

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

WASHINGTON, DC 20551

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): **October 25, 2011**

The Connecticut Bank and Trust Company

(Exact Name of Registrant as Specified in Its Charter)

Connecticut
(State or Other Jurisdiction of
Incorporation)

57690
(FDIC Certificate Number)

90-0115348
(IRS Employer Identification No.)

58 State House Square, Hartford, Connecticut
(Address of Principal Executive Offices)

06103
(Zip Code)

(860) 246-5200
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(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 (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement 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))

Item 1.01 Entry into a Material Definitive Agreement.

On October 25, 2011, The Connecticut Bank and Trust Company (“CBT”) entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Berkshire Hills Bancorp, Inc. (“BHLB”) and Berkshire Bank, BHLB’s wholly owned bank subsidiary, pursuant to which CBT will merge with and into Berkshire Bank, with Berkshire Bank being the surviving bank (the “Merger”).

Subject to the terms and conditions of the Merger Agreement, upon consummation of the Merger, each outstanding share of common stock of CBT will be converted into the right to receive, at the election of the holder of such share of CBT common stock, (i) cash consideration of \$8.25 or (ii) stock consideration equal to 0.3810 shares of BHLB common stock, subject to the payment of cash in lieu of fractional shares and customary proration and allocation procedures, if necessary, to assure that 70% of the outstanding shares of CBT common stock are exchanged for BHLB common stock and 30% of the outstanding shares of CBT common stock are exchanged for cash. In addition, each outstanding option and warrant to acquire shares of CBT common stock, other than the warrant issued to the United States Department of the Treasury (the “Treasury”), will be terminated and converted to the right to receive cash equal to the product of (i) the greater of (a) \$1.00 or (b) the value of the merger consideration on the day prior to closing in excess of the exercise price multiplied by (ii) the number of shares underlying such outstanding option or warrant.

The Merger Agreement also provides that, prior to the consummation of the Merger, BHLB will fund the purchase from the Treasury of each share of Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series A, of CBT (the “TARP Preferred Stock”) issued and outstanding on that date. In addition, BHLB may, but is not required to, purchase the outstanding warrant issued to the Treasury (the “TARP Warrant”) to purchase CBT common stock. If BHLB does not purchase the TARP Warrant, such warrant will be converted at the effective time of the Merger into a warrant to purchase BHLB common stock, subject to appropriate adjustments in accordance with its terms.

The Merger Agreement contains representations, warranties, and covenants of CBT and BHLB, including, among others, a covenant that requires (i) each of CBT and BHLB to conduct its business in the ordinary course and consistent with past banking practice during the period between the execution of the Merger Agreement and consummation of the Merger and (ii) CBT to not engage in certain kinds of transactions during such period (without the prior written consent of BHLB). CBT has also agreed to not, subject to certain exceptions generally related to the CBT Board of Director’s evaluation and exercise of its fiduciary duties, (i) solicit proposals relating to alternative business combination transactions or (ii) enter into discussions or negotiations or provide confidential information in connection with any proposals for alternative business combination transactions. BHLB has agreed to expand its Board of Directors to add one seat and appoint one member of CBT’s Board of Directors to fill the new seat, subject to certain corporate governance procedures.

The Merger Agreement provides certain termination rights for both CBT and BHLB, and further provides that upon termination of the Merger Agreement under certain circumstances, CBT will be obligated to pay BHLB a termination fee of \$1,440,000.

Completion of the Merger is subject to various conditions, including (i) receipt of the requisite approval of the shareholders of CBT, (ii) receipt of regulatory approvals, (iii) the absence of any law or order prohibiting the closing, (iv) the purchase from the Treasury of the TARP Preferred Stock and (v) effectiveness of the registration statement to be filed by BHLB with respect to the stock to be issued in the Merger. In addition, each party’s obligation to consummate the Merger is subject to certain other conditions, including the accuracy of the representations and warranties of the other party and compliance of the other party with its covenants in all material respects. If these conditions are satisfied, the Merger is expected to be completed early in the second quarter of 2012.

The Merger Agreement also contains representations and warranties that the parties have made to each other as of specific dates. Except for its status as a contractual document that establishes and governs the legal relations among the parties with respect to the Merger described therein, the Merger Agreement is not intended to be a source of factual, business or operational information about the parties. The representations and warranties contained in the Merger Agreement were made only for purposes of that agreement and as of specific dates, may be subject to a contractual standard of materiality different from what a shareholder might view as material, may have been used

for purposes of allocating risk between the respective parties rather than establishing matters as facts, may have been qualified by certain disclosures not reflected in the Merger Agreement that were made to the other party in connection with the negotiation of the Merger Agreement and generally were solely for the benefit of the parties to that agreement. Shareholders should read the Merger Agreement together with the other information concerning CBT and BHLB that each entity publicly files in reports and statements with the Securities and Exchange Commission.

The foregoing description of the Merger Agreement is not complete and is qualified in its entirety by reference to the actual terms and conditions of the Merger Agreement, a copy of which is attached hereto as Exhibit 2.1 and is incorporated by reference herein in its entirety.

A joint press release announcing the Merger is attached hereto as Exhibit 99.1 and is incorporated by reference herein.

Additional Information and Where to Find It

BHLB and CBT will file a proxy statement/prospectus, registration statement and other relevant documents concerning the proposed Merger with the Securities and Exchange Commission (the "SEC") and the Board of Governors of the Federal Reserve System (the "Federal Reserve"). **SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND REGISTRATION STATEMENT WHEN THEY BECOME AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC AND THE FEDERAL RESERVE, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE MERGER.** You will be able to obtain a free copy of the proxy statement/prospectus, as well as other filings containing information (i) about BHLB at the SEC's Internet site (<http://www.sec.gov>) and (ii) about CBT at CBT's Internet site (<http://www.thecbt.com>). Copies of the proxy statement/prospectus to be filed by BHLB and CBT can also be obtained, when available and without charge, (i) at CBT's Internet site at <http://www.thecbt.com> under the tab "Investors Relations" and then under the tab "SEC Reports" or by directing a request to the Connecticut Bank and Trust Company, Attention: Anson Hall, 58 State House Square, Hartford, Connecticut 06103, (203) 246-5200, or (ii) at BHLB's Internet site at <http://www.berkshirebank.com> under the tab "About Us" and then under the tab "Investor Relations" and then under the tab "SEC Filings" or by directing a request to Berkshire Hills Bancorp, Inc., Attention: Investors Relations Department, 24 North Street, Pittsfield, Massachusetts 01201, (413) 443-5601.

Participants in Solicitation

CBT and BHLB and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of CBT in connection with the Merger. Information about the directors and executive officers of CBT and their ownership of CBT common stock is set forth in CBT's most recent proxy statement for its 2011 annual meeting of shareholders held on May 19, 2011, which is available at CBT's Internet site (<http://www.thecbt.com>) and upon request from CBT at the address in the preceding paragraph. Information about the directors and executive officers of BHLB is set forth in BHLB's most recent proxy statement filed with the SEC on Schedule 14A on March 24, 2011, which is available at the SEC's Internet site (<http://www.sec.gov>) and upon request from BHLB at the address set forth in the preceding paragraph. Additional information regarding the interests of these participants may be obtained by reading the proxy statement/prospectus regarding the proposed Merger when it becomes available.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

A number of the matters discussed in this report that are not historical or current facts deal with potential future circumstances and developments, in particular, information regarding the surviving entity in the Merger, including expected synergies from the merger of CBT and Berkshire Bank, combined operating and financial data, competitive strengths, growth opportunities, and whether and when the transactions contemplated by the Merger Agreement will be consummated. The discussion of such matters is qualified by the inherent risk and uncertainties surrounding future expectations generally, and also may materially differ from actual future experience involving any one or more of such matters. Such risks and uncertainties include: the failure to realize capital and operating expense synergies in the timeframe expected or at all; unexpected costs or liabilities associated with the Merger; the

result of the review of the proposed Merger by various regulatory agencies, and any conditions imposed on the new company in connection with the consummation of the Merger; approval of the Merger by the shareholders of CBT and satisfaction of various other conditions to the closing of the Merger contemplated by the Merger Agreement; and the risks that are described from time to time in CBT's reports filed with the Federal Reserve, including CBT's annual report on Form 10-K for the year ended December 31, 2010, and subsequent reports filed with the Federal Reserve.

ITEM 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
2.1	Agreement and Plan of Merger, dated as of October 25, 2011, by and between Berkshire Hills Bancorp, Inc., Berkshire Bank and The Connecticut Bank and Trust Company*
99.1	Joint Press Release of Berkshire Hills Bancorp, Inc. and The Connecticut Bank and Trust Company dated October 25, 2011

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.

THE CONNECTICUT BANK AND TRUST COMPANY

Date: October 25, 2011

By: /s/ David A. Lentini
David A. Lentini
Chief Executive Officer

EXHIBIT INDEX

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AGREEMENT AND PLAN OF MERGER

BY AND BETWEEN

BERKSHIRE HILLS BANCORP, INC.,

BERKSHIRE BANK

AND

THE CONNECTICUT BANK AND TRUST COMPANY

DATED AS OF

OCTOBER 25, 2011

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EXHIBITS

- A Form of Voting Agreement
- B Settlement Agreement

AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER (this “**Agreement**”) is dated as of October 25, 2011 by and between Berkshire Hills Bancorp, Inc., a Delaware corporation (“**BHLB**”), Berkshire Bank, a Massachusetts savings bank (“**Berkshire Bank**”) and The Connecticut Bank and Trust Company, a Connecticut bank and trust company (“**CBT**”).

Recitals

1. The Board of Directors of each of BHLB, Berkshire Bank and CBT (i) has determined that this Agreement and the business combination and related transactions contemplated hereby are in the best interests of their respective companies and shareholders, (ii) has determined that this Agreement and the transactions contemplated hereby are consistent with and in furtherance of their respective business strategies and (iii) has approved this Agreement.

2. In accordance with the terms of this Agreement, CBT will merge with and into Berkshire Bank, the wholly owned subsidiary of BHLB (the “**Merger**”).

3. As a condition to the willingness of BHLB and Berkshire Bank to enter into this Agreement, each of the directors and executive officers of CBT have entered into a Voting Agreement, substantially in the form of Exhibit A hereto, dated as of the date hereof, with BHLB (the “**Voting Agreement**”), pursuant to which each such director and executive officer has agreed, among other things, to vote all shares of CBT Common Stock (as defined herein) owned by such Person in favor of the approval of this Agreement and the transactions contemplated hereby, upon the terms and subject to the conditions set forth in such Voting Agreement.

4. In connection with the Merger, at the discretion of BHLB, BHLB will purchase, or cause CBT to repurchase or redeem each share of CBT’s Senior Preferred Stock, Series A, issued and outstanding immediately prior to the Effective Time (the “**CBT Series A Preferred Stock**”) (such purchase, the “**TARP Purchase**”) and may purchase the warrant issued by CBT on December 19, 2008 to the United States Department of the Treasury (“**Treasury Department**”) in connection with the issuance of the CBT Series A Preferred Stock (the “**CBT Treasury Warrant**”) (such purchase, the “**Warrant Purchase**”).

5. The parties intend the Merger, together with the TARP Purchase, to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the “**Code**”), and that this Agreement be and is hereby adopted as a “plan of reorganization” within the meaning of Sections 354 and 361 of the Code.

6. The parties desire to make certain representations, warranties and agreements in connection with the business transactions described in this Agreement and to prescribe certain conditions thereto.

7. In consideration of the mutual covenants, representations, warranties and agreements herein contained, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I CERTAIN DEFINITIONS

1.1 Certain Definitions.

As used in this Agreement, the following terms have the following meanings.

“**Acquisition Proposal**” shall have the meaning set forth in Section 6.10.2.

“**Advisory Board**” shall have the meaning set forth in Section 2.5.

“**Affiliate**” shall mean any Person who directly, or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person and, without limiting the generality of the foregoing, includes any executive officer or director of such Person and any Affiliate of such executive officer or director.

“**Agreement**” shall mean this agreement, the exhibits and schedules hereto and any amendment hereto.

“**Bank Regulator**” shall mean any Federal or state banking regulator, including but not limited to the MDOB, CDOB, FRB and FDIC, which regulates or has the statutory authority to regulate Berkshire Bank, CBT, and their respective holding companies and subsidiaries, as the case may be, and the Department of Justice or the Federal Trade Commission, or any other relevant Federal or state regulator, as it relates to anticompetitive matters.

“**Benefit Plan Determination Date**” shall have the meaning set forth in Section 7.6.1.

“**Berkshire Bank**” shall mean Berkshire Bank, a Massachusetts savings bank with its principal offices located at 24 North Street, Pittsfield, Massachusetts 01201, which is a wholly owned subsidiary of BHLB.

“**BHLB**” shall mean Berkshire Hills Bancorp, Inc., a Delaware corporation, with its principal offices located at 24 North Street, Pittsfield, Massachusetts 01201.

“**BHLB Benefit Plans**” shall have the meaning set forth in Section 5.12.1.

“**BHLB Common Stock**” shall mean the common stock, par value \$0.01 per share, of BHLB.

“**BHLB Disclosure Schedule**” shall mean the collective written disclosure schedules delivered by BHLB to CBT pursuant hereto.

“**BHLB Financial Statements**” shall mean the (i) the audited consolidated statements of financial condition (including related notes and schedules) of BHLB as of December 31, 2010 and 2009 and the consolidated statements of income, comprehensive income, changes in shareholders’ equity and cash flows (including related notes and schedules, if any) of BHLB for each of the three (3) years ended December 31, 2010, as set forth in BHLB’s annual report on Form 10-K for the year ended December 31, 2010, and (ii) the unaudited interim consolidated financial statements of BHLB as of the end of each calendar quarter following December 31, 2010, and for the periods then ended, as filed by BHLB in its Securities Documents.

“**BHLB Loan Property**” shall have the meaning set forth in Section 5.14.2.

“**BHLB Loan Participation**” shall have the meaning set forth in Section 5.14.2.

“**BHLB Non-qualified Deferred Compensation Plan**” shall have the meaning set forth in Section 5.12.1.

“**BHLB Observers**” shall have the meaning set forth in Section 6.12.

“**BHLB Preferred Stock**” shall have the meaning set forth in Section 5.3.1.

“**BHLB Regulatory Reports**” shall mean the Call Reports of Berkshire Bank, and accompanying schedules (other than such schedules as are required to be kept confidential pursuant to applicable law or regulatory requirements), filed or to be filed with the FDIC with respect to each calendar quarter beginning with the quarter ended June 30, 2011, through the Closing Date, and all Annual Reports on Form H-(b)11 and any Current Report on Form H-(b)11 filed with the FRB by BHLB from December 31, 2010 through the Closing Date.

“**BHLB SEC Reports**” shall have the meaning set forth in Section 5.16.

“**BHLB Series A Preferred Stock**” shall have the meaning set forth in Section 3.1.6.

“**BHLB Stock**” shall have the meaning set forth in Section 5.3.1.

“**BHLB Subsidiary**” shall mean any corporation, 10% or more of the capital stock of which is owned, either directly or indirectly, by BHLB or Berkshire Bank, except any corporation the stock of which is held in the ordinary course of the lending activities of Berkshire Bank.

“**BHLB Warrant**” shall mean any warrant issued to the Treasury Department by BHLB in exchange for the CBT Treasury Warrant.

“**Business Day**” shall mean any day other than a Saturday, Sunday, or day on which banks in the Commonwealth of Massachusetts are authorized or obligated by law or executive order to close.

“**Cash Consideration**” shall have the meaning set forth in Section 3.1.4.

“**Cash Election**” shall have the meaning set forth in Section 3.1.4.

“**Cash Election Shares**” shall have the meaning set forth in Section 3.1.4.

“**CBT**” shall mean The Connecticut Bank and Trust Company, a Connecticut bank and trust company with its principal office located at 58 State House Square, Hartford, Connecticut 06103.

“**CBT Benefit Plans**” shall have the meaning set forth in Section 4.13.1.

“**CBT Common Stock**” shall mean the common shares, par value \$1.00 per share, of CBT.

“**CBT Disclosure Schedule**” shall mean the collective written disclosure schedules delivered by CBT to BHLB pursuant hereto.

“**CBT Financial Statements**” shall mean (i) the audited consolidated statements of financial condition (including related notes and schedules) of CBT as of December 31, 2010 and 2009 and the related consolidated statements of income, changes in shareholders’ equity and cash flows (including related notes and schedules, if any) of CBT for each of the two (2) years ended December 31, 2010 in CBT’s annual report on Form 10-K for the year ended December 31, 2010 and (ii) the unaudited interim consolidated financial statements of CBT as of the end of each calendar quarter following December 31, 2010, and for the periods then ended, as filed by CBT in its Securities Documents.

“**CBT Loan Participation**” shall have the meaning set forth in Section 4.15.2.

“**CBT Loan Property**” shall have the meaning set forth in Section 4.15.2.

“**CBT Preferred Stock**” shall have the meaning set forth in Section 4.3.

“**CBT Regulatory Reports**” shall mean the Call Reports of CBT, and accompanying schedules (other than such schedules as are required to be kept confidential pursuant to applicable law or regulatory requirements), filed or to be filed with the FRB with respect to each calendar quarter beginning with the quarter ended June 30, 2011, through the Closing Date.

“**CBT Restricted Stock**” shall mean the shares of restricted stock of CBT issued pursuant to the CBT Stock Option Plan.

“**CBT FRB Reports**” shall have the meaning set forth in Section 4.27.

“**CBT Series A Preferred Stock**” shall mean each issued and outstanding share of the Fixed Rate Non-Cumulative Perpetual Preferred Stock Series A, no par value, stated liquidation amount \$1,000 per share, of CBT.

“CBT Shareholder Vote” shall have the meaning set forth in Section 4.4.1.

“CBT Shareholders Meeting” shall have the meaning set forth in Section 8.1.

“CBT Stock Option” shall mean an option to purchase shares of CBT Common Stock granted pursuant to the CBT Stock Option Plan and the outstanding option agreements, and outstanding as of the date hereof, as set forth in CBT Disclosure Schedule 3.4.1.

“CBT Stock Option Plan” shall mean The Connecticut Bank and Trust Company 2005 Stock Option and Award Plan.

“CBT Treasury Warrant” shall mean the ten year warrant issued to the Treasury Department to purchase up to 175,742 shares of CBT’s Common Stock at an exercise price of \$4.65 per share.

“CBT Warrant” shall have the meaning given to it in Section 3.4.2.

“CDOB” shall mean the Connecticut Department of Banking.

“Certificate” shall mean a certificate or book entry evidencing shares of CBT Common Stock.

“Claim” shall have the meaning set forth in Section 7.7.2.

“Closing Date” shall have the meaning set forth in Section 2.2.

“COBRA” shall have the meaning set forth in Section 4.13.5.

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

“Confidentiality Agreements” shall mean the confidentiality agreement dated as of July 20, 2011 between BHLB and CBT.

“CRA” shall have the meaning set forth in Section 4.12.1.

“Current CBT Employees” shall have the meaning set forth in Section 7.6.2.

“DGCL” shall mean the Delaware General Corporation Law.

“Dissenting Shares” shall have the meaning set forth in Section 3.1.7.

“Dissenting Shareholder” shall have the meaning set forth in Section 3.1.7.

“Effective Time” shall mean the date and time specified pursuant to Section 2.2 as the effective time of the Merger.

“Election Deadline” shall have the meaning set forth in Section 3.2.3.

“Election Form” shall have the meaning set forth in Section 3.2.2.

“Environmental Laws” shall mean any applicable federal, state or local law, statute, ordinance, rule, regulation, code, license, permit, approval, consent, order, judgment, decree, injunction or agreement with any Governmental Entity as in effect on or prior to the date of this Agreement relating to (1) the protection, preservation or restoration of the environment (including, without limitation, air, water vapor, surface water, groundwater, drinking water supply, surface soil, subsurface soil, plant and animal life or any other natural resource), and/or (2) the use, storage, recycling, treatment, generation, transportation, processing, handling, labeling, production, release or disposal of Materials of Environmental Concern. The term Environmental Law includes without

limitation (a) 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; the Clean Air Act, as amended, 42 U.S.C. § 7401, et seq; the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251, et seq; the Toxic Substances Control Act, as amended, 15 U.S.C. § 2601, et seq; the Emergency Planning and Community Right to Know Act, 42 U.S.C. § 11001, et seq; the Safe Drinking Water Act, 42 U.S.C. § 300f, et seq; and all comparable state and local laws, and (b) any common law (including without limitation common law that may impose strict liability) that may impose liability or obligations for injuries or damages due to the presence of or exposure to any Materials of Environmental Concern as in effect on or prior to the date of this Agreement.

“**ERISA**” shall mean the Employee Retirement Income Security Act of 1974, as amended.

“**ERISA Affiliate**” shall mean, with respect to any Person, any other Person that, together with such Person, would be treated as a single employer under Section 414 of the Code or Section 4001 of ERISA.

“**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended.

“**Exchange Agent**” shall mean Registrar and Transfer Company, or such other bank or trust company or other agent as mutually agreed upon by BHLB and CBT, which shall act as agent for BHLB in connection with the exchange procedures for exchanging Certificates for the Merger Consideration.

“**Exchange Fund**” shall have the meaning set forth in Section 3.3.1.

“**Exchange Ratio**” shall have the meaning set forth in Section 3.1.3, subject to adjustment under Section 11.1.9.

“**FDIC**” shall mean the Federal Deposit Insurance Corporation or any successor thereto.

“**FHLB**” shall mean the Federal Home Loan Bank of Boston.

“**FRB**” shall mean the Board of Governors of the Federal Reserve System and any applicable Reserve Bank.

“**GAAP**” shall mean accounting principles generally accepted in the United States of America applied on a consistent basis.

“**Governmental Entity**” shall mean any Federal or state court, department, administrative agency or commission or other governmental authority or instrumentality.

“**HOLA**” shall mean the Home Owners’ Loan Act of 1933, as amended.

“**Indemnified Parties**” shall have the meaning set forth in Section 7.7.2.

“**IRS**” shall mean the United States Internal Revenue Service.

“**Knowledge**” as used with respect to a Person (including references to such Person being aware of a particular matter) shall mean those facts that are known or should have been known by the officers and directors of such Person after reasonable inquiry.

“**Mailing Date**” shall have the meaning set forth in Section 3.2.2.

“**Material Adverse Effect**” shall mean, with respect to BHLB, Berkshire Bank or CBT, respectively, any effect that (1) is material and adverse to the financial condition, results of operations or business of BHLB and the BHLB Subsidiaries, taken as a whole, or CBT, respectively, or (2) materially impairs the ability of either CBT, on the one hand, or BHLB or Berkshire Bank, on the other hand, to perform its obligations under this Agreement or otherwise materially impedes the consummation of the transactions contemplated by this Agreement; provided, that

“Material Adverse Effect” shall not be deemed to include (i) the impact of (x) changes in laws, rules or regulations affecting banks or thrift institutions or their holding companies generally, or interpretations thereof by courts or governmental agencies, (y) changes in GAAP, or (z) changes in regulatory accounting requirements, in any such case applicable to financial institutions or their holding companies generally and not specifically relating to CBT, on the one hand, or BHLB or any of its Subsidiaries, on the other hand, (ii) the announcement of this Agreement or any action or omission of CBT on the one hand, or BHLB or any of its Subsidiaries, on the other hand, required under this Agreement or taken or omitted to be taken with the express written permission of BHLB, Berkshire Bank or CBT, respectively, (iii) any changes after the date of this Agreement in general economic or capital market conditions affecting banks or their holding companies generally, (iv) changes or events, after the date hereof, affecting the financial services industry generally and not specifically relating to CBT, on the one hand, or BHLB or any of its Subsidiaries, on the other hand, provided that a decrease in the trading or market prices of CBT Common Stock or BHLB Common Stock shall not be considered, by itself, to constitute a “Material Adverse Effect,” (v) changes in the value of the securities or loan portfolio, or any change in the value of the deposits or borrowings, of BHLB or CBT, or any of their Subsidiaries, respectively, resulting from a change in interest rates generally, or (vi) in the case of CBT and its Subsidiaries, the issuance in and of itself of any order or directive by any Bank Regulator (it being agreed that the underlying facts giving rise or contributing to the issuance of such orders or directives or the effects of the issuance of the orders or directives may be a Material Adverse Effect).

“**Materials of Environmental Concern**” shall mean pollutants, contaminants, wastes, toxic or hazardous substances, petroleum and petroleum products, and any other materials regulated under Environmental Laws.

“**MDOB**” shall mean the Massachusetts Division of Banks.

“**Merger**” shall mean the merger of CBT with and into Berkshire Bank, with Berkshire Bank as the surviving institution.

“**Merger Consideration**” shall mean the cash or BHLB Common Stock, or combination thereof, in an aggregate per share amount to be paid by BHLB for each share of CBT Common Stock, as set forth in Section 3.1.

“**Merger Registration Statement**” shall mean the registration statement, together with all amendments, filed with the SEC under the Securities Act for the purpose of registering the offer of shares of BHLB Common Stock to be offered to holders of CBT Common Stock in connection with the Merger.

“**New Member**” shall have the meaning set forth in Section 2.4.

“**Non-Election Shares**” shall have the meaning set forth in Section 3.1.5.

“**PBGC**” shall mean the Pension Benefit Guaranty Corporation or any successor thereto.

“**Person**” shall mean any individual, corporation, partnership, joint venture, association, trust or “group” (as that term is defined under the Exchange Act).

“**Pre-Closing**” shall have the meaning set forth in Section 2.2.

“**Proxy Statement-Prospectus**” shall have the meaning set forth in Section 8.2.1.

“**Regulatory Agreement**” shall have the meaning set forth in Section 4.12.3.

“**Regulatory Approval**” shall mean the approval of any Bank Regulator necessary in connection with the consummation of the Merger and the related transactions contemplated by this Agreement.

“**Representative**” shall have the meaning set forth in Section 3.2.2.

“**Rights**” shall mean puts, calls, warrants, options, conversion, redemption, repurchase or other rights, convertible securities, stock appreciation rights and other arrangements or commitments which obligate an entity to

issue or dispose of any of its capital stock or other ownership interests or which provide for compensation based on the equity appreciation of its capital stock.

“**SEC**” shall mean the Securities and Exchange Commission or any successor thereto.

“**Securities Act**” shall mean the Securities Act of 1933, as amended.

“**Securities Documents**” shall mean all reports, offering circulars, proxy statements, registration statements and all similar documents filed pursuant to the Securities Laws.

“**Securities Laws**” shall mean 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 the SEC or the FRB promulgated thereunder, as applicable.

“**Settlement Agreement**” shall have the meaning set forth in Section 7.6.6.

“**Shortfall Number**” shall have the meaning set forth in Section 3.2.6.

“**Stock Consideration**” shall have the meaning set forth in Section 3.1.3.

“**Stock Conversion Number**” shall have the meaning set forth in Section 3.2.1.

“**Stock Election**” shall have the meaning set forth in Section 3.1.3.

“**Stock Election Number**” shall have the meaning set forth in Section 3.2.5.

“**Stock Election Shares**” shall have the meaning set forth in Section 3.1.3.

“**Subsidiary**” shall mean any corporation, 10% or more of the capital stock of which is owned, either directly or indirectly, except any corporation the stock of which is held in the ordinary course of the lending activities, of either Berkshire Bank or CBT, as applicable.

“**Superior Proposal**” shall have the meaning set forth in Section 6.10.1.

“**Surviving Institution**” shall have the meaning set forth in Section 2.1.

“**TARP Purchase**” shall have the meaning set forth in the recitals.

“**Tax**” shall mean any federal, state, local, foreign or provincial income, gross receipts, property, sales, service, use, license, lease, excise, franchise, employment, payroll, withholding, employment, unemployment insurance, workers’ compensation, social security, alternative or added minimum, ad valorem, value added, stamp, business license, occupation, premium, environmental, windfall profit, customs, duties, estimated, transfer or excise tax, or any other tax, custom, duty, premium, governmental fee or other assessment or charge of any kind whatsoever, together with any interest, penalty or additional tax imposed by any Governmental Entity.

“**Tax Return**” shall mean 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.

“**Termination Date**” shall mean October 31, 2012.

“**Termination Fee**” shall have the meaning set forth in Section 11.2.2(C).

“**Treasury Department**” shall mean The United States Department of Treasury.

“**Treasury Stock**” shall have the meaning set forth in Section 3.1.2.

“**Voting Agreement**” shall have the meaning set forth in the recitals.

“**Warrant Purchase**” shall have the meaning set forth in the recitals.

“**401(k) Plans**” shall have the meaning set forth in Section 7.6.10.

Other terms used herein are defined in the preamble and elsewhere in this Agreement.

ARTICLE II THE MERGER

2.1 *Merger.*

Subject to the terms and conditions of this Agreement, at the Effective Time: (a) CBT shall merge with and into Berkshire Bank, with Berkshire Bank as the resulting or surviving institution (the “**Surviving Institution**”); and (b) the separate existence of CBT shall cease and all of the rights, privileges, powers, franchises, properties, assets, liabilities and obligations of CBT shall be vested in and assumed by Berkshire Bank. As part of the Merger, each outstanding share of CBT Common Stock will be converted into the right to receive the Merger Consideration pursuant to the terms of Article III. BHLB retains the right to hold CBT as a separate subsidiary. Berkshire Bank will consider retaining the CBT name in the Surviving Institution’s branches in Connecticut.

2.2 *Closing; Effective Time.*

The closing (“**Closing**”) shall occur no later than the close of business on the fifth Business Day following the satisfaction or (to the extent permitted by applicable law) waiver of the conditions set forth in Article IX (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or (to the extent permitted by applicable law) waiver of those conditions), or such other date that may be agreed to in writing by the parties. The Merger shall be effected by the filing of articles of merger or other appropriate documents with the MDOB and the CDOB on the day of the Closing (the “**Closing Date**”), in accordance with applicable law. The “**Effective Time**” means the date and time upon which the articles of merger or other appropriate documents are filed with the MDOB and the CDOB, all under applicable law. A pre-closing of the transactions contemplated hereby (the “**Pre-Closing**”) shall take place at the offices of Luse Gorman Pomerenk & Schick, P.C., at 10:00 a.m. on the day prior to the Closing Date.

2.3 *Articles of Organization and Bylaws.*

The articles of organization and bylaws of Berkshire Bank as in effect immediately prior to the Effective Time shall be the articles of organization and bylaws of the Surviving Institution, until thereafter amended as provided therein and by applicable law.

2.4 *Directors and Officers of the Surviving Institution.*

Effective immediately after the Closing Date, one director of CBT (as of the date hereof and as of the Effective Time) and who is designated by BHLB and Berkshire Bank prior to the mailing of the Proxy Statement-Prospectus pursuant to Section 8.2 (the “**New Member**”) shall be appointed and elected to the BHLB and Berkshire Bank Boards of Directors. All other directors of BHLB and Berkshire Bank prior to the Effective Time shall remain directors of BHLB and Berkshire Bank following the Effective Time, subject to shareholder approval at BHLB and Berkshire Bank annual meetings. Mr. David A. Lentini shall be appointed to a regional leadership position in Berkshire Bank’s new Connecticut region. All other officers of BHLB and Berkshire Bank prior to the Effective Time shall remain officers of BHLB and Berkshire Bank following the Effective Time, subject to Board approval.

2.5 *Advisory Board.*

Effective immediately after the Effective Time, the board members of CBT as of the Effective Time who do not join the boards of BHLB or Berkshire Bank shall be appointed to the newly established Advisory Board of Berkshire Bank (the “**Advisory Board**”). The Advisory Board shall meet as requested by the Board of Directors of Berkshire Bank and the initial term shall be for one year. Each member of the Advisory Board shall receive compensation as set by the Board of Directors of Berkshire Bank from time to time. Berkshire Bank shall consider, at its reasonable discretion, the composition, compensation and need for the Advisory Board after the completion of the one year term.

2.6 *Effects of the Merger.*

At and after the Effective Time, the Merger shall have the effects as set forth under Massachusetts banking laws.

2.7 *Tax Consequences.*

It is intended that the Merger shall constitute a reorganization within the meaning of Section 368(a) of the Code, and that this Agreement shall constitute a “plan of reorganization” as that term is used in Sections 354 and 361 of the Code.

2.8 *Possible Alternative Structures.*

Notwithstanding anything to the contrary contained in this Agreement and subject to the satisfaction of the conditions set forth in Article IX, prior to the Effective Time, BHLB may revise the structure for effecting the Merger described in Section 2.1 and/or the method of effecting the TARP Purchase, including, without limitation, by substituting a wholly owned subsidiary for BHLB or Berkshire Bank, as applicable, provided that (i) any such subsidiary shall become a party to, and shall agree to be bound by, the terms of this Agreement; (ii) there are no adverse Federal or state income tax consequences to BHLB, Berkshire Bank, CBT or to the BHLB or CBT shareholders, and nothing would prevent the rendering of the opinions contemplated in Sections 9.2.6 and 9.3.5, as a result of the modification; (iii) the consideration to be paid to the holders of CBT Common Stock under this Agreement is not thereby changed in kind, value or reduced in amount; and (iv) such modification will not materially delay the Closing or jeopardize or materially delay the receipt of any Regulatory Approvals or other consents and approvals relating to the consummation of the Merger or otherwise cause any condition to Closing set forth in Article IX not to be capable of being fulfilled. The parties hereto agree to appropriately amend this Agreement and any related documents in order to reflect any such revised structure.

2.9 *Additional Actions.*

If, at any time after the Effective Time, BHLB shall consider or be advised that any further deeds, documents, assignments or assurances in law or any other acts are necessary or desirable to (i) vest, perfect or confirm, of record or otherwise, in BHLB its right, title or interest in, to or under any of the rights, properties or assets of CBT, or (ii) otherwise carry out the purposes of this Agreement, CBT and its officers and directors shall be deemed to have granted to BHLB an irrevocable power of attorney to execute and deliver, in such official corporate capacities, all such deeds, assignments or assurances in law or any other acts as are necessary or desirable to (a) vest, perfect or confirm, of record or otherwise, in BHLB its right, title or interest in, to or under any of the rights, properties or assets of CBT or (b) otherwise carry out the purposes of this Agreement, and the officers and directors of the BHLB are authorized in the name of CBT or otherwise to take any and all such action.

ARTICLE III
CONVERSION OF SHARES

3.1 *Conversion of CBT Common Stock; Merger Consideration.*

At the Effective Time, by virtue of the Merger and without any action on the part of BHLB, Berkshire Bank, CBT or the holders of any of the shares of CBT Common Stock, the Merger shall be effected in accordance with the following terms:

3.1.1 Each share of BHLB Common Stock and Berkshire Bank common stock that is issued and outstanding immediately prior to the Effective Time shall remain issued and outstanding following the Effective Time and shall be unchanged by the Merger.

3.1.2 All shares of CBT Common Stock held in the treasury of CBT and each share of CBT Common Stock owned by BHLB prior to the Effective Time (other than shares held in a fiduciary capacity or in connection with debts previously contracted) (“**Treasury Stock**”) and each share of CBT Common Stock held in a trust under the CBT Stock Option Plan but not subject to an award of CBT Restricted Stock shall, at the Effective Time, cease to exist, and such shares, including any Certificates therefor, shall be canceled as promptly as practicable thereafter, and no payment or distribution shall be made in consideration therefor.

3.1.3 Each outstanding share of CBT Common Stock with respect to which an election to receive BHLB Common Stock has been effectively made and not revoked or lost, pursuant to Section 3.2.3 (a “**Stock Election**”), shall be converted into the right to receive (i) 0.3810 (the “**Exchange Ratio**”) of a share of BHLB Common Stock, subject to adjustment as provided in Sections 11.1.9 and 3.1.10 (the “**Stock Consideration**”) (collectively, the “**Stock Election Shares**”). Shares of CBT Restricted Stock subject to an award shall be treated for all purposes as other outstanding shares of CBT Common Stock, whether or not such shares are vested prior to the Effective Time.

3.1.4 Each outstanding share of CBT Common Stock with respect to which an election to receive cash has been effectively made and not revoked or lost, pursuant to Section 3.2.3 (a “**Cash Election**”), shall be converted into the right to receive a cash payment, without interest, equal to \$8.25 (the “**Cash Consideration**”) (collectively, the “**Cash Election Shares**”).

3.1.5 Each outstanding share of CBT Common Stock other than as to which a Cash Election or a Stock Election has been effectively made and not revoked or lost, pursuant to Section 3.2.3 (collectively, “**Non-Election Shares**”), shall be converted into the right to receive such Stock Consideration and/or Cash Consideration as shall be determined in accordance with Section 3.2.

3.1.6 Assuming Section 9.2.8 is waived by BHLB, in the event each issued and outstanding share of the CBT Series A Preferred Stock is not purchased or redeemed prior to or contemporaneous with the Merger, then each share of the CBT Series A Preferred Stock issued and outstanding immediately prior to the Effective Time (other than any shares of CBT Series A Preferred Stock to be cancelled in accordance herewith) shall no longer be outstanding and shall as of the Effective Time automatically be converted into and shall thereafter represent the right to receive, subject to the other provisions of this Article III, one share of the BHLB Preferred Stock to be designated, prior to the Closing Date, as Fixed Rate Cumulative Perpetual Preferred Stock, Series A, stated liquidation amount \$1,000 per share (the “**BHLB Series A Preferred Stock**”), and otherwise having rights, preferences, privileges and voting powers such that the rights, preferences, privileges and voting powers of the CBT Series A Preferred Stock are not adversely affected by such conversion and having rights, preferences and privileges and voting powers, and limitations and restrictions that, taken as a whole, are not materially less favorable than the rights, preferences, privileges and voting powers, and limitations and restrictions of the CBT Series A Preferred Stock immediately prior to such conversion, taken as a whole. If the Warrant Purchase shall have been consummated prior to the Effective Time, the CBT Warrant shall be cancelled and shall cease to exist as of the Effective Time.

3.1.7 Each outstanding share of CBT Common Stock, the holder of which has perfected his right to dissent under applicable law and has not effectively withdrawn or lost such right as of the Effective Time (the “**Dissenting Shares**”), shall not be converted into or represent a right to receive the Merger Consideration hereunder, and the holder thereof shall be entitled only to such rights as are granted by applicable law. CBT shall give BHLB immediate notice upon receipt by CBT of any such demands for payment of the fair value of such shares of CBT Common Stock and of withdrawals of such notice and any other related communications (any shareholder duly making such demand being hereinafter called a “**Dissenting Shareholder**”), and BHLB shall have the right to participate in all discussions, negotiations and proceedings with respect to any such demands. CBT shall not, except with the prior written consent of BHLB, voluntarily make any payment with respect to, or settle or offer to settle, any such demand for payment, or waive any failure to timely deliver a written demand for appraisal or the taking of any other action by such Dissenting Shareholder as may be necessary to perfect appraisal rights under applicable law. Any payments made in respect of Dissenting Shares shall be made by the Surviving Institution.

3.1.8 If any Dissenting Shareholder withdraws or loses (through failure to perfect or otherwise) his right to such payment at or prior to the Effective Time, such holder’s shares of CBT Common Stock shall be converted into a right to receive the Merger Consideration in accordance with the applicable provisions of this Agreement. If such holder withdraws or loses (through failure to perfect or otherwise) his right to such payment after the Effective Time, each share of CBT Common Stock of such holder shall be entitled to receive the Merger Consideration.

3.1.9 Upon the Effective Time, outstanding shares of CBT Common Stock shall no longer be outstanding and shall automatically be canceled and shall cease to exist, and shall thereafter by operation of this Section 3.1 represent only the right to receive the Merger Consideration and any dividends or distributions with respect thereto or any dividends or distributions with a record date prior to the Effective Time that were declared or made by CBT on such shares of CBT Common Stock in accordance with the terms of this Agreement on or prior to the Effective Time and which remain unpaid at the Effective Time.

3.1.10 Notwithstanding anything to the contrary contained herein, no certificates or scrip representing fractional shares of BHLB Common Stock shall be issued upon the surrender for exchange of Certificates, no dividend or distribution with respect to BHLB Common Stock shall be payable on or with respect to any fractional share interests, and such fractional share interests shall not entitle the owner thereof to vote or to any other rights of a shareholder of BHLB. In lieu of the issuance of any such fractional share, BHLB shall pay to each former holder of CBT Common Stock who otherwise would be entitled to receive a fractional share of BHLB Common Stock, an amount in cash, rounded to the nearest cent and without interest, equal to the product of (i) the fraction of a share to which such holder would otherwise have been entitled and (ii) the average of the daily closing sales prices of a share of BHLB Common Stock as reported on the NASDAQ Global Select Market for the five (5) consecutive trading days immediately preceding the Closing Date. For purposes of determining any fractional share interest, all shares of CBT Common Stock owned by a CBT shareholder shall be combined so as to calculate the maximum number of whole shares of BHLB Common Stock issuable to such CBT shareholder.

3.1.11 If BHLB changes (or the BHLB Board sets a related record date that will occur before the Effective Time for a change in) the number or kind of shares of BHLB Common Stock outstanding by way of a stock split, stock dividend, recapitalization, reclassification, reorganization or similar transaction, then the Merger Consideration (and any other dependent items) will be adjusted proportionately to account for such change. If CBT changes (or the CBT Board sets a related record date that will occur before the Effective Time for a change in) the number or kind of shares of CBT Common Stock (or Rights thereto) outstanding by way of a stock split, stock dividend, recapitalization, reclassification, reorganization or similar transaction, then the Merger Consideration (and any other dependent items) will be adjusted proportionately to account for such change.

3.2 *Election Procedures.*

3.2.1 Holders of record of CBT Common Stock may elect to receive shares of BHLB Common Stock or cash in exchange for their shares of CBT Common Stock. The total number of shares of CBT Common Stock to be converted into Stock Consideration pursuant to this Section 3.2.1 shall be equal to the product obtained by multiplying (x) the number of shares of CBT Common Stock outstanding immediately prior to the Effective Time by

(y) 0.70 (the “**Stock Conversion Number**”). All other shares of CBT Common Stock shall be converted into Cash Consideration.

3.2.2 An election form and other appropriate customary transmittal material in such form as BHLB and CBT shall mutually agree (“**Election Form**”) will be mailed no more than forty (40) business days and no less than twenty (20) business days prior to the Election Deadline or on such earlier date as BHLB and CBT shall mutually agree (the “**Mailing Date**”) to each holder of record of CBT Common Stock permitting such holder, subject to the allocation and election procedures set forth in this Section 3.2, (i) to specify the number of shares of CBT Common Stock owned by such holder with respect to which such holder desires to make a Cash Election in accordance with the provision of Section 3.1.4, (ii) to specify the number of shares of CBT Common Stock owned by such holder with respect to which such holder desires to make a Stock Election, in accordance with the provision of Section 3.1.3, or (iii) to indicate that such record holder has no preference as to the receipt of cash or BHLB Common Stock for such shares. Holders of record of shares of CBT Common Stock who hold such shares as nominees, trustees or in other representative capacities (a “**Representative**”) may submit multiple Election Forms, provided that each such Election Form covers all the shares of CBT Common Stock held by each Representative for a particular beneficial owner. Any shares of CBT Common Stock with respect to which the holder thereof shall not, as of the Election Deadline (as defined in Section 3.2.3), have made an election by submission to the Exchange Agent of an effective, properly completed Election Form shall be deemed Non-Election Shares. Any Dissenting Shares shall be deemed shares subject to a Cash Election, and with respect to such shares the holders thereof shall in no event receive consideration comprised of BHLB Common Stock. BHLB shall make available one or more Election Forms as may reasonably be requested in writing from time to time by all Persons who become holders (or beneficial owners) of CBT Common Stock between the record date for the initial mailing of Election Forms and the close of business on the business day prior to the Election Deadline (as defined in Section 3.2.3), and CBT shall provide to the Exchange Agent all information reasonably necessary for it to perform as specified herein.

3.2.3 The term “**Election Deadline**”, as used below, shall mean 5:00 p.m., Eastern time, on the later of (i) the date of the CBT Shareholders Meeting and (ii) the date that BHLB and CBT shall agree is as near as practicable to five (5) business days prior to the expected Closing Date. An election shall have been properly made only if the Exchange Agent shall have actually received a properly completed Election Form by the Election Deadline. Any Election Form may be revoked or changed by the Person submitting such Election Form to the Exchange Agent by written notice to the Exchange Agent only if such notice of revocation or change is actually received by the Exchange Agent at or prior to the Election Deadline. The Certificate or Certificates relating to any revoked Election Form shall be promptly returned without charge to the Person submitting the Election Form to the Exchange Agent. Subject to the terms of this Agreement and of the Election Form, the Exchange Agent shall have discretion to determine whether any election, revocation or change has been properly or timely made and to disregard immaterial defects in the Election Forms, and any good faith decisions of the Exchange Agent regarding such matters shall be binding and conclusive. Neither BHLB nor the Exchange Agent shall be under any obligation to notify any Person of any defect in an Election Form.

3.2.4 No later than three (3) business days after the Effective Time, BHLB shall cause the Exchange Agent to effect the allocation among holders of CBT Common Stock of rights to receive the Cash Consideration and the Stock Consideration as set forth in Sections 3.2.5 and 3.2.6.

3.2.5 If the aggregate number of shares of CBT Common Stock with respect to which Stock Elections shall have been made (the “**Stock Election Number**”) exceeds the Stock Conversion Number, then all Cash Election Shares and all Non-Election Shares of each holder thereof shall be converted into the right to receive the Cash Consideration, and Stock Election Shares of each holder thereof will be converted into the right to receive the Stock Consideration in respect of that number of Stock Election Shares equal to the product obtained by multiplying (x) the number of Stock Election Shares held by such holder by (y) the fraction, the numerator of which is the Stock Conversion Number and the denominator of which is the Stock Election Number, with the remaining number of such holders’ Stock Election Shares being converted into the right to receive the Cash Consideration.

3.2.6 If the Stock Election Number is less than the Stock Conversion Number (the amount by which the Stock Conversion Number exceeds the Stock Election Number being referred to herein as the “**Shortfall Number**”), then all Stock Election Shares shall be converted into the right to receive the Stock Consideration and the Non-Election Shares and Cash Election Shares shall be treated in the following manner:

(A) If the Shortfall Number is less than or equal to the number of Non-Election Shares, then all Cash Election Shares shall be converted into the right to receive the Cash Consideration and the Non-Election Shares of each holder thereof shall convert into the right to receive the Stock Consideration in respect of that number of Non-Election Shares equal to the product obtained by multiplying (x) the number of Non-Election Shares held by such holder by (y) a fraction, the numerator of which is the Shortfall Number and the denominator of which is the total number of Non-Election Shares, with the remaining number of such holder's Non-Election Shares being converted into the right to receive the Cash Consideration; or

(B) If the Shortfall Number exceeds the number of Non-Election Shares, then all Non-Election Shares shall be converted into the right to receive the Stock Consideration and Cash Election Shares of each holder thereof shall convert into the right to receive the Stock Consideration in respect of that number of Cash Election Shares equal to the product obtained by multiplying (x) the number of Cash Election Shares held by such holder by (y) a fraction, the numerator of which is the amount by which (1) the Shortfall Number exceeds (2) the total number of Non-Election Shares and the denominator of which is the total number of Cash Election Shares, with the remaining number of such holder's Cash Election Shares being converted into the right to receive the Cash Consideration.

3.3 *Procedures for Exchange of CBT Common Stock.*

3.3.1 *BHLB to Make Merger Consideration Available.* After the Closing and at or prior to the Effective Time, BHLB shall deposit, or shall cause to be deposited, with the Exchange Agent for the benefit of the holders of CBT Common Stock, for exchange in accordance with this Section 3.3, an aggregate amount of cash sufficient to pay the aggregate amount of cash payable pursuant to this Article III and shall instruct the Exchange Agent to issue such cash and shares of BHLB Common Stock for exchange in accordance with this Section 3.3 (such cash and shares of BHLB Common Stock, together with any dividends or distributions with respect thereto (without any interest thereon) being hereinafter referred to as the “**Exchange Fund**”).

3.3.2 *Exchange of Certificates.* BHLB shall take all steps necessary to cause the Exchange Agent, not later than five (5) Business Days after the Effective Time, to mail to each holder of a Certificate or Certificates who has not previously surrendered such certificates with an Election Form, a form letter of transmittal for return to the Exchange Agent and instructions for use in effecting the surrender of the Certificates in exchange for the Merger Consideration and cash in lieu of fractional shares into which the CBT Common Stock represented by such Certificates shall have been converted as a result of the Merger, if any. The letter of transmittal 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. Upon proper surrender of a Certificate for exchange and cancellation to the Exchange Agent, together with a properly completed letter of transmittal, duly executed, the holder of such Certificate shall be entitled to receive in exchange therefor the Merger Consideration and the Certificate so surrendered shall be cancelled. No interest will be paid or accrued on any Cash Consideration or any cash payable in lieu of fractional shares or any unpaid dividends and distributions, if any, payable to holders of Certificates.

3.3.3 *Rights of Certificate Holders after the Effective Time.* The holder of a Certificate that prior to the Merger represented issued and outstanding CBT Common Stock shall have no rights, after the Effective Time, with respect to such CBT Common Stock except to surrender the Certificate in exchange for the Merger Consideration as provided in this Agreement. No dividends or other distributions declared after the Effective Time with respect to BHLB Common Stock shall be paid to the holder of any unsurrendered Certificate until the holder thereof shall surrender such Certificate in accordance with this Section 3.3. After the surrender of a Certificate in accordance with this Section 3.3, the record holder thereof shall be entitled to receive any such dividends or other distributions, without any interest thereon, which theretofore had become payable with respect to shares of BHLB Common Stock represented by such Certificate.

3.3.4 *Surrender by Persons Other than Record Holders.* If the Person surrendering a Certificate and signing the accompanying letter of transmittal is not the record holder thereof, then it shall be a condition of the payment of the Merger Consideration that: (i) such Certificate is properly endorsed to such Person or is accompanied by appropriate stock powers, in either case signed exactly as the name of the record holder appears on such Certificate, and is otherwise in proper form for transfer, or is accompanied by appropriate evidence of the authority of the Person surrendering such Certificate and signing the letter of transmittal to do so on behalf of

the record holder; and (ii) the Person requesting such exchange shall pay to the Exchange Agent in advance any transfer or other similar taxes required by reason of the payment to a Person other than the registered holder of the Certificate 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.

3.3.5 *Closing of Transfer Books.* From and after the Closing Date, there shall be no transfers on the stock transfer books of CBT of the CBT Common Stock that were outstanding immediately prior to the Effective Time. If, after the Effective Time, Certificates representing such shares are presented for transfer to the Exchange Agent, they shall be exchanged for the Merger Consideration and canceled as provided in this Section 3.3.

3.3.6 *Return of Exchange Fund.* At any time following the nine (9) month period after the Effective Time, BHLB shall be entitled to require the Exchange Agent to deliver to it any portion of the Exchange Fund which had been made available to the Exchange Agent and not disbursed to holders of Certificates (including, without limitation, all interest and other income received by the Exchange Agent in respect of all funds made available to it), and thereafter such holders shall be entitled to look to BHLB (subject to abandoned property, escheat and other similar laws) with respect to any Merger Consideration that may be payable upon due surrender of the Certificates held by them. Notwithstanding the foregoing, neither BHLB nor the Exchange Agent shall be liable to any holder of a Certificate for any Merger Consideration delivered in respect of such Certificate to a public official pursuant to any abandoned property, escheat or other similar law.

3.3.7 *Lost, Stolen or Destroyed Certificates.* In the event any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and the posting by such Person of a bond in such amount as the Exchange Agent may reasonably 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 deliverable in respect thereof.

3.3.8 *Withholding.* BHLB or the Exchange Agent will be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement or the transactions contemplated hereby to any holder of CBT Common Stock such amounts as BHLB (or any Affiliate thereof) or the Exchange Agent are required to deduct and withhold with respect to the making of such payment under the Code, or any applicable provision of U.S. federal, state, local or non-U.S. tax law. To the extent that such amounts are properly withheld by BHLB or the Exchange Agent, such withheld amounts will be treated for all purposes of this Agreement as having been paid to the holder of the CBT Common Stock in respect of whom such deduction and withholding were made by BHLB or the Exchange Agent.

3.4 *Treatment of CBT Stock Options, CBT Warrants and CBT Treasury Warrant.*

3.4.1 CBT Disclosure Schedule 3.4.1 sets forth all of the outstanding CBT stock options (each, a “**CBT Stock Option**”) as of the date hereof. Immediately prior to the Effective Time, each CBT Stock Option, whether or not vested or exercisable, shall be terminated and the holder thereof shall be paid by CBT immediately prior to the Effective Time an amount in cash determined by multiplying (i) the greater of (A) the excess, if any, of the value of the Merger Consideration as of the day before the Closing Date over the applicable per share exercise price of that option or (B) \$1.00 by (ii) the number of shares of CBT Common Stock that the holder could have purchased (assuming full vesting of that option) had that holder exercised that option immediately before the Effective Time, less applicable tax withholding. Subject to the foregoing, the CBT Stock Option Plans and all CBT Stock Options issued thereunder shall terminate at the Effective Time. Prior to the Effective Time, CBT shall take such actions as necessary to give effect to the transactions contemplated by this Section 3.4.1, including, without limitation, the provision of any notices or stock option cancellation agreements to holders of CBT Stock Options and the adoption of any necessary amendments to such plans.

3.4.2 CBT Disclosure Schedule 3.4.2 sets forth all of the outstanding CBT warrants which were granted to each founder of CBT (each, a “**CBT Warrant**”) as of the date hereof. Immediately prior to the Effective Time, each CBT Warrant, whether or not vested or exercisable, shall be terminated and the holder thereof shall be paid by CBT immediately prior to the Effective Time an amount in cash determined by multiplying (i) the greater of (A) the excess, if any, of the value of the Merger Consideration as of the day before the Closing Date over

the applicable per share exercise price of that stock warrant or (B) \$1.00 by (ii) the number of shares of CBT Common Stock that the holder could have purchased (assuming full vesting of that stock warrant) had that holder exercised that stock warrant immediately before the Effective Time, less applicable tax withholding. Subject to the foregoing, the CBT Warrant Plans and all CBT Warrants issued thereunder shall terminate at the Effective Time. Prior to the Effective Time, CBT shall take such actions as necessary to give effect to the transactions contemplated by this Section 3.4.2, including, without limitation, the provision of any notices or stock warrant cancellation agreements to holders of CBT Warrants and the adoption of any necessary amendments to such plans.

3.4.3 CBT Disclosure Schedule 3.4.3 sets forth all of the outstanding CBT Warrants which were issued to the Treasury Department as part of the Troubled Asset Relief Program Capital Purchase Program (each, a “**CBT Treasury Warrant**”) as of the date hereof. Prior to the Effective Time, BHLB and CBT agree to cooperate to negotiate the repurchase of the CBT Treasury Warrants from Treasury, and for purposes of clarity, it is understood that the repurchase of the CBT Treasury Warrants from Treasury is not a condition to the closing of the Merger.

3.4.4 If the Warrant Purchase is not consummated by the Effective Time, then the CBT Treasury Warrant shall, by virtue of the Merger and without any action on the part of any Person, cease to be a warrant to purchase CBT Common Stock and will be converted automatically into a warrant to purchase BHLB Common Stock (the “**BHLB Warrant**”) in accordance with the terms of the CBT Treasury Warrant, and BHLB will assume such warrant subject to its terms; provided, however, that after the Effective Time:

(i) the number of shares of BHLB Common Stock purchasable upon exercise of the BHLB Warrant will equal the product of (x) the number of shares of CBT Common Stock that were purchasable pursuant to the CBT Treasury Warrant immediately before the Effective Time and (y) the Exchange Ratio, rounded to the nearest one-hundredth (1/100th) of a share; and

(ii) the per share exercise price for the BHLB Warrant will equal the quotient of (x) the per share exercise price of the CBT Treasury Warrant in effect immediately before the Effective Time and (y) the Exchange Ratio, rounded to the nearest one-tenth (1/10th) of a cent.

3.5 *Reservation of Shares.*

BHLB shall reserve for issuance a sufficient number of shares of the BHLB Common Stock for the purpose of issuing shares of BHLB Common Stock to the CBT shareholders in accordance with this Article III.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF CBT

CBT represents and warrants to BHLB and Berkshire Bank that the statements contained in this Article IV are correct as of the date of this Agreement and will be correct as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Article IV), subject to the standard set forth in Section 4.1 and except as set forth in the CBT Disclosure Schedule delivered by CBT to BHLB and Berkshire Bank on the date hereof, and except as to any representation or warranty which specifically relates to an earlier date, which only need be correct as of such earlier date, *provided, however*, that disclosure in any section of such CBT Disclosure Schedule shall apply only to the indicated Section of this Agreement except to the extent that it is reasonably apparent that such disclosure is relevant to another section of this Agreement.

4.1 *Standard.*

Except as set forth in the following sentence, no representation or warranty of CBT contained in this Article IV shall be deemed untrue or incorrect, and CBT shall not be deemed to have breached a representation or warranty, as a consequence of the existence of any fact, circumstance or event unless such fact, circumstance or event, individually or taken together with all other facts, circumstances or events inconsistent with any paragraph of this Article IV, has had or reasonably would be expected to have a Material Adverse Effect, disregarding for these

purposes (x) any qualification or exception for, or reference to, materiality in any such representation or warranty and (y) any use of the terms “material,” “materially,” “in all material respects,” “Material Adverse Effect” or similar terms or phrases in any such representation or warranty. The foregoing standard shall not apply to representations and warranties contained in Section 4.2 (other than Sections 4.2.3 and 4.2.4 and the last sentence of Section 4.2.1), Sections 4.3 and 4.4 (other than Section 4.4.2(iii)) shall be true and correct in all material respects.

4.2 *Organization.*

4.2.1 CBT is a Connecticut chartered bank and trust company duly organized, validly existing and in good standing under the State of Connecticut. The deposits in CBT are insured by the FDIC to the fullest extent permitted by law, and all premiums and assessments required to be paid in connection therewith have been paid by CBT when due. CBT is a member in good standing of the FHLB and owns the requisite amount of stock as set forth on CBT Disclosure Schedule 4.2.1. CBT has full corporate power and authority to carry on its business as now conducted. CBT is duly licensed or qualified to do business in the states of the United States and foreign jurisdictions where its ownership or leasing of property or the conduct of its business requires such qualification.

4.2.2 CBT has no subsidiaries.

4.2.3 The minute books of CBT accurately record all corporate actions of its shareholders and board of directors (including committees).

4.2.4 Prior to the date of this Agreement, CBT has made available to BHLB and Berkshire Bank true and correct copies of the certificate of incorporation or articles of association, as applicable, and bylaws or other governing documents of CBT.

4.3 *Capitalization.*

4.3.1 The authorized capital stock of CBT consists of (i) 10,000,000 shares of CBT Common Stock, \$1.00 par value and 1,000,000 shares of preferred stock, no par value (“**CBT Preferred Stock**” and collectively with CBT Common Stock, “**CBT Stock**”). As of October 21, 2011, there were (i) 3,620,950 shares of CBT Common Stock validly issued and outstanding, fully paid and non-assessable and free of preemptive rights, including 40,125 shares of CBT Restricted Stock subject to an award, (ii) 0 shares of CBT Common Stock held by CBT as Treasury Stock, but not including 0 shares of CBT Common Stock held in trust under the CBT Restricted Stock Plans but not subject to an award of CBT Restricted Stock and (iii) 5,448 shares of CBT Series A Preferred Stock and a ten year warrant issued to the Treasury Department to purchase up to 175,742 shares of CBT’s common stock at an exercise price of \$4.65 per share. CBT does not own, of record or beneficially, any shares of CBT Stock which are not Treasury Stock. Except as disclosed on CBT Disclosure Schedule 4.3.1, CBT has no and is not bound by any Rights or other arrangements of any character relating to the purchase, sale or issuance or voting of, or right to receive dividends or other distributions on, any capital stock of CBT, or any other security of CBT or any securities representing the right to vote, purchase or otherwise receive any capital stock of CBT or any other security of CBT, other than shares of CBT Common Stock underlying the CBT Stock Options, CBT Warrants and CBT Restricted Stock. CBT has granted options to acquire 140,475 shares of CBT Common Stock at a weighted average exercise price of \$8.39 per share. CBT Disclosure Schedule 4.3.1 sets forth: the name of each holder of a CBT Stock Option, identifying the number of shares each such individual may acquire pursuant to the exercise of such options, the plan under which such options were granted, the grant, vesting and expiration dates, and the exercise price relating to the options held, and whether the CBT Stock Option is an incentive stock option or a nonqualified stock option. CBT has granted warrants to acquire 345,702 shares of CBT Common Stock at a weighted average exercise price of \$7.28 per share. CBT Disclosure Schedule 4.3.1 sets forth: the name of each holder of a CBT Warrant, identifying the number of shares each such individual may acquire pursuant to the exercise of such warrants, vesting and expiration dates, and the exercise price relating to the warrants held. CBT Disclosure Schedule 4.3.1 also sets forth the name of each holder of record of CBT Restricted Stock, the vesting dates and the number of shares held by such Person. All shares of CBT Common Stock issuable pursuant to the CBT Stock Option Plan or CBT Warrants will be duly authorized, validly issued, fully paid and non-assessable when issued upon the terms and conditions specified in the instruments pursuant to which they are issuable.

4.3.2 Except as set forth in CBT Disclosure Schedule 4.3.2, CBT does not possess, directly or indirectly, any equity interest in any corporate or other legal entity, except for equity interests held in the investment portfolio of CBT (which as to any one issuer, do not exceed five percent (5%) of such issuer's outstanding equity securities) and equity interests held in connection with the lending activities of CBT, including stock in the FHLB.

4.3.3 To CBT's Knowledge, except as set forth on CBT Disclosure Schedule 4.3.3, as of the date hereof no Person is the beneficial owner (as defined in Section 13(d) of the Exchange Act) of five percent (5%) or more of the outstanding shares of CBT Common Stock.

4.3.4 No bonds, debentures, notes or other indebtedness having the right to vote on any matters on which CBT's shareholders may vote have been issued by CBT and are outstanding.

4.4 *Authority; No Violation.*

4.4.1 CBT has full corporate power and authority to execute and deliver this Agreement and, subject to the receipt of the Regulatory Approvals and the approval of this Agreement by CBT's shareholders (the "**CBT Shareholder Approval**"), to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by CBT and the completion by CBT of the transactions contemplated hereby, up to and including the Merger, have been duly and validly approved by the Board of Directors of CBT. This Agreement has been duly and validly executed and delivered by CBT, and subject to CBT Shareholder Approval and the receipt of the Regulatory Approvals and due and valid execution and delivery of this Agreement by BHLB and Berkshire Bank, constitutes the valid and binding obligation of CBT, enforceable against CBT in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity.

4.4.2 (a) Subject to compliance by BHLB and Berkshire Bank with the terms and conditions of this Agreement, the execution and delivery of this Agreement by CBT, subject to receipt of Regulatory Approvals and CBT's compliance with any conditions contained therein, and subject to the receipt of CBT Shareholder Approval, the consummation of the transactions contemplated hereby, and (b) compliance by CBT with the terms and provisions hereof will not (i) conflict with or result in a breach of any provision of the certificate of incorporation or articles of association, as applicable, and bylaws of CBT; (ii) violate any statute, code, ordinance, rule, regulation, judgment, order, writ, decree or injunction applicable to CBT or any of its respective properties or assets; or (iii) 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 or amendment of, accelerate the performance required by, or result in a right of termination or acceleration or the creation of any lien, security interest, charge or other encumbrance upon any of the properties or assets of CBT under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other investment or obligation to which CBT is a party, or by which it or any of its respective properties or assets may be bound or affected.

4.5 *Consents.*

Except for (a) the receipt of the Regulatory Approvals and compliance with any conditions contained therein, (b) compliance with applicable requirements of the Securities Act, the Exchange Act and state securities or "blue sky" laws, (c) the filing of the Articles of Merger or other appropriate filing with the MDOB, the Secretary of the Commonwealth, the CDOB and the Secretary of State of the State of Connecticut, (d) the CBT Shareholder Approval, and (e) the consent of the Treasury Department to the redemption by CBT, or the purchase by BHLB or one of its Subsidiaries of all of the issued and outstanding shares of the CBT Series A Preferred Stock from the Treasury Department, no consents, waivers or approvals of, or filings or registrations with, any Governmental Entity or Bank Regulator are necessary, and, to the Knowledge of CBT, no consents, waivers or approvals of, or filings or registrations with, any other third parties are necessary, in connection with the execution and delivery of this Agreement by CBT, the completion by CBT of the Merger and the performance by CBT of its obligations hereunder. CBT has no reason to believe that (i) any Regulatory Approvals or other required consents or approvals will not be received or will include the imposition of any condition (financial or otherwise) or requirement that could reasonably be expected by CBT to result in a Material Adverse Effect on CBT, or BHLB and Berkshire Bank, taken as a whole, or that (ii) any public body or authority having jurisdiction over the affairs of CBT, the consent or

approval of which is not required or pursuant to the rules of which a filing is not required, will object to the completion of the transactions contemplated by this Agreement.

4.6 *Financial Statements.*

4.6.1 The CBT Regulatory Reports have been prepared in all material respects in accordance with applicable regulatory accounting principles and practices throughout the periods covered by such statements, and fairly present in all material respects the consolidated financial position, results of operations and changes in shareholders' equity of CBT as of and for the periods ended on the dates thereof, in accordance with applicable regulatory accounting principles applied on a consistent basis.

4.6.2 CBT has previously made available to BHLB and Berkshire Bank the CBT Financial Statements. The CBT Financial Statements have been prepared in accordance with GAAP in all material respects, and (including the related notes where applicable) fairly present in each case in all material respects (subject in the case of the unaudited interim statements to normal year-end adjustments) the consolidated financial position, results of operations and cash flows of CBT as of and for the respective periods ending on the dates thereof, in accordance with GAAP during the periods involved, except as indicated in the notes thereto, or in the case of unaudited statements, as permitted by Form 10-Q.

4.6.3 At the date of the most recent consolidated statement of financial condition included in the CBT Financial Statements or in the CBT Regulatory Reports, CBT did not have any liabilities, obligations or loss contingencies of any nature (whether absolute, accrued, contingent or otherwise) of a type required to be reflected in such CBT Financial Statements or in the CBT Regulatory Reports or in the footnotes thereto which are not fully reflected or reserved against therein or fully disclosed in a footnote thereto, except for liabilities, obligations and loss contingencies which are not material individually or in the aggregate or which are incurred in the ordinary course of business, consistent with past practice, and subject, in the case of any unaudited statements, to normal, recurring audit adjustments and the absence of footnotes.

4.7 *Tax Matters.*

CBT has not taken or agreed to take any action, nor has it failed to take any action or know of any fact, agreement, plan or other circumstance that could reasonably be expected to prevent the Merger, together with the TARP Purchase, from qualifying as a "reorganization" within the meaning of Section 368(a) of the Code. CBT has timely filed or caused to be filed all Tax Returns required to have been filed by CBT prior to the date hereof, or requests for extensions to file such returns and reports have been timely filed. All such Tax Returns are true, correct, and complete in all material respects. CBT has timely paid or, prior to the Effective Time will pay, all Taxes, whether or not shown on such returns or reports, due or claimed to be due to any Governmental Entity prior to the Effective Time other than Taxes which are being contested in good faith. CBT has declared on its Tax Returns all positions taken therein that could give rise to a substantial underpayment of United States Federal Income Tax within the meaning of Section 6662 of the Code (or any corresponding provision of state or local laws). The accrued but unpaid Taxes of CBT did not, as of the most recent CBT Financial Statements, exceed the reserve for Tax liability (rather 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 CBT balance sheet (rather than in any notes thereto). CBT is subject to Tax audits in the ordinary course of business. CBT management does not believe that an adverse resolution to any of such audits of which it has Knowledge would be reasonably likely to have a Material Adverse Effect on CBT. CBT has not been notified in writing by any jurisdiction that the jurisdiction believes that CBT or any of the CBT was required to file any Tax Return in such jurisdiction that was not filed. CBT (A) has not been a member of a group with which they have filed or been included in a combined, consolidated or unitary income Tax Return other than a group the common parent of which was CBT nor (B) has any liability for the Taxes of any Person (other than CBT) under Treas. Reg. § 1.1502-6 (or any similar provision of state, local, or non-U.S. law), as a transferee or successor, by contract, or otherwise. As of the date hereof, all deficiencies proposed in writing as a result of any audits have been paid or settled. There are no written claims or assessments pending against CBT for any alleged deficiency in any Tax, and CBT has not been notified in writing of any proposed Tax claims or assessments against CBT. CBT has duly and timely withheld, collected and paid over to the appropriate taxing authority all amounts required to be so withheld and paid under all applicable laws, and have duly and timely filed all Tax Returns with respect to such withheld Taxes, within the time prescribed under any applicable law. CBT has

delivered to BHLB true and complete copies of all Income Tax Returns of CBT for taxable periods ending on or after December 31, 2008. CBT is not nor has been a party to any “reportable transaction,” as defined in Code § 6707A(c)(1) and Treas. Reg. § 1.6011-4(b). CBT has not distributed stock of another Person, nor has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Code § 355 or Code § 361. CBT has not been a United States real property holding corporation within the meaning of Code § 897(c)(2) during the applicable period specified in Code § 897(c)(1)(A)(ii).

4.8 *No Material Adverse Effect.*

CBT has not suffered any Material Adverse Effect since December 31, 2010 and, to CBT’s Knowledge, no event has occurred or circumstance arisen since that date which, in the aggregate, has had or reasonably would be expected to have a Material Adverse Effect on CBT.

4.9 *Material Contracts; Leases; Defaults.*

4.9.1 Except as set forth in CBT Disclosure Schedule 4.9.1, CBT is not a party to or subject to: (i) any employment, consulting or severance contract or arrangement with any past or present officer, director, employee or consultant of CBT, except for “at will” arrangements; (ii) any plan, arrangement or contract providing for bonuses, pensions, options, deferred compensation, retirement payments, profit sharing or similar arrangements for or with any past or present officers, directors, employees or consultants of CBT; (iii) any collective bargaining agreement with any labor union relating to employees of CBT; (iv) any agreement which by its terms limits or affects the payment of dividends by CBT; (v) any instrument evidencing or related to indebtedness for borrowed money in excess of \$50,000, whether directly or indirectly, by way of purchase money obligation, conditional sale, lease purchase, guaranty or otherwise, in respect of which CBT is an obligor to any Person, which instrument evidences or relates to indebtedness other than deposits, FHLB advances with a term to maturity not in excess of one (1) year, repurchase agreements, bankers’ acceptances, and transactions in “federal funds” or which contains financial covenants or other non-customary restrictions (other than those relating to the payment of principal and interest when due) which would be applicable on or after the Closing Date to CBT; (vi) any other agreement, written or oral, which is not terminable without cause on sixty (60) days’ notice or less without penalty or payment, or that obligates CBT for the payment of more than \$30,000 annually or for the payment of more than \$50,000 over its remaining term; or (vii) any agreement (other than this Agreement), contract, arrangement, commitment or understanding (whether written or oral) that materially restricts or limits the conduct of business by CBT.

4.9.2 Each real estate lease that will require the consent of the lessor or its agent as a result of the Merger by virtue of the terms of any such lease, is listed in CBT Disclosure Schedule 4.9.2 identifying the section of the lease that contains such prohibition or restriction. Subject to any consents that may be required as a result of the transactions contemplated by this Agreement, to its Knowledge CBT is not in material default under any material contract, agreement, commitment, arrangement, lease, insurance policy or other instrument to which it is a party, by which its assets, business, or operations may be bound or affected, or under which it or its assets, business, or operations receive benefits, and there has not occurred any event that, with the lapse of time or the giving of notice or both, would constitute such a default and all such material contracts, agreements, commitments, arrangements, leases, insurance policies and other instruments are listed on CBT Disclosure Schedule 4.9.2.

4.9.3 True and correct copies of agreements, contracts, arrangements and instruments referred to in Section 4.9.1 and 4.9.2 have been made available to BHLB and Berkshire Bank on or before the date hereof, are listed on CBT Disclosure Schedules 4.9.1 and 4.9.2 and are in full force and effect without modification on the date hereof. Except as set forth in CBT Disclosure Schedule 4.9.3, no such agreement, plan, contract, or arrangement (i) provides for acceleration of the vesting of benefits or payments due thereunder upon the occurrence of a change in ownership or control of CBT or upon the occurrence of a subsequent event; (ii) requires CBT to provide a benefit in the form of CBT Common Stock or determined by reference to the value of CBT Common Stock or (iii) contains provisions which permit an employee, director or independent contractor to terminate such agreement or arrangement without cause and continue to accrue future benefits thereunder.

4.10 *Ownership of Property; Insurance Coverage.*

4.10.1 CBT has good and, as to real property, marketable title to all assets and properties owned by CBT in the conduct of its businesses, whether such assets and properties are real or personal, tangible or intangible, including assets and property reflected in the most recent consolidated statement of financial condition contained in the CBT Financial Statements or acquired subsequent thereto (except to the extent that such assets and properties have been disposed of in the ordinary course of business, since the date of such consolidated statement of financial condition), subject to no encumbrances, liens, mortgages, security interests or pledges, except (i) those items which secure liabilities for public or statutory obligations or any discount with, borrowing from or other obligations to FHLB, inter-bank credit facilities, reverse repurchase agreements or any transaction by CBT acting in a fiduciary capacity, and (ii) statutory liens for amounts not yet delinquent or which are being contested in good faith. CBT, as lessee, has the right under valid and existing leases of real and personal properties used by CBT in the conduct of its business to occupy or use all such properties as presently occupied and used by it. Such existing leases and commitments to lease constitute or will constitute operating leases for both tax and financial accounting purposes and the lease expense and minimum rental commitments with respect to such leases and lease commitments are as disclosed in all material respects in the notes to the CBT Financial Statements.

4.10.2 With respect to all material agreements pursuant to which CBT has purchased securities subject to an agreement to resell, if any, CBT has a lien or security interest (which to CBT's Knowledge is a valid, perfected first lien) in the securities or other collateral securing the repurchase agreement, and the value of such collateral equals or exceeds the amount of the debt secured thereby.

4.10.3 CBT currently maintains insurance considered by it to be reasonable for its operations. CBT has not received notice from any insurance carrier on or before the date hereof that (i) such insurance will be canceled or that coverage thereunder will be reduced or eliminated, or (ii) premium costs with respect to such policies of insurance will be substantially increased. Except as listed on CBT Disclosure Schedule 4.10.3, there are presently no claims pending under such policies of insurance and no notices of claim have been given by CBT under such policies. All such insurance is valid and enforceable and in full force and effect (other than insurance that expires in accordance with its terms), and within the last three (3) years CBT has received each type of insurance coverage for which it has applied and during such periods has not been denied indemnification for any claims submitted under any of its insurance policies. CBT Disclosure Schedule 4.10.3 identifies all policies of insurance maintained by CBT, including the name of the insurer, the policy number, the type of policy and any applicable deductibles, as well as the other matters required to be disclosed under this Section 4.10.3. CBT has made available to BHLB and Berkshire Bank copies of all of the policies listed on CBT Disclosure Schedule 4.10.3.

4.11 *Legal Proceedings.*

There is no suit, action, investigation or proceeding pending or, to its Knowledge, threatened against or affecting CBT or any of its Subsidiaries (and it is not aware of any facts that reasonably could be expected to be the basis for any such suit, action or proceeding) (1) that involves a Governmental Entity or Bank Regulator, or (2) that, individually or in the aggregate, is (A) material to it and its Subsidiaries' businesses or, after the Effective Time, BHLB's or any of its Subsidiaries' businesses, or (B) reasonably likely to prevent or delay it from performing its obligations under, or consummating the transactions contemplated by, this Agreement. There is no injunction, order, award, judgment, settlement, decree or regulatory restriction imposed upon or entered into by CBT, any of its Subsidiaries or the assets of it or any of its Subsidiaries.

4.12 *Compliance with Applicable Law.*

Except as set forth on CBT Disclosure Schedule 4.12 and in Section 4.15:

4.12.1 To CBT's Knowledge, CBT is in compliance in all material respects with all applicable federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders or decrees applicable to it, its properties, assets and deposits, its business, its conduct of business and its relationship with its employees, including, without limitation, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, the Equal Credit Opportunity Act, the Truth in Lending Act, the Real Estate Settlement Procedures Act, the Consumer Credit Protection Act, the Fair Credit Reporting Act, the Fair Debt

Collections Act, the Fair Housing Act, the Community Reinvestment Act of 1977 (“**CRA**”), the Home Mortgage Disclosure Act, and all other applicable fair lending laws and other laws relating to discriminatory business practices, and CBT has not received any written notice to the contrary.

4.12.2 CBT has all material permits, licenses, authorizations, orders and approvals of, and has made all filings, applications and registrations with, all Governmental Entities and Bank Regulators that are required in order to permit it to own or lease its properties and to conduct its business as presently conducted; all such permits, licenses, certificates of authority, orders and approvals are in full force and effect and, to the Knowledge of CBT, no suspension or cancellation of any such permit, license, certificate, order or approval is threatened or will result from the consummation of the transactions contemplated by this Agreement, subject to obtaining the Regulatory Approvals.

4.12.3 For the period beginning January 1, 2008, except as disclosed in CBT Disclosure Schedule 4.12.3, CBT has not received any written notification or any other communication from any Bank Regulator (i) asserting that CBT is not in material compliance with any of the statutes, regulations or ordinances which such Bank Regulator enforces; (ii) threatening to revoke any license, franchise, permit or governmental authorization; (iii) requiring or threatening to require CBT, or indicating that CBT may be required, to enter into a cease and desist order, agreement or memorandum of understanding or any other agreement with any federal or state governmental agency or authority which is charged with the supervision or regulation of banks, or engages in the insurance of bank deposits, restricting or limiting, or purporting to restrict or limit the operations of CBT, including without limitation any restriction on the payment of dividends; or (iv) directing, restricting or limiting, or purporting to direct, restrict or limit the operations of CBT (any such notice, communication, memorandum, agreement or order described in this sentence is hereinafter referred to as a “**Regulatory Agreement**”). Except as disclosed in CBT Disclosure Schedule 4.12.3, CBT has not consented to or entered into any Regulatory Agreement that is currently in effect. The most recent regulatory rating given to CBT as to compliance with the CRA is “Satisfactory” or better.

4.13 *Employee Benefit Plans.*

4.13.1 CBT Disclosure Schedule 4.13.1 contains a list of all written and unwritten pension, retirement, profit-sharing, thrift, savings, deferred compensation, stock option, employee stock ownership, employee stock purchase, restricted stock, severance pay, retention, vacation, bonus or other incentive plans, all employment, change in control, consulting, severance and retention agreements, all other written employee programs, arrangements or agreements, all medical, vision, dental, disability, life insurance, workers’ compensation, employee assistance or other health or welfare plans, and all other employee benefit or fringe benefit plans, including “employee benefit plans” as that term is defined in Section 3(3) of ERISA, currently adopted, maintained by, sponsored in whole or in part by, or contributed to by CBT or any of its ERISA Affiliates for the benefit of employees, former employees, retirees (or the dependents, including spouses, of the foregoing), directors, independent contractors or other service providers to CBT and under which employees, former employees, retirees, dependents, spouses, directors, or other service providers of CBT are eligible to participate (collectively, the “**CBT Benefit Plans**”). CBT has furnished or otherwise made available to BHLB and Berkshire Bank true and complete copies of (i) the plan documents and summary plan descriptions for each written CBT Benefit Plan, (ii) a summary of each unwritten CBT Benefit Plan (if applicable), (iii) the annual report (Form 5500 series) for the three (3) most recent years for each CBT Benefit Plan (if applicable), (iv) the actuarial valuation reports with respect to each tax-qualified CBT Benefit Plan that is a defined benefit pension plan for the three (3) most recent years, (v) all related trust agreements, insurance contracts or other funding agreements which currently implement the CBT Benefit Plans (if applicable), (vi) the most recent IRS determination letter with respect to each tax-qualified CBT Benefit Plan (or, for a CBT Benefit Plan maintained under a pre-approved prototype or volume submitter plan, the IRS determination letter on such pre-approved plan) and (vii) all substantive correspondence relating to any liability of or non-compliance relating to any CBT Benefit Plan addressed to or received from the IRS, the Department of Labor or any other Governmental Entity within the past three (3) years. Each CBT Benefit Plan that may be subject to Section 409A of the Code (“**CBT Non-qualified Deferred Compensation Plan**”) has been maintained and operated in compliance with Section 409A of the Code such that no Taxes under Section 409A of the Code may be imposed on participants in such plans.

4.13.2 All CBT Benefit Plans are in material compliance with (and have been managed and administrated in accordance with) the applicable terms of ERISA, the Code and any other applicable laws. Except

as set forth on CBT Disclosure Schedule 4.13.2, each CBT Benefit Plan governed by ERISA that is intended to be a qualified retirement plan under Section 401(a) of the Code has either (i) received a favorable determination letter from the IRS (and CBT is not aware of any circumstances likely to result in revocation of any such favorable determination letter) or timely application has been made therefore, or (ii) is maintained under a prototype plan which has been approved by the IRS and is entitled to rely upon the IRS National Office opinion letter issued to the prototype plan sponsor. To the Knowledge of CBT, there exists no fact which would adversely affect the qualification of any of the CBT Benefit Plans intended to be qualified under Section 401(a) of the Code, or any threatened or pending claim against any of the CBT Benefit Plans or their fiduciaries by any participant, beneficiary or Governmental Entity (other than routine claims for benefits).

4.13.3 Except as set forth on CBT Disclosure Schedule 4.13.3, no “defined benefit plan” (as defined in Section 414(j) of the Code) has been maintained at any time by CBT or any of its ERISA Affiliates for the benefit of the employees or former employees of CBT or its Subsidiaries.

4.13.4 Within the last six (6) years, neither CBT nor any of its ERISA Affiliates maintained or had any obligation to contribute to a CBT Benefit Plan which is a “multiemployer plan” within the meaning of Section 3(37) of ERISA, and within the last six (6) years neither CBT nor any of its ERISA Affiliates has incurred any withdrawal liability within the meaning of Section 4201 of ERISA to any such “multiemployer plan.” Neither CBT nor any of its ERISA Affiliates has incurred any unsatisfied liability (other than PBGC premiums) to the PBGC, the IRS or any other individual or entity under Title IV of ERISA or Section 412 of the Code, and no event or condition exists that could reasonably be expected to result in the imposition of any liability on CBT or any of its ERISA Affiliates under such provisions or that could reasonably be expected to have an adverse effect on BHLB or Berkshire Bank.

4.13.5 CBT has complied in all material respects with the notice and continuation requirements of Parts 6 and 7 of Subtitle B of Title I of ERISA and Section 4980B of the Code (“**COBRA**”), and the regulations thereunder. All reports, statements, returns and other information required to be furnished or filed with respect to CBT Benefit Plans have been timely furnished, filed or both in accordance with Sections 101 through 105 of ERISA and Sections 6057 through 6059 of the Code, and they are true, correct and complete. To CBT’s Knowledge, records with respect to CBT Benefit Plans have been maintained in compliance with Section 107 of ERISA. To CBT’s Knowledge, neither CBT nor any other fiduciary (as that term is defined in Section 3(21) of ERISA) with respect to any of CBT Benefit Plans has any liability for any breach of any fiduciary duties under Sections 404, 405 or 409 of ERISA. No CBT Benefit Plan fails to meet the applicable requirements of Section 105(h)(2) of the Code (determined without regard to whether such CBT Benefit Plan is self-insured).

4.13.6 CBT has not, with respect to any CBT Benefit Plan, nor, to CBT’s Knowledge, has any administrator of any CBT Benefit Plan, the related trusts or any trustee thereof, engaged in any prohibited transaction which would subject CBT, any ERISA Affiliate of CBT, or any CBT Benefit Plan to a Tax or penalty on prohibited transactions imposed by ERISA, Section 4975 of the Code, or to any other liability under ERISA.

4.13.7 Except as set forth on CBT Disclosure Schedule 4.13.7, CBT has no liability for retiree health and life benefits under any CBT Benefit Plan other than any benefits required under COBRA or similar state laws.

4.13.8 Except as set forth on CBT Disclosure Schedule 4.13.8, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (A) result in any payment (including severance) becoming due to any director or any employee of CBT from CBT under any CBT Benefit Plan, (B) increase any benefits otherwise payable under any CBT Benefit Plan or (C) result in any acceleration of the time of payment or vesting of any such benefit. Except as set forth on CBT Disclosure Schedule 4.13.8, no payment which in connection with the transactions contemplated by this Agreement is or may reasonably be expected to be made by, from or with respect to any CBT Benefit Plan, either alone or in conjunction with any other payment will or could properly be characterized as an “excess parachute payment” under Section 280G of the Code on which an excise tax under Section 4999 of the Code is payable or will or could, either individually or collectively, provide for any payment by CBT or any of its ERISA Affiliates that would not be deductible under Code Section 162(m).

4.13.9 The actuarial present values of all accrued CBT Non-qualified Deferred Compensation Plans (including, to the extent applicable, entitlements under any executive compensation, supplemental retirement, or employment agreement) of employees and former employees of CBT and their respective beneficiaries, other than entitlements accrued pursuant to funded retirement plans subject to the provisions of Section 412 of the Code or Section 302 of ERISA, have been fully reflected on the CBT Financial Statements to the extent required by and in accordance with GAAP.

4.13.10 There is not, and has not been, any trust or fund maintained by or contributed to by CBT or its employees to fund an employee benefit plan which would constitute a Voluntary Employees' Beneficiary Association or a "welfare benefit fund" within the meaning of Section 419(a) of the Code.

4.13.11 No claim, lawsuit, arbitration or other action has been asserted or instituted or, to the Knowledge of CBT, has been threatened or is anticipated, against any CBT Benefit Plan (other than routine claims for benefits and appeals of such claims), CBT or any director, officer or employee thereof, or any of the assets of any trust of any CBT Benefit Plan.

4.14 *Brokers, Finders and Financial Advisors.*

Neither CBT nor any of their respective officers, directors, employees or agents, has employed any broker, finder or financial advisor in connection with the transactions contemplated by this Agreement, or incurred any liability or commitment for any fees or commissions to any such Person in connection with the transactions contemplated by this Agreement except for the retention of Keefe Bruyette & Woods, Inc. by CBT and the fee payable pursuant thereto. A true and correct copy of the engagement agreement with Keefe Bruyette & Woods, Inc., setting forth the fee payable to Keefe Bruyette & Woods, Inc. for its services rendered to CBT in connection with the Merger and transactions contemplated by this Agreement, is attached to CBT Disclosure Schedule 4.14.

4.15 *Environmental Matters.*

4.15.1 Except as may be set forth in CBT Disclosure Schedule 4.15, with respect to CBT:

(A) To the Knowledge of CBT, CBT and the CBT Loan Properties (as defined in Section 4.15.2) are, and have been, in material compliance with any Environmental Laws;

(B) CBT has not received written notice in the last five (5) years that there is any material suit, claim, action, demand, executive or administrative order, directive, request for information, investigation or proceeding pending and, to the Knowledge of CBT, no such action is threatened, before any court, governmental agency or other forum against them or any CBT Loan Property (x) for alleged noncompliance (including by any predecessor) with, or liability under, any Environmental Law or (y) relating to the presence of or release into the environment of any Materials of Environmental Concern, whether or not occurring at or on a site owned, leased or operated by CBT;

(C) To the Knowledge of CBT, the properties currently owned or operated by CBT (including, without limitation, soil, groundwater or surface water on, or under the properties, and buildings thereon) are not contaminated with and do not otherwise contain any Materials of Environmental Concern other than in amounts permitted under applicable Environmental Law or which are de minimis in nature and extent;

(D) There are no underground storage tanks on, in or under any properties owned or operated by CBT or any CBT Loan Property, and no underground storage tanks have been closed or removed from any properties owned or operated by CBT or any CBT Loan Property except as in compliance with Environmental Laws; and

(E) During the period of (a) CBT's ownership or operation of any of their respective current properties or (b) CBT's participation in the management of any CBT Loan Property, to the Knowledge of CBT, there has been no material contamination by or material release of Materials of Environmental Concern in, on, under or affecting such properties. To the Knowledge of CBT, prior to the period of (x) CBT's ownership or operation of

any of their respective current properties or (y) CBT's participation in the management of any CBT Loan Property, there was no material contamination by or release of Materials of Environmental Concern in, on, under or affecting such properties.

(F) CBT has not conducted any environmental studies during the past five (5) years (other than Phase I studies or Phase II studies which did not indicate any contamination of the environment by Materials of Environmental Concern above reportable levels) with respect to any properties owned or leased by it, or with respect to any CBT Loan Property.

4.15.2 For purposes of this Section 4.15, "**CBT Loan Property**" means any property in which CBT presently holds a direct or indirect security interest securing to a loan or other extension of credit made by it, including through a CBT Loan Participation, and "**CBT Loan Participation**" means a participation interest in a loan or other extension of credit other than by CBT.

4.16 *Loan Portfolio.*

4.16.1 The allowances for loan losses reflected in the notes to CBT's audited consolidated statements of financial condition at December 31, 2010 and 2009 were, and the allowance for loan losses shown in the notes to the unaudited consolidated financial statements for periods ending after December 31, 2010 were, or will be, adequate, as of the dates thereof, under GAAP.

4.16.2 CBT Disclosure Schedule 4.16.2 sets forth a listing, as of the most recently available date (and in no event earlier than September 30, 2011), by account, of: (A) all loans (including loan participations) of CBT that have been accelerated during the past twelve (12) months; (B) with respect to all commercial loans (including commercial real estate loans), all notification letters and other written communications from CBT to any borrowers, customers or other parties during the past twelve (12) months wherein CBT has requested or demanded that actions be taken to correct existing defaults or facts or circumstances which may become defaults; (C) each borrower, customer or other party which has notified CBT during the past twelve (12) months of, or has asserted against CBT, in each case in writing, any "lender liability" or similar claim, and, to the Knowledge of CBT, each borrower, customer or other party which has given CBT any oral notification of, or orally asserted to or against CBT, any such claim; and (D) all loans, (1) that are contractually past due ninety (90) days or more in the payment of principal and/or interest, (2) that are on non-accrual status, (3) that as of September 30, 2011 are classified as "Other Loans Specially Mentioned," "Special Mention," "Substandard," "Doubtful," "Loss," "Classified," "Criticized," "Watch list" or words of similar import, together with the principal amount of and accrued and unpaid interest on each such Loan and the identity of the obligor thereunder, (4) where a reasonable doubt exists as to the timely future collectibility of principal and/or interest, whether or not interest is still accruing or the loans are less than ninety (90) days past due, (5) where the interest rate terms have been reduced and/or the maturity dates have been extended subsequent to the agreement under which the loan was originally created due to concerns regarding the borrower's ability to pay in accordance with such initial terms, or (6) where a specific reserve allocation exists in connection therewith; and (E) all other assets classified by CBT as real estate acquired through foreclosure or in lieu of foreclosure, including in-substance foreclosures, and all other assets currently held that were acquired through foreclosure or in lieu of foreclosure. CBT Disclosure Schedule 4.16.2 may exclude any individual loan with a principal outstanding balance of less than \$50,000, provided that CBT Disclosure Schedule 4.16.2 includes, for each category described, the aggregate amount of individual loans with a principal outstanding balance of less than \$50,000 that has been excluded.

4.16.3 All loans receivable (including discounts) and accrued interest entered on the books of CBT arose out of bona fide arm's-length transactions, were made for good and valuable consideration in the ordinary course of CBT's businesses, and the notes or other evidences of indebtedness with respect to such loans (including discounts) are true and genuine and are what they purport to be. The loans, discounts and the accrued interest reflected on the books of CBT are subject to no defenses, set-offs or counterclaims (including, without limitation, those afforded by usury or truth-in-lending laws), except as may be provided by bankruptcy, insolvency or similar laws affecting creditors' rights generally or by general principles of equity. All such loans are owned by CBT free and clear of any liens.

4.16.4 The notes and other evidences of indebtedness evidencing the loans described above, and all pledges, mortgages, deeds of trust and other collateral documents or security instruments relating thereto are valid, true and genuine, and what they purport to be.

4.17 *Related Party Transactions.*

CBT is not a party to any transaction (including any loan or other credit accommodation) with any Affiliate of CBT, except as set forth in CBT Disclosure Schedule 4.17 or as described in CBT's proxy statement dated April 18, 2011 distributed in connection with its annual meeting of shareholders held on May 19, 2011. Except as described in such proxy statement or in CBT Disclosure Schedule 4.17, all such transactions (a) were made in the ordinary course of business, (b) were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other Persons, and (c) did not involve more than the normal risk of collectibility or present other unfavorable features. No loan or credit accommodation to any Affiliate of CBT is presently in default or, during the three (3)-year period prior to the date of this Agreement, has been in default or has been restructured, modified or extended. CBT has not been notified that principal or interest with respect to any such loan or other credit accommodation will not be paid when due or that the loan grade classification accorded such loan or credit accommodation is inappropriate.

4.18 *Deposits.*

Except as set forth on CBT Disclosure Schedule 4.18, none of the deposits of CBT as of September 30, 2011 are a "brokered deposit" as defined in 12 C.F.R. Section 337.6(a)(2).

4.19 *Board Approval.*

The Board of Directors of CBT determined that the Merger is fair to, and in the best interests of, CBT and its stockholders, approved and declared advisable this Agreement, the Merger and the other transactions contemplated hereby, resolved to recommend adoption of this Agreement to the holders of CBT Common Stock, and directed that this Agreement be submitted to the holders of CBT Common Stock for their adoption.

4.20 *Registration Obligations.*

CBT is not under any obligation, contingent or otherwise, which will survive the Effective Time by reason of any agreement to register any transaction involving any of its securities under the Securities Act.

4.21 *Risk Management Instruments.*

All interest rate swaps, caps, floors, option agreements, futures and forward contracts and other similar risk management arrangements, whether entered into for CBT's own account, or for the account of one or more of CBT's Subsidiaries or their customers, in force and effect as of September 30, 2011 (all of which are set forth in CBT Disclosure Schedule 4.21), were entered into in compliance with all applicable laws, rules, regulations and regulatory policies, and to the Knowledge of CBT, with counterparties believed to be financially responsible at the time; and to CBT's Knowledge each of them constitutes the valid and legally binding obligation of CBT, enforceable in accordance with its terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equity principles), and is in full force and effect. Neither CBT, nor any other party thereto, is in breach of any of its obligations under any such agreement or arrangement.

4.22 *Fairness Opinion.*

CBT has received an opinion, a copy of which will be provided to BHLB and Berkshire Bank promptly following the date of this Agreement, from Keefe Bruyette & Woods, Inc. to the effect that, subject to the terms, conditions and qualifications set forth therein, as of the date hereof, the Merger Consideration to be received by the shareholders of CBT pursuant to this Agreement is fair to such shareholders from a financial point of view. Such opinion has not been amended or rescinded as of the date of this Agreement.

4.23 *Intellectual Property.*

CBT owns or, to CBT's Knowledge, possesses valid and binding licenses and other rights (subject to expirations in accordance with their terms) to use all patents, copyrights, trade secrets, trade names, computer software, service marks and trademarks used in its respective business, each without payment, and CBT has not received any notice of breach or conflict with respect thereto that asserts the rights of others. CBT has performed all the obligations required to be performed, and are not in default in any respect, under any contract, agreement, arrangement or commitment relating to any of the foregoing.

4.24 *Duties as Fiduciary.*

Except as set forth on CBT Disclosure Schedule 4.24, CBT has, if required by virtue of any line of business in which it is or previously was engaged in a "fiduciary capacity," to its Knowledge performed all of its duties in a fashion that complied with all applicable laws, regulations, orders, agreements, wills, instruments, and common law standards in effect at that time. CBT has not received notice of any claim, allegation, or complaint from any Person that CBT failed to perform these duties in a manner that complied with all applicable laws, regulations, orders, agreements, wills, instruments, and common law standards, except for notices involving matters that have been resolved and any cost of such resolution is reflected in CBT's Financial Statements. For purposes of this Section 4.24, the term "fiduciary capacity" (i) shall mean (a) acting as trustee, executor, administrator, registrar of stocks and bonds, transfer agent, guardian, assignee, receiver, or custodian under a uniform gifts to minors act and (b) possessing investment discretion on behalf of another, and (ii) shall exclude CBT's capacity with respect to individual retirement accounts or the CBT Benefit Plans.

4.25 *Employees; Labor Matters.*

4.25.1 CBT Disclosure Schedule 4.25.1 sets forth the following information with respect to each employee of CBT as of September 30, 2011: job location, job title, current annual base salary, and years of service, and the amount of incentive compensation or bonus paid for the prior three (3) years.

4.25.2 There are no labor or collective bargaining agreements to which CBT is a party. There is no union organizing effort pending or, to the Knowledge of CBT, threatened against CBT. There is no labor strike, labor dispute (other than routine employee grievances that are not related to union employees), work slowdown, stoppage or lockout pending or, to the Knowledge of CBT, threatened against CBT. There is no unfair labor practice or labor arbitration proceeding pending or, to the Knowledge of CBT, threatened against CBT (other than routine employee grievances that are not related to union employees). CBT is in compliance with all applicable laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and are not engaged in any unfair labor practice. CBT is not a party to, or bound by, any agreement for the leasing of employees.

4.25.3 To CBT's Knowledge, all Persons who have been treated as independent contractors by CBT for Tax purposes have met the criteria to be so treated under all applicable federal, state and local Tax laws, rules and regulations.

4.26 *CBT Information Supplied.*

The information relating to CBT to be contained in the Merger Registration Statement, or in any other document filed with any Bank Regulator or other Governmental Entity in connection herewith, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading.

4.27 *Securities Documents.*

Since January 1, 2008, CBT has filed with the FRB all forms, reports, schedules, registration statements, definitive proxy statements and information statements or other filings ("**CBT FRB Reports**") required to be filed by it with the FRB. As of their respective dates, the CBT FRB Reports complied as to form with the requirements

of the Exchange Act or the Securities Act, as applicable, and the applicable rules and regulations of the FRB promulgated thereunder in all material respects. As of their respective dates and as of the date any information from the CBT FRB Reports has been incorporated by reference, the CBT FRB Reports did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein made, in light of the circumstances under which they were made, not misleading. CBT has filed all material contracts, agreements and other documents or instruments required to be filed as exhibits to the CBT FRB Reports.

4.28 *Internal Controls.*

4.28.1 The records, systems, controls, data and information of CBT is 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 CBT or its Subsidiaries or accountants (including all means of access thereto and therefrom), except for any non-exclusive ownership and non-direct control that would not reasonably be expected to have a material adverse effect on the system of internal accounting controls described in the following sentence. CBT has 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 in accordance with GAAP. CBT has designed and implemented disclosure controls and procedures (within the meaning of Rules 13a-15(e) and 15d-15(e) of the Exchange Act) to ensure that material information relating to it and its Subsidiaries is made known to its management by others within those entities as appropriate to allow timely decisions regarding required disclosure and to make the certifications required by the Exchange Act and Sections 302 and 906 of the Sarbanes-Oxley Act.

4.28.2 CBT's management has completed an assessment of the effectiveness of its internal control over financial reporting in compliance with the requirements of Section 404 of the Sarbanes-Oxley Act for the year ended December 31, 2010, and such assessment concluded that such controls were effective. It has previously disclosed, based on its most recent evaluation prior to the date hereof, to its auditors and the audit committee of the CBT board: (A) any significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting and (B) any fraud, whether or not material, that involves management or other employees who have a significant role in its internal controls over financial reporting.

4.28.3 Since December 31, 2008, (A) neither CBT nor, to its knowledge, any director, officer, employee, auditor, accountant or representative of CBT has received or otherwise had or obtained knowledge of any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods (including with respect to loan loss reserves, write-downs, charge-offs and accruals) of it or any of its subsidiaries or their respective internal accounting controls, including any material complaint, allegation, assertion or claim that it or nay of its subsidiaries has engaged in questionable accounting or auditing practices, and (B) no attorney representing CBT, whether or not employed by it or any of its Subsidiaries, has reported evidence of a material violation of securities laws, breach of fiduciary to duty or similar violation by CBT or any of its officers, directors, employees or agents to its board of directors or any committee thereof or to any of its directors officers.

4.29 *Stock Transfer Records.*

The Stock transfer books and records of CBT are materially complete and accurate.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF BHLB AND BERKSHIRE BANK

BHLB and Berkshire Bank represents and warrants to CBT that the statements contained in this Article V are correct as of the date of this Agreement and will be correct as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Article V), subject to the standard set forth in Section 5.1 and except as set forth in the BHLB Disclosure Schedule delivered by BHLB to CBT on the date hereof, and except as to any representation or warranty which specifically relates to an earlier date, which only need be so correct as of such earlier date, *provided, however*, that disclosure in any section of such BHLB Disclosure Schedule shall apply only to the indicated Section of this Agreement except to the extent that it is

reasonably apparent that such disclosure is relevant to another section of this Agreement. References to the Knowledge of BHLB shall include the Knowledge of Berkshire Bank.

5.1 *Standard.*

Except as set forth in the following sentence, no representation or warranty of BHLB contained in this Article V shall be deemed untrue or incorrect, and BHLB shall not be deemed to have breached a representation or warranty, as a consequence of the existence of any fact, circumstance or event unless such fact, circumstance or event, individually or taken together with all other facts, circumstances or events inconsistent with any paragraph of this Article V, has had or reasonably could be expected to have a Material Adverse Effect, disregarding for these purposes (x) any qualification or exception for, or reference to, materiality in any such representation or warranty and (y) any use of the terms “material,” “materially,” “in all material respects,” “Material Adverse Effect” or similar terms or phrases in any such representation or warranty. The foregoing standard shall not apply to representations and warranties contained in Section 5.2 (other than Sections 5.2.3, 5.2.4, and 5.2.5 and the last sentence of Sections 5.2.1 and 5.2.2), Sections 5.3 and 5.4 (other than Section 5.4.2(iii)) shall be true and correct in all material respects.

5.2 *Organization.*

5.2.1 BHLB is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and is duly registered as a savings and loan holding company under the HOLA. BHLB has full corporate power and authority to carry on its business as now conducted and is duly licensed or qualified to do business in the states of the United States and foreign jurisdictions where its ownership or leasing of property or the conduct of its business requires such qualification.

5.2.2 Berkshire Bank is a Massachusetts savings bank duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts. The deposits in Berkshire Bank are insured by the FDIC to the fullest extent permitted by law, and all premiums and assessments required to be paid in connection therewith have been paid when due. Berkshire Bank is a member in good standing of the FHLB and owns the requisite amount of stock of each as set forth on BHLB Disclosure Schedule 5.2.2.

5.2.3 BHLB Disclosure Schedule 5.2.3 sets forth each BHLB Subsidiary and its jurisdiction of incorporation or organization. Each BHLB Subsidiary (other than Berkshire Bank) is a corporation, limited liability company or other legal entity as set forth on BHLB Disclosure Schedule 5.2.3, duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization. Each BHLB Subsidiary is duly licensed or qualified to do business in the states of the United States and foreign jurisdictions where its ownership or leasing of property or conduct of its business requires such qualification.

5.2.4 The respective minute books of BHLB and Berkshire Bank accurately record all corporate actions of their respective shareholders and Boards of Directors (including committees).

5.2.5 Prior to the date of this Agreement, BHLB has made available to CBT true and correct copies of the certificate of incorporation or articles of association, as applicable, and bylaws or other governing documents of BHLB, Berkshire Bank and each other BHLB Subsidiary.

5.3 *Capitalization.*

5.3.1 The authorized capital stock of BHLB consists of (i) 50,000,000 shares of BHLB Common Stock and (ii) 1,000,000 shares of preferred stock, \$0.01 par value per share (“**BHLB Preferred Stock**” and collectively with the BHLB Common Stock, the “**BHLB Stock**”). As of October 21, 2011, there are (i) 21,144,011 shares of BHLB Common Stock validly issued and outstanding, fully paid and non-assessable and free of preemptive rights, (ii) 1,716,357 shares of BHLB Common Stock held by BHLB as treasury stock, and (iii) no shares of BHLB Preferred Stock outstanding. Berkshire Bank does not own, of record or beneficially, any shares of BHLB Stock, other than shares held as treasury stock. Neither BHLB nor any BHLB Subsidiary has or is bound by any Rights or other arrangements of any character relating to the purchase, sale or issuance or voting of, or right

to receive dividends or other distributions on, any capital stock of BHLB, or any other security of BHLB or an BHLB Subsidiary or any securities representing the right to vote, purchase or otherwise receive any capital stock of BHLB or an BHLB Subsidiary or any other security of BHLB or any BHLB Subsidiary, other than shares of BHLB Common Stock underlying the options and restricted stock granted pursuant to benefit plans maintained by BHLB. As of October 21, 2011, BHLB has outstanding options to acquire 298,000 shares of BHLB Common Stock (rounded to the nearest thousand) at a weighted average exercise price of \$24.48 per share. All shares of BHLB Common Stock issuable pursuant to option plans maintained by BHLB will be duly authorized, validly issued, fully paid and non-assessable when issued upon the terms and conditions specified in the instruments pursuant to which they are issuable.

5.3.2 BHLB owns all of the capital stock of each BHLB Subsidiary free and clear of all liens, security interests, pledges, charges, encumbrances, agreements and restrictions of any kind or nature. Except for the BHLB Subsidiaries and as set forth in BHLB Disclosure Schedule 5.3.2, BHLB as of the date of this Agreement does not possess, directly or indirectly, any equity interest in any corporate or other legal entity, except for equity interests held in the investment portfolios of BHLB or any BHLB Subsidiary (which as to any one issuer, do not exceed five percent (5%) of such issuer's outstanding equity securities) and equity interests held in connection with the lending activities of Berkshire Bank, including stock in the FHLB.

5.3.3 To BHLB's Knowledge, except as set forth on BHLB Disclosure Schedule 5.3.3, as of the date hereof, no Person is the beneficial owner (as defined in Section 13(d) of the Exchange Act) of five percent (5%) or more of the outstanding shares of BHLB Common Stock.

5.3.4 No bonds, debentures, notes or other indebtedness having the right to vote on any matters on which BHLB's shareholders may vote have been issued by BHLB and are outstanding.

5.4 *Authority; No Violation.*

5.4.1 BHLB and Berkshire Bank have full corporate power and authority to execute and deliver this Agreement and, subject to receipt of the Regulatory Approvals, to perform their obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by BHLB and Berkshire Bank and the completion by BHLB and Berkshire Bank of the transactions contemplated hereby, up to and including the Merger, have been duly and validly approved by the Boards of Directors of BHLB and Berkshire Bank. This Agreement has been duly and validly executed and delivered by BHLB and Berkshire Bank, and subject to the receipt of the Regulatory Approvals, CBT Shareholder Approval, and due and valid execution and delivery of this Agreement by CBT, constitutes the valid and binding obligations of BHLB and Berkshire Bank, enforceable against BHLB and Berkshire Bank in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity.

5.4.2 (a) Subject to compliance of CBT with the terms and conditions of this Agreement, the execution and delivery of this Agreement by BHLB and Berkshire Bank, subject to receipt of the Regulatory Approvals, and compliance by CBT, BHLB and Berkshire Bank with any conditions contained therein, and subject to the receipt of CBT Shareholder Approval, the consummation of the transactions contemplated hereby, and (b) compliance by BHLB and Berkshire Bank with the terms and provisions hereof will not (i) conflict with or result in a breach of any provision of the certificate of incorporation or articles of association, as applicable, and bylaws of BHLB or any BHLB Subsidiary; (ii) violate any statute, code, ordinance, rule, regulation, judgment, order, writ, decree or injunction applicable to BHLB or any BHLB Subsidiary or any of their respective properties or assets; or (iii) 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 or amendment of, accelerate the performance required by, or result in a right of termination or acceleration or the creation of any lien, security interest, charge or other encumbrance upon any of the properties or assets of BHLB or any BHLB Subsidiary under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other investment or obligation to which BHLB or any BHLB Subsidiary is a party, or by which they or any of their respective properties or assets may be bound or affected.

5.5 *Consents.*

Except for (a) the receipt of the Regulatory Approvals and compliance with any conditions contained therein, (b) compliance with applicable requirements of the Securities Act, the Exchange Act and state securities or “blue sky” laws, (c) the filing of the Articles of Merger or other appropriate filing with the MDOB, the Secretary of the Commonwealth or the CDOB, (d) the filing with the SEC of (i) the Merger Registration Statement and (ii) such reports under Sections 13(a), 13(d), 13(g) and 16(a) of the Exchange Act as may be required in connection with this Agreement and the transactions contemplated hereby and the obtaining from the SEC of such orders as may be required in connection therewith, (e) notification of the listing of BHLB Common Stock to be issued in the Merger on the NASDAQ Global Select Market and (f) the approval of this Agreement by the CBT Shareholder Approval, no consents, waivers or approvals of, or filings or registrations with, any Governmental Entity or Bank Regulator are necessary, and, to the Knowledge of BHLB, no consents, waivers or approvals of, or filings or registrations with, any other third parties are necessary, in connection with the execution and delivery of this Agreement by BHLB and Berkshire Bank, the completion by BHLB and Berkshire Bank of the Merger and the performance by BHLB and Berkshire Bank of their obligations hereunder. BHLB has no reason to believe that (i) any Regulatory Approvals or other required consents or approvals will not be received or will include the imposition of any condition (financial or otherwise) or requirement that could reasonably be expected by BHLB and Berkshire Bank to result in a Material Adverse Effect on BHLB and Berkshire Bank, taken as a whole, or CBT, or that (ii) any public body or authority having jurisdiction over the affairs of BHLB and Berkshire Bank, the consent or approval of which is not required or pursuant to the rules of which a filing is not required, will object to the completion of the transactions contemplated by this Agreement.

5.6 *Financial Statements.*

5.6.1 The BHLB Regulatory Reports have been prepared in all material respects in accordance with applicable regulatory accounting principles and practices throughout the periods covered by such statements, and fairly present in all material respects the consolidated financial position, results of operations and changes in shareholders’ equity of BHLB as of and for the periods ended on the dates thereof, in accordance with applicable regulatory accounting principles applied on a consistent basis.

5.6.2 BHLB has previously made available to CBT the BHLB Financial Statements covering periods ended prior to the date hereof. The BHLB Financial Statements have been prepared in accordance with GAAP in all material respects, and (including the related notes where applicable) fairly present in each case in all material respects (subject in the case of the unaudited interim statements to normal year-end adjustments) the consolidated financial position, results of operations and cash flows of BHLB and the Berkshire Bank on a consolidated basis as of and for the respective periods ending on the dates thereof, in accordance with GAAP during the periods involved, except as indicated in the notes thereto, or in the case of unaudited statements, as permitted by Form 10-Q.

5.6.3 At the date of the most recent consolidated statement of financial condition included in the BHLB Financial Statements or in the BHLB Regulatory Reports, BHLB did not have any liabilities, obligations or loss contingencies of any nature (whether absolute, accrued, contingent or otherwise) of a type required to be reflected in such BHLB Financial Statements or in the footnotes thereto which are not fully reflected or reserved against therein or fully disclosed in a footnote thereto, except for liabilities, obligations and loss contingencies which are not material individually or in the aggregate or which are incurred in the ordinary course of business, consistent with past practice, and subject, in the case of any unaudited statements, to normal, recurring audit adjustments and the absence of footnotes.

5.7 *Tax Matters.*

5.7.1 Except as provided in this Agreement, neither BHLB nor any of its Subsidiaries or Affiliates has taken or agreed to take any action, has failed to take any action or knows of any fact, agreement, plan or other circumstance that could reasonably be expected to prevent the Merger, together with the TARP Purchase, from qualifying as a “reorganization” within the meaning of Section 368(a) of the Code. BHLB and the BHLB Subsidiaries are members of the same affiliated group within the meaning of Code Section 1504(a). BHLB, on behalf of itself and its Subsidiaries, has timely filed or caused to be filed all Tax Returns (including, but not limited

to, those filed on a consolidated, combined or unitary basis) required to have been filed by BHLB and the BHLB Subsidiaries prior to the date hereof, or requests for extensions to file such returns and reports have been timely filed. All such Tax Returns are true, correct, and complete in all material respects. BHLB and the BHLB Subsidiaries have timely paid or, prior to the Effective Time will pay, all Taxes, whether or not shown on such returns or reports, due or claimed to be due to any Governmental Entity prior to the Effective Time other than Taxes which are being contested in good faith. BHLB and the BHLB Subsidiaries have declared on their Tax Returns all positions taken therein that could give rise to a substantial underpayment of United States Federal Income Tax within the meaning of Section 6662 of the Code (or any corresponding provision of state or local laws). The unpaid accrued but unpaid Taxes of BHLB and the BHLB Subsidiaries did not, as of the most recent BHLB Financial Statements, exceed the reserve for Tax liability (rather 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 BHLB balance sheet (rather than in any notes thereto). BHLB and its Subsidiaries are subject to Tax audits in the ordinary course of business. BHLB management does not believe that an adverse resolution to any of such audits of which it has Knowledge would be reasonably likely to have a Material Adverse Effect on BHLB. BHLB and the BHLB Subsidiaries have not been notified in writing by any jurisdiction that the jurisdiction believes that BHLB or any of the BHLB Subsidiaries were required to file any Tax Return in such jurisdiction that was not filed. Neither BHLB nor any of the BHLB Subsidiaries (A) has been a member of a group with which they have filed or been included in a combined, consolidated or unitary income Tax Return other than a group the common parent of which was BHLB or (B) has any liability for the Taxes of any Person (other than BHLB or any of the BHLB Subsidiaries) under Treas. Reg. § 1.1502-6 (or any similar provision of state, local, or non-U.S. law), as a transferee or successor, by contract, or otherwise. As of the date hereof, all deficiencies proposed in writing as a result of any audits have been paid or settled. There are no written claims or assessments pending against BHLB or any BHLB Subsidiary for any alleged deficiency in any Tax, and neither BHLB nor any BHLB Subsidiary has been notified in writing of any proposed Tax claims or assessments against BHLB or any BHLB Subsidiary. BHLB and the BHLB Subsidiaries each have duly and timely withheld, collected and paid over to the appropriate taxing authority all amounts required to be so withheld and paid under all applicable laws, and have duly and timely filed all Tax Returns with respect to such withheld Taxes, within the time prescribed under any applicable law. BHLB and the BHLB Subsidiaries have delivered to CBT true and complete copies of all Tax Returns of BHLB and the BHLB Subsidiaries for taxable periods ending on or after December 31, 2008. Neither BHLB nor any of the BHLB Subsidiaries is or has been a party to any "reportable transaction," as defined in Code § 6707A(c)(1) and Treas. Reg. § 1.6011-4(b). Neither BHLB nor any of the BHLB Subsidiaries has distributed stock of another Person, or has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Code § 355 or Code § 361. Neither BHLB nor any of the BHLB Subsidiaries has been a United States real property holding corporation within the meaning of Code § 897(c)(2) during the applicable period specified in Code § 897(c)(1)(A)(ii).

5.8 *No Material Adverse Effect.*

Neither BHLB nor any BHLB Subsidiary has suffered any Material Adverse Effect since December 31, 2010 and, to BHLB's Knowledge, no event has occurred or circumstance arisen since that date which, in the aggregate, has had or is reasonably likely to have a Material Adverse Effect on BHLB.

5.9 *Ownership of Property; Insurance Coverage.*

5.9.1 Except as set forth on BHLB Disclosure Schedule 5.9.1, BHLB and each BHLB Subsidiary has good and, as to real property, marketable title to all assets and properties owned by BHLB or such BHLB Subsidiary, as applicable, in the conduct of its businesses, whether such assets and properties are real or personal, tangible or intangible, including assets and property reflected in the most recent consolidated statement of financial condition contained in the BHLB Financial Statements or acquired subsequent thereto (except to the extent that such assets and properties have been disposed of in the ordinary course of business, since the date of such consolidated statement of financial condition), subject to no encumbrances, liens, mortgages, security interests or pledges, except (i) those items which secure liabilities for public or statutory obligations or any discount with, borrowing from or other obligations to FHLB, inter-bank credit facilities, reverse repurchase agreements or any transaction by an BHLB Subsidiary acting in a fiduciary capacity, and (ii) statutory liens for amounts not yet delinquent or which are being contested in good faith. BHLB and the BHLB Subsidiaries, as lessee, have the right under valid and existing leases of real and personal properties used by BHLB and the BHLB Subsidiaries in the

conduct of their businesses to occupy or use all such properties as presently occupied and used by each of them. Such existing leases and commitments to lease constitute or will constitute operating leases for both tax and financial accounting purposes and the lease expense and minimum rental commitments with respect to such leases and lease commitments are as disclosed in all material respects in the notes to the BHLB Financial Statements.

5.9.2 With respect to all material agreements pursuant to which BHLB or any BHLB Subsidiary has purchased securities subject to an agreement to resell, if any, BHLB or such BHLB Subsidiary, as the case may be, has a lien or security interest (which to BHLB's Knowledge is a valid, perfected first lien) in the securities or other collateral securing the repurchase agreement, and the value of such collateral equals or exceeds the amount of the debt secured thereby.

5.9.3 BHLB and each BHLB Subsidiary currently maintain insurance considered by each of them to be reasonable for their respective operations. Neither BHLB nor any BHLB Subsidiary, has received notice from any insurance carrier on or before the date hereof that (i) such insurance will be canceled or that coverage thereunder will be reduced or eliminated, or (ii) premium costs with respect to such policies of insurance will be substantially increased. Except as listed on BHLB Disclosure Schedule 5.9.3, there are presently no claims pending under such policies of insurance and no notices of claim have been given by BHLB or any BHLB Subsidiary under such policies. All such insurance is valid and enforceable and in full force and effect (other than insurance that expires in accordance with its terms), and within the last three (3) years BHLB and each BHLB Subsidiary has received each type of insurance coverage for which it has applied and during such periods has not been denied indemnification for any claims submitted under any of its insurance policies. BHLB Disclosure Schedule 5.9.3 identifies all policies of insurance maintained by BHLB and each BHLB Subsidiary, including the name of the insurer, the policy number, the type of policy and any applicable deductibles, as well as the other matters required to be disclosed under this Section 5.9.3. BHLB has made available to CBT copies of all of the policies listed on BHLB Disclosure Schedule 5.9.3.

5.10 *Legal Proceedings.*

Except as set forth on BHLB Disclosure Schedule 5.10, there is no suit, action, investigation or proceeding pending or, to its knowledge, threatened against or affecting BHLB or any of its Subsidiaries (and it is not aware of any facts that reasonably could be expected to form the basis for any such suit, action or proceeding) (1) that involves a Governmental Entity or Bank Regulator, or (2) that, individually or in the aggregate, is (A) material to it and its Subsidiaries, taken as a whole, or reasonably likely to result in a restriction on its or any of its Subsidiaries' businesses or, or after the Effective Time, BHLB's or any of its Subsidiaries' businesses, or (B) reasonably likely to prevent or delay it from performing its obligations under, or consummating the transactions contemplated by, this Agreement. There is no injunction, order, award, judgment, settlement, decree or regulatory restriction imposed upon or entered into by BHLB, any of its Subsidiaries or the assets of it or any of its Subsidiaries.

5.11 *Compliance with Applicable Law.*

Except as set forth on BHLB Disclosure Schedule 5.11 and Section 5.14:

5.11.1 To BHLB's Knowledge, BHLB and each BHLB Subsidiary is in compliance in all material respects with all applicable federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders or decrees applicable to it, its properties, assets and deposits, its business, its conduct of business and its relationship with its employees, including, without limitation, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, the Equal Credit Opportunity Act, the Truth in Lending Act, the Real Estate Settlement Procedures Act, the Consumer Credit Protection Act, the Fair Credit Reporting Act, the Fair Debt Collections Act, the Fair Housing Act, the CRA, the Home Mortgage Disclosure Act, and all other applicable fair lending laws and other laws relating to discriminatory business practices, and neither BHLB nor any BHLB Subsidiary has received any written notice to the contrary.

5.11.2 BHLB and each BHLB Subsidiary has all material permits, licenses, authorizations, orders and approvals of, and has made all filings, applications and registrations with, all Governmental Entities and Bank Regulators that are required in order to permit it to own or lease its properties and to conduct its business as presently conducted; all such permits, licenses, certificates of authority, orders and approvals are in full force and

effect and, to the Knowledge of BHLB, no suspension or cancellation of any such permit, license, certificate, order or approval is threatened or will result from the consummation of the transactions contemplated by this Agreement, subject to obtaining the approvals set forth in Section 8.3.

5.11.3 For the period beginning January 1, 2008, neither BHLB nor any BHLB Subsidiary has received any written notification or any other communication from any Bank Regulator or Insurance Regulator (i) asserting that BHLB or any BHLB Subsidiary is not in material compliance with any of the statutes, regulations or ordinances which such Bank Regulator or Insurance Regulator enforces; (ii) threatening to revoke any license, franchise, permit or governmental authorization; (iii) requiring or threatening to require BHLB or any BHLB Subsidiary, or indicating that BHLB or any BHLB Subsidiary may be required, to enter into a cease and desist order, agreement or memorandum of understanding or any other agreement with any federal or state governmental agency or authority which is charged with the supervision or regulation of banks, savings and loan holding companies or insurance agencies, or engages in the insurance of bank deposits, restricting or limiting, or purporting to restrict or limit the operations of BHLB or any BHLB Subsidiary, including without limitation any restriction on the payment of dividends; or (iv) directing, restricting or limiting, or purporting to direct, restrict or limit the operations of BHLB or any BHLB Subsidiary. Neither BHLB nor any BHLB Subsidiary has consented to or entered into any Regulatory Agreement that is currently in effect. The most recent regulatory rating given to Berkshire Bank as to compliance with the CRA is "Satisfactory" or better.

5.12 *Employee Benefit Plans.*

5.12.1 BHLB Disclosure Schedule 5.12.1 contains a list of all written and unwritten pension, retirement, profit-sharing, thrift, savings, deferred compensation, stock option, employee stock ownership, employee stock purchase, restricted stock, severance pay, retention, vacation, bonus or other incentive plans, all employment, change in control, consulting, severance and retention agreements, all other written employee programs, arrangements or agreements, all medical, vision, dental, disability, life insurance, workers' compensation, employee assistance or other health or welfare plans, and all other employee benefit or fringe benefit plans, including "employee benefit plans" as that term is defined in Section 3(3) of ERISA, currently adopted, maintained by, sponsored in whole or in part by, or contributed to by BHLB, Berkshire Bank or any of its ERISA Affiliates for the benefit of employees, former employees, retirees (or the dependents, including spouses, of the foregoing), directors, independent contractors or other service providers to BHLB and Berkshire Bank and under which employees, former employees, retirees, dependents, spouses, directors, or other service providers of BHLB and Berkshire Bank are eligible to participate (collectively, the "**BHLB Benefit Plans**"). BHLB or Berkshire Bank has furnished or otherwise made available to CBT true and complete copies of (i) the plan documents and summary plan descriptions for each written BHLB Benefit Plan, (ii) a summary of each unwritten BHLB Benefit Plan (if applicable), (iii) the actuarial valuation reports with respect to each tax-qualified BHLB Benefit Plan that is a defined benefit pension plan for the three (3) most recent years, (iv) all related trust agreements, insurance contracts or other funding agreements which currently implement the BHLB Benefit Plans (if applicable), (v) the most recent IRS determination letter with respect to each tax-qualified BHLB Benefit Plan (or, for a BHLB Benefit Plan maintained under a pre-approved prototype or volume submitter plan, the IRS determination letter on such pre-approved plan) and (vi) all substantive correspondence relating to any liability of or non-compliance relating to any BHLB Benefit Plan addressed to or received from the IRS, the Department of Labor or any other Governmental Entity within the past three (3) years. Each BHLB Benefit Plan that may be subject to Section 409A of the Code ("**BHLB Non-qualified Deferred Compensation Plan**") has been maintained and operated in compliance with Section 409A of the Code such that no Taxes under Section 409A of the Code may be imposed on participants in such plans.

5.12.2 All BHLB Benefit Plans are in material compliance with (and have been managed and administrated in accordance with) the applicable terms of ERISA, the Code and any other applicable laws. Except as set forth on BHLB Disclosure Schedule 5.12.2, each BHLB Benefit Plan governed by ERISA that is intended to be a qualified retirement plan under Section 401(a) of the Code has either (i) received a favorable determination letter from the IRS (and BHLB and Berkshire Bank is not aware of any circumstances likely to result in revocation of any such favorable determination letter) or timely application has been made therefore, or (ii) is maintained under a prototype plan which has been approved by the IRS and is entitled to rely upon the IRS National Office opinion letter issued to the prototype plan sponsor. To the Knowledge of BHLB and the BHLB Subsidiaries, there exists no fact which would adversely affect the qualification of any of the BHLB Benefit Plans intended to be qualified under

Section 401(a) of the Code, or any threatened or pending claim against any of the BHLB Benefit Plans or their fiduciaries by any participant, beneficiary or Governmental Entity (other than routine claims for benefits).

5.12.3 Except as set forth on BHLB Disclosure Schedule 5.12.3, no “defined benefit plan” (as defined in Section 414(j) of the Code) has been maintained at any time by BHLB, Berkshire Bank or any of its ERISA Affiliates for the benefit of the employees or former employees of BHLB or its Subsidiaries.

5.12.4 Within the last six (6) years, neither BHLB, Berkshire Bank nor any of its ERISA Affiliates maintained or had any obligation to contribute to a BHLB Benefit Plan which is a “multiemployer plan” within the meaning of Section 3(37) of ERISA, and within the last six (6) years neither BHLB nor any of its ERISA Affiliates has incurred any withdrawal liability within the meaning of Section 4201 of ERISA to any such “multiemployer plan.” Neither BHLB, Berkshire Bank nor any of its ERISA Affiliates has incurred any unsatisfied liability (other than PBGC premiums) to the PBGC, the IRS or any other individual or entity under Title IV of ERISA or Section 412 of the Code, and no event or condition exists that could reasonably be expected to result in the imposition of any liability on BHLB, Berkshire Bank or any of its ERISA Affiliates under such provisions or that could reasonably be expected to have an adverse effect on BHLB or Berkshire Bank.

5.12.5 BHLB and/or Berkshire Bank have complied in all material respects with the notice and continuation requirements of Parts 6 and 7 of Subtitle B of Title I of ERISA and Section 4980B of the Code, or COBRA and the regulations thereunder. All reports, statements, returns and other information required to be furnished or filed with respect to BHLB Benefit Plans have been timely furnished, filed or both in accordance with Sections 101 through 105 of ERISA and Sections 6057 through 6059 of the Code, and they are true, correct and complete. To BHLB’s Knowledge, records with respect to BHLB Benefit Plans have been maintained in compliance with Section 107 of ERISA. To BHLB’s Knowledge, neither BHLB nor any other fiduciary (as that term is defined in Section 3(21) of ERISA) with respect to any of BHLB Benefit Plans has any liability for any breach of any fiduciary duties under Sections 404, 405 or 409 of ERISA. No BHLB Benefit Plan fails to meet the applicable requirements of Section 105(h)(2) of the Code (determined without regard to whether such BHLB Benefit Plan is self-insured).

5.12.6 BHLB or Berkshire Bank have not, with respect to any BHLB Benefit Plan, nor, to BHLB’s Knowledge, has any administrator of any BHLB Benefit Plan, the related trusts or any trustee thereof, engaged in any prohibited transaction which would subject BHLB, Berkshire Bank or any ERISA Affiliate of BHLB, or any BHLB Benefit Plan to a Tax or penalty on prohibited transactions imposed by ERISA, Section 4975 of the Code, or to any other liability under ERISA.

5.12.7 Except as set forth on BHLB Disclosure Schedule 5.12.7, BHLB and Berkshire Bank have no liability for retiree health and life benefits under any BHLB Benefit Plan other than any benefits required under COBRA or similar state laws.

5.12.8 Except as set forth on BHLB Disclosure Schedule 5.12.8, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (A) result in any payment (including severance) becoming due to any director or any employee of BHLB or Berkshire Bank from BHLB or Berkshire Bank under any BHLB Benefit Plan, (B) increase any benefits otherwise payable under any BHLB Benefit Plan or (C) result in any acceleration of the time of payment or vesting of any such benefit. Except as set forth on BHLB Disclosure Schedule 5.12.8, no payment which in connection with the transactions contemplated by this Agreement is or may reasonably be expected to be made by, from or with respect to any BHLB Benefit Plan, either alone or in conjunction with any other payment will or could properly be characterized as an “excess parachute payment” under Section 280G of the Code on which an excise tax under Section 4999 of the Code is payable or will or could, either individually or collectively, provide for any payment by BHLB or any of its ERISA Affiliates that would not be deductible under Code Section 162(m).

5.12.9 The actuarial present values of all accrued BHLB Non-qualified Deferred Compensation Plans (including, to the extent applicable, entitlements under any executive compensation, supplemental retirement, or employment agreement) of employees and former employees of BHLB and Berkshire Bank and their respective beneficiaries, other than entitlements accrued pursuant to funded retirement plans subject to the provisions of

Section 412 of the Code or Section 302 of ERISA, have been fully reflected on the BHLB Financial Statements to the extent required by and in accordance with GAAP.

5.12.10 There is not, and has not been, any trust or fund maintained by or contributed to by BHLB, Berkshire Bank or its employees to fund an employee benefit plan which would constitute a Voluntary Employees' Beneficiary Association or a "welfare benefit fund" within the meaning of Section 419(a) of the Code.

5.12.11 No claim, lawsuit, arbitration or other action has been asserted or instituted or, to the Knowledge of BHLB, has been threatened or is anticipated, against any BHLB Benefit Plan (other than routine claims for benefits and appeals of such claims), BHLB or any BHLB Subsidiary or any director, officer or employee thereof, or any of the assets of any trust of any BHLB Benefit Plan.

5.13 *Brokers, Finders and Financial Advisors.*

Neither BHLB nor any BHLB Subsidiary, nor any of their respective officers, directors, employees or agents, has employed any broker, finder or financial advisor in connection with the transactions contemplated by this Agreement, or incurred any liability or commitment for any fees or commissions to any such Person in connection with the transactions contemplated by this Agreement, except for the retention of Jefferies & Company, Inc. by BHLB and the fee payable thereto. A true and correct copy of the engagement agreement with Jefferies & Company, Inc., setting forth the fee payable to Jefferies & Company, Inc. for its services rendered to BHLB in connection with the Merger and transactions contemplated by this Agreement is attached to BHLB Disclosure Schedule 5.13.

5.14 *Environmental Matters.*

5.14.1 Except as may be set forth in BHLB Disclosure Schedule 5.14, with respect to BHLB and each BHLB Subsidiary:

(A) To the Knowledge of BHLB and the BHLB Subsidiaries, each of BHLB and the BHLB Subsidiaries, and the BHLB Loan Properties (as defined in Section 5.14.2) are, and have been, in material compliance with any Environmental Laws;

(B) Neither BHLB nor any BHLB Subsidiary has received written notice in the last five (5) years that there is any material suit, claim, action, demand, executive or administrative order, directive, request for information, investigation or proceeding pending and, to the Knowledge of BHLB and the BHLB Subsidiaries, no such action is threatened, before any court, governmental agency or other forum against them or any BHLB Loan Property (x) for alleged noncompliance (including by any predecessor) with, or liability under, any Environmental Law or (y) relating to the presence of or release into the environment of any Materials of Environmental Concern, whether or not occurring at or on a site owned, leased or operated by BHLB, or any of the BHLB Subsidiaries;

(C) To the Knowledge of BHLB and the BHLB Subsidiaries, the properties currently owned or operated by BHLB or any BHLB Subsidiary (including, without limitation, soil, groundwater or surface water on, or under the properties, and buildings thereon) are not contaminated with and do not otherwise contain any Materials of Environmental Concern other than in amounts permitted under applicable Environmental Law or which are de minimis in nature and extent;

(D) There are no underground storage tanks on, in or under any properties owned or operated by BHLB or any of the BHLB Subsidiaries or any BHLB Loan Property, and no underground storage tanks have been closed or removed from any properties owned or operated by BHLB or any of the BHLB Subsidiaries or any BHLB Loan Property except as in compliance with Environmental Laws; and

(E) During the period of (a) BHLB's or any of the BHLB Subsidiaries' ownership or operation of any of their respective current properties or (b) BHLB's or any of the BHLB Subsidiaries' participation in the management of any BHLB Loan Property, to the Knowledge of BHLB and the BHLB Subsidiaries, there has been no material contamination by or material release of Materials of Environmental Concern in, on, under or

affecting such properties. To the Knowledge of BHLB and the BHLB Subsidiaries, prior to the period of (x) BHLB's or any of the BHLB Subsidiaries' ownership or operation of any of their respective current properties or (y) BHLB's or any of the BHLB Subsidiaries' participation in the management of any BHLB Loan Property, there was no material contamination by or release of Materials of Environmental Concern in, on, under or affecting such properties.

(F) Neither BHLB nor any other BHLB Subsidiary has conducted any environmental studies during the past five (5) years (other than Phase I studies or Phase II studies which did not indicate any contamination of the environment by Materials of Environmental Concern above reportable levels) with respect to any properties owned or leased by it or any of its Subsidiaries, or with respect to any BHLB Loan Property.

5.14.2 For purposes of this Section 5.14, "**BHLB Loan Property**" means any property in which BHLB or an BHLB Subsidiary presently holds a direct or indirect security interest securing to a loan or other extension of credit made by them, including through an BHLB Loan Participation, and "**BHLB Loan Participation**" means a participation interest in a loan or other extension of credit other than by BHLB or an BHLB Subsidiary.

5.15 *BHLB Information Supplied.*

The information relating to BHLB and any BHLB Subsidiary to be contained in the Merger Registration Statement, or in any other document filed with any Bank Regulator or other Governmental Entity in connection herewith, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading.

5.16 *Securities Documents.*

Since January 1, 2008, BHLB has filed with the SEC all forms, reports, schedules, registration statements, definitive proxy statements and information statements or other filings ("**BHLB SEC Reports**") required to be filed by it with the SEC. As of their respective dates, the BHLB SEC Reports complied as to form with the requirements of the Exchange Act or the Securities Act, as applicable, and the applicable rules and regulations of the SEC promulgated thereunder in all material respects. As of their respective dates and as of the date any information from the BHLB SEC Reports has been incorporated by reference, the BHLB SEC Reports did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein made, in light of the circumstances under which they were made, not misleading. BHLB has filed all material contracts, agreements and other documents or instruments required to be filed as exhibits to the BHLB SEC Reports (the "**BHLB Material Agreements**").

5.17 *Internal Controls.*

5.17.1 The records, systems, controls, data and information of BHLB and its Subsidiaries 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 BHLB or its Subsidiaries or accountants (including all means of access thereto and therefrom), except for any non-exclusive ownership and non-direct control that would not reasonably be expected to have a material adverse effect on the system of internal accounting controls described in the following sentence. BHLB 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 in accordance with GAAP. BHLB has designed and implemented disclosure controls and procedures (within the meaning of Rules 13a-15(e) and 15(d)-15(e) of the Exchange Act) to ensure that material information relating to it and its Subsidiaries is made known to its management by others within those entities as appropriate to allow timely decisions regarding required disclosure and to make the certifications required by the Exchange Act and Section 302 and 906 of the Sarbanes-Oxley Act.

5.17.2 BHLB's management has completed an assessment of the effectiveness of its internal control over financial reporting in compliance with the requirements of Section 404 of the Sarbanes-Oxley Act for the year ended December 31, 2010, and such assessment concluded that such controls were effective. It has

previously disclosed, based on its most recent evaluation prior to the date hereof, to its auditors and the audit committee of the BHLB Board; (A) any significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting and (B) any fraud, whether or not material, that involves management or other employees who have a significant role in its internal controls over financial reporting.

5.17.3 Since December 31, 2008, (A) neither BHLB nor any of its Subsidiaries nor, to its knowledge, any director, officer, employee, auditor, accountant or representative of BHLB or any of its Subsidiaries has received or otherwise had or obtained knowledge of any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods (including with respect to loan loss reserves, write-downs, charge-offs and accruals) of it or any of its subsidiaries or their respective internal accounting controls, including any material complaint, allegation, assertion or claim that it or any of its subsidiaries has engaged in questionable accounting or auditing practices, and (B) no attorney representing BHLB or any of its Subsidiaries, whether or not employed by it or any of its Subsidiaries, has reported evidence of a material violation of securities laws, breach of fiduciary duty or similar violation by BHLB or any of its officers, directors, employees or agents to its board of directors or any committee thereof or to any of its directors or officers.

5.18 *BHLB Common Stock.*

The shares of BHLB Common Stock to be issued pursuant to this Agreement, when issued in accordance with the terms of this Agreement, will be duly authorized, validly issued, fully paid and non-assessable and subject to no preemptive rights.

5.19 *Available Funds*

Immediately prior to the Effective Time, BHLB will have cash sufficient to pay or cause to be deposited into the Exchange Fund as required by Section 3.2.1.

ARTICLE VI COVENANTS OF CBT

6.1 *Conduct of Business.*

6.1.1 *Affirmative Covenants.* During the period from the date of this Agreement to the Effective Time, except with the written consent of BHLB or Berkshire Bank, which consent will not be unreasonably withheld, conditioned or delayed, CBT will: operate its business only in the usual, regular and ordinary course of business; use commercially reasonable efforts to preserve intact its business organization and assets and maintain its rights and franchises; and voluntarily take no action which would: (i) materially adversely affect the ability of the parties to obtain the Regulatory Approvals or materially increase the period of time necessary to obtain the Regulatory Approvals, (ii) materially adversely affect its ability to perform its covenants and agreements under this Agreement or (iii) result in the representations and warranties contained in Article IV of this Agreement not being true and correct on the date of this Agreement or at any future date on or prior to the Closing Date or in any of the conditions set forth in Article IX hereof not being satisfied.

6.1.2 *Negative Covenants.* CBT agrees that from the date of this Agreement to the Effective Time, except as otherwise specifically permitted or required by this Agreement or consented to by BHLB or Berkshire Bank in writing, it will not, and it will cause it not to:

(A) take any action that would, or is reasonably likely to, prevent or impede the Merger, together with the TARP Purchase and the Warrant Purchase, from qualifying as a reorganization within the meaning of Section 368(a) of the Code;

(B) change or waive any provision of its certificate of incorporation or bylaws, except as required by law;

(C) change the number of authorized or issued shares of its capital stock, issue any shares of CBT Common Stock that are held as Treasury Stock as of the date of this Agreement, or issue or grant any Right or agreement of any character relating to its authorized or issued capital stock or any securities convertible into shares of such stock, make any grant or award under the CBT Stock Option Plan or the CBT Restricted Stock Plan, or split, combine or reclassify any shares of capital stock, or declare, set aside or pay any dividend or other distribution in respect of capital stock, or redeem or otherwise acquire any shares of capital stock, except that CBT (i) may issue shares of CBT Common Stock upon the valid exercise, in accordance with the information set forth in CBT Disclosure Schedule 4.3.1, of presently outstanding CBT Stock Options issued under the CBT Stock Option Plan or CBT Warrants, (ii) may permit the vesting of awards previously made under the CBT Restricted Stock Plans, and (iii) shall continue to declare and pay regular quarterly cash dividends on the CBT Series A Preferred Stock as revised by law or written agreement with the Treasury Department.

(D) enter into, amend in any material respect or terminate any material contract or agreement (including without limitation any settlement agreement with respect to litigation) in excess of \$25,000, except as contemplated by this Agreement;

(E) make application for the opening or closing of any, or open or close any, branch or automated banking facility;

(F) grant or agree to pay any bonus (discretionary or otherwise), severance or termination to, or enter into, renew or amend any employment agreement, severance agreement and/or supplemental executive agreement with, or increase in any manner the compensation or fringe benefits of, any of its directors, officers, employees or consultants, except (i) as may be required pursuant to commitments existing on the date hereof and set forth on CBT Disclosure Schedules 4.9.1 and 4.13.1 or as required pursuant to Section 7.6 of this Agreement, (ii) for salary adjustments in the ordinary course of business consistent with past practice provided that any increases to such amounts shall not exceed three percent (3%) in the aggregate or (iii) as otherwise contemplated by this Agreement. CBT shall not hire or promote any employee to a rank having a title of vice president or other more senior rank or hire any new employee at an annual rate of compensation in excess of \$50,000; *provided, however*, that that CBT shall not hire any new employee without first seeking to fill any position internally. Except as set forth on CBT Disclosure Schedule 6.1.2(F), CBT will not pay expenses of any employee or director for attending conventions held after the date hereof;

(G) except as set forth on CBT Disclosure Schedule 6.1.2(G), enter into or, except as may be required by law or any such plan or agreement or by the terms of this Agreement and the transactions contemplated herein, modify any pension, retirement, stock option, stock purchase, stock appreciation right, stock grant, savings, profit sharing, deferred compensation, supplemental retirement, consulting, bonus, group insurance or other employee benefit, incentive or welfare contract, plan or arrangement, or any trust agreement related thereto, in respect of any of its directors, officers or employees, or make any contributions to any defined contribution or defined benefit plan not in the ordinary course of business consistent with past practice;

(H) merge or consolidate CBT with any other Person; sell or lease all or any substantial portion of the assets or business of CBT; make any acquisition of all or any substantial portion of the business or assets of any other Person other than in connection with foreclosures, settlements in lieu of foreclosure, troubled loan or debt restructuring, or the collection of any loan or credit arrangement between CBT or CBT and any other Person; enter into a purchase and assumption transaction with respect to deposits and liabilities; incur deposit liabilities, other than liabilities incurred in the ordinary course of business consistent with past practice and in keeping with prevailing competitive rates; permit the revocation or surrender by CBT of its certificate of authority to maintain, or file an application for the relocation of, any existing branch office, or file an application for a certificate of authority to establish a new branch office;

(I) except as set forth on CBT Disclosure Schedule 6.1.2(I), sell or otherwise dispose of any asset of CBT other than in the ordinary course of business consistent with past practice; except for transactions with the FHLB, subject any asset of CBT to a lien, pledge, security interest or other encumbrance (other than in connection with deposits, repurchase agreements, bankers acceptances, pledges in connection with acceptance of governmental deposits, and transactions in "federal funds" and the satisfaction of legal requirements in the exercise of trust powers) other than in the ordinary course of business consistent with past practice; incur any indebtedness

for borrowed money (or guarantee any indebtedness for borrowed money), except in the ordinary course of business consistent with past practice;

(J) change its method, practice or principle of accounting, except as may be required from time to time by GAAP (without regard to any optional early adoption date) or regulatory accounting principles or by any Bank Regulator responsible for regulating CBT or CBT;

(K) waive, release, grant or transfer any rights of value or modify or change any existing agreement or indebtedness to which CBT is a party;

(L) purchase any securities except securities (i) rated "A" or higher by either Standard & Poor's Ratings Services or Moody's Investors Service, (ii) having a face amount in the aggregate of not more than \$500,000, (iii) with a duration of not more than three (3) years and (iv) otherwise in the ordinary course of business consistent with past practice;

(M) except as specifically provided below, and except for commitments issued prior to the date of this Agreement which have not yet expired and which have been disclosed on CBT Disclosure Schedule 6.1.2(M) (which schedule need not include any individual commitment which is less than \$50,000 in amount provided that such schedule includes the aggregate amount of individual commitments which are less than \$50,000 that have been excluded from the schedule), and except for the renewal of existing lines of credit, (i) make or acquire any new loan or other credit facility commitment (including without limitation, loan participations, lines of credit and letters of credit) other than in the ordinary course of business consistent with past practice or (ii) make or acquire any new loan or issue any commitment for any new loan with a principal amount of \$250,000 or more without the prior consent of BHLB or Berkshire Bank; provided that such consent shall be deemed to have been granted if BHLB or Berkshire Bank does not object within three (3) Business Days of receipt of written notice from CBT of its intent to make such loan;

(N) enter into, renew, extend or modify any other transaction (other than a deposit transaction) with any Affiliate;

(O) enter into any futures contracts, options, interest rate caps, interest rate floors, interest rate exchange agreements or other agreements or take any other action for purposes of hedging the exposure of its interest-earning assets and interest-bearing liabilities to changes in market rates of interest;

(P) except for the execution of this Agreement, and actions taken or which will be taken in accordance with this Agreement and performance hereunder, take any action that would give rise to a right of payment to any individual under any employment agreement;

(Q) make any change in policies in existence on the date of this Agreement with regard to: the extension of credit, or the establishment of reserves with respect to the possible loss thereon or the charge off of losses incurred thereon; investments; asset/liability management; or other banking policies except as may be required by changes in applicable law or regulations, GAAP or regulatory accounting principles or by a Bank Regulator;

(R) except for the execution of this Agreement, and the transactions contemplated herein and any terminations of employment, take any action that would give rise to an acceleration of the right to payment to any individual under any CBT Benefit Plan;

(S) make any capital expenditures in excess of \$25,000 individually or \$50,000 in the aggregate, other than pursuant to binding commitments existing on the date hereof which are set forth on CBT Disclosure Schedule 6.1.2(S) which includes the budget for each such pre-existing commitment.

(T) except as set forth on CBT Disclosure Schedule 6.1.2(T), purchase or otherwise acquire, or sell or otherwise dispose of, any assets or incur any liabilities other than in the ordinary course of business consistent with past practices and policies;

(U) except for existing commitments to sell any participation interest in any loan, sell any participation interest in any loan (other than sales of loans secured by one- to four-family real estate that are consistent with past practice) unless Berkshire Bank has been given the first opportunity and a reasonable time to purchase any loan participation being sold, or purchase any participation interest in any loan other than purchases of participation interests from Berkshire Bank;

(V) undertake or enter into any lease, contract or other commitment for its account, other than in the ordinary course of providing credit to customers as part of its banking business, involving a payment by CBT of more than \$25,000 annually, or containing any financial commitment extending beyond twelve (12) months from the date hereof;

(W) pay, discharge, settle or compromise any claim, action, litigation, arbitration or proceeding, other than any such payment, discharge, settlement or compromise in the ordinary course of business consistent with past practice that involves solely money damages in the amount not in excess of \$25,000 individually or \$50,000 in the aggregate, and that does not create negative precedent for other pending or potential claims, actions, litigation, arbitration or proceedings;

(X) foreclose upon or take a deed or title to any commercial real estate without having a Phase I environmental assessment of the property conducted as of a reasonably current date and, in the event such Phase I environmental assessment of the property indicates the presence of Materials of Environmental Concern, providing notice to BHLB thereof prior to final sale;

(Y) purchase or sell any mortgage loan servicing rights other than in the ordinary course of business consistent with past practice;

(Z) issue any broadly distributed communication of a general nature to employees (including general communications relating to benefits and compensation) without prior consultation with BHLB and, to the extent relating to post-Closing employment, benefit or compensation information without the prior consent of BHLB (which shall not be unreasonably withheld, conditioned or delayed) or issue any broadly distributed communication of a general nature to customers without the prior approval of BHLB (which shall not be unreasonably withheld, conditioned or delayed), except as required by law or for communications in the ordinary course of business consistent with past practice that do not relate to the Merger or other transactions contemplated hereby;

(AA) make, change or rescind any material election concerning Taxes or Tax Returns, file any amended Tax Return, enter into any closing agreement with respect to Taxes, settle or compromise any material Tax claim or assessment or surrender any right to claim a refund of Taxes or obtain any Tax ruling; or

(BB) enter into any contract with respect to, or otherwise agree or commit to do, any of the foregoing.

6.2 *Current Information.*

6.2.1 During the period from the date of this Agreement to the Effective Time, CBT will cause one or more of its representatives to confer with representatives of BHLB to inform BHLB regarding CBT's operations at such times as BHLB may reasonably request. CBT will promptly notify BHLB of any change in the ordinary course of its business or in the operation of its properties and, to the extent permitted by applicable law, of any governmental complaints, investigations or hearings (or communications indicating that the same may be contemplated), or the institution or the threat of material litigation involving CBT. Without limiting the foregoing, senior officers of BHLB and CBT shall meet monthly to review, to the extent permitted by applicable law, the financial and operational affairs of CBT, and CBT shall give due consideration to BHLB's input on such matters, with the understanding that, notwithstanding any other provision contained in this Agreement, neither BHLB nor Berkshire Bank shall under any circumstance be permitted to exercise control of CBT prior to the Effective Time.

6.2.2 CBT and BHLB shall cooperate regarding a plan for the conversion of data processing and related electronic informational systems of CBT to those used by BHLB, which planning shall include, but not

be limited to, discussion of the possible termination by CBT of third-party service provider arrangements effective at the Effective Time or at a date thereafter, non-renewal of personal property leases and software licenses used by CBT in connection with its systems operations, retention of outside consultants and additional employees to assist with the conversion, and outsourcing, as appropriate, of proprietary or self-provided system services, it being understood that CBT shall not be obligated to take any such action prior to the Effective Time and, unless CBT otherwise agrees and provided it is permitted by applicable law, no conversion shall take place prior to the Effective Time. BHLB and Berkshire Bank shall indemnify CBT for any reasonable out-of-pocket fees, expenses, or charges that CBT may incur as a result of taking, at the request of BHLB or any BHLB Subsidiary, any action to facilitate the conversion.

6.2.3 CBT shall provide BHLB, within twenty-five (25) Business Days of the end of each calendar month, a written list of nonperforming assets (the term “nonperforming assets,” for purposes of this subsection, means (i) loans that are “troubled debt restructuring” as defined in Statement of Financial Accounting Standards No. 15, “Accounting by Debtors and Creditors for Troubled Debt Restructuring,” (ii) loans on nonaccrual, (iii) real estate owned, (iv) all loans ninety (90) days or more past due as of the end of such month and (v) and impaired loans. On a monthly basis, CBT shall provide BHLB with a schedule of all (x) loan grading changes and (y) loan approvals, which schedule shall indicate the loan amount, loan type and other material features of the loan. CBT will promptly prepare and provide BHLB with the minutes of all CBT and CBT officer and director loan committee meetings.

6.2.4 CBT shall promptly inform BHLB, to the extent permitted by applicable law, upon receiving notice of any legal, administrative, arbitration or other proceedings, demands, notices, audits or investigations (by any federal, state or local commission, agency or board) relating to the alleged liability of CBT under any labor or employment law.

6.3 *Access to Properties and Records.*

Subject to Section 12.1, CBT shall permit BHLB or Berkshire Bank access upon reasonable notice and at reasonable times to its properties, and shall disclose and make available to BHLB or Berkshire Bank during normal business hours all of its books and records relating to the assets, properties, operations, obligations and liabilities, including, but not limited to, all books of account (including the general ledger), tax records, minute books of directors’ and shareholders’ meetings (other than minutes that discuss any of the transactions contemplated by this Agreement or any other subject matter that CBT reasonably determines should be kept confidential), organizational documents, bylaws, material contracts and agreements, filings with any regulatory authority, litigation files, plans affecting employees, and any other business activities or prospects in which BHLB may have a reasonable interest; *provided, however*, that CBT shall not be required to take any action that would provide access to or to disclose information where such access or disclosure, in CBT’s reasonable judgment, would interfere with the normal conduct of CBT’s business or would violate or prejudice the rights or business interests or confidences of any customer or other Person or entity or would result in the waiver by it of the privilege protecting communications between it and any of its counsel or contravene any applicable law. CBT shall provide and shall request its auditors to provide BHLB with such historical financial information regarding it (and related audit reports and consents) as BHLB may reasonably request for Securities Law disclosure purposes. BHLB shall use commercially reasonable efforts to minimize any interference with CBT’s regular business operations during any such access to CBT’s property, books and records. CBT shall permit BHLB, at BHLB’s expense, to (i) cause a Phase I environmental assessment to be performed at any physical location owned or occupied by CBT and (ii) cause an appraisal to be performed in respect of any real property owned by CBT.

6.4 *Financial and Other Statements.*

6.4.1 Promptly upon receipt thereof, CBT will furnish to BHLB copies of each annual, interim or special audit of the books of CBT made by its independent registered public accountants and copies of all internal control reports submitted to CBT by such accountants, or by any other accounting firm rendering internal audit services, in connection with each annual, interim or special audit of the books of CBT made by such accountants.

6.4.2 As soon as reasonably available, but in no event later than the date such documents are filed with the CDOB or FRB, CBT will deliver to BHLB the CBT Regulatory Report filed by CBT. Within twenty-

five (25) days after the end of each month, CBT will deliver to BHLB a consolidating balance sheet and a consolidating statement of operations, without related notes, for such month prepared in accordance with current financial reporting practices, as well as a month-end and year to date comparison to budget.

6.4.3 CBT shall permit BHLB to review substantially final drafts of its quarterly and annual reports on Forms 10-Q and 10-K, respectively, at least two (2) Business Days prior to the date such documents are filed with the FRB. CBT promptly will advise upon receipt and permit review by BHLB of any inquiry or examination report of any Bank Regulator with respect to the condition or activities of CBT.

6.4.4 With reasonable promptness, CBT will furnish to BHLB such additional financial data that CBT possesses and as BHLB may reasonably request, including without limitation, detailed monthly financial statements and loan reports and detailed deposit reports.

6.5 *Maintenance of Insurance.*

CBT shall use commercially reasonable efforts to maintain insurance in such amounts as are reasonable to cover such risks as are customary in relation to the character and location of its properties and the nature of its business, with such coverage and in such amounts not less than that maintained by CBT as of the date of this Agreement and set forth in CBT Disclosure Schedule 4.10.3. CBT will promptly inform BHLB if CBT receives notice from an insurance carrier that (i) an insurance policy will be canceled or that coverage thereunder will be reduced or eliminated, or (ii) premium costs with respect to any policy of insurance will be substantially increased.

6.6 *Disclosure Supplements.*

From time to time prior to the Effective Time, CBT will promptly supplement or amend the CBT Disclosure Schedule delivered in connection herewith with respect to any matter hereafter arising which, if existing, occurring or known at the date of this Agreement, would have been required to be set forth or described in such CBT Disclosure Schedule or which is necessary to correct any information in such CBT Disclosure Schedule which has been rendered materially inaccurate thereby. No supplement or amendment to such CBT Disclosure Schedule shall have any effect for the purpose of determining satisfaction of the conditions set forth in Article IX.

6.7 *Consents and Approvals of Third Parties.*

CBT shall use its commercially reasonable efforts, to obtain as soon as practicable all consents and approvals of any other Persons or entities necessary for the consummation of the transactions contemplated by this Agreement.

6.8 *All Reasonable Efforts.*

Subject to the terms and conditions herein provided, CBT agrees to use all commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary under applicable laws and regulations to consummate the transactions contemplated by this Agreement.

6.9 *Failure to Fulfill Conditions.*

In the event that CBT determines that a condition to its obligation to complete the Merger cannot be fulfilled and that it will not waive that condition, it will promptly notify BHLB or Berkshire Bank.

6.10 *No Solicitation.*

6.10.1 From and after the date hereof until the termination of this Agreement, neither CBT nor any of its officers, directors, employees, representatives, agents and affiliates (including, without limitation, any investment banker, attorney or accountant) retained by CBT, will, directly or indirectly, initiate, solicit or knowingly encourage (including by way of furnishing non-public information or assistance) any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any Acquisition Proposal (as defined by Section

6.10.2), or enter into or maintain or continue discussions or negotiate with any Person in furtherance of such inquiries or to obtain an Acquisition Proposal or agree to or endorse any Acquisition Proposal, or authorize or permit any of its officers, directors, or employees or any of its Subsidiaries or any investment banker, financial advisor, attorney, accountant or other representative retained by any of its Subsidiaries to take any such action, and CBT shall notify BHLB orally and in writing (as promptly as practicable but no later than one business day of receipt of such inquiry or proposal) of all of the relevant details relating to all inquiries and proposals which CBT or any of its Subsidiaries or any of their respective officers, directors or employees, or, to CBT's Knowledge, investment bankers, financial advisors, attorneys, accountants or other representatives of CBT may receive relating to any of such matters; *provided, however*, that nothing contained in this Section 6.10 shall prohibit the Board of Directors of CBT from (i) complying with its disclosure obligations under federal or state law; or (ii) prior to the time that the CBT Shareholder Vote, furnishing information to, or entering into discussions or negotiations with, any Person or entity that makes an unsolicited Acquisition Proposal, if, and only to the extent that (A) such Acquisition Proposal did not result from a breach of this Section 6.10 by CBT, (B) the Board of Directors of CBT or any appropriate committee thereof has determined in its good faith judgment, after consultation with CBT's financial advisor and outside counsel, that such Acquisition Proposal is reasonably likely to be consummated in accordance with its terms, taking into account all legal, financial (including the financing terms thereof) and regulatory aspects (including any divestiture of deposit liabilities by BHLB or CBT in order to comply with a requirement contained in any Regulatory Approval, or a condition necessary to obtain any Regulatory Approval) of the proposal and the Person making the proposal, and (C) such Acquisition Proposal is reasonably likely to result in a transaction more favorable to CBT shareholders from a financial point of view than the Merger (taking into account all relevant factors, including, without limitation, the timing of consummation as compared to the Merger and after giving effect to all of the adjustments, if any, which may be offered by BHLB pursuant to Section 11.1.9) (such proposal that satisfies clauses (A), (B) and (C) being referred to herein as a "**Superior Proposal**"); *provided, however*, that a Superior Proposal may consist of multiple Acquisition Proposals that, taken together, satisfy all of the requirements set forth in this definition; *provided, further*, that the Board of Directors of CBT or any appropriate committee thereof may determine in its good faith judgment, after consultation with CBT's financial advisor and outside counsel, that an Acquisition Proposal made during the Restricted Period, which the Board of Directors of CBT determines in good faith is financially equivalent to CBT shareholders from a financial point of view to the Merger, is nonetheless a Superior Proposal for purposes of this Agreement because such Acquisition Proposal would reasonably be expected to involve materially less risk than any Regulatory Approval or any condition necessary to obtain any Regulatory Approval would require a material divestiture of deposit liabilities; *provided, further*, nothing contained in this Agreement shall prohibit CBT and, if applicable, any of its Representatives from (i) informing any Person of the existence of the provisions of this Section 6.10, (ii) contacting any Person solely to clarify the terms and conditions of an Acquisition Proposal, (iii) issuing a "stop-look-and-listen communication" pursuant to Rule 14d-9(f) or taking and disclosing to its shareholders a position as required by Rule 14d-9 or Rule 14e-2 promulgated under the Exchange Act or (iv) otherwise disclosing any information to its shareholders that the CBT Board of Directors determines in good faith (after consultation with its outside legal counsel) that it is required to disclose in order to not breach its fiduciary duties to CBT's shareholders under applicable law, subject to compliance with the requirements of this Section 6.10. CBT shall promptly, but in no event later than one (1) calendar day, notify BHLB of such inquiries, proposals or offers received by, any such information requested from, or any such discussions or negotiations sought to be initiated or continued with CBT or any of its representatives indicating, in connection with such notice, the name of such Person and the material terms and conditions of any inquiries, proposals or offers, and receives from such Person an executed confidentiality agreement in form and substance identical in all material respects to the Confidentiality Agreements.

6.10.2 "**Acquisition Proposal**" shall mean any proposal or offer as to any of the following (other than the transactions contemplated hereunder) involving CBT or any of its Subsidiaries: (i) any merger, consolidation, share exchange, business combination, or other similar transactions; (ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition of 25% or more of the assets of CBT in a single transaction or series of transactions; (iii) any tender offer or exchange offer for 25% or more of the outstanding shares of capital stock of CBT or the filing of a registration statement under the Securities Act in connection therewith; or (iv) any public announcement of a proposal, plan or intention to do any of the foregoing or any agreement to engage in any of the foregoing.

6.11 *Reserves and Merger-Related Costs.*

Prior to the Effective Time, CBT shall, consistent with GAAP, the rules and regulations of the SEC and applicable U.S. banking laws and regulations, modify or change its loan, OREO, accrual, reserve, tax, litigation and real estate valuation policies and practices (including loan classifications and levels of reserves) so as to be applied on a basis that is consistent with that of BHLB, provided, however, that no such modifications or changes need be made prior to the satisfaction of the conditions set forth in Sections 9.1.1 and 9.1.3; *provided further*, that in any event, no accrual or reserve made by CBT or any of its Subsidiaries pursuant to this Section 6.11 shall constitute or be deemed to be a breach, violation of or failure to satisfy any representation, warranty, covenant, agreement, condition or other provision of this Agreement or otherwise be considered in determining whether any such breach, violation or failure to satisfy shall have occurred. The recording of any such adjustments shall not be deemed to imply any misstatement of previously furnished financial statements or information and shall not be construed as concurrence of CBT or its management with any such adjustments.

6.12 *Committee Meetings.*

CBT shall permit two (2) representatives of BHLB or Berkshire Bank to attend any meeting of their Board of Directors, loan (or credit) committee and asset liability committee as observers (together, the “**BHLB Observers**”), provided that CBT shall not be required to permit the BHLB Observers to remain present during any confidential discussion of this Agreement and the transactions contemplated hereby or any Acquisition Proposal or during any other matter that the respective Board of Directors has been advised of by counsel that such attendance by the BHLB Observers may violate or be inconsistent with a confidentiality obligation or fiduciary duty or any legal or regulatory requirement.

ARTICLE VII
COVENANTS OF BHLB

7.1 *Conduct of Business.*

7.1.1 *Affirmative Covenants.*

(A) During the period from the date of this Agreement to the Effective Time, except with the written consent of CBT, which consent will not be unreasonably withheld, conditioned or delayed, BHLB will, and it will cause each BHLB Subsidiary to: operate its business only in the usual, regular and ordinary course of business; use reasonable best efforts to preserve intact its business organization and assets and maintain its rights and franchises; and voluntarily take no action which would (i) except for the designation of the BHLB Series A Preferred Stock, change or waive any provision of its certificate of incorporation (or articles of organization in the case of Berkshire Bank) or bylaws in any way adverse to the rights of the CBT shareholders, except as required by law, except as otherwise set forth on BHLB Disclosure Schedule 7.1.1(A)(i); (ii) materially adversely affect the ability of the parties to obtain the Regulatory Approvals or materially increase the period of time necessary to obtain such approvals; (iii) materially adversely affect its ability to perform its covenants and agreements under this Agreement; (iv) result in the representations and warranties contained in Article V of this Agreement not being true and correct on the date of this Agreement or at any future date on or prior to the Closing Date or in any of the conditions set forth in Article IX hereof not being satisfied; (v) prevent or impede, or be reasonably likely to prevent or impede, the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code.

(B) Promptly after the Closing and prior to the Effective Time, BHLB shall deposit, or shall cause to be deposited, with the Exchange Agent the Exchange Fund.

7.2 *Disclosure Supplements.*

From time to time prior to the Effective Time, BHLB will promptly supplement or amend the BHLB Disclosure Schedule delivered in connection herewith with respect to any matter hereafter arising which, if existing, occurring or known at the date of this Agreement, would have been required to be set forth or described in such

BHLB Disclosure Schedule or which is necessary to correct any information in such BHLB Disclosure Schedule which has been rendered materially inaccurate thereby. No supplement or amendment to such BHLB Disclosure Schedule shall have any effect for the purpose of determining satisfaction of the conditions set forth in Article IX.

7.3 *Consents and Approvals of Third Parties.*

BHLB shall use its commercially reasonable efforts, and shall cause each BHLB Subsidiary to use its commercially reasonable efforts, to obtain as soon as practicable all consents and approvals of any other Persons necessary for the consummation of the transactions contemplated by this Agreement.

7.4 *Reasonable Best Efforts.*

Subject to the terms and conditions herein provided, BHLB agrees to use and agrees to cause each BHLB Subsidiary to use reasonable best efforts in good faith to take, or cause to be taken, all action and to do, or cause to be done, all things necessary under applicable laws and regulations to consummate the transactions contemplated by this Agreement as promptly as practicable.

7.5 *Failure to Fulfill Conditions.*

In the event that BHLB determines that a condition to its obligation to complete the Merger cannot be fulfilled and that it will not waive that condition, it will promptly notify CBT.

7.6 *Employee Benefits.*

7.6.1 *Definition.* “**Benefit Plan Determination Date**” for purposes of this Section shall mean that date selected by BHLB and consented to by CBT, which consent shall not be withheld unreasonably, with respect to each CBT Benefit Plan to be maintained, frozen, terminated or replaced with a similar plan or program provided by BHLB or Berkshire Bank (as used in this Section, BHLB and Berkshire Bank are collectively referred to as “BHLB”) to other employees similarly situated; provided, that, the definition of “Benefit Plan Determination Date” shall be consistent with the premise that the compensation, employee benefits and terms and conditions of employment that are provided by BHLB after the Closing Date to Current CBT Employees shall be no less favorable than those provided by BHLB to similarly situated employees of BHLB.

7.6.2 *General Rule: Parity in Benefits; No Gaps; Credit for Service with CBT.* Within a reasonable period after the Closing Date, but not before the applicable Benefit Plan Determination Date, BHLB shall provide (or shall cause to be provided by a Subsidiary of BHLB) to all individuals who are employees of CBT at the Closing Date and who remain so employed immediately following the Effective Time (the “**Current CBT Employees**”), compensation, employee benefits and terms and conditions of employment that are substantially similar to those provided by BHLB to similarly situated employees of BHLB. Notwithstanding any of the foregoing to the contrary, none of the provisions contained herein shall (i) operate to duplicate any benefit provided to any Current CBT Employees or the funding of any such benefit, (ii) be construed to limit the ability of BHLB to review employee benefit plans, programs and arrangements from time to time, to make such changes as BHLB deems appropriate in its sole and absolute discretion or to terminate such employee benefit plans, programs and arrangements provided that no such action not otherwise required by this Agreement shall discriminate against Current CBT Employees relative to similarly situated employees of BHLB, (iii) create third party rights against BHLB. BHLB will cause its insurance providers to waive all pre-existing condition limitations and proof of insurability provisions (to the extent such limitations and provisions did not apply to a pre-existing condition under CBT’s equivalent plan) and eligibility waiting periods under such plans that would otherwise be applicable to newly-hired employees for all Current CBT Employees; provided that nothing in this sentence shall limit the ability of BHLB to amend or enter into new or different employee benefit plans or arrangements provided such plans or arrangements treat the Current CBT Employees in a substantially similar manner as employees of BHLB are treated. BHLB will cause its insurance providers to honor under such plans any deductible, co-payment and out-of-pocket expenses incurred by the Current CBT Employees and their covered dependents during the portion of the plan year prior to the relevant Benefit Plan Determination Date. Under all BHLB Benefit Plans, service with CBT shall be deemed to be service with BHLB for eligibility and vesting purposes only, but not for purposes of benefit accrual.

7.6.3 *BHLB 401(k) Plan Participation.* Each Current CBT Employee shall be eligible to participate in BHLB's 401(k) plan on the day after the Benefit Plan Determination Date for the CBT 401(k) Plans. All rights to participate in BHLB's 401(k) Plan are subject to BHLB's right to amend or terminate BHLB's 401(k) plan in its sole and absolute discretion and are subject to the terms of BHLB's 401(k) plan including, but not limited to, the eligibility and vesting provisions of such plan.

7.6.4 *Welfare Benefits.* Each Current CBT Employee who remains employed on the Benefit Plan Determination Date shall be eligible to participate in group hospitalization, medical, dental, life, disability and other welfare benefit plans and programs available to similarly-situated employees of BHLB, subject to the terms of such plans and programs, and subject to complying with eligibility requirements of the respective plans and programs. With respect to any welfare benefit plan or program of CBT that BHLB determines, in its sole and absolute discretion, provides benefits of the same type or class as a corresponding plan or program maintained by BHLB, BHLB shall, unless materially financially burdensome or resulting in an excise tax payable by BHLB under Code Section 4980D, continue such CBT plan or program in effect for the benefit of the Current CBT Employees until the later of the open enrollment period with respect to the year following the year in which the Merger occurs or each Current CBT Employee becomes eligible to become participants in the corresponding benefit plan or program maintained by BHLB (and, with respect to any such plan or program, subject to complying with eligibility requirements and subject to the right of BHLB to terminate or amend such plan or program) so that each Current CBT Employee employed by BHLB has no gap in coverage under any hospitalization, medical, dental, life, disability or other welfare plan or program. For purposes of all employee welfare benefit plans, programs and agreements maintained by or contributed to by BHLB, BHLB shall treat, and in the case of an insured plan, shall cause the providers of each such plan, program or arrangement to treat the service with CBT prior to the Closing Date of any Current CBT Employee (to the same extent such service is recognized under analogous plans, programs or arrangements of CBT prior to the Closing) as service rendered to BHLB for all purposes; provided, however, that such crediting of service shall not operate to duplicate any benefit or the funding of such benefit available to any Current CBT Employee. Persons who were employed by CBT or any Affiliate and who were entitled to continue health coverage under COBRA or any similar state law shall continue to be entitled to COBRA coverage and coverage under similar state law under the CBT Benefit Plans that are health plans and, in the event of a termination of such plans, BHLB shall continue to provide COBRA coverage.

7.6.5 *Paid Time Off Programs.* BHLB will give each Current CBT Employee credit, for purposes of BHLB's vacation and/or other paid leave benefit programs, for such Current CBT Employees' accrued and unpaid vacation and/or paid leave balance with CBT as of the Closing Date.

7.6.6 *BHLB to Honor Agreements.* Subject to any required regulatory approval and any limitation imposed by the U.S. Department of Treasury Troubled Asset Relief Program, Capital Purchase Program or satisfaction of a condition in any Regulatory Approval, BHLB agrees to honor all employment agreements, change in control agreements, severance agreements, deferred compensation agreements and consulting agreements that CBT has with its current and former employees and which have been identified in CBT Disclosure Schedule 4.9.1, except to the extent any such agreements shall be superseded or terminated at the Closing Date or following the Closing Date with the written consent of the affected parties. CBT shall, prior to the Effective Time, obtain from each of the individuals named in CBT Disclosure Schedule 4.9.1 an agreement, in the form of Exhibit B hereto, setting forth the method in which his or her rights under the specified programs will be settled (the amount of each such payment to be limited to the amounts specified in CBT Disclosure Schedule 7.6.6 and a general release in the event such individuals are entitled to payment or benefits (each, a "**Settlement Agreement**"). Notwithstanding anything contained in the agreements set forth on CBT Disclosure Schedules 4.9.1 or 7.6.6 or in this Agreement, no payment shall be made under any employment, deferred compensation, change of control, severance contract, stock option plan or plan that would constitute a "parachute payment" (as such term is defined in Section 280G of the Code), and to the extent any such payment would constitute a "parachute payment," the payment will be reduced to \$1.00 less than the amount that would be considered a "parachute payment."

Except for the agreements described in the preceding sentences of this Section 7.6.6 and except as otherwise provided in this Agreement, subject to and following the occurrence of the Effective Time, the CBT Benefit Plans shall, in the sole and absolute discretion of BHLB, be frozen, terminated or merged into comparable plans of BHLB, effective at such time as BHLB shall determine in its sole and absolute discretion.

7.6.7 *No Guarantee of Employment.* Except to the extent of commitments herein or other contractual commitments, if any, specifically made or assumed by BHLB hereunder or by operation of law, BHLB shall have no obligation arising from and after the Closing Date to continue in its employ or in any specific job or to provide to any specified level of compensation or any incentive payments, benefits or perquisites to any Person who is an employee of CBT as of the Closing Date. Each Person who is an employee of CBT as of the Closing Date and who is terminated by BHLB for a reason other than cause within twelve (12) months subsequent to the Closing Date or is not offered employment with BHLB as of the Effective Time or resigns for good reason, excluding those employees who are entitled to benefits under employment arrangements, shall be entitled to severance benefits pursuant to BHLB's current severance plan or policy or CBT's current severance plan or policy, if such payments would be more favorable to such Person; *provided, however*, if such benefits pursuant to CBT's plan or policy will result in an excise tax under Code Section 4980D, such plan or policy shall be modified to the extent necessary so as to avoid the imposition of such excise tax.

7.6.8 *Directors Deferred Compensation Plan.* Subject to any required regulatory approval and any limitation imposed by the U.S. Department of Treasury Troubled Asset Relief Program, Capital Purchase Program or satisfaction of a condition in any Regulatory Approval, immediately on or prior to the Effective Time, CBT shall, in cooperation with BHLB, subject to the occurrence of the Effective Time, terminate The Connecticut Bank and Trust Company Non-Qualified Deferred Compensation Plan for Non-Employee Directors and the amounts due thereunder shall be paid in a lump sum to the participants therein, on or prior to the Effective Time in accordance with Section 409A of the Code. Prior to the Effective Time, CBT shall take such actions as necessary to give effect to the transaction contemplated by this Section 7.6.8, including, without limitation, the provision of any notices or release agreements and the adoption of any necessary amendments to such plans.

7.6.9 *David A. Lentini.* BHLB will offer David A. Lentini an executive regional leadership position with Berkshire Bank on the terms set forth in BHLB Disclosure Schedule 7.6.9.

7.6.10 *401(k) Plan.* If requested by BHLB in writing prior to the Effective Time, and subject to the occurrence of the Effective Time, CBT shall cause to be adopted prior to the Closing Date resolutions of the Board of Directors of CBT and any necessary amendments to cease all contributions to any and all 401(k) plans maintained or sponsored by CBT or any of its Subsidiaries (collectively, the "**401(k) Plans**"), and to prohibit the entry of new participants to the 401(k) Plans as of the day preceding the Closing Date. In the sole discretion of BHLB, the 401(k) Plans may be merged into the BHLB 401(k) Plan. The form and substance of such resolutions and any necessary amendments shall be subject to the review and approval of BHLB, which shall not be unreasonably withheld. CBT shall deliver to BHLB an executed copy of such resolutions and any necessary amendments as soon as practicable following their adoption by the Board of Directors of CBT and shall fully comply with such resolutions and any necessary amendments. If, in accordance with this Section 7.6.10, BHLB requests in writing that CBT freeze entry of new participants into the 401(k) Plans, CBT shall take such actions as BHLB may reasonably require in furtherance of the assumption of the 401(k) Plans by BHLB, including, but not limited to, adopting such amendments to the 401(k) Plans as may be necessary to effect such assumption.

7.7 *Directors and Officers Indemnification and Insurance.*

7.7.1 Prior to the Effective Time, BHLB shall obtain and fully pay the premium for the extension of (i) the Side A coverage part (directors' and officers' liability) of CBT's existing directors' and officers' insurance policies, and (ii) CBT's existing fiduciary liability insurance policies, in each case for a claims reporting or discovery period of at least six (6) years from and after the Effective Time, from an insurance carrier with the same or better credit rating as CBT's current insurance carrier with respect to directors' and officers' liability insurance and fiduciary liability insurance (collectively, "**D&O Insurance**" and such insurance carrier, the "**Insurance Carrier**") with terms, conditions, retentions and limits of liability that are at least as favorable as CBT's existing policies with respect to any actual or alleged error, misstatement, misleading statement, act, omission, neglect, breach of duty or any matter claimed against any Person covered thereby that arose, existed, or occurred at or prior to the Effective Time (including in connection with this Agreement or the transactions or actions contemplated hereby); *provided, however*, that in no event shall BHLB be required to expend for such "tail" policy a premium amount in excess of an amount equal to 175% of the annual premiums paid by CBT for D&O Insurance in effect as of the date of this Agreement. In connection with the foregoing, CBT agrees, in order for BHLB to fulfill

its agreement, to provide the Insurance Carrier with such representations as such insurer may request with respect to the reporting of any prior claims.

7.7.2 In addition to Section 7.7.1, BHLB shall, from and after the Effective Date, to the fullest extent that would have been permitted to CBT under the Connecticut Business Corporation Act and the CBT Certificate of Incorporation (to the extent not prohibited by federal law), indemnify, defend and hold harmless each Person who is now, or who has been at any time before the date hereof or who becomes before the Effective Time, an officer or director of CBT (the “**Indemnified Parties**”) against all losses, claims, damages, costs, expenses (including attorneys’ fees), liabilities or judgments or amounts that are paid in settlement (which settlement shall require the prior written consent of BHLB, which consent shall not be unreasonably withheld, conditioned or delayed) of or in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, or administrative (each, a “**Claim**”) in which an Indemnified Party is or is threatened to be made a party or witness in whole or in part or arising in whole or in part out of the fact that such Person is or was an Indemnified Party if such Claim pertains to any matter of fact arising, existing, or occurring before the Effective Time (including, without limitation, the Merger and the other transactions contemplated hereby), regardless of whether such Claim is asserted or claimed before, or after, the Effective Time. Any Indemnified Party wishing to claim indemnification under this Section 7.7.2 upon learning of any Claim, shall notify BHLB (but the failure so to notify BHLB shall not relieve it from any liability which it may have under this Section 7.7.2, except to the extent such failure materially prejudices BHLB). In the event of any such Claim (whether arising before or after the Effective Time) (1) BHLB shall have the right to assume the defense thereof (in which event the Indemnified Parties will cooperate in the defense of any such matter) and upon such assumption BHLB shall not be liable to any Indemnified Party for any legal expenses of other counsel or any other expenses subsequently incurred by any Indemnified Party in connection with the defense thereof, except that if BHLB elects not to assume such defense, or counsel for the Indemnified Parties reasonably advises the Indemnified Parties that there are or may be (whether or not any have yet actually arisen) issues which raise conflicts of interest between BHLB and the Indemnified Parties, the Indemnified Parties may retain counsel reasonably satisfactory to them, and BHLB shall pay the reasonable fees and expenses of such counsel for the Indemnified Parties, (2) except to the extent otherwise required due to conflicts of interest, BHLB shall be obligated pursuant to this paragraph to pay for only one (1) firm of counsel for all Indemnified Parties unless there is a conflict of interest that necessitates more than one law firm, and (3) BHLB shall not be liable for any settlement effected without its prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed).

7.7.3 In the event that either BHLB or any of its successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving company or entity of such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in each such case, proper provision shall be made so that the successors and assigns of BHLB shall assume the obligations set forth in this Section 7.7.

7.7.4 The obligations of BHLB provided under this Section 7.7 are intended to be enforceable against BHLB directly by the Indemnified Parties and shall be binding on all respective successors and permitted assigns of BHLB.

7.8 *Stock Listing.*

BHLB agrees to file a notification form for the listing on the NASDAQ Stock Market (or such other national securities exchange on which the shares of BHLB Common Stock shall be listed as of the Closing Date) of the shares of BHLB Common Stock to be issued in the Merger.

7.9 *Reservation of Stock.*

BHLB agrees at all times from the date of this Agreement until the Merger Consideration has been paid in full to reserve a sufficient number of shares of BHLB Common Stock to fulfill its obligations under this Agreement.

7.10 *Communications to CBT Employees; Training*

BHLB, Berkshire Bank and CBT agree that as promptly as practicable following the execution of this Agreement, meetings with employees of CBT shall be held at such locations as BHLB and CBT shall mutually agree, provided that representatives of CBT shall be permitted to attend such meetings. BHLB, Berkshire Bank and CBT shall mutually agree in advance as to the scope and content of all communications to the employees of CBT. At mutually agreed upon times following execution of this Agreement, representatives of BHLB and Berkshire Bank shall be permitted to meet with the employees of CBT to discuss employment opportunities with BHLB and Berkshire Bank, provided that representatives of CBT shall be permitted to attend any such meeting. From and after the first date on which all Regulatory Approvals (and waivers, if applicable) and the CBT Shareholder Approval and the shareholders of BHLB necessary for the consummation of the Merger (disregarding any waiting period) have been obtained, BHLB shall also be permitted to conduct training sessions outside of normal business hours or at other times as CBT may agree, with the employees of CBT and may conduct such training seminars at any branch location of CBT; provided that BHLB will in good faith attempt to schedule such training sessions in a manner which does not unreasonably interfere with CBT's normal business operations.

7.11 *Current Information.*

During the period from the date of this Agreement to the Effective Time, BHLB will cause one or more of its representatives to confer with representatives of CBT to inform CBT regarding BHLB's operations at such times as CBT may reasonably request. BHLB will promptly notify CBT of any change in the ordinary course of its business or in the operation of its properties and, to the extent permitted by applicable law, of any governmental complaints, investigations or hearings (or communications indicating that the same may be contemplated), or the institution or the threat of material litigation involving BHLB or any BHLB Subsidiary.

ARTICLE VIII
REGULATORY AND OTHER MATTERS

8.1 *Meeting of Shareholders.*

CBT will (i) take all steps necessary to duly call, give notice of, convene and hold a special meeting of its shareholders as promptly as practicable after the Merger Registration Statement is declared effective by the SEC, for the purpose of considering this Agreement and the Merger (the "**CBT Shareholders Meeting**"), except as otherwise provided in this section, (ii) in connection with the solicitation of proxies with respect to the CBT Shareholders Meeting, have its Board of Directors recommend approval of this Agreement to the CBT shareholders; and (iii) cooperate and consult with BHLB with respect to each of the foregoing matters. The Board of Directors of CBT may fail to make such a recommendation referred to in clause (ii) above, or withdraw, modify or change any such recommendation only if such Board of Directors, after having consulted with and considered the advice of its financial and legal advisors, has determined that the making of such recommendation, or the failure to withdraw, modify or change its recommendation, would constitute a breach of the fiduciary duties of such directors under applicable law.

8.2 *Proxy Statement-Prospectus; Merger Registration Statement.*

8.2.1 For the purposes (i) of registering BHLB Common Stock to be offered to holders of CBT Common Stock in connection with the Merger with the SEC under the Securities Act and (ii) of holding the CBT Shareholders Meeting, BHLB shall draft and prepare, and CBT shall cooperate in the preparation of, the Merger Registration Statement, including a proxy statement and prospectus satisfying all applicable requirements of applicable state securities and banking laws, and of the Securities Act and the Exchange Act, and the rules and regulations thereunder (such proxy statement/prospectus in the form mailed by CBT to the CBT shareholders, together with any and all amendments or supplements thereto, being herein referred to as the "**Proxy Statement-Prospectus**"). BHLB shall provide CBT and its counsel with appropriate opportunity to review and comment on the Proxy Statement-Prospectus, and shall incorporate all appropriate comments thereto, prior to the time it is initially filed with the SEC or any amendments are filed with the SEC. BHLB shall file the Merger Registration Statement, including the Proxy Statement-Prospectus, with the SEC. Each of BHLB and CBT shall use its

reasonable best efforts to have the Merger Registration Statement declared effective under the Securities Act as promptly as practicable after such filing, and CBT shall thereafter promptly mail the Proxy Statement-Prospectus to its shareholders. BHLB shall also use its reasonable best 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 CBT shall furnish all information concerning CBT and the holders of CBT Common Stock as may be reasonably requested in connection with any such action.

8.2.2 BHLB shall, as soon as practicable, file the Merger Registration Statement with the SEC under the Securities Act in connection with the transactions contemplated by this Agreement. BHLB will advise CBT promptly after BHLB receives notice of the time when the Merger Registration Statement has become effective or any supplement or amendment has been filed, of the issuance of any stop order or the suspension of the registration of the shares of BHLB Common Stock issuable pursuant to the Merger Registration Statement, or the initiation or threat of any proceeding for any such purpose, or of any request by the SEC for the amendment or supplement of the Merger Registration Statement, or for additional information, and BHLB will provide CBT with as many copies of such Merger Registration Statement and all amendments thereto promptly upon the filing thereof as CBT may reasonably request.

8.2.3 CBT and BHLB shall promptly notify the other party if at any time it becomes aware that the Proxy Statement-Prospectus or the Merger Registration Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading. In such event, CBT shall cooperate with BHLB in the preparation of a supplement or amendment to such Proxy Statement-Prospectus that corrects such misstatement or omission, and BHLB shall file an amended Merger Registration Statement with the SEC, and CBT shall mail an amended Proxy Statement-Prospectus to its shareholders.

8.3 *Regulatory Approvals.*

Each of CBT and BHLB will cooperate with the other and use reasonable efforts to promptly prepare and as soon as practicable following the date hereof, file all necessary documentation to obtain all necessary permits, consents, waivers, approvals and authorizations of the Treasury Department, MDOB, CDOB, the FDIC, the FRB and any other third parties and Governmental Entities or Bank Regulators necessary to consummate the transactions contemplated by this Agreement. CBT and BHLB will furnish each other and each other’s counsel with all information concerning themselves, their Subsidiaries, directors, officers and shareholders and such other matters as may be necessary or advisable in connection with any application, petition or other statement made by or on behalf of CBT, BHLB or Berkshire Bank to any Bank Regulator or Governmental Entity in connection with the Merger and the other transactions contemplated by this Agreement. CBT shall have the right to review and approve in advance all characterizations of the information relating to CBT which appear in any filing made in connection with the transactions contemplated by this Agreement with any Governmental Entity. In addition, CBT and BHLB shall each furnish to the other for review a copy of each such filing made in connection with the transactions contemplated by this Agreement with any Governmental Entity prior to its filing. Each of CBT, Berkshire Bank and BHLB will cooperate with each other and use their reasonable best efforts to address any conditions in any regulatory approval to allow for the consummation of the transactions contemplated by this Agreement; *provided, however*, BHLB and Berkshire Bank shall not be required to comply with any such condition that would result in a Material Adverse Effect on BHLB, Berkshire Bank or CBT.

8.4 *Preferred Stock Held by Treasury Department.*

CBT and BHLB each shall use its reasonable best efforts to cause or facilitate, at the discretion of BHLB, (a) the purchase by BHLB or one of its subsidiaries or (b) the repurchase or redemption by CBT of all of the issued and outstanding shares of CBT Series A Preferred Stock and, at the election of BHLB, the CBT Warrant from the Treasury Department prior to or concurrently with the Effective Time of the Merger. BHLB will fund the redemption of all of the CBT Series A Preferred Stock from the Treasury Department. The method of funding of such purchase or redemption shall be mutually agreed to by BHLB and CBT, subject to any formal or informal Treasury Department requirements. In furtherance of the foregoing, CBT shall provide, and shall cause its Subsidiaries and the CBT Representatives to provide, all reasonable cooperation and take all reasonable actions as may be requested by BHLB in connection with such redemption, including by (i) furnishing all information

concerning CBT that BHLB or any applicable Governmental Entity may request in connection with such redemption.

ARTICLE IX CLOSING CONDITIONS

9.1 *Conditions to Each Party's Obligations under this Agreement.*

The respective obligations of each party under this Agreement shall be subject to the fulfillment at or prior to the Closing Date of the following conditions, none of which may be waived:

9.1.1 *Shareholder Approval.* This Agreement and each transaction contemplated hereby requiring stockholder approval shall have been approved and adopted by the requisite votes of the shareholders of CBT.

9.1.2 *Injunctions.* None of the parties hereto shall be subject to any order, decree or injunction of a court or agency of competent jurisdiction, and no statute, rule or regulation shall have been enacted, entered, promulgated, interpreted, applied or enforced by any Governmental Entity or Bank Regulator, that enjoins or prohibits the consummation of the transactions contemplated by this Agreement.

9.1.3 *Regulatory Approvals.* All Regulatory Approvals required to complete the Merger shall have been obtained and shall remain in full force and effect and all waiting periods relating thereto shall have expired.

9.1.4 *Effectiveness of Merger Registration Statement.* The Merger Registration Statement shall have become effective under the Securities Act and no stop order suspending the effectiveness of the Merger Registration Statement shall have been issued, and no proceedings for that purpose shall have been initiated or threatened by the SEC and, if the offer and sale of BHLB Common Stock in the Merger is subject to the state securities or "blue sky" laws of any state, shall not be subject to a stop order of any state securities commissioner.

9.1.5 *NASDAQ Listing.* BHLB shall have filed a notification form for the listing of the BHLB Common Stock to be issued in the Merger if required under NASDAQ rules.

9.2 *Conditions to the Obligations of BHLB under this Agreement.*

The obligations of BHLB under this Agreement shall be further subject to the satisfaction of the conditions set forth in Sections 9.2.1 through 9.2.8 at or prior to the Closing Date:

9.2.1 *Representations and Warranties.* Each of the representations and warranties of CBT set forth in this Agreement shall be true and correct as of the date of this Agreement and upon the Effective Time with the same effect as though all such representations and warranties had been made at the Effective Time (except to the extent such representations and warranties speak as of an earlier date, which only need be true and correct as of such earlier date), in any case subject to the standard set forth in Section 4.1; and CBT shall have delivered to BHLB a certificate to such effect signed by the Chief Executive Officer and the Chief Financial Officer of CBT as of the Effective Time.

9.2.2 *Agreements and Covenants.* CBT shall have performed in all material respects all obligations and complied in all material respects with all agreements or covenants to be performed or complied with at or prior to the Effective Time, and BHLB shall have received a certificate signed on behalf of CBT by the Chief Executive Officer and Chief Financial Officer of CBT to such effect dated as of the Effective Time.

9.2.3 *Permits, Authorizations, Etc.* CBT shall have obtained any and all permits, authorizations, consents, waivers, clearances or approvals required for the lawful consummation of the Merger, the failure of which to obtain would have a Material Adverse Effect on either CBT or BHLB.

9.2.4 *No Material Adverse Effect.* There shall have been no changes, other than changes contemplated by this Agreement, in the business, operations, condition (financial or otherwise), assets or liabilities of CBT (regardless of whether or not such events or changes are inconsistent with the representations and warranties given herein) that individually or in the aggregate has had or reasonably would be expected to have a Material Adverse Effect on CBT.

9.2.5 *Tax Opinion.* BHLB shall have received an opinion of Luse Gorman Pomerenk & Schick, P.C., counsel to BHLB, dated the Closing Date, to the effect that the Merger, together with the TARP Purchase, constitutes a reorganization under Section 368(a) of the IRC. In rendering its opinion, such counsel may require and rely upon customary representations contained in certificates of officers of BHLB, CBT and their respective Subsidiaries, reasonably satisfactory in form and substance to such counsel.

9.2.6 *Regulatory Conditions.* No Regulatory Approval required for the consummation of the Merger shall include any condition or requirement that would result in a Material Adverse Effect on BHLB or CBT, and their Subsidiaries.

9.2.7 *Limitation on Dissenters' Rights.* As of the Closing Date, the holders of no more than 5% of the CBT Common Stock that is issued and outstanding shall have taken the actions required by applicable law to qualify their CBT Common Stock as Dissenters' Shares.

9.2.8 *CBT Series A Preferred Stock Redemption.* All shares of CBT Series A Preferred Stock shall have been irrevocably redeemed by the Treasury Department prior to the Closing Date.

9.3 *Conditions to the Obligations of CBT under this Agreement.*

The obligations of CBT under this Agreement shall be further subject to the satisfaction of the conditions set forth in Sections 9.3.1 through 9.3.5 at or prior to the Closing Date:

9.3.1 *Representations and Warranties.* Each of the representations and warranties of BHLB and Berkshire Bank set forth in this Agreement shall be true and correct as of the date of this Agreement and upon the Effective Time with the same effect as though all such representations and warranties had been made at the Effective Time (except to the extent such representations and warranties speak as of an earlier date, which only need be true and correct as of such earlier date), in any case subject to the standard set forth in Section 5.1; and BHLB shall have delivered to CBT a certificate to such effect signed by the Chief Executive Officer and Chief Financial Officer of BHLB as of the Effective Time.

9.3.2 *Agreements and Covenants.* BHLB and Berkshire Bank shall have performed in all material respects all obligations and complied in all material respects with all agreements or covenants to be performed or complied with by each of them at or prior to the Effective Time, and CBT shall have received a certificate signed on behalf of BHLB by the Chief Executive Officer and Chief Financial Officer of BHLB to such effect dated as of the Effective Time.

9.3.3 *Permits, Authorizations, Etc.* BHLB and Berkshire Bank shall have obtained any and all permits, authorizations, consents, waivers, clearances or approvals required for the lawful consummation of the Merger, the failure of which to obtain would have a Material Adverse Effect on BHLB and Berkshire Bank, taken as a whole.

9.3.4 *No Material Adverse Effect.* There shall have been no changes, other than changes contemplated by this Agreement, in the business, operations, condition (financial or otherwise), assets or liabilities of BHLB and the BHLB Subsidiaries (regardless of whether or not such events or changes are inconsistent with the representations and warranties given herein) that individually or in the aggregate has had or reasonably would be expected to have a Material Adverse Effect on BHLB.

9.3.5 *Tax Opinion.* CBT shall have received an opinion of Day Pitney LLP, special counsel to CBT, dated the Closing Date, to the effect that the Merger, together with the TARP Purchase, constitutes a

reorganization under Section 368(a) of the IRC. In rendering its opinion, such counsel may require and rely upon customary representations contained in certificates of officers of BHLB, CBT and their respective Subsidiaries, reasonably satisfactory in form and substance to such counsel.

ARTICLE X
[RESERVED]

ARTICLE XI
TERMINATION, AMENDMENT AND WAIVER

11.1 *Termination.*

This Agreement may be terminated at any time prior to the Closing Date, whether before or after approval of the Merger by the shareholders of and CBT (except as otherwise indicated below):

11.1.1 At any time by the mutual written agreement of BHLB, Berkshire Bank and CBT;

11.1.2 By either party (provided, that the terminating party is not then in breach of any representation, warranty, covenant or other agreement contained herein) if there shall have been a breach of any of the representations or warranties set forth in this Agreement on the part of the other party, which breach by its nature cannot be cured prior to the Closing Date or shall not have been cured within thirty (30) days after written notice of such breach by the terminating party to the other party, conditioned upon the defaulting party promptly commencing to cure the default and thereafter continuing to cure the default; provided, however, that neither party shall have the right to terminate this Agreement pursuant to this Section 11.1.2 unless the breach of representation or warranty, together with all other such breaches, would entitle the terminating party not to consummate the transactions contemplated hereby under Section 9.2.1 (in the case of a breach of a representation or warranty by CBT) or Section 9.3.1 (in the case of a breach of a representation or warranty by BHLB or Berkshire Bank);

11.1.3 By either party (provided, that the terminating party is not then in breach of any representation, warranty, covenant or other agreement contained herein) if there shall have been a failure to perform or comply with any of the covenants or agreements set forth in this Agreement on the part of the other party or its Subsidiaries, which failure by its nature cannot be cured prior to the Closing Date or shall not have been cured within thirty (30) days after written notice of such failure by the terminating party to the other party, conditioned upon the defaulting party promptly commencing to cure the default and thereafter continuing to cure; provided, however, that neither party shall have the right to terminate this Agreement pursuant to this Section 11.1.3 unless the breach of covenant or agreement, together with all other such breaches, would entitle the terminating party not to consummate the transactions contemplated hereby under Section 9.2.2 (in the case of a breach of covenant by CBT) or Section 9.3.2 (in the case of a breach of covenant by BHLB or Berkshire Bank);

11.1.4 At the election of either party, if the Closing shall not have occurred by the Termination Date, or such later date as shall have been agreed to in writing by BHLB and CBT; provided, that no party may terminate this Agreement pursuant to this Section 11.1.4 if the failure of the Closing to have occurred on or before said date was due to such party's material breach of any representation, warranty, covenant or other agreement contained in this Agreement;

11.1.5 By either party, if the shareholders of CBT shall have voted at the CBT Shareholders' Meeting on the transactions contemplated by this Agreement and such vote shall not have been sufficient to approve and adopt such transactions.

11.1.6 By either party if (i) final action has been taken by a Bank Regulator whose approval is required in order to satisfy the conditions to the parties' obligations to consummate the transactions contemplated hereby as set forth in Article IX, which final action (x) has become unappealable and (y) does not approve this Agreement or the transactions contemplated hereby, (ii) any court of competent jurisdiction or other Governmental

Entity shall have issued an order, decree, ruling or taken any other action restraining, enjoining or otherwise prohibiting the Merger and such order, decree, ruling or other action shall have become final and unappealable;

11.1.7 By the Board of Directors of BHLB and Berkshire Bank if each of the following conditions are satisfied: (i) CBT has received a Superior Proposal and the Board of Directors of CBT has entered into an acquisition agreement with respect to the Superior Proposal, withdrawn its recommendation of this Agreement, has failed to make such recommendation, or has modified or qualified its recommendation in a manner adverse to BHLB, (ii) either (x) the Board of Directors of CBT submits this Agreement to its stockholders without a recommendation for approval or (y) the Board of Directors of CBT withdraws, qualifies or adversely modifies (or publicly proposes or resolves to withdraw, qualify or adversely modify) its recommendation of this Agreement to the CBT stockholders, and (iii) the CBT stockholders do not approve this Agreement.

11.1.8 By the Board of Directors of CBT if CBT has received a Superior Proposal and the Board of Directors of CBT has made a determination to accept such Superior Proposal; provided that CBT shall not terminate this Agreement pursuant to this Section 11.1.8 and enter into a definitive agreement with respect to the Superior Proposal until the expiration of three (3) Business Days following BHLB's receipt of written notice advising BHLB that CBT has received a Superior Proposal, specifying the material terms and conditions of such Superior Proposal (and including a copy thereof with all accompanying documentation, if in writing) identifying the Person making the Superior Proposal and stating whether CBT intends to enter into a definitive agreement with respect to the Superior Proposal (a "**Notice of Superior Proposal**"). After providing such Notice of Superior Proposal, CBT shall provide a reasonable opportunity to BHLB during the three (3)-day period to make such adjustments in the terms and conditions of this Agreement as would enable CBT to proceed with the Merger on such adjusted terms. Any material amendment of such Superior Proposal shall require a new Notice of Superior Proposal and CBT shall be required to comply again with the requirements of this Section 11.1.8; *provided, however*, that references to the three (3) Business Day period above shall be deemed to be references to a two (2) Business Day period.

11.1.9 By CBT, if the Board of Directors of CBT so determines by a majority vote of the members of the entire Board of Directors of CBT, at any time during the five-day period commencing on the Determination Date, such termination to be effective on the 30th day following such Determination Date, if and only if both of the following conditions are satisfied:

- (1) The BHLB Market Value is less than 80% of the Initial BHLB Market Value; and
- (2) the number obtained by dividing the BHLB Market Value by the Initial BHLB Market Value shall be less than the number obtained by dividing (x) the Final Index Price by (y) the Initial Index Price, minus 0.20;

subject, however, to the following three sentences.

If CBT elects to exercise its termination right pursuant to this Section 11.1.9, it shall give prompt written notice thereof to BHLB. During the five Business Day period commencing with its receipt of such notice, BHLB shall have the option of paying additional Merger Consideration by increasing the Exchange Ratio to equal the number obtained by dividing the product of the Exchange Ratio (as then in effect) and the Initial BHLB Market Value by the greater of (i) the number obtained by dividing the BHLB Market Value by 0.8 and (ii) the number obtained by dividing (x) the BHLB Market Value by (y) the Index Ratio minus 0.20. If within such five Business Day period, BHLB delivers written notice to CBT that it intends to proceed with the Merger by paying such additional consideration as contemplated by the preceding sentence, then no termination shall have occurred pursuant to this Section 11.1.9, and this Agreement shall remain in full force and effect in accordance with its terms (except that the Exchange Ratio shall have been so modified and, thereafter, any reference in this Agreement to "Stock Consideration" shall be deemed to refer to the Stock Consideration reflecting the Exchange Ratio as modified pursuant to this Section 11.1.9).

For purposes of this Section 11.1.9, the following terms shall have the meanings indicated below:

"BHLB Market Value" shall be the average of the daily closing sales prices of a share of BHLB Common

Stock as reported on the NASDAQ for the ten consecutive trading days immediately preceding the Determination Date.

“Determination Date” means the later of the date that CBT shareholder approval of the Agreement has been obtained or the first date on which all Requisite Regulatory Approvals (and waivers, if applicable) necessary for consummation of the Merger have been received (disregarding any waiting period).

“Index” means the Nasdaq Bank Index.

“Index Ratio” means the Final Index Price divided by the Initial Index Price.

“Initial BHLB Market Value” means the average of the daily closing sales prices of a share of BHLB Common Stock as reported on the NASDAQ for the ten consecutive trading days immediately preceding the date of the Agreement.

“Initial Index Price” means the average of the daily closing prices of the Index for the ten consecutive trading days immediately preceding the date of this Agreement.

“Final Index Price” means the average of the daily closing prices of the Index for the ten consecutive trading days immediately preceding the Determination Date.

If any company belonging to the Index declares or effects a stock dividend, reclassification, recapitalization, split-up, combination, exchange of shares or similar transaction between the date of this Agreement and the Determination Date, the prices for the common stock of such company shall be appropriately adjusted for the purposes of applying this Section 11.1.9. If a company belonging to the Index announces a sale between the date of this Agreement and the Determination Date, such company shall be removed from the Index and the relative weighting of the companies remaining in the Index shall be appropriately adjusted.

11.2 *Effect of Termination.*

11.2.1 In the event of termination of this Agreement pursuant to any provision of Section 11.1, this Agreement shall forthwith become void and have no further force, except that (i) the provisions of Sections 11.2, 12.1, 12.2, 12.3, 12.4, 12.5, 12.6, 12.8, 12.9, 12.10, 12.11, and any other section which, by its terms, relates to post-termination rights or obligations, shall survive such termination of this Agreement and remain in full force and effect.

11.2.2 If this Agreement is terminated, expenses and damages of the parties hereto shall be determined as follows:

(A) Except as provided below, whether or not the Merger is consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated by this Agreement shall be paid by the party incurring such expenses.

(B) In the event of a termination of this Agreement because of a breach of any representation, warranty, covenant or agreement contained in this Agreement, the breaching party shall remain liable for any and all damages, costs and expenses, including all reasonable attorneys’ fees, sustained or incurred by the non-breaching party as a result thereof or in connection therewith or with respect to the enforcement of its rights hereunder.

(C) As used in this Agreement, **“Termination Fee”** shall mean an amount equal to \$1,440,000. As a condition of BHLB’s willingness, and in order to induce BHLB to enter into this Agreement, and to reimburse BHLB for incurring the costs and expenses related to entering into this Agreement and consummating the transactions contemplated by this Agreement, CBT hereby agrees to pay BHLB, and BHLB shall be entitled to payment of, the Termination Fee by wire transfer of same day funds on the earlier of (x) the date of termination or, if such date is not a Business Day, on the next following Business Day or (y) within three (3) Business Days after

written demand for payment is made by BHLB, as applicable, following the occurrence of any of the events set forth below:

(i) CBT terminates this Agreement pursuant to Section 11.1.8 or BHLB terminates this Agreement pursuant to Section 11.1.7; or

(ii) The entering into a definitive agreement by CBT relating to an Acquisition Proposal or the consummation of an Acquisition Proposal involving CBT within one (1) year after the occurrence of any of the following: (i) the termination of this Agreement by BHLB pursuant to Section 11.1.2 or 11.1.3 because of a breach by CBT after the occurrence of a bona fide Acquisition Proposal has been publicly announced or otherwise made known to the senior management or board of directors of CBT; or (ii) the termination of this Agreement by BHLB or CBT pursuant to Section 11.1.5 because of the failure of the shareholders of CBT to approve this Agreement at the CBT Shareholders Meeting after the occurrence of an Acquisition Proposal has been publicly announced or otherwise made known to the shareholders of CBT provided, however, that for the purpose of this clause (ii), all references in the definition of Acquisition Proposal to “25% or more” shall instead refer to “40% or more.”

(D) CBT and BHLB acknowledge that the agreements contained in this Section 11.2.2 are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, neither party would enter into this Agreement. The amounts payable by CBT pursuant to this Section 11.2.2 constitute liquidated damages and not a penalty and shall be the sole and exclusive monetary remedy of such party in the event of termination of this Agreement on the bases specified in such section.

11.3 *Amendment, Extension and Waiver.*

Subject to applicable law, at any time prior to the Effective Time (whether before or after approval thereof by the shareholders of CBT or BHLB), the parties hereto by action of their respective Boards of Directors, may (a) amend this Agreement, (b) extend the time for the performance of any of the obligations or other acts of any other party hereto, (c) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto, or (d) waive compliance with any of the agreements or conditions contained herein; provided, however, that after any approval of this Agreement and the transactions contemplated hereby by the shareholders of CBT, there may not be, without further approval of such shareholders, any amendment of this Agreement which decreases or increases the amount or value, or changes the form of, the Merger Consideration to be delivered to CBT’s shareholders pursuant to this Agreement. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto. Any agreement on the part of a party hereto to any extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party, but such waiver or failure to insist on strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Any termination of this Agreement pursuant to this Article XI may only be effected upon a vote of a majority of the entire Board of Directors of the terminating party.

ARTICLE XII MISCELLANEOUS

12.1 *Confidentiality.*

Except as specifically set forth herein, BHLB and CBT mutually agree to be bound by the terms of the Confidentiality Agreements, which are hereby incorporated herein by reference, and all information furnished by either party to the other party or its representatives pursuant hereto (including pursuant to Sections 6.2 and 6.3) shall be subject to, and the parties shall hold such information in confidence in accordance with, the provisions of the Confidentiality Agreements. The parties hereto agree that the Confidentiality Agreements shall continue in accordance with its terms, notwithstanding the termination of this Agreement.

12.2 *Public Announcements.*

CBT and BHLB shall cooperate with each other in the development and distribution of all news releases and other public disclosures with respect to this Agreement, and except as may be otherwise required by law, neither CBT nor BHLB shall issue any news release, or other public announcement or communication with respect to this Agreement unless such news release or other public announcement or communication has been mutually agreed upon by the parties hereto.

12.3 *Survival.*

All representations, warranties and covenants in this Agreement or in any instrument delivered pursuant hereto shall expire and be terminated and extinguished at the Effective Time, except for those covenants and agreements contained herein which by their terms apply in whole or in part after the Effective Time.

12.4 *Notices.*

All notices or other communications hereunder shall be in writing and shall be deemed given if delivered by (i) receipted hand delivery, (ii) facsimile with confirmation of transmission, (iii) mailed by prepaid registered or certified mail (return receipt requested), or (iv) by recognized overnight courier addressed as follows:

If to CBT, to:

David A. Lentini
Chief Executive Officer
The Connecticut Bank and Trust Company
58 State House Square
Hartford, Connecticut 06103

With required copies to:

Robert M. Taylor III, Esq.
Day Pitney LLP
242 Trumbull Street
Hartford, Connecticut 06103

If to BHLB and Berkshire Bank, to:

Michael P. Daly
President and Chief Executive Officer
Berkshire Hills Bancorp, Inc.
24 North Street
Pittsfield, Massachusetts 01201

With required copies to:

Wm. Gordon Prescott, Esq.
Vice President and General Counsel
Berkshire Hills Bancorp, Inc.
24 North Street
Pittsfield, Massachusetts 01201

Lawrence Spaccassi, Esq.
Marc Levy, Esq.
Luse Gorman Pomerenk & Schick, P.C.
5335 Wisconsin Avenue, NW
Suite 780
Washington, DC 20015

or such other address as shall be furnished in writing by any party, and any such notice or communication shall be deemed to have been given, as applicable: (i) as of the date delivered by hand, (ii) upon confirmation of transmission, (iii) three (3) Business Days after being delivered to the U.S. mail, postage prepaid, or (iv) one (1) Business Day after being delivered to the overnight courier.

12.5 *Parties in Interest.*

This Agreement and the Voting Agreements shall be binding upon and shall inure to the benefit of the parties hereto or thereto and their respective successors and assigns; provided, however, that neither this Agreement and the Voting Agreements nor any of the rights, interests or obligations hereunder or thereunder shall be assigned by any party hereto without the prior written consent of the other party. Except for Section 7.6.6, 7.6.7, 7.6.8 and 7.7 hereof nothing in this Agreement is intended to confer upon any Person or entity other than the parties hereto any rights or remedies under or by reason of this Agreement.

12.6 *Complete Agreement.*

This Agreement, including the Exhibits and Disclosure Schedules hereto and the documents and other writings referred to herein or therein or delivered pursuant hereto, and the Confidentiality Agreements, contains the entire agreement and understanding of the parties with respect to its subject matter. There are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties other than those expressly set forth herein or therein. This Agreement supersedes all prior agreements and understandings (other than the Confidentiality Agreements) between the parties, both written and oral, with respect to its subject matter.

12.7 *Counterparts.*

This Agreement may be executed in one or more counterparts all of which shall be considered one and the same agreement and each of which shall be deemed an original. A facsimile or other electronic copy of a signature page shall be deemed to be an original signature page.

12.8 *Severability.*

In the event that any one or more provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, by any court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement and the parties shall use their reasonable efforts to substitute a valid, legal and enforceable provision which, insofar as practical, implements the purposes and intents of this Agreement.

12.9 *Governing Law.*

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law.

12.10 *Interpretation.*

When a reference is made in this Agreement to Articles, Sections or Exhibits, such reference shall be to an Article or Section of or Exhibit to this Agreement unless otherwise indicated. The recitals hereto constitute an integral part of this Agreement. References to sections include subsections, which are part of the related Section (e.g., a section numbered "Section 5.5.1" would be part of "Section 5.5" and references to "Section 5.5" would also refer to material contained in the subsection described as "Section 5.5.1"). The table of contents, index and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". The phrases "the date of this Agreement", "the date hereof" and terms of similar import, unless the context otherwise requires, shall be deemed to refer to the date set forth in the Preamble to this Agreement. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this

Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

12.11 *Specific Performance.*

The parties hereto agree that irreparable damage would occur in the event that the provisions contained in this Agreement were not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions, without the posting of bond or other security, 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 party agrees that it will not seek and will agree to waive any requirement for the securing or posting of a bond in connection with the other party's seeking or obtaining such relief.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal by their duly authorized officers as of the date first set forth above.

BERKSHIRE HILLS BANCORP, INC.

/s/ Michael P. Daly

Name: Michael P. Daly

Title: President and Chief Executive Officer

BERKSHIRE BANK

/s/ Michael P. Daly

Name: Michael P. Daly

Title: President and Chief Executive Officer

**THE CONNECTICUT BANK AND TRUST
COMPANY**

/s/ David A. Lentini

Name: David A. Lentini

Title: Chief Executive Officer

NEWS RELEASE



The Connecticut Bank and Trust Company

JOINT NEWS RELEASE

BERKSHIRE HILLS BANCORP TO ACQUIRE

THE CONNECTICUT BANK AND TRUST COMPANY

Pittsfield, MA and Hartford, CT – October 25, 2011. Berkshire Hills Bancorp, Inc. ("Berkshire") (Nasdaq: BHLB), and The Connecticut Bank and Trust Company ("CBT") (Nasdaq: CTBC) announced today that they have signed a definitive merger agreement under which Berkshire will acquire The Connecticut Bank and Trust Company in a transaction valued at approximately \$30 million.

CBT's assets totaled \$283 million at June 30, 2011, and it operates 8 banking offices in the Greater Hartford area. Berkshire is the parent of Berkshire Bank, America's Most Exciting BankSM. Berkshire currently has more than \$4 billion in assets and more than 60 branches serving customers in Massachusetts, New York, and Vermont.

Under the terms of the merger agreement, 70% of the outstanding CBT shares will be exchanged for Berkshire shares at a fixed exchange ratio of 0.3810 Berkshire shares for each share of CBT. The remaining 30% of CBT shares will be exchanged for cash in the amount of \$8.25 per share. The transaction is valued at \$7.90 per CBT share based on Berkshire's average closing stock price of \$20.35 for the ten trading days ended October 21, 2011. This represents a 29% premium to the \$6.13 average CBT share price for the same period. The merger is valued at 138% of CBT's tangible book value per share and a 4% premium to core deposits based on financial information for the period ended June 30, 2011. Additional pro forma information about the merger will be provided in an investor presentation at Berkshire's [investor relations web page](#).

Michael P. Daly, Berkshire's President and Chief Executive Officer, stated, "We are very pleased to attain our longstanding goal of entering the Connecticut marketplace through this merger with CBT. We will now have a total of 20 branches serving the Hartford/Springfield area, the second largest economic area in New England. CBT has built a solid franchise in the Greater Hartford area, and

this combination will provide more lending capacity and product diversity to this market. Like CBT, Berkshire has a local focus and a strong record of community involvement. Based on our demonstrated success in our other regional markets, we are well positioned to build our presence in Hartford.”

Mr. Daly continued, “This merger provides solid financial benefits to the shareowners of both institutions. It is targeted to produce double digit returns and immediate accretion to earnings per share. The stock we are issuing is less than 5% of our total outstanding shares, and we will absorb the impact on tangible book value per share with just a few months of earnings from our total operations. Berkshire combines an above average record of revenue and earnings growth with a solid balance sheet and a dividend yield exceeding 3%. Our third quarter financial results released today reported a 72% increase in core earnings per share compared to the same period of 2010. We have completed two mergers this year and look forward to completing this merger and continuing to build and strengthen our franchise.”

David A. Lentini, CBT’s President and Chief Executive Officer, added “With this merger, we will be able to bring more services and capabilities to our growing customer base. This combination provides a very attractive immediate return to our shareholders and a positive outlook for the long term performance of Berkshire’s stock. Our shareholders will also benefit from the larger and more liquid market for Berkshire shares. As we considered our strategic alternatives, there were compelling reasons for us to enter this partnership. Berkshire has earned a strong reputation for its commercial and personal banking services, and also has solid insurance and wealth management offerings. Berkshire has been a good merger partner with other area banks, and with its current Springfield regional headquarters it is well positioned to combine with our operations. I look forward to working with the Berkshire team to successfully integrate our operations and to accelerate our growth in the Hartford area market, while maintaining the high level of service that customers enjoy at our bank.”

Each CBT shareholder will have the right to elect the form of consideration, subject to proration procedures to maintain the overall 70%/30% mix of stock and cash consideration. The transaction is intended to qualify as a reorganization for federal income tax purposes, and as a result, the shares of CBT common stock exchanged for shares of Berkshire common stock are expected to be transferred on a tax-free basis. The definitive agreement has been unanimously approved by the Boards of Directors of both Berkshire and CBT. Consummation of the agreement is subject to the approval of CBT’s shareholders, as well as state and federal regulatory agencies. The merger is expected to be completed early in the second quarter of 2012.

Jefferies & Company, Inc. served as the financial advisor to Berkshire. Keefe, Bruyette and Woods, Inc. served as the financial advisor to CBT. Luse Gorman Pomerenk & Schick, P.C. served as outside legal counsel to Berkshire, while Day Pitney LLP served as outside legal counsel to CBT.

CONFERENCE CALL

Berkshire will conduct a conference call/webcast at 10:00 A.M. eastern time on Wednesday, October 26, 2011 to discuss the results for the third quarter and guidance about expected future results. Berkshire will also discuss its agreement to acquire The Connecticut Bank and Trust Company. An investor presentation related to this merger will be available at Berkshire's website prior to the conference call. Information about the conference call follows:

Dial-in: 877-317-6789
Webcast: www.berkshirebank.com (investor relations link)

A telephone replay of the call will be available through November 2, 2011 by calling 877-344-7529 and entering conference number: 10004817. The webcast and a podcast will be available at Berkshire's website above for an extended period of time.

BACKGROUND

Berkshire Hills Bancorp is the parent of Berkshire Bank — [America's Most Exciting BankSM](http://www.berkshirebank.com). The Company has more than \$4 billion in assets and 60 branches in Massachusetts, New York, and Vermont. Berkshire Bank provides 100% deposit insurance protection for all deposit accounts, regardless of amount, based on a combination of FDIC insurance and the [Depositors Insurance Fund](http://www.fdic.gov) (DIF). For more information, visit www.berkshirebank.com or call 800-773-5601.

CBT is a full service commercial bank headquartered in Hartford, CT, with 8 branches located in the Greater Hartford area. CBT serves privately-owned business customers and individuals with a focus on customer service and responsiveness.

FORWARD LOOKING STATEMENTS

This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, about the proposed merger of Berkshire and CBT. These statements include statements regarding the anticipated closing date of the transaction and anticipated future results. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words like "believe," "expect," "anticipate," "estimate," and "intend" or future or conditional verbs such as "will," "would," "should," "could" or "may." Certain factors that could cause actual results to differ materially from expected results include delays in completing the merger, difficulties in achieving cost savings from the merger or in achieving such cost savings within the expected time frame, difficulties in integrating Berkshire and CBT, increased competitive pressures, changes in the interest rate environment, changes in general economic conditions, legislative and regulatory changes that adversely affect the business in which Berkshire and CBT are engaged, changes in the securities

markets and other risks and uncertainties disclosed from time to time in documents that Berkshire files with the Securities and Exchange Commission.

ADDITIONAL INFORMATION FOR SHAREHOLDERS

The proposed transaction will be submitted to CBT stockholders for their consideration. Berkshire will file with the SEC a Registration Statement on Form S-4 that will include a Proxy Statement of CBT and a Prospectus of Berkshire, as well as other relevant documents concerning the proposed transaction. Stockholders of CBT are urged to read the Registration Statement and the Proxy Statement/Prospectus when it becomes available and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they will contain important information. You will be able to obtain a free copy of the Registration Statement, Proxy Statement/Prospectus, as well as other filings containing information about Berkshire and CBT at the SEC's Internet site (www.sec.gov) and at CBT's Internet site (www.thecbt.com).

Berkshire and CBT and certain of their directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of CBT in connection with the proposed merger. Information about the directors and executive officers of Berkshire is set forth in the proxy statement, dated March 24, 2011, for Berkshire's 2011 annual meeting of stockholders, as filed with the SEC on Schedule 14A. Information about the directors and executive officers of CBT is set forth in the proxy statement, dated April 18, 2011, for CBT's 2011 annual meeting of stockholders, which is available at CBT's Internet site. Additional information regarding the interests of such participants and other persons who may be deemed participants in the transaction may be obtained by reading the Proxy Statement/Prospectus when it becomes available

NON-GAAP FINANCIAL MEASURES

This news release references non-GAAP financial measures incorporating tangible equity and related measures, as well as core deposits. These measures are commonly used by investors in evaluating business combinations and financial condition. Tangible equity/tangible assets excludes intangible assets from the numerator and denominator. Tangible book value per share excludes intangible assets. Core deposits are total deposits less time deposits over \$100 thousand. References to core earnings exclude non-core merger related expenses.

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Source: Berkshire Hills Bancorp, Inc. Contact: Berkshire Hills Bancorp, Inc., Michael P. Daly, President and Chief Executive Officer, 413-236-3194. CBT, David A. Lentini, President and Chief Executive Officer, 860-748-4250