
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

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): March 24, 2011

Commission File No. 1-14588

NORTHEAST BANCORP

(Exact name of Registrant as specified in its Charter)

Maine
**(State or other jurisdiction
of incorporation)**

01-0425066
**(IRS Employer
Identification Number)**

500 Canal Street
Lewiston, Maine
(Address of principal executive offices)

04240
(Zip Code)

Registrant's telephone number, including area code: (207) 786-3245

Former name or former address, if changed since last Report: N/A

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

- Written communications pursuant to Rule 425 under the Securities Act
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
 - Pre-commencement to communications pursuant to Rule 13e-4(c) under the Exchange Act
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Item 8.01. Other Events.

Acceleration of Stock Appreciation Rights and Grant of Options

On March 24, 2011, the Compensation Committee of Northeast Bancorp (“Northeast”) voted to accelerate the exercisability of the 40,502 stock appreciation rights originally granted to Matthew Botein, a director of Northeast, on December 29, 2010, that were subject to certain time-based restrictions on exercisability (the “Time-Based Stock Appreciation Rights”). The Time-Based Stock Appreciation Rights became immediately exercisable and were exercised by Mr. Botein on March 24, 2011. In addition, on March 24, 2011, Northeast entered into an Amended and Restated Performance-Based Stock Appreciation Rights Agreement with Mr. Botein (the “Amended Agreement”) with respect to the 40,503 stock appreciation rights originally granted to Mr. Botein on December 29, 2010, that are subject to certain performance-based restrictions on exercisability, which per the Amended Agreement will become automatically exercisable (and shall be exercised) for \$0.59 per share (the difference between \$14.52 and \$13.93) in the event that relevant performance thresholds are satisfied. A copy of the Amended Agreement is attached hereto as Exhibit 10.1, the terms of which are incorporated herein by reference.

In connection with the exercise of the 40,502 Time-Based Stock Appreciation Rights and execution of the Amended Agreement, on March 24, 2011, Northeast granted Mr. Botein an option to purchase 81,005 shares of Northeast’s non-voting common stock with an exercise price of \$14.52 per share. 40,502 of the options granted to Mr. Botein (the “Time-Based Option Award”) will become exercisable in five equal annual installments commencing on December 29, 2010, and 40,503 of the options (the “Performance-Based Option Award”) will become exercisable upon the satisfaction of certain performance conditions.

The Time-Based Option Award and the Performance-Based Option Award are evidenced by agreements, copies of which are attached hereto as Exhibit 10.2 and 10.3, respectively, the terms of which are incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Amended and Restated Performance-Based Stock Appreciation Rights Agreement, dated March 24, 2011, by and between Northeast and Matthew Botein*
10.2	Non-Qualified Time-Based Stock Option Agreement, dated March 24, 2011, by and between Northeast and Matthew Botein*
10.3	Non-Qualified Performance-Based Stock Option Agreement, dated March 24, 2011, by and between Northeast and Matthew Botein*

* Filed herewith

SIGNATURE

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

NORTHEAST BANCORP

By: /s/ Richard Wayne
Name: Richard Wayne
Title: Chief Executive Officer

Date: March 30, 2011

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Amended and Restated Performance-Based Stock Appreciation Rights Agreement, dated March 24, 2011, by and between Northeast and Matthew Botein*
10.2	Non-Qualified Time-Based Stock Option Agreement, dated March 24, 2011, by and between Northeast and Matthew Botein*
10.3	Non-Qualified Performance-Based Stock Option Agreement, dated March 24, 2011, by and between Northeast and Matthew Botein*

* Filed herewith

**AMENDED AND RESTATED
PERFORMANCE-BASED STOCK APPRECIATION RIGHTS
AGREEMENT
UNDER NORTHEAST BANCORP
2010 STOCK OPTION AND INCENTIVE PLAN**

Name of Grantee:	<u>Matthew Botein</u>
No. of Stock Appreciation Rights:	<u>40,503</u>
Exercise Price per Share:	<u>\$13.93</u>
Grant Date:	<u>December 29, 2010</u>
Expiration Date:	<u>December 29, 2020</u>

Pursuant to the Northeast Bancorp 2010 Stock Option and Incentive Plan as amended through the date hereof (the "Plan"), Northeast Bancorp (the "Company") hereby grants to the Grantee named above, who is who is a director of or an adviser to the Company, the number of Stock Appreciation Rights ("SARs") specified above. This Agreement, as amended, shall give the Grantee the right on or prior to the Expiration Date specified above to receive cash payments in accordance with Paragraph 2 of this Agreement, subject to the terms and conditions set forth herein and in the Plan.

1. Exercisability Schedule. These SARs shall be deemed vested in full as of the Grant Date; however, no portion of this SARs shall be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder, these SARs shall be automatically exercised only upon satisfaction of the performance goals set forth below.

(a) Performance Conditions. These SARs shall become exercisable and shall automatically be exercised with respect to the number of SARs set forth below upon the first date as of which both of the following conditions have been satisfied: (i) during the Time Period set forth below, the closing price of the Stock exceeds the applicable Hurdle Price for at least 50 of the previous 75 consecutive trading days (such 50th day, the "Determination Date") and (ii) the most recent annual assessment completed prior to the applicable Determination Date (or, if the most recent annual assessment completed prior to such Determination Date fails to satisfy the following condition, the first annual assessment completed after the Determination Date that satisfies such condition) of the Company's internal controls, conducted using criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission, concluded that the Company maintained effective internal control over financial reporting, and, if applicable, the attestation report of the

Company's registered public accounting firm regarding internal controls over financial reporting verified such conclusion.

Incremental No. of SARs	Performance Conditions	
	Time Period	Hurdle Price
13,501	Prior to the 5 th anniversary of the Grant Date	\$ 27.86
	Between the 5 th and 6 th anniversaries of the Grant Date	\$ 31.34
	Between the 6 th and 7 th anniversaries of the Grant Date	\$ 34.83
13,501	Prior to the 6 th anniversary of the Grant Date	\$ 31.34
	Between the 6 th and 7 th anniversaries of the Grant Date	\$ 34.83
13,501	Prior to the 7 th anniversary of the Grant Date	\$ 34.83

(b) Termination of Unexercisable SARs. Any portion of these SARs that is not exercisable as of the seventh anniversary of the Grant Date shall terminate immediately and be of no further force or effect.

(c) Sale Event. Upon a Sale Event, these SARs shall become exercisable and shall automatically be exercised in accordance with the exercisability schedule set forth above to the extent the Sale Price (as defined in Section 1 of the Plan) exceeds the applicable Hurdle Price. Notwithstanding the foregoing, in the event the Sale Event is a stock transaction such that the then-existing investors of the Company have a continuing interest in the acquiring company, the parties will use good faith efforts to provide the same economics to the Grantee with respect to these SARs.

2. Manner of Exercise.

(a) As set forth in Section 1 above, the SARs shall automatically be exercised upon the date such SARs first become exercisable, without any action required on the part of the Grantee. The Grantee shall thereupon receive a cash payment in an amount equal to the product of (i) \$14.52 less the Exercise Price per Share specified in this Agreement, multiplied by (ii) the number of SARs exercised. Such payment shall be in the form of cash, and in no event shall payment be made in the form of shares of Stock.

(b) Notwithstanding any other provision hereof or of the Plan, no SAR shall be exercisable after the Expiration Date hereof.

3. Incorporation of Plan. Notwithstanding anything herein to the contrary, these SARs shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

4. Transferability. This Agreement is personal to the Grantee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. These SARs are exercisable, during the Grantee's lifetime, only by the Grantee, and thereafter, only by the Grantee's legal representative or legatee.

5. No Obligation to Continue as a Director or Adviser. Neither the Plan nor these SARs confer upon the Grantee any rights with respect to continuance as a director or adviser to the Company.

6. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

NORTHEAST BANCORP

By: /s/ Robert Glauber

Name: Robert Glauber

Title: Chairman of the Board of Directors

The foregoing amended and restated Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

Dated: March 24, 2011

/s/ Matthew Botein

Grantee's Signature

Grantee's name and address:

Signature Page to Amended and Restated Performance-Based Stock Appreciation Rights Agreement

**NON-QUALIFIED TIME-BASED STOCK OPTION AGREEMENT
FOR COMPANY EMPLOYEES
UNDER NORTHEAST BANCORP
2010 STOCK OPTION AND INCENTIVE PLAN**

Name of Optionee:	<u>Matthew Botein</u>
Type of Stock:	<u>Non-Voting Common Stock</u>
No. of Option Shares:	<u>40,502</u>
Option Exercise Price per Share:	<u>\$14.52</u>
Grant Date:	<u>March 24, 2011</u>
Vesting Commencement Date:	<u>December 29, 2010</u>
Expiration Date:	<u>December 29, 2020</u>

Pursuant to the Northeast Bancorp 2010 Stock Option and Incentive Plan as amended through the date hereof (the "Plan"), Northeast Bancorp (the "Company") hereby grants to the Optionee named above, who is a director of or an adviser to the Company, an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Non-Voting Common Stock of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

1. **Exercisability Schedule.** This Stock Option shall be deemed vested in full as of the Grant Date; however, no portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated:

<u>Incremental (Aggregate Number of Option Shares Exercisable</u>	<u>Exercisability Date</u>
20% (20%)	First Anniversary of Vesting Commencement Date
20% (40%)	Second Anniversary of Vesting Commencement Date
20% (60%)	Third Anniversary of Vesting Commencement Date
20% (80%)	Fourth Anniversary of Vesting Commencement Date
20% (100%)	Fifth Anniversary of Vesting Commencement Date

Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan. In the case of and subject to the consummation of a Sale Event, this Stock Option shall vest and become fully exercisable as of the effective time of the Sale Event.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option, to the extent exercisable, only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; (iv) by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; or (v) a combination of (i), (ii), (iii) and (iv) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company's receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such issuance and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the

Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Restriction on Sale of Issued Shares. None of the shares acquired upon exercise of this Stock Option may be sold, assigned, transferred, pledged, hypothecated, given away or in any other manner disposed of or encumbered, until the earlier of (i) one year following the exercisability of this Stock Option with respect to such shares or (ii) the sale of at least 50% of the Stock of the Company to an unrelated person or entity in a single transaction. Notwithstanding the foregoing, nothing contained in this Section 3 shall prohibit the Optionee from selling or otherwise disposing of the shares resulting from exercise of the Stock Option in order to satisfy the payment of the aggregate exercise price and/or any Federal, state or local taxes incurred on account of the exercise of the Stock Option.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. No Obligation to Continue as a Director or Adviser. Neither the Plan nor this Stock Option confers upon the Grantee any rights with respect to continuance as a director or adviser to the Company.

7. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

NORTHEAST BANCORP

By: /s/ Robert Glauber

Name: Robert Glauber

Title: Chairman of the Board of Directors

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

Dated: March 24, 2011

/s/ Matthew Botein

Optionee's Signature

Optionee's name and address:

Signature Page to Non-Qualified Time-Based Stock Option Agreement

**NON-QUALIFIED PERFORMANCE-BASED
STOCK OPTION AGREEMENT
FOR COMPANY EMPLOYEES
UNDER NORTHEAST BANCORP
2010 STOCK OPTION AND INCENTIVE PLAN**

Name of Optionee:	<u>Matthew Botein</u>
Type of Stock:	<u>Non-Voting Common Stock</u>
No. of Option Shares:	<u>40,503</u>
Option Exercise Price per Share:	<u>\$14.52</u>
Grant Date:	<u>March 24, 2011</u>
Vesting Commencement Date:	<u>December 29, 2010</u>
Expiration Date:	<u>December 29, 2020</u>

Pursuant to the Northeast Bancorp 2010 Stock Option and Incentive Plan as amended through the date hereof (the "Plan"), Northeast Bancorp (the "Company") hereby grants to the Optionee named above, who is a director of or an adviser to the Company, an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Non-Voting Common Stock of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

1. Exercisability Schedule. This Stock Option shall be deemed vested in full as of the Grant Date; however, no portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable upon satisfaction of the performance goals set forth below.

(a) Performance Conditions. This Stock Option shall be exercisable with respect to the number of Option Shares set forth below upon the date as of which both of the following conditions have been satisfied: (i) during the Time Period set forth below, the closing price of the Stock exceeds the applicable Hurdle Price for at least 50 of the previous 75 consecutive trading days (such 50th day, the "Determination Date") and (ii) the most recent annual assessment completed prior to the applicable Determination Date (or, if the most recent annual assessment completed prior to such Determination Date fails to satisfy the following condition, the first annual assessment completed after the Determination Date that satisfies such condition) of the Company's internal controls, conducted using criteria established in *Internal*

Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, concluded that the Company maintained effective internal control over financial reporting, and, if applicable, the attestation report of the Company’s registered public accounting firm regarding internal controls over financial reporting verified such conclusion.

Incremental No. of Option Shares	Performance Conditions	
	Time Period	Hurdle Price
13,501	Prior to the 5 th anniversary of the Grant Date	\$ 27.86
	Between the 5 th and 6 th anniversaries of the Grant Date	\$ 31.34
	Between the 6 th and 7 th anniversaries of the Grant Date	\$ 34.83
13,501	Prior to the 6 th anniversary of the Grant Date	\$ 31.34
	Between the 6 th and 7 th anniversaries of the Grant Date	\$ 34.83
13,501	Prior to the 7 th anniversary of the Grant Date	\$ 34.83

Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

(b) Termination of Unexercisable Stock Option. Any portion of this Stock Option that is not exercisable as of the seventh anniversary of the Grant Date shall terminate immediately and be of no further force or effect.

(c) Sale Event. Upon a Sale Event, this Stock Option shall become exercisable in accordance with the exercisability schedule set forth above to the extent the Sale Price (as defined in Section 1 of the Plan) exceeds the applicable Hurdle Price. Notwithstanding the foregoing, in the event the Sale Event is a stock transaction such that the then-existing investors of the Company have a continuing interest in the acquiring company, the parties will use good faith efforts to provide the same economics to the Optionee with respect to this Stock Option.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option, to the extent exercisable, only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; (iv) by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; or (v) a combination of (i), (ii), (iii) and (iv) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company's receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such issuance and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Restriction on Sale of Issued Shares. None of the shares acquired upon exercise of this Stock Option may be sold, assigned, transferred, pledged, hypothecated, given away or in any other manner disposed of or encumbered, until the earlier of (i) three years following the exercisability of this Stock Option with respect to such shares or (ii) the sale of at least 50% of the Stock of the Company to an unrelated person or entity in a single transaction. Notwithstanding the foregoing, nothing contained in this Section 3 shall prohibit the Optionee from selling and/or otherwise disposing of the shares resulting from exercise of the Stock Option in order to satisfy the payment of the aggregate exercise price or any Federal, state or local taxes incurred on account of the exercise of the Stock Option.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. No Obligation to Continue as a Director or Adviser. Neither the Plan nor this Stock Option confers upon the Grantee any rights with respect to continuance as a director or adviser to the Company.

7. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

By: /s/ Robert Glauber

Name: Robert Glauber

Title: Chairman of the Board of Directors

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

Dated: March 24, 2011

/s/ Matthew Botein

Optionee's Signature

Optionee's name and address:

Signature Page to Non-Qualified Performance-Based Stock Option Agreement