1939, as amended, and the rules and regulations of any Regulatory Authority promulgated thereunder.

“Selling and Administrative Expenses” means all direct expenses associated with owning and selling of the Reference Property.

“Subsidiaries” means all those corporations, associations, or other business entities of which the entity in question either (i) owns or controls more than 50% of the outstanding equity securities or other ownership interests either directly or through an unbroken chain of entities as to each of which more than 50% of the outstanding equity securities is owned directly or indirectly by its parent (provided, there shall not be included any such entity the equity securities of which are owned or controlled in a fiduciary capacity), (ii) in the case of partnerships, serves as a general partner, (iii) in the case of a limited liability company, serves as a managing member, or (iv) otherwise has the ability to elect a majority of the directors, trustees or managing members thereof.

“Successor Contract” means any contract entered into by First Bank prior to the third anniversary of the Closing Date to sell the Reference Property, in the event the Sale Contract is terminated prior to the third anniversary of the Closing Date.

“Superior Proposal” means any unsolicited bona fide written Acquisition Proposal with respect to which the board of directors of Grand Bank determines in its good faith judgment (based on, among other things, the advice of outside legal counsel and a financial advisor) is reasonably likely to be consummated in accordance with its terms, and if consummated, would result in a transaction more favorable, from a financial point of view, to Grand Bank’s stockholders than the Merger and the other transactions contemplated by this Agreement (as it may be proposed to be amended by First Bank), taking into account all relevant factors (including the Acquisition Proposal and this Agreement (including any proposed changes to this Agreement that may be proposed by First Bank in response to such Acquisition Proposal)); provided, that for purposes of the definition of “Superior Proposal,” the references to “20%” in the definitions of Acquisition Proposal and Acquisition Transaction shall be deemed to be references to “50%”.

“Grand Bank Shares Outstanding” means 521.00 which is the number of shares of Grand Bank Common Stock outstanding as of the date immediately prior to the date of this Agreement.

“Grand Bank Common Stock” means the \$1.00 par value common stock of Grand Bank.

“Grand Bank ERISA Affiliate” means any entity which together with Grand Bank would be treated as a single employer under Internal Revenue Code Section 414.

“Grand Bank Financial Statements” means (i) the statements of condition (including related notes and schedules, if any) of Grand Bank as of December 31, 2018, 2017 and 2016, and the related statements of operations, and changes in stockholders’ equity (including related notes and schedules, if any) for the three and twelve months ended December 31, 2018 and for each of the fiscal years ended December 31, 2017, 2016 and 2015, and (ii) the statements of condition of Grand Bank (including related notes and schedules, if any) and related statements of operations, and changes in stockholders’ equity (including related notes and schedules, if any), including those contained in the Call Reports of Grand Bank filed with the FDIC (or, if applicable, as amended) with respect to periods ended subsequent to most recent quarter end.

“Tax” or “Taxes” means any federal, state, county, local, or foreign taxes, or, to the extent in the nature of a tax, any charges, fees, levies, imposts, duties, or other assessments, including income, gross receipts, excise, employment, sales, use, transfer, recording license, payroll, franchise, severance, documentary, stamp, occupation, windfall profits, environmental, commercial rent, capital stock, paid-up capital, profits, withholding, Social Security, single business and unemployment, real property, personal property, escheat, unclaimed property, registration, ad valorem, value added, alternative or add-on minimum, estimated, or other tax, imposed or required to be withheld by the United States or any state, county, local or foreign government or subdivision or agency thereof, including any interest, penalties (including penalties resulting from a failure to timely file a Tax Return), and additions imposed thereon or with respect thereto.

“Tax Return” means any report, return, information return, or other document required to be supplied to a Regulatory Authority in connection with Taxes, including any return of an

affiliated or combined or unitary group that includes a Party or its Subsidiaries and including any amendment, attachment or schedule thereto.

“WARN Act” means the Worker Adjustment and Retraining Notification Act of 1988 (or any similar applicable local Law).

10.2. Referenced Pages.

The terms set forth below shall have the meanings ascribed thereto in the referenced pages:

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Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed followed by the words “without limitation.” The word “or” shall not be exclusive and “any” means “any and all.” The words “hereby,” “herein,” “hereof,” “hereunder” and similar terms refer to this Agreement as a whole and not to any specific Section. All pronouns and any variations thereof refer to the masculine, feminine or neuter, singular or plural, as the context may require. If a word or phrase is defined, the other grammatical forms of such word or phrase have a corresponding meaning. A reference to a document, agreement or instrument also refers to all addenda, exhibits or schedules thereto. A reference to any “copy” or “copies” of a document, agreement or instrument means a copy or copies that are complete and correct. Unless otherwise specified in this Agreement, all accounting terms used in this Agreement will be interpreted, and all accounting determinations under this Agreement will be made, in accordance with GAAP. Any capitalized terms used in any schedule, Exhibit or Disclosure Memorandum but not otherwise defined therein shall have the meaning set forth in this Agreement. All references to “dollars” or “\$” in this Agreement are to United States dollars. All references to “the transactions contemplated by this Agreement” (or similar phrases) include the transactions provided for in this Agreement, including the Merger. Any Contract or Law defined or referred to herein or in any Contract that is referred to herein means such Contract or Law as from time to time amended, modified or supplemented, including (in the case of Contracts) by waiver or consent and (in the case of Law) by succession of comparable successor

Law and references to all attachments thereto and instruments incorporated therein. The term “made available” means any document or other information that was (a) provided (whether by physical or electronic delivery) by one Party or its representatives to the other Party or its representatives at least two Business Days prior to the date hereof, (b) included in the virtual data room (on a continuation basis without subsequent modification) of a Party at least two Business Days prior to the date hereof, or (c) filed by a Party with the FDIC and publicly available on the FDIC’s website at least two Business Days prior to the date hereof.

10.3. Expenses.

(a) Except as otherwise provided in this Section 10.3, each of the Parties shall bear and pay all direct costs and expenses incurred by it or on its behalf in connection with the transactions contemplated hereunder, including filing, registration and application fees, printing and mailing fees, and fees and expenses of its own financial or other consultants, investment bankers, accountants, and counsel, except that each of the Parties shall bear and pay one-half of the filing fees payable in connection with the Offering Circular and the Proxy Statement and printing costs incurred in connection with the printing of the Offering Circular and the Proxy Statement.

(b) Notwithstanding Section 10.3(a),

(i) if either Grand Bank or First Bank terminates this Agreement pursuant to Sections 9.1(b)(ii) or 9.1(c) (and the Grand Bank Stockholder Approval has not been obtained) or First Bank terminates pursuant to Section 9.1(f), and prior to such termination, any Person has made an Acquisition Proposal or has publicly announced an intention (whether or not conditional) to make an Acquisition Proposal, and within 12 months of such termination Grand Bank shall either (A) consummate an Acquisition Transaction or (B) enter into an Acquisition Agreement with respect to an Acquisition Transaction, whether or not such Acquisition Transaction is subsequently consummated and, in each case, whether or not relating to the same Acquisition Proposal that had been made or publicly announced prior to such termination; or

(ii) First Bank shall terminate this Agreement pursuant to Section 9.1(d);

then Grand Bank shall pay to First Bank an amount equal to \$900,000 (the “Termination Fee”). If the Termination Fee shall be payable pursuant to subsection (i) of this Section 10.3(b), the Termination Fee shall be paid in same-day funds at or prior to the earlier of the date of consummation of such Acquisition Transaction or the date of execution of an Acquisition Agreement with respect to such Acquisition Transaction. If the Termination Fee shall be payable pursuant to subsection (ii) of this Section 10.3(b), the Termination Fee shall be paid in same-day funds within two Business Days from the date of termination of this Agreement.

(c) The payment of the Termination Fee by Grand Bank pursuant to Section 10.3(b) constitutes liquidated damages and not a penalty, and shall be the sole monetary remedy of First Bank in the event of termination of this Agreement pursuant to Sections 9.1(b)(ii), 9.1(c), 9.1(d), or 9.1(f). The Parties acknowledge that the agreements contained in Section 10.3(b) are an integral part of the transactions contemplated by this Agreement, and that without these agreements, they would not enter into this Agreement; accordingly, if Grand Bank fails to pay any fee payable by it pursuant to this Section 10.3 when due, then Grand Bank shall pay to First Bank its costs and expenses (including attorneys’ fees) in connection with collecting such fee, together with interest on the amount of the fee at the prime rate of Citibank, N.A. from the date such payment was due under this Agreement until the date of payment.

10.4. Entire Agreement; No Third Party Beneficiaries.

Except as otherwise expressly provided herein, this Agreement (including Grand Bank's Disclosure Memorandum and First Bank's Disclosure Memorandum, the Exhibits, the schedules, and the other documents and instruments referred to herein) together with the Confidentiality Agreement and the Voting Agreements constitute the entire agreement between the Parties with respect to the transactions contemplated hereunder and thereunder and supersedes all prior arrangements or understandings with respect thereto, written or oral. Nothing in this Agreement (including the documents and instruments referred to herein) expressed or implied, is intended to confer upon any Person, other than the Parties or their respective successors, any rights, remedies, obligations, or liabilities under or by reason of this Agreement, other than as specifically provided in Section 7.9, and, with regard to Sections 2.4 and 7.19, the Stockholders' Agent pursuant to Section 7.19(b). The representations and warranties in this Agreement are the product of negotiations among the Parties and are for the sole benefit of the Parties. Any inaccuracies in such representations and warranties are subject to waiver by the Parties in accordance herewith without notice or liability to any other Person. In some instances, the representations and warranties in this Agreement may represent an allocation among the Parties of risks associated with particular matters regardless of the knowledge of any of the Parties. Consequently, Persons other than the Parties may not rely upon the representations and warranties in this Agreement as characterizations of actual facts or circumstances as of the date of this Agreement or as of any other date. Notwithstanding any other provision hereof to the contrary, no consent, approval or agreement of any third party beneficiary will be required to amend, modify to waive any provision of this Agreement.

10.5. Amendments.

To the extent permitted by Law, this Agreement may be amended by a subsequent writing signed by each of the Parties upon the approval of each of the Parties, whether before or after the Grand Bank Stockholder Approval or First Bank Stockholder Approval has been obtained; provided, that after obtaining the Grand Bank Stockholder Approval or First Bank Stockholder Approval, there shall be made no amendment that requires further approval by such stockholders.

10.6. Waivers.

At any time prior to the Effective Time, the Parties, by action taken or authorized by their respective boards of directors, may, to the extent permitted by Law, (a) extend the time for the performance of any of the obligations or other acts of the other Parties, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto, and (c) waive compliance with any of the agreements or satisfaction of any conditions contained herein; provided, that after the Grand Bank Stockholder Approval or First Bank Stockholder Approval has been obtained, there may not be, without further approval of such stockholders, any extension or waiver of this Agreement or any portion thereof that requires further approval under applicable Law. Any agreement on the part of a Party to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such Party, but such extension or waiver or failure to insist on strict compliance with an obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure to comply with an obligation, covenant, agreement or condition.

10.7. Assignment.

Except as expressly contemplated hereby, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any Party (whether by operation of Law or otherwise) without the prior written consent of the other Party. Any purported assignment in contravention hereof shall be null

and void. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and assigns.

10.8. Notices.

All notices or other communications which are required or permitted hereunder shall be in writing and sufficient if delivered by hand, by facsimile transmission (followed by overnight courier), by registered or certified mail, postage pre-paid, or by courier or overnight carrier, or by email (with receipt confirmed) to the persons at the addresses set forth below (or at such other address as may be provided hereunder), and shall be deemed to have been delivered as of the date so delivered:

First Bank:

First Bank
2465 Kuser Road, Suite 101
Hamilton, NJ 08690
Attention: Patrick L. Ryan
Email: patrick.ryan@firstbanknj.com

Copy to Counsel:

Covington & Burling LLP
One CityCenter
850 Tenth Street NW
Washington, DC 20001
Facsimile Number: (202) 778-5986
Attention: Frank M. Conner III
Email: rconner@cov.com;
Attention: Michael P. Reed
Email: mreed@cov.com;
Attention: Christopher J. DeCresce
Email: cdecresce@cov.com

Grand Bank:

Grand Bank, N.A.
2297 State Highway 33
Hamilton, NJ 08690
Facsimile Number: (609) 514-9330
Attention: Peter L.A. Pantages
Email: ppantages@grandbk.com

Copy to Counsel:

Windels Marx Lane & Mittendorf, LLP
120 Albany Street Plaza
New Brunswick, NJ 08901
Facsimile Number: (732) 846-8877
Attention: Robert A. Schwartz
Email: rschwartz@windelsmarx.com

10.9. Governing Law; Jurisdiction; Waiver of Jury Trial

(a) The Parties agree that this Agreement shall be governed by and construed in all respects in accordance with the Laws of the State of New Jersey without regard to any conflict of Laws or choice of Law principles that might otherwise refer construction or interpretation of this Agreement to the substantive Law of another jurisdiction (except that matters relating to the Merger shall be subject to the Laws of the United States to the extent mandatorily applicable).

(b) Each Party agrees that it will bring any action or proceeding in respect of any claim arising out of or related to this Agreement or the transactions contemplated hereby exclusively in any federal or state court of competent jurisdiction located in the State of New Jersey (the “Chosen Courts”), and, solely in connection with claims arising under this Agreement or the transactions that are the subject of this Agreement, (i) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (ii) waives any objection to laying venue in any such action or proceeding in the Chosen Courts, (iii) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any party, and (iv) agrees that service of process upon such party in any such action or proceeding will be effective if notice is given in accordance with Section 10.8.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR OTHER PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT: (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY ACTION, SUIT OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER, (II) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (III) EACH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (IV) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.9.

10.10. Counterparts; Signatures.

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments or waivers hereto or thereto, to the extent signed and delivered by means of a facsimile machine or by e-mail delivery of a “.pdf” format data file, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. No Party or to any such agreement or instrument shall raise the use of a facsimile machine or e-mail delivery of a “.pdf” format data file to deliver a signature to this Agreement or any amendment or waiver hereto or any agreement or instrument entered into in connection with this Agreement or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or e-mail delivery of a “.pdf” format data file as a defense to the formation of a contract and each Party forever waives any such defense.

10.11. Captions; Articles and Sections.

The captions contained in this Agreement are for reference purposes only and are not part of this Agreement. Unless otherwise indicated, all references to particular Articles or Sections shall mean and refer to the referenced Articles and Sections of this Agreement.

10.12. Interpretations.

Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any Party, whether under any rule of construction or otherwise. No Party shall be considered the

draftsman. The Parties acknowledge and agree that this Agreement has been reviewed, negotiated, and accepted by all Parties and their attorneys and, unless otherwise defined herein, the words used shall be construed and interpreted according to their ordinary meaning so as fairly to accomplish the purposes and intentions of all Parties.

10.13. Enforcement of Agreement.

The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement was not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that the Parties shall be entitled, without the requirement of posting bond, to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity. Each of the Parties waives any defense in any action for specific performance that a remedy at law would be adequate.

10.14. Further Assurances.

The Parties agree to (a) furnish upon request to each other such further information; (b) execute and deliver to each other such other documents; and (c) do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement and the documents referred to in this Agreement.

10.15. Severability.

Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

[Signatures on following page]

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed on its behalf by its duly authorized officers as of the day and year first above written.

FIRST BANK

By: /s/ Patrick L. Ryan
Name: Patrick L. Ryan
Title: President and Chief Executive Officer

GRAND BANK

By: /s/ Peter L. A. Pantages
Name: Peter L.A. Pantages
Title: Chairman

Exhibit A

Form of Voting Agreement

[See attached]

Schedule 1.8(a)
Directors of First Bank

Patrick M. Ryan
Leslie E. Goodman
Elbert G. Basolis Jr.
Glenn M. Josephs
Samuel D. Marrazzo
Patrick L. Ryan
John E. Strydesky
Raymond F. Nisivoccia
Douglas C. Borden
Gary S. Hofing
Deborah Hanson Imperatore
Michael E. Salz
Christopher B. Chandor

Schedule 1.8(b)
Officers of First Bank

Patrick L. Ryan - President & CEO
Peter Cahill - EVP / Chief Lending Officer
Stephen Carman - EVP / Chief Financial Officer
Emilio Cooper - EVP / Chief Deposits Officer

Schedule 1.8(c)

List of Grand Bank Branch Locations

Hamilton Square: 2265 Route 33
Hamilton Square, NJ 08690

Mercerville: 1 Edinburg Road
Mercerville, NJ 08619

Schedule 1.9(d)

List of First Bank Branch Locations

Cinnaminson, NJ
Cranburg, NJ
Delanco, NJ
Denville, NJ
Ewing, NJ
Flemington, NJ
Hamilton, NJ
Lawerence, NJ
Pennington, NJ
Randolph, NJ
Somerset, NJ
Williamstown, NJ
Doylestown, PA
Trevose, PA
Warminster, PA
West Chester, PA

FORM OF VOTING AGREEMENT

This VOTING AGREEMENT, dated effective as of March 19, 2019 (this “Agreement”), by and among First Bank (“FRBA”), a New Jersey chartered commercial bank, Grand Bank, NA (“GBNA”), a national banking association, and the undersigned stockholder and/or director (the “Individual”) of GBNA.

WITNESSETH:

WHEREAS, concurrently with the execution of this Agreement, GBNA and FRBA are entering into an Agreement and Plan of Merger, dated as of the date hereof (as amended, supplemented, restated or otherwise modified from time to time, the “Merger Agreement”), pursuant to which, among other things, GBNA will merge with and into FRBA and FRBA will be the surviving corporation (the “Merger”) and each stockholder of GBNA shall receive the Merger Consideration specified in the Merger Agreement;

WHEREAS, as of the date hereof, the Individual is a director and/or officer of GBNA and has Beneficial Ownership (as defined in Rule 13d-3 under the Exchange Act), in the aggregate, of those shares of common stock, \$1.00 par value per share of GBNA (“GBNA Common Stock”) specified on Schedule 1 attached hereto, and will receive in the Merger in exchange for the Individual’s shares of GBNA Common Stock the per share consideration specified in the Merger Agreement, and therefore the Merger is expected to be of substantial benefit to the Individual;

WHEREAS, as a material inducement to FRBA entering into the Merger Agreement, FRBA has required that the Individual agree, and the Individual has agreed, to enter into this Agreement and abide by the covenants and obligations set forth herein; and

WHEREAS, other individuals, as a material inducement to FRBA entering into the Merger Agreement, will enter into and abide by the covenants and obligations set forth in substantially identical voting and non-solicitation agreements.

NOW THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

**ARTICLE I
GENERAL**

1.1. Defined Terms. The following capitalized terms, as used in this Agreement, shall have the meanings set forth below. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Merger Agreement.

“Beneficial Ownership” by a Person of any securities means ownership by any Person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares (i) voting power which includes the power to vote, or to direct the voting of, such security; and/or (ii) investment power which includes the power to dispose, or to direct the disposition, of such security; and shall otherwise be interpreted in accordance with the term “beneficial ownership” as defined in Rule 13d-3 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended; provided that for purposes of determining Beneficial Ownership, a Person shall be deemed to be the Beneficial Owner of any securities which such Person has, at any time during the term of this Agreement, the right to acquire pursuant to any agreement, arrangement or understanding or upon

the exercise of conversion rights, exchange rights, warrants or options, or otherwise (irrespective of whether the right to acquire such securities is exercisable immediately or only after the passage of time, including the passage of time in excess of 60 days, the satisfaction of any conditions, the occurrence of any event or any combination of the foregoing). The terms “Beneficially Own” and “Beneficially Owned” shall have a correlative meaning.

“control” (including the terms “controlling” “controlled by” and “under common control with”), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee or executor, by Contract or any other means.

“Constructive Sale” means with respect to any security a short sale with respect to such security, entering into or acquiring an offsetting derivative Contract with respect to such security, entering into or acquiring a futures or forward Contract to deliver such security or entering into any other hedging or other derivative transaction that has the effect of either directly or indirectly materially changing the economic benefits and risks of ownership of any security.

“Covered Shares” means, with respect to the Individual, the Individual’s Existing Shares, together with any shares of GBNA Common Stock or other capital stock of GBNA and any securities convertible into or exercisable or exchangeable for shares of GBNA Common Stock or other capital stock of GBNA, in each case that the Individual acquires Beneficial Ownership of on or after the date hereof.

“Encumbrance” means any security interest, pledge, mortgage, lien (statutory or other), charge, option to purchase, lease or other right to acquire any interest or any claim, restriction, covenant, title defect, hypothecation, assignment, deposit arrangement or other encumbrance of any kind or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement), excluding restrictions under Securities Laws.

“Existing Shares” means, with respect to the Individual, all shares of GBNA Common Stock Beneficially Owned by the Individual as specified in Schedule 1 hereto.

“Grantees” has the meaning set forth in Section 2.3 hereof.

“Permitted Transfer” means a Transfer (i) as the result of the death of the Individual by the Individual to a descendant, heir, executor, administrator, testamentary trustee, lifetime trustee or legatee of the Individual, (ii) Transfers to affiliates (including trusts) and family members in connection with estate and tax planning purposes, (iii) Transfers to any other stockholder and director of GBNA who has executed a copy of this Agreement on the date hereof, and (iv) such transfers as FRBA may otherwise permit in its sole discretion provided that, in each case, prior to the effectiveness of such Transfer, such transferee executes and delivers to GBNA and FRBA a written agreement, in form and substance reasonably acceptable to each of GBNA and FRBA, to assume all of Individual’s obligations hereunder in respect of the Covered Shares subject to such Transfer and to be bound by the terms of this Agreement, with respect to the Covered Shares subject to such Transfer, to the same extent as the Individual is bound hereunder and to make each of the representations and warranties hereunder in respect of the Covered Shares transferred as the Individual shall have made hereunder.

“Restricted Period” has the meaning set forth in Section 2.4(a) hereof.

“**Transfer**” means, with respect to any security, the direct or indirect assignment, sale, transfer, tender, exchange, pledge, hypothecation, or the grant, creation or suffrage of an Encumbrance in or upon, or the gift, placement in trust, or the Constructive Sale or other disposition of such security (including transfers by testamentary or intestate succession or otherwise by operation of Law) or any right, title or interest therein (including, but not limited to, any right or power to vote to which the holder thereof may be entitled, whether such right or power is granted by proxy or otherwise), or the record or beneficial ownership thereof, the offer to make such a sale, transfer, Constructive Sale or other disposition, and each agreement, arrangement or understanding, whether or not in writing, to effect any of the foregoing.

ARTICLE II

COVENANTS OF INDIVIDUAL

2.1. **Agreement to Vote.** The Individual hereby irrevocably and unconditionally agrees that during the term of this Agreement, at a special meeting of the stockholders of GBNA or at any other meeting of the stockholders of GBNA, however called, including any adjournment or postponement thereof, and in connection with any written consent of the stockholders of GBNA, the Individual shall, in each case to the fullest extent that such matters are submitted for the vote or written consent of the Individual and that the Covered Shares are entitled to vote thereon or consent thereto:

(a) appear at each such meeting or otherwise cause the Covered Shares as to which the Individual controls the right to vote to be counted as present thereat for purposes of calculating a quorum; and

(b) vote (or cause to be voted), in person or by proxy, or deliver (or cause to be delivered) a written consent covering, all of the Covered Shares as to which the Individual controls the right to vote:

- a) in favor of the adoption and approval of the Merger Agreement and the consummation of the transactions contemplated thereby, including the Merger, and any actions required in furtherance thereof;
- b) against any action or agreement that could result in a breach of any covenant, representation or warranty or any other obligation of GBNA under the Merger Agreement;
- c) against any Acquisition Proposal;
- d) against any merger, consolidation or business combination involving the Company or any of its subsidiaries other than the Merger;
- e) against any sale, lease or transfer of all or substantially all of the assets of the Company or any of its subsidiaries;
- f) against any reorganization, recapitalization, dissolution, liquidation or winding up of the Company or any of its subsidiaries; and
- g) against any action, agreement, amendment to any agreement or organizational document, transaction, matter or proposal submitted for the vote or written consent of the stockholders of GBNA that is intended to or would reasonably be expected to impede, interfere with, delay,

postpone, discourage, frustrate the purposes of or adversely affect the Merger or the other transactions contemplated by the Merger Agreement or this Agreement or the performance by GBNA of its obligations under the Merger Agreement.

2.2. No Inconsistent Agreements. The Individual hereby covenants and agrees that, except for this Agreement, the Individual (a) shall not enter into at any time while this Agreement remains in effect, any voting agreement or voting trust or any other Contract with respect to the Covered Shares, (b) shall not grant at any time while this Agreement remains in effect, a proxy, consent or power of attorney with respect to the Covered Shares, (c) will not commit any act, except for Permitted Transfers, that could restrict or affect his or her legal power, authority and right to vote any of the Covered Shares then held of record or Beneficially Owned by the Individual or otherwise reasonably be expected to prevent or disable the Individual from performing any of his or her obligations under this Agreement, and (d) shall not knowingly take any action that would reasonably be expected to make any representation or warranty of the Individual contained herein untrue or incorrect or have the effect of impeding, preventing, delaying, interfering with, disabling, or adversely affecting the performance by, the Stockholder or disabling the Individual from performing any of his or her obligations under this Agreement.

2.3. Irrevocable Proxy. The Individual hereby irrevocably (to the fullest extent permitted by Law) grants to and appoints as his or her proxy and attorney-in-fact (with full power of substitution and resubstitution), FRBA and each of its executive officers and any of them in their capacities as executive officers of FRBA, and any other Person designated in writing by the foregoing (collectively, the “Grantees”), each of them individually, with full power of substitution, to vote or execute written consents with respect to the Covered Shares in accordance with Section 2.1 hereof and, in the discretion of the Grantees, with respect to any proposed postponements or adjournments of any annual or special meetings of the stockholders of GBNA at which any of the matters described in Section 2.1 is to be considered. This proxy is coupled with an interest and shall be irrevocable, and the Individual will take such further action or execute such other instruments as may be necessary to effectuate the intent of this proxy and hereby revokes any proxy previously granted by the Individual with respect to the Covered Shares. Individual hereby affirms that the irrevocable proxy set forth in this Section 2.3 is given in connection with the execution of the Merger Agreement, and that such irrevocable proxy is given to secure the performance of the duties of Individual under this Agreement. Notwithstanding anything to the contrary in this Agreement, the proxy granted by this Section 2.3 shall terminate and be of no further force and effect upon the termination of this Agreement.

2.4. Nondisparagement.

The Individual hereby covenants and agrees that, for a period commencing on the Closing Date and terminating on the earlier of the termination of the Merger Agreement or the six month anniversary of the Closing Date (the “Restricted Period”), the Individual covenants and agrees not to make, publish or communicate at any time to any person or entity, including, but not limited to, customers, clients and investors of the Surviving Corporation or any of its Affiliates, any Disparaging (defined below) remarks, comments or statements concerning the Surviving Corporation or any of its Affiliates, or any of their respective present and former members, partners, directors, officers, employees or agents. For the purposes of this provision, “Disparaging” remarks, comments or statements are those that impugn the character, honesty, integrity, morality, business acumen or abilities of the individual or entity being disparaged. Notwithstanding the foregoing, this paragraph does not apply to (i) any truthful testimony, pleading, or sworn statements in any legal proceeding; (ii) attorney-client communications; or (iii) any communications with a government or regulatory agency, and further, it shall not be construed to prevent the Individual from filing a charge with the Equal Employment Opportunity Commission or a comparable state or local agency.

2.5. No Solicitation.

The Individual, in his or her capacity as a stockholder of GBNA, shall not directly or indirectly, (a) solicit, initiate, encourage (including by providing information or assistance), facilitate or induce any Acquisition Proposal, (b) engage or participate in any discussions or negotiations regarding, or furnish or cause to be furnished to any Person any confidential or nonpublic information or data in connection with, or take any other action to facilitate any inquiries or the making of any offer or proposal that constitutes, or may reasonably be expected to lead to, an Acquisition Proposal, (c) approve, agree to, accept, endorse or recommend any Acquisition Proposal, (d) solicit proxies or become a “participant” in a “solicitation” (as such terms are defined in the Exchange Act) with respect to an Acquisition Proposal or otherwise encourage or assist any party in taking or planning any action that would reasonably be expected to compete with, restrain or otherwise serve to interfere with or inhibit the timely consummation of the Merger in accordance with the terms of the Merger Agreement, (e) initiate a stockholders’ vote or action by consent of GBNA’s stockholders with respect to an Acquisition Proposal, (f) except by reason of this Agreement, become a member of a “group” (as such term is used in Section 13(d) of the Exchange Act) with respect to any voting securities of GBNA that takes any action in support of an Acquisition Proposal, or (g) approve, endorse, recommend, agree to or accept, or propose to approve, endorse, recommend, agree to or accept, any Acquisition Agreement contemplating or otherwise relating to any Acquisition Transaction.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

3.1. Representations and Warranties of the Individual. The Individual hereby represents and warrants to GBNA and FRBA as follows:

(a) Organization; Authorization; Validity of Agreement; Necessary Action. The Individual has the requisite capacity and authority to execute and deliver this Agreement, to perform his or her obligations hereunder and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Individual and, assuming this Agreement constitutes a valid and binding obligation of the other parties hereto, constitutes a legal, valid and binding obligation of the Individual, enforceable against him or her in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization or similar laws affecting the rights of creditors generally and the availability of equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(b) Ownership. The Existing Shares are, and all of the Covered Shares owned by the Individual from the date hereof through and on the Closing Date will be, Beneficially Owned by the Individual except to the extent such Covered Shares are Transferred after the date hereof pursuant to a Permitted Transfer. The Individual has good and marketable title to the Existing Shares, free and clear of any Encumbrances other than those imposed by applicable Securities Laws or the Shareholder Agreement to which each shareholder of GBNA is a party (the “Stockholder Agreement”). As of the date hereof, the Existing Shares constitute all of the shares of Common Stock Beneficially Owned by the Individual. The Individual has and will have at all times through the date that GBNA Stockholder Approval is received sole voting power (including the right to control such vote as contemplated herein), power of disposition (including the right to control any disposition, but subject to the Stockholder Agreement), power to issue instructions with respect to the matters set forth in ARTICLE II hereof (including the right to cause such agreements), and sole power to agree to all of the matters set forth in this Agreement, in each case with respect to all of the Individual’s Existing Shares and with respect to all of the Covered Shares owned by the Individual at all times through the date that GBNA Stockholder Approval is received. The Individual has possession of an outstanding certificate or outstanding certificates representing all of the Covered

Shares (other than Covered Shares held in trust and/or in book-entry form) and such certificate does, or such certificates do, not contain any legend or restriction inconsistent with the terms of this Agreement, the Merger Agreement or the transactions contemplated hereby and thereby.

(c) No Violation. The execution and delivery of this Agreement by the Individual does not, and the performance by the Individual of his or her obligations under this Agreement will not, (i) conflict with or violate any Law or Order applicable to the Individual or by which any of his or her Assets is bound, or (ii) conflict with, result in any breach of or constitute a Default, or result in the creation of any Encumbrance on the Assets of the Individual pursuant to, any Contract to which the Individual is a party or by which the Individual or any of his or her Assets is bound, except for any of the foregoing as could not reasonably be expected, either individually or in the aggregate, to materially impair the ability of the Individual to perform his or her obligations under this Agreement. Except as contemplated by this Agreement, neither the Individual nor any of his or her Affiliates (1) has entered into any voting agreement or voting trust with respect to any Covered Shares or entered into any other Contract relating to the voting of the Covered Shares or (2) has appointed or granted a proxy or power of attorney with respect to any Covered Shares.

(d) Consents and Approvals. The execution and delivery of this Agreement by the Individual does not, and the performance by the Individual of its obligations under this Agreement and the consummation by it of the transactions contemplated hereby will not, require the Individual to obtain any Consent. No Consent of the Individual's spouse is necessary under any "community property" or other laws in order for the Individual to enter into and perform his or her obligations under this Agreement

(e) Legal Proceedings. There is no Litigation pending or, to the knowledge of the Individual, threatened against or affecting the Individual or any of his or her Affiliates that could reasonably be expected to impair the ability of the Individual to perform his or her obligations hereunder or to consummate the transactions contemplated hereby on a timely basis.

(f) Reliance by FRBA. The Individual understands and acknowledges that FRBA is entering into the Merger Agreement in reliance upon the Individual's execution and delivery of this Agreement and the representations and warranties of Individual contained herein.

ARTICLE IV OTHER COVENANTS

4.1. Prohibition on Transfers, Other Actions.

(a) Until the earlier of the receipt GBNA Stockholder Approval or the date on which the Merger Agreement is terminated in accordance with its terms, the Individual hereby agrees not to (i) Transfer any of the Covered Shares, Beneficial Ownership thereof or any other interest specifically therein unless such Transfer is a Permitted Transfer; (ii) enter into any Contract with any Person, or take any other action, that violates or conflicts with or would reasonably be expected to violate or conflict with, or result in or give rise to a violation of or conflict with, the Individual's representations, warranties, covenants and obligations under this Agreement; or (iii) except as otherwise permitted by this Agreement or by order of a court of competent jurisdiction, take any action that could restrict or otherwise affect the Individual's legal power, authority and right to vote all of the Covered Shares then Beneficially Owned by him or her or otherwise comply with and perform his or her covenants and obligations under this Agreement. Any Transfer in violation of this provision shall be void.

(b) The Individual understands and agrees that if the Individual attempts to Transfer, vote or provide any other Person with the authority to vote any of the Covered Shares other than in compliance with this Agreement, GBNA shall not, and the Individual hereby unconditionally and irrevocably instructs GBNA to not (i) permit such Transfer on its books and records, (ii) issue a new certificate representing any of the Covered Shares, or (iii) record such vote unless and until the Individual shall have complied with the terms of this Agreement.

4.2. Stock Dividends, etc. In the event of a stock split, stock dividend or distribution, or any change in the GBNA Common Stock by reason of any split-up, reverse stock split, recapitalization, combination, reclassification, exchange of shares or the like, the terms “Existing Shares” and “Covered Shares” shall be deemed to refer to and include such shares as well as all such stock dividends and distributions and any securities into which or for which any or all of such shares may be changed or exchanged or which are received in such transaction.

4.3. Notice of Acquisitions, etc. The Individual hereby agrees to notify GBNA as promptly as practicable (and in any event within 24 hours after receipt) in writing of (i) the number of any additional shares of GBNA Common Stock or other securities of GBNA of which the Individual acquires Beneficial Ownership on or after the date hereof and (ii) any proposed Permitted Transfers of the Covered Shares, Beneficial Ownership thereof or other interest specifically therein.

4.4. Capacity. The Individual is signing this Agreement solely in his or her capacity as a holder of GBNA Common Stock, and nothing herein shall prohibit, prevent or preclude the Individual from taking or not taking any action in the Individual’s capacity as an officer or director of GBNA to the extent permitted by the Merger Agreement.

4.5. Further Assurances. From time to time, at the request of FRBA and GBNA and without further consideration, the Individual shall execute and deliver such additional documents and take all such further action as may be reasonably necessary to effect the actions and consummate the transactions contemplated by this Agreement.

4.6. Disclosure. The Individual hereby authorizes FRBA to publish and disclose in any announcement or disclosure related to the Merger Agreement, including the Proxy Statement, the Individual’s identity and ownership of the Covered Shares and the nature of the Individual’s obligations under this Agreement.

ARTICLE V MISCELLANEOUS

5.1. Termination. This Agreement shall remain in effect until the earlier to occur of (a) the Closing and (b) the date of termination of the Merger Agreement in accordance with its terms; provided, that (i) if the Closing occurs, the provisions of Section 2.4 shall survive until the end of the Restricted Period, and (ii) the provisions of this ARTICLE V shall survive any termination of this Agreement. Nothing in this Section 5.1 and no termination of this Agreement shall relieve or otherwise limit any party of liability for fraud, or willful or intentional breach of this Agreement.

5.2. No Ownership Interest. Nothing contained in this Agreement shall be deemed to vest in FRBA or GBNA any direct or indirect ownership or incidence of ownership of or with respect to any Covered Shares. All rights, ownership and economic benefits of and relating to the Covered Shares shall remain vested in and belong to the Individual, and FRBA or GBNA shall not have any authority to direct the Individual in the voting or disposition of any of the Covered Shares, except as otherwise provided herein.

5.3. Notices. All notices or other communications which are required or permitted hereunder shall be in writing and sufficient if delivered by hand, by facsimile transmission (followed by overnight courier), by registered or certified mail, postage pre-paid, or by courier or overnight carrier, or by email (with receipt confirmed) to the persons at the addresses set forth below (or at such other address as may be provided hereunder), and shall be deemed to have been delivered as of the date so delivered:

(a) FRBA:

First Bank
2465 Kuser Road, Suite 101
Hamilton, NJ 08690
Attention: Patrick L. Ryan

Copy to Counsel:

Covington & Burling LLP
One CityCenter
850 Tenth Street, NW
Washington, DC 20001
Facsimile Number: 202-778-5988

Attention: Michael P. Reed
Christopher J. DeCresce

(b) GBNA:

Grand Bank, N.A.
2297 State Highway 33
Hamilton, NJ 08690
Facsimile Number: 609-514-9330
Attention: Peter L.A. Pantages
Email: ppantages@grandbk.com

Copy to Counsel:

Windels Marx Lane & Mittendorf, LLP
120 Albany Street Plaza
New Brunswick, NJ 08901
Facsimile Number: 732-846-8877
Attention: Robert A. Schwartz
Email: rschwartz@windelsmarx.com

(c) if to the Individual, to those persons indicated on Schedule 1.

5.4. Interpretation. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any party, whether under any rule of construction or otherwise. No party to this Agreement shall be considered the draftsman. The parties acknowledge and agree that this Agreement has been reviewed, negotiated, and accepted by all parties and their attorneys and, unless otherwise defined herein, the words used shall be construed and interpreted according to their ordinary meaning so as fairly to accomplish the purposes and intentions of all parties hereto. Section headings of this Agreement are for reference purposes only and are to be given no effect in the construction or

interpretation of this Agreement. Whenever the context may require, any pronoun used herein shall include the corresponding masculine, feminine or neuter forms. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.”

5.5. Counterparts; Delivery by Facsimile or Electronic Transmission. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments or waivers hereto or thereto, to the extent signed and delivered by means of a facsimile machine or by e-mail delivery of a “.pdf” format data file, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or e-mail delivery of a “.pdf” format data file to deliver a signature to this Agreement or any amendment hereto or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or e-mail delivery of a “.pdf” format data file as a defense to the formation of a contract and each party hereto forever waives any such defense.

5.6. Entire Agreement. This Agreement and, to the extent referenced herein, the Merger Agreement, together with the several agreements and other documents and instruments referred to herein or therein or annexed hereto or thereto, constitute the entire agreement among the parties hereto with respect to the transactions contemplated hereunder and thereunder and supersedes all prior arrangements or understandings with respect thereto, written and oral.

5.7. Governing Law; Consent to Jurisdiction; Waiver of Jury Trial.

(a) The parties agree that this Agreement shall be governed by and construed in all respects in accordance with the Laws of the State of New Jersey without regard to the conflict of Laws or choice of Law principles that might otherwise refer construction or interpretation of this Agreement to the substantive Law of another jurisdiction.

(b) Each party agrees that it will bring any action or proceeding in respect of any claim arising out of or related to this Agreement or the transactions contemplated hereby exclusively in any federal or state court of competent jurisdiction located in the State of New Jersey (the “Chosen Courts”), and, solely in connection with claims arising under this Agreement or the transactions that are the subject of this Agreement, (i) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (ii) waives any objection to laying venue in any such action or proceeding in the Chosen Courts, (iii) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any party and (iv) agrees that service of process upon such party in any such action or proceeding will be effective if notice is given in accordance with Section 5.3.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR OTHER PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT: (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN

THE EVENT OF ANY ACTION, SUIT OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER, (II) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (III) EACH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (IV) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 5.7.

5.8. Amendments; Waivers. To the extent permitted by Law, this Agreement may be amended by a subsequent writing signed by each of the parties upon the approval of each of the parties.

5.9. Enforcement of Agreement. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement was not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that the parties shall be entitled, without the requirement of posting bond, to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity. Each of the parties waives any defense in any action for specific performance that a remedy at law would be adequate.

5.10. Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

5.11. Assignment. Except as expressly contemplated hereby, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto (whether by operation of Law or otherwise) without the prior written consent of the other parties. Any purported assignment in contravention hereof shall be null and void. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

5.12. Third Party Beneficiaries. Nothing in this Agreement expressed or implied, is intended to confer upon any Person, other than the parties or their respective successors, any rights, remedies, obligations, or liabilities under or by reason of this Agreement. The representations and warranties in this Agreement are the product of negotiations among the parties hereto and are for the sole benefit of the parties. Any inaccuracies in such representations and warranties are subject to waiver by the parties hereto in accordance herewith without notice or liability to any other Person. In some instances, the representations and warranties in this Agreement may represent an allocation among the parties hereto of risks associated with particular matters regardless of the knowledge of any of the parties hereto. Consequently, Persons other than the parties may not rely upon the representations and warranties in this Agreement as characterizations of actual facts or circumstances as of the date of this Agreement or as of any other date. Notwithstanding any other provision hereof to the contrary, no consent, approval or agreement of any third party beneficiary will be required to amend, modify to waive any provision of this Agreement.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed (where applicable, by their respective officers or other authorized Person thereunto duly authorized) as of the date first written above.

FIRST BANK

By: _____

Name: Patrick L. Ryan

Title: President and Chief Executive Officer

GRAND BANK, NA

By: _____

Name: Peter L.A. Pantages

Title: Chairman

INDIVIDUAL

Name:

Schedule 1
INFORMATION

Name	Existing Shares
<hr/>	<hr/>

Address for notice:

Name:

Street:

City, State:

ZIP Code:

Telephone:

Fax:

Email:
