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GUNSTER YOAKLEY

2014/10/31

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**MERGER OR SHARE EXCHANGE
VALLEY NATIONAL BANCORP, a New Jersey corporation**

Certificate of Status	1
Certified Copy	1
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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

**ARTICLES OF MERGER
OF
1ST UNITED BANCORP, INC.
WITH AND INTO
VALLEY NATIONAL BANCORP**

Pursuant to the provisions of Sections 607.1108 and 607.1109 of the Florida Statutes, the undersigned do hereby adopt, and the surviving corporation delivers for filing, the following Articles of Merger for the purpose of merging 1st United Bancorp, Inc., a Florida corporation ("1st United"), with and into Valley National Bancorp, a New Jersey corporation ("Valley"), with Valley being the surviving corporation.

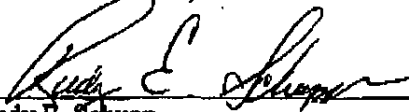
1. The full name and state of each of the constituent entities participating in the merger are 1st United Bancorp, Inc., a Florida corporation, and Valley National Bancorp, a New Jersey corporation.
2. The Plan of Merger is set forth in the Agreement and Plan of Merger, dated May 7, 2014, by and between 1st United and Valley (the "Merger Agreement"). A copy of the Merger Agreement is attached hereto as Exhibit A and is hereby incorporated into and made a part of these Articles of Merger by reference as if fully restated herein.
3. The name of the surviving corporation shall be Valley National Bancorp. The Certificate of Incorporation of Valley, as amended and restated, shall be the Certificate of Incorporation of the surviving corporation.
4. The Board of Directors of 1st United approved the Plan of Merger on May 7, 2014, and the shareholders of 1st United approved and adopted the Plan of Merger on September 10, 2014.
5. The Board of Directors of Valley approved and adopted the Plan of Merger on May 7, 2014. Approval of the Plan of Merger by the shareholders of Valley was not required.
6. The merger shall become effective on November 1, 2014, at 12:01 a.m., local time.
7. The address, including street and number, of Valley's principal office is 1455 Valley Road, Wayne, New Jersey 07470.
8. Valley is deemed to have appointed the Secretary of State of the State of Florida as its agent for service of process in a proceeding to enforce any obligation or the rights of dissenting shareholders of 1st United.
9. Valley has agreed to promptly pay to the dissenting shareholders of 1st United the amount, if any, to which they are entitled under Section 607.1302 of the Florida Statutes.

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IN WITNESS WHEREOF, each constituent entity has caused these Articles of Merger to be signed by each such entity's duly authorized officer, as of the 31st day of October, 2014.

1ST UNITED BANCORP, INC.

By:



Rudy E. Schupp
Chief Executive Officer

VALLEY NATIONAL BANCORP

By:

Gerald H. Lipkin
President & Chief Executive Officer

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IN WITNESS WHEREOF, each constituent entity has caused these Articles of Merger to be signed by each such entity's duly authorized officer, as of the 31st day of October, 2014.

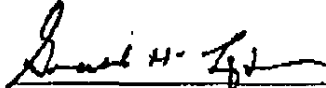
1ST UNITED BANCORP, INC.

By:

Rudy E. Schupp
Chief Executive Officer

VALLEY NATIONAL BANCORP

By:



Gerald H. Lipkin
President & Chief Executive Officer

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EXHIBIT A
MERGER AGREEMENT

(See attached)

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Execution Version

AGREEMENT AND PLAN OF MERGER

Dated as of May 7, 2014

Between

VALLEY NATIONAL BANCORP

and

1ST UNITED BANCORP, INC.

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Exhibit A – Bank Merger AgreementA-1

Exhibit B – Voting AgreementB-1

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THIS AGREEMENT AND PLAN OF MERGER, dated as of May 7, 2014 (this "*Agreement*"), is among Valley National Bancorp, a New Jersey corporation and registered bank holding company ("*Valley*") and 1st United Bancorp, Inc., a Florida corporation and registered financial holding company and bank holding company ("*1st United*").

RECITALS

Valley desires to acquire 1st United, and 1st United's Board of Directors has determined, based upon the terms and conditions hereinafter set forth, that the acquisition is in the best interests of 1st United and its shareholders. The acquisition will be accomplished by merging 1st United into Valley with Valley as the surviving corporation and, at the same time, merging 1st United Bank, a Florida state-chartered commercial bank ("*FUB*") and wholly owned subsidiary of 1st United, into Valley National Bank, a national banking association ("*VNB*") and wholly owned subsidiary of Valley, with VNB as the surviving bank, and 1st United shareholders receiving the consideration hereinafter set forth. It is the intention of the parties 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 of 1986, as amended (the "*Code*").

NOW, THEREFORE, intending to be legally bound, the parties hereto agree as follows:

ARTICLE I - THE MERGER

1.1. The Merger. Subject to the terms and conditions of this Agreement, at the Effective Time (as hereafter defined), 1st United shall be merged with and into Valley (the "*Merger*") in accordance with the New Jersey Business Corporation Act (the "*NJBCA*") and the Florida Business Corporation Act (the "*FBCA*") and Valley shall be the surviving corporation (the "*Surviving Corporation*"). Immediately following the Effective Time, FUB shall be merged with and into VNB as provided in Section 1.7 hereof.

1.2. Effect of the Merger. The Merger shall have the effects as set forth in the NJBCA and the FBCA.

1.3. Certificate of Incorporation. The certificate of incorporation of Valley as it exists immediately prior to the Effective Time shall not be amended by the Merger, but shall continue as the certificate of incorporation of the Surviving Corporation until otherwise amended as provided by law.

1.4. Bylaws. The bylaws of Valley as they exist immediately prior to the Effective Date shall continue as the bylaws of the Surviving Corporation until otherwise amended as provided by law.

1.5. Directors and Officers. The directors and officers of Valley as of the Effective Time shall continue as the directors and officers of the Surviving Corporation.

1.6. Closing Date, Closing and Effective Time. Unless a different date, time and/or place are agreed to by the parties hereto, the closing of the Merger (the "*Closing*") shall

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take place at 10:00 a.m., at the offices of Valley, 1455 Valley Road, Wayne, New Jersey, on a date (the "**Closing Date**") which is the last day of the fiscal quarter which is five (5) business days following the last to occur of the receipt of all necessary regulatory and governmental approvals and consents and the expiration of all statutory waiting periods in respect thereof and the satisfaction or waiver of all of the conditions to the consummation of the Merger specified in Article VI hereof (other than the delivery of certificates, opinions and other instruments and documents to be delivered at the Closing), with the exact date determined by the mutual agreement of Valley and 1st United. Simultaneous with the Closing, Valley and 1st United shall cause to be filed a certificate of merger, in form and substance satisfactory to Valley and 1st United, with the Division of Treasury of the State of New Jersey and the Florida Secretary of State (the "**Certificate of Merger**"). The Certificate of Merger shall specify as the "**Effective Time**" of the Merger a date and time following the Closing agreed to by Valley and 1st United (which date and time the parties currently anticipate will be the close of business on the Closing Date).

1.7. **The Bank Merger.** Immediately following the Effective Time, FUB shall be merged with and into VNB (the "**Bank Merger**") in accordance with the provisions of the National Bank Act and, to the extent applicable, the relevant banking statutes of the State of Florida (the "**Banking Law**") and the regulations of the Florida Office of Financial Regulation (the "**OFR**"), and VNB shall be the surviving bank (the "**Surviving Bank**"). The Bank Merger shall have the effects as set forth in the National Bank Act and the Banking Law. 1st United and Valley shall cause the Boards of Directors of FUB and VNB, respectively, to approve a separate merger agreement (the "**Bank Merger Agreement**") in substantially the form of Exhibit A, annexed hereto, and cause the Bank Merger Agreement to be executed and delivered as soon as practicable following the date of execution of this Agreement.

ARTICLE II - CONVERSION OF 1ST UNITED COMMON STOCK, OPTIONS AND WARRANTS

2.1. Conversion of 1st United Common Stock; Exchange Ratio; Cash in Lieu of Fractional Shares.

(a) At the Effective Time, subject to the other provisions of this Section 2.1 and Section 2.2, each share of common stock, \$0.01 par value per share, of 1st United ("**1st United Common Stock**") issued and outstanding immediately prior to the Effective Time (other than Excluded Shares (as such term is hereinafter defined), but including all unvested restricted stock awards), shall by virtue of the Merger and without any action on the part of 1st United, Valley or the holder thereof, cease to be outstanding and shall be converted into and become the right to receive that number of shares of common stock, no par value, of Valley ("**Valley Common Stock**") equal to the Exchange Ratio (as hereinafter defined). No fractional shares of Valley Common Stock will be issued, and in lieu thereof, each holder of 1st United Common Stock who would otherwise be entitled to a fractional interest of Valley Common Stock will receive an amount in cash determined by multiplying such fractional interest by the Average Closing Price as defined below. For purposes of this Section 2.1, the following terms shall have the following meanings:

(A) "**Closing Price**" shall mean the closing sale price of Valley Common Stock on a Trading Day as supplied by the New York Stock Exchange (as reported in

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The Wall Street Journal or, if not reported thereby, another mutually agreed to authoritative source).

(B) "*Trading Day*" shall mean a day for which a Closing Price is so supplied.

(C) "*Average Closing Price*" shall mean the average of the Closing Prices on the twenty (20) Trading Days immediately preceding the date which is five (5) Trading Days prior to the Closing Date.

(D) "*Exchange Ratio*" shall mean the following:

(A) If the Average Closing Price is between \$8.09 and \$12.13, the Exchange Ratio shall be equal to 0.89;

(B) Subject to Section 2.1(b) below, if the Average Closing Price is less than \$8.09, the Exchange Ratio shall be \$7.20 divided by the Average Closing Price, rounded to three decimal places; and

(C) If the Average Closing Price is greater than \$12.13, the Exchange Ratio shall be \$10.80 divided by the Average Closing Price, rounded to three decimal places.

(b) If the Average Closing Price is less than \$8.09, Valley shall have the right, in its sole discretion, in lieu of increasing the Exchange Ratio, to pay an amount of cash for each share of 1st United Common Stock in an amount equal to the difference between (A) \$7.20 and (B) the product of the Average Closing Price times 0.89. In the event that Valley chooses this option, the Exchange Ratio shall equal 0.89, provided, however, that Valley shall not pay cash to the extent that such payment would result in the Merger failing to satisfy the continuity of interest requirement applicable to reorganizations under Section 368(a)(1)(A) of the Code; in the event of any such reduced cash payment, the Exchange Ratio shall be adjusted accordingly.

(c) At the Effective Time, all shares of 1st United Common Stock held by 1st United in its treasury or owned by Valley or by any of Valley's Subsidiaries (other than shares held as trustee or in a fiduciary capacity and shares held as collateral on or in lieu of a debt previously contracted) ("*Excluded Shares*") shall be canceled and shall cease to exist and no Merger Consideration (as hereinafter defined) shall be delivered in exchange therefor.

(d) On and after the Effective Time, holders of certificates which immediately prior to the Effective Time represented outstanding shares of 1st United Common Stock (the "*Certificates*") shall cease to have any rights as shareholders of 1st United, except the right to receive the consideration set forth in this Section 2.1 for each such share held by them. The (i) Valley Common Stock, (ii) cash, if any, which at the election of Valley may be delivered pursuant to Section 2.1(b) hereof, and (iii) cash in lieu of fractional shares, if any, which any one 1st United shareholder may receive pursuant to this Section 2.1 is referred to herein as the "*Merger Consideration*" and total number of shares of Valley Common Stock, cash, if any, which at the election of Valley may be delivered pursuant to Section 2.1(b) hereof, plus any cash

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in lieu of fractional shares which all of 1st United shareholders are entitled to receive pursuant to this Section 2.1 is referred to herein as the "*Aggregate Merger Consideration*".

(e) Notwithstanding any provision herein to the contrary, if, during the period from the date hereof to the Effective Time, the shares of Valley Common Stock shall be changed into a different number or class of shares by reason of any reclassification, recapitalization, split-up, combination, exchange of shares or readjustment, or a stock dividend thereon shall be declared with a record date within said period, appropriate adjustments shall be made to the Exchange Ratio to provide the 1st United shareholders with the equivalent value of the Merger Consideration set forth in Section 2.1.

2.2. Exchange of Shares.

(a) 1st United and Valley hereby appoint American Stock Transfer and Trust Company as the exchange agent (the "*Exchange Agent*") for purposes of effecting the conversion of 1st United Common Stock. Not later than five (5) business days after the Effective Time, Valley shall cause the Exchange Agent to mail to each holder of record of 1st United Common Stock as of the Effective Time (a "*Record Holder*") a letter of transmittal in form mutually agreed upon by Valley and 1st United (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificates to the Exchange Agent), and instructions for use in effecting the surrender of the Certificates in exchange for the Merger Consideration as provided in Section 2.1 hereof.

(b) Upon surrender of Certificates for exchange and cancellation to the Exchange Agent, together with such letter of transmittal, duly completed and executed, the Record Holder shall be entitled to promptly receive in exchange for such Certificates the Merger Consideration which such Record Holder has the right to receive pursuant to Section 2.1 hereof. Certificates so surrendered shall be canceled. As soon as practicable, but no later than ten (10) business days following receipt of the properly completed letter of transmittal and any necessary accompanying documentation, Valley shall cause the Exchange Agent to distribute the Merger Consideration. The Exchange Agent shall not be obligated to deliver or cause to be delivered to any Record Holder the consideration to which such Record Holder would otherwise be entitled until such Record Holder surrenders the Certificates for exchange or, in default thereof, an appropriate Affidavit of Loss and Indemnity Agreement and bond as may be required in each case by Valley. Notwithstanding the time of surrender of the Certificates, Record Holders shall be deemed shareholders of Valley for all purposes from the Effective Time, except that Valley shall withhold the payment of dividends from any Record Holder until such Record Holder effects the exchange of Certificates for Valley Common Stock. Such Record Holder shall receive such withheld dividends, without interest, upon effecting the share exchange.

(c) After the Effective Time, there shall be no transfers on the stock transfer books of 1st United of the shares of 1st United Common Stock which were outstanding immediately prior to the Effective Time and, if any Certificates representing such shares are presented for transfer, they shall be canceled and exchanged for the consideration as provided in Section 2.1 hereof.

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(d) If payment of the consideration pursuant to Section 2.1 hereof is to be made in a name other than that in which the Certificates surrendered in exchange therefor is registered, it shall be a condition of such payment that the Certificates 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 payment shall pay to the Exchange Agent in advance any transfer or other Taxes required by reason of the payment to a person other than that of the registered holder of the Certificates 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.

(e) Valley and the Exchange Agent shall be entitled to rely upon 1st United's stock transfer books to establish the identity of those persons entitled to receive the Merger Consideration, which books shall be conclusive with respect thereto. In the event of a dispute with respect to ownership of stock represented by any Certificate, Valley and the Exchange Agent shall be entitled to deposit any Merger Consideration or dividends or distributions thereon represented thereby in escrow with an independent third party and thereafter be relieved with respect to any claims thereto.

(f) Immediately prior to the Effective Date, Valley shall deposit, or shall cause to be deposited, with the Exchange Agent for the benefit of the holders of 1st United Common Stock, for exchange in accordance with this Section 2.2, certificates (or other electronic evidence) representing the shares of Valley Common Stock to be issued to 1st United shareholders as part of the Aggregate Merger Consideration plus an estimated aggregate amount of cash to be paid pursuant to Section 2.1(b), if any, and in lieu of fractional shares of Valley Common Stock.

2.3. Treatment of 1st United Stock Options and Stock Awards.

(a) All options which may be exercised for issuance of 1st United Common Stock (each, a "*1st United Stock Option*" and collectively the "*1st United Stock Options*") are described in the *1st United Disclosure Schedule* and are issued and outstanding pursuant to the 1st United stock plans described in the *1st United Disclosure Schedule* (collectively, the "*1st United Stock Plans*") and the forms of agreements pursuant to which such 1st United Stock Options were granted (each, an "*Option Grant Agreement*"). True and complete copies of all outstanding grant agreements for 1st United Stock Options issued under 1st United's Stock Option Plans will be delivered to Valley promptly after execution of this Agreement.

(b) Holders of unexercised 1st United Stock Options (including currently unvested options which would become vested and exercisable as a result of the Merger or otherwise) will be entitled to receive, in cancellation of their 1st United Stock Options, a cash payment from 1st United immediately prior to the Effective Time, in an amount equal to the product of (A) the number of shares of 1st United Common Stock into which such 1st United Stock Options are convertible and (B) the excess, if any, of (x) the product of the Average Closing Price times the Exchange Ratio (subject to adjustment as set forth in Section 2.1(e) hereof but disregarding Section 2.1(b) hereof), over (y) the exercise price per share provided for in such 1st United Stock Option (the "*Cash Option Payment*"), which cash payment shall be

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treated as compensation and shall be net of any applicable federal and state withholding Taxes. Immediately prior to the Effective Time, no 1st United Stock Options will be outstanding.

(c) 1st United shall take all requisite action so that, at the Effective Time, each stock settled phantom stock award or stock appreciation right and other right, contingent or accrued, to acquire or receive shares of 1st United Common Stock or benefits measured by the value of such shares, and each award of any kind consisting of shares of 1st United Common Stock that may be held, awarded, outstanding, payable or reserved for issuance under any 1st United Stock Plan (as defined below), other than 1st United Stock Options (each, a "*1st United Stock Award*") immediately prior to the Effective Time, whether or not then vested or exercisable, shall be, by virtue of the Merger and without any action on the part of 1st United or Valley, the holder of that 1st United Stock Award or any other person, cancelled and converted into the right to receive from Valley, as promptly as reasonably practicable after the Effective Time, an amount in cash, without interest, equal to the product of (x) the aggregate number of shares of 1st United Common Stock in respect of such 1st United Stock Award multiplied by (y) the Average Closing Price times the Exchange Ratio (subject to adjustment as set forth in Section 2.1(e) hereof but disregarding Section 2.1(b) hereof), which cash payment shall be treated as compensation and shall be net of any applicable federal and state withholding Taxes.

(d) At or prior to the Effective Time, 1st United, the 1st United Board and the compensation committee of such board, as applicable, shall adopt any resolutions and take any actions (including obtaining any employee consents) that may be necessary to effectuate the provisions of paragraphs (a), (b) and (c) of this Section 2.3.

2.4. Valley Shares. The shares of Valley Common Stock outstanding at the Effective Time shall not be affected by the Merger, but along with the additional shares of Valley Common Stock to be issued as provided in Section 2.1 hereof, shall become the outstanding common stock of the Surviving Corporation.

2.5. Tax Consequences. It is intended that the Merger shall constitute reorganization within the meaning of Section 368(a) of the Code and that this Agreement shall constitute a "plan of reorganization" for purposes of Section 368 of the Code.

2.6. No Dissenters' Rights. Consistent with the relevant provisions of the FBCA, no shareholder of 1st United shall have appraisal rights with respect to the Merger.

ARTICLE III - REPRESENTATIONS AND WARRANTIES OF 1ST UNITED

References herein to "*1st United Disclosure Schedule*" shall mean all of the disclosure schedules required by Article III and Article V hereof, dated as of the date hereof and referenced to the specific sections and subsections of Article III and Article V of this Agreement, which have been delivered on the date hereof by 1st United to Valley. As used in this Agreement, the term "*Material Adverse Effect*" means, with respect to 1st United or Valley, as the case may be, an effect which (i) is material and adverse to the business, assets, financial condition or results of operations of such party and its Subsidiaries on a consolidated basis, or (ii) materially impairs the ability of such party and its Subsidiaries to consummate the

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transactions contemplated hereby on a timely basis; *provided, however*, that "**Material Adverse Effect**" shall not be deemed to include the impact of (a) changes in laws and regulations affecting banks or thrift institutions or their holding companies generally, or interpretations thereof by courts or governmental agencies, (b) changes in United States Generally Accepted Accounting Principles ("**GAAP**") or regulatory accounting principles generally applicable to financial institutions and their holding companies, (c) actions and omissions of a party hereto (or any of its Subsidiaries) taken with the prior written consent of the other party, (d) the impact of the announcement of this Agreement and the transactions contemplated hereby, and compliance with this Agreement on the business, financial condition or results of operations of the parties and their respective Subsidiaries, including the expenses (inclusive of any change in control, severance and related payments to be made to employees prior to the Closing Date) incurred by the parties hereto in consummating the transactions contemplated by this Agreement (and any loss of personnel subsequent to the date of this Agreement), (e) changes in national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon or within the United States or any of its territories, possessions or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States, unless it uniquely or disproportionately affects either or both of the parties or any of their Subsidiaries, (f) any change in the value of the securities or loan portfolio, or any change in the value of the deposits or borrowings, of 1st United or Valley, or any of their Subsidiaries, respectively, resulting from a change in interest rates generally, or (g) changes resulting to securities markets in general (including the disruption thereof and any decline in price of any security or market index). For the purposes of this Agreement, "**knowledge**" shall mean, with respect to a party hereto, actual knowledge of the members of the Board of Directors of that party, any executive officer of that party with the title ranking not less than executive vice president and that party's corporate secretary. 1st United hereby represents and warrants to Valley as follows:

3.1. Corporate Organization. (a) 1st United is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida. 1st United has the corporate power and authority to own or lease all of its properties and assets and to carry on its business as it is now being conducted and is duly licensed or qualified to do business and in good standing in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary, except where the failure to be so licensed or qualified or in good standing would not have, or would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on 1st United. 1st United is registered as a financial holding company under The Bank Holding Company Act of 1956, as amended (the "**BHCA**"). None of 1st United's activities require 1st United to be a financial holding company under the BHCA.

(b) All of the Subsidiaries of 1st United are listed in the *1st United Disclosure Schedule* with a designation of which Subsidiaries are Significant Subsidiaries. For purposes of this Agreement, a "**Subsidiary**" shall mean any corporation, partnership, joint venture, limited liability company or other entity of which at least a majority of the capital stock or other ownership interest having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly

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owned by such person. As used in this Agreement, the term "*Significant Subsidiary*" shall mean each Subsidiary which is a "significant subsidiary" as defined in Regulation S-X, promulgated by the United States Securities and Exchange Commission (the "*SEC*"), as in effect as of the date hereof. Each Significant Subsidiary of 1st United is duly organized, validly existing and in good standing under the laws of its state of incorporation or organization. FUB is a commercial bank chartered under the laws of the State of Florida whose deposits are insured by the Federal Deposit Insurance Corporation (the "*FDIC*") to the fullest extent permitted by law. Each Significant Subsidiary of 1st United has the power and authority to own or lease all of its properties and assets and to carry on its business as it is now being conducted and is duly licensed or qualified to do business in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary, except where the failure of each of the foregoing would not have a Material Adverse Effect on 1st United. The *1st United Disclosure Schedule* sets forth true and complete copies of the certificate of incorporation, articles of association, bylaws or other comparable formation and governing documents (together the "*1st United Charter Documents*") of 1st United and of each 1st United Significant Subsidiary as in effect on the date hereof. Except as set forth in the *1st United Disclosure Schedule*, 1st United does not own or control, directly or indirectly, any equity interest in any corporation, company, association, partnership, joint venture or other entity and owns no real estate, except (i) residential real estate acquired through foreclosure or deed in lieu of foreclosure in each individual instance with a fair market value less than \$500,000 and (ii) real estate used for its banking premises.

3.2. **Capitalization.** (a) The authorized capital stock of 1st United consists of 60,000,000 shares of 1st United Common Stock and 5,000,000 shares of preferred stock, no par value (the "*1st United Preferred Stock*"). As of the date hereof, there were 34,489,547 shares of 1st United Common Stock issued and outstanding, and no shares of 1st United Common Stock issued and held in the treasury and no shares of 1st United Preferred Stock issued and outstanding and no shares of 1st United Preferred Stock issued and held in treasury. As of the date hereof, except for 4,249,694 shares of 1st United Common Stock issuable upon exercise of outstanding stock options granted pursuant to the 1st United Stock Option Plans or pursuant to executive employment agreements as set forth on the *1st United Disclosure Schedule*, there were no shares of 1st United Common Stock issuable upon the exercise of outstanding stock options or otherwise. All issued and outstanding shares of 1st United Common Stock and 1st United Preferred Stock have been duly authorized and validly issued, are fully paid, and nonassessable. The authorized capital stock of FUB consists of 1,000,000 shares of common stock, \$7.00 par value per share. As of the date hereof, there were 752,800 shares of FUB common stock outstanding. Except as set forth in the *1st United Disclosure Schedule*, neither 1st United nor any 1st United Subsidiary has or is bound by any outstanding subscriptions, options, warrants, calls, commitments or agreements of any character calling for the transfer, purchase or issuance of any shares of capital stock of 1st United or any 1st United Subsidiary or any securities representing the right to purchase or otherwise receive any shares of such capital stock or any securities convertible into or representing the right to purchase or subscribe for any such shares, and there are no agreements or understandings with respect to voting of any such shares.

(b) The *1st United Disclosure Schedule* contains a list setting forth as of the date of this Agreement (i) all outstanding 1st United Stock Options, the names of the

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option holders, the date each such option was granted, the number of shares subject to each such option, the expiration date of each such option, any vesting schedule with respect to an option which is not yet fully vested, and the price at which each such option may be exercised and (ii) comparable information for any other outstanding awards under the 1st United Stock Option Plans. Each 1st United Stock Option intended to qualify as an "incentive stock option" under Section 422 of the Code so qualifies. The exercise price of each 1st United Stock Option is not less than the fair market value of a share of 1st United Common Stock as determined on the date of grant of such 1st United Stock Option and within the meaning of Section 409A of the Code and associated guidance set forth by Treasury. 1st United has made available to Valley true and complete copies of all 1st United Stock Option Plans and the forms of all award agreements and other agreements evidencing outstanding 1st United Stock Options.

(c) The *1st United Disclosure Schedule* lists the name(s), jurisdiction of incorporation or organization, authorized and outstanding shares of capital stock and record and beneficial owners of such capital stock for each Subsidiary of 1st United. Except as set forth in the *1st United Disclosure Schedule*, 1st United owns, directly or indirectly, all of the issued and outstanding shares of capital stock of or all other equity interests in each of 1st United's Subsidiaries, free and clear of any lien, claim, charge, mortgage, pledge, security interest, restriction, encumbrance or security interest ("*Liens*"), and all of such shares are duly authorized, validly issued, fully paid, nonassessable and free of preemptive rights. Neither 1st United nor any Subsidiary of 1st United has or is bound by any right with respect to the capital stock or any other equity security of any Subsidiary of 1st United.

(d) Except (i) as disclosed in the *1st United Disclosure Schedule*, (ii) for 1st United's ownership in its Subsidiaries, (iii) for securities held for the benefit of third parties in trust accounts, managed accounts and the like for the benefit of customers, (iv) for securities acquired after the date of this Agreement in satisfaction of debts previously contracted in good faith, and (v) unmarketable Federal Home Loan Bank and Federal Reserve Bank stock, neither 1st United nor any of its Subsidiaries beneficially owns or controls, directly or indirectly, any shares of stock or other equity interest in any corporation, firm, partnership, joint venture or other entity.

(e) Except as set forth in the *1st United Disclosure Schedule*, no bonds, debentures, trust-preferred securities or other similar indebtedness of 1st United (parent company only) are issued or outstanding.

3.3. Authority; No Violation.

(a) Subject to the approval of this Agreement and the transactions contemplated hereby by the shareholders of 1st United, and subject to the parties obtaining all necessary regulatory approvals, 1st United has full corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby in accordance with the terms hereof and FUB has full corporate power and authority to execute and deliver the Bank Merger Agreement and to consummate the transactions contemplated thereby in accordance with the terms thereof. On or prior to the date of this Agreement, 1st United's Board of Directors, by resolutions duly adopted by unanimous vote of those voting at a meeting duly called and held, (i) determined that this Agreement and the Merger are fair to and in the best

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interests of 1st United and its shareholders and declared the Merger and the other transactions contemplated hereby to be advisable, (ii) approved this Agreement, the Merger and the other transactions contemplated hereby and (iii) resolved to recommend that the shareholders of 1st United approve this Agreement at the 1st United Shareholders Meeting (the "*1st United Recommendation*"). The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly approved by the Board of Directors of 1st United. The execution and delivery of the Bank Merger Agreement has been duly and validly approved by the Board of Directors of FUB. Except for the approvals described in paragraph (b) below, no other corporate proceedings on the part of 1st United or FUB are necessary to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by 1st United and, assuming due and valid execution and delivery of this Agreement by Valley, constitutes a valid and binding obligation of 1st United, enforceable against 1st United in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights and remedies generally and subject, as to enforceability, to general principles of equity, whether applied in a court of law or a court of equity.

(b) Neither the execution and delivery of this Agreement by 1st United or the execution and delivery of the Bank Merger Agreement by FUB, nor the consummation by 1st United of the transactions contemplated hereby in accordance with the terms hereof or the consummation by FUB of the transactions contemplated thereby in accordance with the terms thereof, or compliance by 1st United with any of the terms or provisions hereof or compliance by FUB with any of the terms or provisions thereof, will (i) violate any provision of the 1st United Charter Documents, (ii) assuming that the consents and approvals set forth below are duly obtained, violate any statute, code, ordinance, rule, regulation, judgment, order, writ, decree or injunction applicable to 1st United or FUB or any of their respective properties or assets, or (iii) except as set forth in the *1st United Disclosure Schedule*, violate, conflict with, result in a breach of any provisions of, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of, accelerate the performance required by, or result in the creation of any lien, security interest, charge or other encumbrance upon any of the respective properties or assets of 1st United or FUB under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which 1st United or FUB is a party, or by which either or both of them or any of their respective properties or assets may be bound or affected except, with respect to (ii) and (iii) above, such as individually and in the aggregate will not have a Material Adverse Effect on 1st United. Except for consents and approvals of or filings or registrations with or notices to the Office of the Comptroller of the Currency (the "*OCC*"), the FDIC (including the consent to the assignment of the Shared-Loss Agreements (as hereinafter defined), the Board of Governors of the Federal Reserve System (the "*FRTB*"), the OFR, the Florida Department of State, the SEC, and the shareholders of 1st United, or as listed in the *1st United Disclosure Schedule*, no consents or approvals of or filings or registrations with or notices to any federal or state governmental authority, instrumentality or administrative agency or, to the knowledge of 1st United, any third party (other than consents or approvals of third parties the absence of which will not have a Material Adverse Effect on 1st United or FUB) are necessary on behalf of 1st United or FUB in connection with (x) the execution and delivery by 1st United of this Agreement and (y) the consummation by 1st United of the transactions contemplated hereby and (z) the execution and delivery by FUB of the Bank Merger Agreement

and the consummation by FUB of the transactions contemplated thereby. To the knowledge of 1st United, there is no reason why the consents and approvals referenced in the preceding sentence will not be obtained in a timely fashion.

3.4. Financial Statements.

(a) 1st United's (a) Annual Report on Form 10-K for the year ended December 31, 2013 filed with the SEC under the Securities Exchange Act of 1934 (the "*Exchange Act*") sets forth the consolidated balance sheets of 1st United as of December 31, 2013 and 2012, and the related consolidated statements of income, shareholders' equity and cash flows for the periods ended December 31 in each of the three years 2011 through 2013, accompanied by the audit report of 1st United's independent public accountants, and (b) Quarterly Report on Form 10-Q for the period ended March 31, 2014 filed with the SEC under the Exchange Act sets forth the unaudited consolidated balance sheets of 1st United as of March 31, 2014 and 2013 and the related unaudited consolidated statements of income, shareholders' equity and cash flows of the three months ended March 31, 2014 and 2013 ((a) and (b) collectively, the "*1st United Financial Statements*"). The 1st United Financial Statements (including the related notes), have been prepared in accordance with GAAP consistently applied during the periods involved, and fairly present in all material respects the consolidated financial position of 1st United as of the respective dates set forth therein, and the related consolidated statements of income, changes in shareholders' equity and of cash flows (including the related notes, where applicable) fairly present in all material respects the consolidated results of operations and changes in shareholders' equity and of cash flows of 1st United for the respective fiscal periods set forth therein.

(b) The books and records of 1st United and its Significant Subsidiaries have been and are being maintained in material compliance with applicable legal and accounting requirements, and reflect only actual transactions.

(c) Except as set forth in the *1st United Disclosure Schedule* and except to the extent reflected, disclosed or reserved against in the 1st United Financial Statements, as of December 31, 2013, neither 1st United nor any of its Significant Subsidiaries had any obligations or liabilities, whether absolute, accrued, contingent or otherwise material to the business, operations, assets or financial condition of 1st United or any of its Significant Subsidiaries and which are required by GAAP to be disclosed in the 1st United Financial Statements. Since December 31, 2013 and to the date hereof, neither 1st United nor any of its Significant Subsidiaries have incurred any material liabilities except in the ordinary course of business and consistent with past banking practice, except as specifically contemplated by or incurred in connection with this Agreement.

(d) The *1st United Disclosure Schedule* includes a copy of 1st United's Consolidated Financial Statements for Bank Holding Companies (on Form FRY 9C) as of December 31, 2013 which includes information regarding "off-balance sheet arrangements" effected by 1st United.

(e) Crowe Horwath LLP, which has expressed its opinion with respect to the financial statements of 1st United and its subsidiaries (including the related notes), is and

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has been throughout the periods covered by such financial statements (x) a registered public accounting firm (as defined in Section 2(a)(12) of the Sarbanes-Oxley Act of 2002) (the "*Sarbanes-Oxley Act*"), and (y) "independent" with respect to 1st United within the meaning of the rules of applicable bank regulatory authorities and the Public Company Accounting Oversight Board.

3.5. Financial Advisor Fees and Other Fees. Other than Keefe, Bruyette & Woods, Inc. ("*KBW*") and RP Financial, LC ("*RP Financial*"), neither 1st United nor any of its Subsidiaries nor any of their respective directors or officers has employed any broker, investment banker, financial advisor or finder or incurred any liability for any broker's, financial advisor, finder's fees or similar fees or commissions in connection with any of the transactions contemplated by this Agreement. A copy of 1st United's agreements with each of KBW and RP Financial has previously been delivered to Valley. KBW and RP Financial have each delivered to the Board of Directors of 1st United its opinion (which, if initially rendered verbally, has been or will be confirmed by a written opinion, dated the same date) with respect to the fairness, as of the date of such opinion and based upon and subject to the factors, limitations and assumptions set forth therein, from a financial point of view, of the Exchange Ratio in the Merger to the shareholders of 1st United. Other than pursuant to the agreements with KBW and RP Financial, there are no fees (other than time charges billed at usual and customary rates) payable to any consultants, including lawyers and accountants, in connection with this transaction or which would be triggered by consummation of this transaction or the termination of the services of such consultants by 1st United or any of its Subsidiaries.

3.6. Absence of Certain Changes or Events. Since December 31, 2013, there has not been any condition, event, change or occurrence that, individually or in the aggregate, has had, or is reasonably likely to have, a Material Adverse Effect on 1st United.

3.7. Legal Proceedings. Except as disclosed in the *1st United Disclosure Schedule*, neither 1st United nor any of its Subsidiaries is a party to any, and there are no pending or, to 1st United's knowledge, threatened, legal, administrative, arbitral or other proceedings, claims, actions or governmental investigations of any nature against 1st United or any of its Subsidiaries which, if decided adversely to 1st United, or any of its Subsidiaries, would be reasonably likely to have a Material Adverse Effect on 1st United. Except as disclosed in the *1st United Disclosure Schedule*, neither 1st United nor any of its Subsidiaries is a party to any order, judgment or decree entered against 1st United or any 1st United Subsidiary in any lawsuit or proceeding which would have a Material Adverse Effect on 1st United.

3.8. Taxes and Tax Returns.

(a) Except as set forth in the *1st United Disclosure Schedule* or as would not have a Material Adverse Effect on 1st United or FUB, 1st United, FUB and each of their Subsidiaries have timely filed (and until the Effective Time will so file) all Returns required to be filed by them in respect of any Taxes (which such Returns which have already been filed were and continue to be, true, correct and complete in all material respects and which such Returns which will be filed will be true, correct and complete in all material respects when filed) and each has duly paid (and until the Effective Time will so pay) all such Taxes shown as due and payable on such Returns, other than Taxes or other charges which are being contested in

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good faith (and disclosed to Valley in writing). Except as set forth in the *1st United Disclosure Schedule*, 1st United, FUB and each of their Subsidiaries have established (and until the Effective Time will establish) on their books and records reserves for the payment of all Taxes not yet due and payable, but incurred in respect of 1st United, FUB or any Subsidiary through such date, which reserves are adequate for such purposes. Except as set forth in the *1st United Disclosure Schedule*, the federal income Tax Returns of 1st United, FUB and each of their Subsidiaries have been examined by the Internal Revenue Service (the "IRS") (or are closed to examination due to the expiration of the applicable statute of limitations) and no deficiencies were asserted as a result of such examinations which have not been resolved and paid in full. Except as set forth in the *1st United Disclosure Schedule*, the applicable state income and local Tax Returns of 1st United, FUB and each of their Subsidiaries have been examined by the applicable authorities (or are closed to examination due to the expiration of the statute of limitations) and no deficiencies were asserted as a result of such examinations which have not been resolved and paid in full. Except as set forth in the *1st United Disclosure Schedule*, to the knowledge of each of 1st United and FUB, there are no audits or other administrative or court proceedings presently pending nor any other disputes pending, or claims asserted for, Taxes or assessments upon 1st United, FUB or any of their Subsidiaries, nor has 1st United, FUB or any of their Subsidiaries given any currently outstanding waivers or comparable consents regarding the application of the statute of limitations with respect to any Taxes or Returns.

(b) Except as set forth in the *1st United Disclosure Schedule*, neither 1st United, FUB nor any of their Subsidiaries: (i) has requested any extension of time within which to file any Tax Return which Return has not since been filed; (ii) is a party to any agreement providing for the allocation or sharing of Taxes (except agreements between and/or among 1st United, FUB and/or any of their Subsidiaries); (iii) is required to include in income any adjustment pursuant to Section 481(a) of the Code, by reason of a voluntary change in accounting method initiated by 1st United, FUB or any Subsidiary (nor does 1st United or FUB have any knowledge that the IRS has proposed any such adjustment or change of accounting method); (iv) has taken or agreed to take any action, has failed to take any action, or knows of any fact, agreement, plan or other circumstances that could prevent the Merger from qualifying as a "reorganization" within the meaning of Section 368(a)(1)(A) of the Code; (v) has been a party to any distribution occurring in the last five years in which the parties to such distribution treated the distribution as one to which Section 355 of the Code applied; (vi) has been included in any "consolidated," "unitary" or "combined" Return (other than the Returns which include 1st United, FUB and each of their Subsidiaries) provided for under the laws of the United States, any foreign jurisdiction or any state or locality or has any liability for Taxes of any person (other than 1st United, FUB and/or any of their Subsidiaries) arising from the application of Treasury Regulations Section 1.1502-6 or any analogous provision under the laws of any foreign jurisdiction or any state or locality, or as a transferee or successor, by contract, or otherwise; (vii) has participated in or otherwise engaged in any transaction described in Treasury Regulations Section 301.6111-2(b)(2) or any "Reportable Transaction" within the meaning of Treasury Regulations Section 1.6011-4(b); (viii) has been a "United States real property holding corporation" within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code; (ix) is a party to any agreement or arrangement that would result, separately or in the aggregate, in the actual or deemed payment by 1st United, FUB or any of their Subsidiaries of any "excess parachute payments" within the meaning of Section 280G of the Code; and/or (x) has received any claim by a Governmental Entity in a

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jurisdiction where it does not file Returns that it is or may be subject to taxation by that jurisdiction.

(c) Except as set forth in the *1st United Disclosure Schedule*, (i) 1st United, FUB and each of their Subsidiaries has complied with all applicable laws, rules and regulations relating to the payment and withholding of Taxes and has, within the time and in the manner provided by law, withheld and paid over to the proper Governmental Entities all amounts required to be so withheld and paid over under applicable laws; and (ii) 1st United, FUB and each of their Subsidiaries has maintained such records in respect to each transaction, event and item (including as required to support otherwise allowable deductions and losses) as are required under applicable Tax law, except where the failure to comply or maintain records under (i) or (ii) will not result in a Material Adverse Effect on 1st United.

(d) 1st United has made available to Valley correct and complete copies of: (i) all material Returns filed within the past three years by 1st United, FUB and each of their Subsidiaries; (ii) all audit reports, letter rulings, technical advice memoranda and similar documents issued by a Governmental Entity within the past three years relating to Taxes due from or with respect to 1st United, FUB or any of its Subsidiaries; and (iii) any closing letters or agreements entered into by 1st United, FUB or any of their Subsidiaries with any Governmental Entities within the past five years with respect to Taxes.

(e) For purposes of this Agreement, the terms: (i) "*Tax*" or "*Taxes*" means: (A) any and all taxes, customs, duties, tariffs, imposts, charges, deficiencies, assessments, levies or other like governmental charges, including, without limitation, income, gross receipts, excise, real or personal property, ad valorem, value added, estimated, alternative minimum, stamp, sales, withholding, social security, occupation, use, service, service use, license, net worth, payroll, franchise, transfer and other recording taxes and charges, imposed by the IRS or any other taxing authority (whether domestic or foreign, including, without limitation, any state, county, local or foreign government or any subdivision or taxing agency thereof (including a United States possession)), whether computed on a separate, consolidated, unitary, combined or any other basis and such term shall include any interest, fines, penalties or additional amounts attributable to, or imposed upon, or with respect to, any such amounts, (B) any liability for the payment of any amounts described in (A) as a result of being a member of an affiliated, consolidated, combined, unitary, or similar group or as a result of transferor or successor liability, and (C) any liability for the payment of any amounts as a result of being a party to any tax sharing agreement or as a result of any obligation to indemnify any other person with respect to the payment of any amounts of the type described in (A) or (B); (ii) "*Return*" means any Return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof, which is required to be filed with a Governmental Entity; and (iii) "*Governmental Entity*" means any (A) Federal, state, local, municipal or foreign government, (B) governmental, quasi-governmental authority (including any governmental agency, commission, branch, department or official, and any court or other tribunal) or body exercising, or entitled to exercise, any governmentally-derived administrative, executive, judicial, legislative, police, regulatory or taxing authority, or (C) any self-regulatory organization, administrative or regulatory agency, commission or authority.

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3.9. Employee Benefit Plans.

(a) Except as disclosed in the *1st United Disclosure Schedule*, neither 1st United nor any of its Subsidiaries maintains or contributes to any "employee pension benefit plan", within the meaning of Section 3(2)(A) of the Employee Retirement Income Security Act of 1974, as amended ("*ERISA*") (the "*1st United Pension Plans*"), or "employee welfare benefit plan", within the meaning of Section 3(1) of ERISA (the "*1st United Welfare Plans*"), stock option plan, stock purchase plan, deferred compensation plan, severance plan, bonus plan, employment agreement or other similar plan, program or arrangement (collectively, the "*1st United Benefit Plans*"). Neither 1st United nor any of its Subsidiaries has, since September 2, 1974, contributed to any "Multiemployer Plan", within the meaning of Sections 3(37) and 4001(a)(3) of ERISA. Neither 1st United nor any of its Subsidiaries has, in the past six years, maintained an employee pension benefit plan subject to Title IV of ERISA.

(b) 1st United has previously delivered to Valley a complete and accurate copy of each of the following with respect to each of the 1st United Pension Plans and 1st United Welfare Plans: (i) plan document, summary plan description, and summary of material modifications (if not available, a detailed description of the foregoing); (ii) trust agreement or insurance contract, if any; (iii) most recent IRS determination letter or opinion letter, if any; (iv) most recent actuarial report, if any; and (v) two most recent annual reports on Form 5500, if any.

(c) All contributions required to be made to each 1st United Pension Plan under the terms thereof, ERISA or other applicable law have been timely made, and all amounts properly accrued to date as liabilities of 1st United and its Subsidiaries which have not been paid have been properly recorded on the books of 1st United and its Subsidiaries.

(d) Except as disclosed on the *1st United Disclosure Schedule*, each of the 1st United Pension Plans, the 1st United Welfare Plans and each other plan and arrangement identified on the *1st United Disclosure Schedule* has been operated in compliance in all material respects with the provisions of ERISA, the Code, all regulations, rulings and announcements promulgated or issued thereunder, and all other applicable governmental laws and regulations. Furthermore, the IRS has issued a favorable determination or opinion letter, which takes into account the Economic Growth and Tax Relief Reconciliation Act and (to the extent it mandates currently applicable requirements) subsequent legislation, with respect to each of the 1st United Pension Plans, and 1st United has no knowledge of any fact or circumstance which could lead to the disqualification of any such plan).

(e) To 1st United's knowledge, except as disclosed on the *1st United Disclosure Schedule*, no non-exempt prohibited transaction, within the meaning of Section 4975 of the Code or Section 406 of ERISA, has occurred with respect to any of the 1st United Welfare Plans or 1st United Pension Plans.

(f) To 1st United's knowledge, except as disclosed on the *1st United Disclosure Schedule*, no "accumulated funding deficiency", within the meaning of Section 412 of the Code, has been incurred with respect to any of the 1st United Pension Plans.

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(g) There are no pending, or, to 1st United's knowledge, threatened or anticipated claims by, on behalf of or against any of the 1st United Pension Plans or the 1st United Welfare Plans, any trusts related thereto or any other plan or arrangement identified in the *1st United Disclosure Schedule* other than claims for benefits in the ordinary course of business.

(h) Except as disclosed in the *1st United Disclosure Schedule*, no 1st United Pension or Welfare Plan provides medical or death benefits (whether or not insured) beyond an employee's retirement or other termination of service, other than (i) coverage mandated by law, or (ii) death benefits under any 1st United Pension Plan.

(i) Except as disclosed in the *1st United Disclosure Schedule*, there are no funding obligations of any 1st United Benefit Plan which are not accounted for by reserves shown on the 1st United Financial Statements and established under GAAP, or otherwise noted on such financial statements.

(j) Except as disclosed in the *1st United Disclosure Schedule*, with respect to each 1st United Pension and Welfare Plan that is funded wholly or partially through an insurance policy, there will be no liability of 1st United or any 1st United Subsidiary under any such insurance policy or ancillary agreement with respect to such insurance policy for any retroactive rate adjustment, loss sharing arrangement or other actual or contingent contractual liability arising wholly or partially out of events occurring prior to or at the Effective Time.

(k) Except as may hereafter be expressly agreed to by Valley in writing or as disclosed on the *1st United Disclosure Schedule*, the consummation of the transactions contemplated by this Agreement in accordance with its terms will not (i) entitle any current or former employee of 1st United or any 1st United Subsidiary to severance pay, unemployment compensation or any similar payment, or (ii) accelerate the time of payment, accelerate the vesting, or increase the amount, of any compensation or benefits due to any current employee or former employee under any 1st United Pension Plan, 1st United Welfare Plan, stock option plan, stock purchase plan, deferred compensation plan, severance plan, bonus plan, employment agreement or other similar plan, program or arrangement.

(l) Except for the 1st United Pension Plans and the 1st United Welfare Plans, and except as set forth on the *1st United Disclosure Schedule*, 1st United has no deferred compensation agreements, understandings or obligations for payments or benefits to any current or former director, officer or employee of 1st United or any 1st United Subsidiary or any predecessor of any of them. The *1st United Disclosure Schedule* sets forth (or lists, if previously delivered to Valley with respect to such items and any supplemental retirement plan or arrangement): (i) true and complete copies of the deferred compensation agreements, understandings or obligations with respect to each such current or former director, officer or employee, and (ii) the most recent actuarial or other calculation of the present value of such payments or benefits.

(m) Except as set forth in the *1st United Disclosure Schedule*, 1st United does not maintain or otherwise pay for life insurance policies (other than group term life policies on employees) with respect to any director, officer or employee. The *1st United Disclosure Schedule* lists each such insurance policy and any agreement with a party other than the insurer with respect to the payment, funding or assignment of such policy. Such life insurance policies comply,

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in all material respects, with state and federal law, including, without limitation, ERISA, and the rules and regulations of all applicable Governmental Entities. To 1st United's knowledge, neither 1st United nor any 1st United Pension Plan or 1st United Welfare Plan owns any individual or group insurance policies issued by an insurer which has been found to be insolvent or is in rehabilitation pursuant to a state proceeding.

(n) Except as set forth in the *1st United Disclosure Schedule*, 1st United does not maintain any retirement plan for directors. The *1st United Disclosure Schedule* sets forth the complete documentation and actuarial evaluation (if any) of any such plan.

(o) Except as set forth in the *1st United Disclosure Schedule*, Neither 1st United nor any 1st United Subsidiary (i) has entered into a nonqualified deferred compensation arrangement with the meaning of Section 409A of the Code, or has failed to take any other action, that has resulted or could result in the interest and Tax penalties specified in Section 409A of the Code being owed by any employee, former employee, director, former director or beneficiary or (ii) has agreed to reimburse or indemnify any employee, former employee, director, former director or beneficiary for any of the interest and Tax penalties specified in Section 409A of the Code that may be currently due or payable in the future.

(p) Except as disclosed in the *1st United Disclosure Schedule* or as would not have a Material Adverse Effect on 1st United, since January 1, 2011, neither 1st United nor any of its Subsidiaries have made any payments to employees which are not deductible under Section 162(m) of the Code and consummation of the Merger and the Bank Merger will not cause any payments to employees to not be deductible thereunder.

3.10. Reports. Except as set forth in the *1st United Disclosure Schedule*, FUB has, since January 1, 2011, duly filed with the OFR and the FRB, and 1st United has duly filed with the FRB, in correct form all documentation required to be filed under applicable laws and regulations, and 1st United promptly will deliver or make available to Valley accurate and complete copies of such documentation. The *1st United Disclosure Schedule* lists all examinations of FUB conducted by the OFR and the FRB, and all examinations of 1st United conducted by the FRB, since January 1, 2009 and the dates of any responses thereto submitted by FUB and 1st United, respectively.

3.11. Compliance with Applicable Law.

(a) Except as set forth in the *1st United Disclosure Schedule*, each of 1st United and the 1st United Subsidiaries (i) holds all licenses, franchises, permits and authorizations necessary for the lawful conduct of its business, except where the failure to hold such license, franchise, permit or authorization would not, individually or in the aggregate, result in a Material Adverse Effect on 1st United, and (ii) has complied with and is not in default in any respect under any, applicable law, statute, order, rule, regulation, policy and/or guideline of any Governmental Entity relating to 1st United or any of its Subsidiaries, including, without limitation, consumer, community and fair lending laws, other than where any non-compliance or default would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect on 1st United and neither 1st United nor any of the 1st United Subsidiaries, since

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January 1, 2011, has received written notice of such violation of any of the above that has not been cured.

(b) Without limiting the foregoing, (i) FUB has complied in all material respects with the Community Reinvestment Act ("CRA") and (ii) to 1st United's knowledge, no person or group would object to the consummation of the Merger due to the CRA performance of or rating of FUB. Except as listed on the *1st United Disclosure Schedule*, since January 1, 2011, no person or group has adversely commented upon FUB's CRA performance.

3.12. Certain Contracts.

(a) Except as disclosed in 1st United's Annual Report on Form 10-K for the year ended December 31, 2013 or as forth in the *1st United Disclosure Schedule*, neither 1st United nor any of its Subsidiaries is a party to or is bound by any contract, arrangement, commitment or understanding (whether written or oral) (i) which is a material contract (as defined in Item 601(b)(10) of Regulation S-K of the SEC) to be performed in whole or in part after the date of this Agreement, (ii) which relates to the incurrence of indebtedness (other than deposit liabilities, federal funds, advances and loans from the Federal Home Loan Bank and sales of securities subject to repurchase, in each case incurred in the ordinary course of business) by 1st United or any of its Subsidiaries in the principal amount of \$250,000 or more, including any sale and leaseback transactions in the ordinary course of its business consistent with past practice), capitalized leases and other similar financing transactions, (iii) which grants any right of first refusal, right of first offer or similar right with respect to any material assets or properties of 1st United and its Subsidiaries, (iv) which provides for material payments to be made by 1st United or any of its Subsidiaries upon a change in control thereof, (v) which (A) limits the freedom of 1st United or any of its Subsidiaries to compete in any line of business, in any geographic area or with any person, (B) requires referrals of business or requires 1st United or any of its Subsidiaries to make available investment opportunities to any person on a priority or exclusive basis or (C) requires 1st United or any of its Subsidiaries to use any product or service of another person on an exclusive basis, or (vi) which involved payments by, or to, 1st United or any of its Subsidiaries in fiscal year 2013 of more than \$250,000 and not terminable on ninety (90) days or less notice or which could reasonably be expected to involve payments during fiscal year 2014 of more than \$250,000 and not terminable on ninety (90) days or less notice (other than pursuant to Loans originated or purchased by 1st United and its Subsidiaries in the ordinary course of business consistent with past practice). Each contract, arrangement, commitment or understanding of the type described in this Section 3.12(a), whether or not publicly disclosed in the 1st United SEC Reports (as such term is hereinafter defined) filed prior to the date hereof or set forth in the *1st United Disclosure Schedule*, is referred to herein as a "*1st United Contract*."

(b) Except as set forth in the *1st United Disclosure Schedule*, (i) each 1st United Contract is valid and binding on 1st United or its applicable Subsidiary and in full force and effect, and, to the knowledge of 1st United, is valid and binding on the other parties thereto, (ii) 1st United and each of its Subsidiaries and, to the knowledge of 1st United, each of the other parties thereto, has in all material respects performed all obligations required to be performed by such party to date under each 1st United Contract, and (iii) no event or condition exists which constitutes or, after notice or lapse of time or both, would constitute a material breach or default on the part of 1st United or any of its Subsidiaries or, to the knowledge of 1st

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United, any other party thereto, under any such 1st United Contract, except, in each case, where such invalidity, failure to be binding, failure to so perform or breach or default, individually or in the aggregate, would not have or reasonably be expected to have a Material Adverse Effect on 1st United.

(c) The *1st United Disclosure Schedule* contains a schedule showing the present value of the monetary amounts payable as of the date specified in such schedule, whether individually or in the aggregate (including good faith estimates of all amounts not subject to precise quantification as of the date of this Agreement, such as Tax indemnification payments in respect of income or excise Taxes), under any employment, change-in-control, severance or similar contract or plan with or which covers any present or former employee, director or consultant of 1st United or any of its Subsidiaries and identifying the types and estimated amounts of the in-kind benefits due under any 1st United Pension Plans, 1st United Welfare Plans or 1st United Contract (other than a Tax-qualified plan) for each such person, specifying the assumptions in such schedule. The failure of 1st United to include immaterial amounts (both individually or in the aggregate) under Section 3.12(c) shall not constitute a breach thereof.

3.13. Properties and Insurance.

(a) The *1st United Disclosure Schedule* contains a complete list of all real property owned ("*Owned Real Property*") or leased by 1st United or any of its Subsidiaries, as OREO or otherwise, or owned, leased or controlled by 1st United or any 1st United Subsidiary as trustee or fiduciary (collectively, the "*1st United Property*"). To 1st United's knowledge, and except as set forth in the *1st United Disclosure Schedule*, 1st United and its Subsidiaries have good, and as to Owned Real Property, marketable and fee simple, title to all material assets and properties, whether real or personal, tangible or intangible, reflected in 1st United's consolidated balance sheet as of December 31, 2013, or owned and acquired subsequent thereto (except to the extent that such assets and properties have been disposed of for fair value in the ordinary course of business since December 31, 2013 to third parties in arm's length transactions).

(b) 1st United and its Subsidiaries as lessees have the right under valid and subsisting leases to occupy, use, possess and control all property leased by them in all material respects as presently occupied, used, possessed and controlled by them. The *1st United Disclosure Schedule* lists all leases pursuant to which 1st United or any 1st United Subsidiary occupies any real property ("*1st United Leases*") and for each such lease lists annual base rentals, the annual increases to base rentals to the end of the lease and the expiration date and any option terms. Except as otherwise set forth on the *1st United Disclosure Schedule*, the Merger does not or will not trigger any provision of any of the 1st United Leases covering 1st United's leased Real Property which would require the consent to assignment or approval by any of the lessors thereunder. Neither 1st United nor its Subsidiaries have assigned, subleased, transferred, conveyed, mortgaged or deeded in trust any interest in any of the 1st United Leases. Neither 1st United nor any of its Subsidiaries have received written notice of any threatened cancellations of any of the 1st United Leases. 1st United or its Subsidiaries, as the case may be, has in all material respects performed all obligations required to be performed by it to date pursuant to such 1st United Leases. Neither 1st United nor any of its Subsidiaries has received any written

notice of any default or event that with notice or lapse of time, or both, would constitute a default by 1st United or any Subsidiary under any of the 1st United Leases.

(c) To 1st United's knowledge, the 1st United Property and all buildings and improvements thereon are free from any material interior or exterior structural defects. Neither 1st United nor its Subsidiaries have received written notice that any such buildings, structures, fixtures and improvements on any Owned Real Property are in violation, in any material respect, of any applicable laws. To 1st United's knowledge, the buildings, structures, fixtures and improvements on each parcel of Owned Real Property lie entirely within the boundaries of such parcel of Owned Real Property. Neither 1st United nor its Subsidiaries have received written notice that any portion of 1st United Property or any building, structure, fixture or improvement thereon is the subject of, or affected by, any condemnation, eminent domain or inverse condemnation proceeding currently instituted or pending, and to the knowledge of 1st United, none of the foregoing are, or have been threatened to be, the subject of, or affected by, any such proceeding. There are no persons other than 1st United and its Subsidiaries, or, to 1st United's knowledge as to leased Real Property, the landlord (to the extent provided for in the relevant 1st United Lease), entitled to possession of the Real Property. To 1st United's knowledge, all of the 1st United Property, and 1st United's and its Subsidiaries' use thereof, complies with all applicable zoning, building, fire, use restriction, air, water or other pollution control, environmental protection, waste disposal, safety or health codes, or other ordinances, rules or regulations but excluding any Environmental Laws which are subject to Section 3.15 hereof. Except as set forth in the *1st United Disclosure Schedule*, neither 1st United nor its Subsidiaries have received any notification of any asserted present or past failure by it to comply with such laws, rules, regulations or codes, or such orders, rules, writs, judgments, injunctions, decrees or ordinances except of past violations as to which the relevant statute of limitations has expired or as to which 1st United or its Subsidiaries have completed all actions required to be in compliance therewith.

(d) The *1st United Disclosure Schedule* lists all material policies of insurance of 1st United and its Significant Subsidiaries showing all risks insured against, in each case under valid, binding and enforceable policies or bonds, with such amounts and such deductibles as are specified. As of the date hereof, neither 1st United nor any of its Subsidiaries has received any notice of pending cancellation or notice of a pending material amendment of any such insurance policy or bond or is in default under such policy or bond, no material coverage thereunder is being disputed and all material claims thereunder have been filed in a timely fashion.

3.14. Minute Books. The minute books of 1st United and its Significant Subsidiaries contain records that are accurate in all material respects of all meetings and other corporate action held of their respective shareholders and Boards of Directors (including committees of their respective Boards of Directors).

3.15. Environmental Matters.

(a) For purposes of this section, the term, "*Environmental Law*" means any foreign, federal, state or local statute, regulation, ordinance, rule of common law or other legal requirement in effect on or prior to the date hereof relating to the protection of human