
**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): December 29, 2010

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 2.01. Completion of Acquisition or Disposition of Assets.

On December 29, 2010, pursuant to the terms and conditions of the Agreement and Plan of Merger, dated as of March 30, 2010 (the “Merger Agreement”), between Northeast Bancorp (“Northeast”) and FHB Formation LLC, a Delaware limited liability company (“FHB”), FHB merged with and into Northeast (the “Merger”), with Northeast continuing as the surviving corporation (the “Surviving Company”). A copy of the Merger Agreement is attached hereto as Exhibit 2.1 and is incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Continuing Directors

Effective upon the Merger, John C. Orestis and Judith E. Wallingford (together, the “Continuing Directors”), former directors of Northeast, joined the Board of Directors of the Surviving Company (the “Board”). Mr. Orestis is a member of the Board’s Corporate Governance Committee. Ms. Wallingford is a member of the Board’s Corporate Governance Committee and Risk Committee and is the Chairperson of the Board’s Audit Committee. There are no arrangements between any of the Continuing Directors and any other persons pursuant to which the Continuing Directors were selected as a director. There are no family relationships among any of the Continuing Directors and any other directors or officers of the Surviving Company. There are no transactions, or proposed transactions, to which the Surviving Company is or was to be party and in which the Continuing Directors have a direct or indirect material interest that are required to be disclosed under Item 404(a) of Regulation S-K.

Resignation of Directors

In connection with the Merger, each of Conrad L. Ayotte, James P. Day, Ronald J. Goguen, Philip C. Jackson, Pender J. Lazenby, John H. Schiavi and Stephen W. Wight resigned as a director of the Surviving Company, including from all committees of the Board on which such person served, effective upon the Merger.

New Directors and Executive Officers

Effective upon the Merger, Richard Wayne became the President and Chief Executive Officer of the Surviving Company, Claire Bean became the Treasurer, Chief Financial Officer and Chief Operating Officer of the Surviving Company, and Heather Campion became the Secretary and Chief Administrative Officer of the Surviving Company. In addition, effective upon the Merger, each of Robert Glauber, Matthew Botein, Cheryl Dorsey, Peter McClean, Adam Shapiro, David Tanner and Richard Wayne (together, the “New Directors”) joined the Board. Except as disclosed herein, there are no arrangements between any of the New Directors and any other persons pursuant to which the New Directors were selected as a director. There are no family relationships among any of the New Directors and any other directors or officers of the Surviving Company. There are no transactions, or proposed transactions, to which the Surviving Company is or was to be party and in which New Directors have a direct or indirect material interest that are required to be disclosed under Item 404(a) of Regulation S-K.

Mr. Glauber is the Chairperson of the Corporate Governance Committee and a member of the Risk Committee. Matthew Botein is a member of the Risk Committee. Cheryl Dorsey is a member of the Corporate Governance Committee and the Compensation Committee. Peter McClean is the Chairperson of the Compensation Committee and the Risk Committee and a member of the Audit Committee. Mr. Shapiro is a member of the Audit Committee and the Compensation Committee. Mr. Tanner is a member of the Audit Committee and the Compensation Committee.

Effective upon the Merger, James Delamater became President and Chief Executive Officer of the Surviving Company’s Community Banking Division, Pender Lazenby remains as the Chief Risk Officer of the Surviving Company, Robert Johnson became Chief Financial Officer of the Surviving Company’s Community Banking Division and Marcel Blais became Chief Operating Officer of the Surviving Company’s Community Banking Division.

Indemnification Agreements

On December 29, 2010, each member of the Board entered into an indemnification agreement with the Surviving Company. The form of indemnification agreement is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Employment Agreements

On December 30, 2010, the Surviving Company entered into employment agreements with each of Richard Wayne, Claire Bean and Heather Campion (collectively, the “Executive Employment Agreements”). Mr. Wayne and Mses. Bean and Campion are sometimes referred to herein individually as an “Executive” and collectively as the “Executives.” Pursuant to the Executive Employment Agreements, each of the Executives will receive an annual base salary equal to \$250,000. In addition, each of the Executives will be entitled to participate in the Surviving Company’s non-equity incentive compensation plan as determined by the Compensation Committee, and will receive options to purchase shares of the Surviving Company’s voting common stock, as described below under “Equity Awards” in more detail. The Executive Employment Agreements also provide that the Executives are eligible to participate in any benefit programs that the Surviving Company establishes and makes available to its employees from time to time.

The Executive Employment Agreements contain restrictive covenants, including non-competition and non-solicitation covenants that will survive, for Mr. Wayne, 24 months, and for each of Mses. Bean and Campion, 12 months, following the termination of employment. In connection with the Executive Employment Agreements, each of the Executives entered into a waiver agreement acknowledging and agreeing to the restrictions and limitations on executive compensation applicable to the Surviving Company pursuant to the United States Department of Treasury’s Troubled Asset Relief Program (“TARP”) and any TARP restrictions that may be applicable to the Executives.

The Executive Employment Agreements describe the payments and benefits to which the Executives would be entitled upon termination of their employment under certain circumstances. Specifically, if (i) an Executive’s employment is terminated either by the Surviving Company without “cause” or by such Executive for “good reason” or if the Surviving Company makes a “non-renewal election” (each as defined in the applicable Executive Employment Agreements) and (ii) such Executive executes a release of claims prepared by the Surviving Company, the non-competition restrictions in the applicable Executive Employment Agreement will terminate unless the Surviving Company (in the sole discretion of the Board) pays such Executive an amount equal to the base salary such Executive would have received for the duration of the restricted period.

The foregoing description of the Executive Employment Agreements is not complete and is subject to and qualified in its entirety by reference to the Executive Employment Agreements entered into by Mr. Wayne and Mses. Bean and Campion, copies of which are attached hereto as Exhibit 10.2, 10.3 and 10.4, respectively, the terms of which are incorporated herein by reference.

Equity Awards

In connection with the Merger, on December, 29, 2010, the Surviving Company granted Mr. Wayne an option to purchase 237,616 shares of the Surviving Company’s voting common stock with an exercise price of \$13.93 per share. 118,808 of the options granted to Mr. Wayne (the “Wayne Time-Based Vesting Award”) will vest in five equal annual installments commencing on December 29, 2011. 118,808 of the options granted to Mr. Wayne (the “Wayne Performance-Based Vesting Award”) will vest upon the satisfaction of the following conditions (collectively, the “Performance Conditions”): (i) the most recent annual assessment completed prior to the applicable Determination Date (as defined below) (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 Surviving 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 Surviving Company maintained effective internal control over financial reporting, and, if applicable, the attestation report of the Surviving Company’s registered public accounting firm regarding internal controls over financial reporting verified such conclusion; and (ii) the award will become exercisable in three equal tranches, with each tranche becoming exercisable if the price of the Surviving Company’s voting common stock exceeds the specified hurdle price for a period of 50 of the previous 75 consecutive trading days (such 50th day, the “Determination Date”). The applicable hurdle price varies depending on the number of years that have elapsed since the date of grant. With respect to the first tranche, the applicable hurdle price is \$27.86 for the period from December 29, 2010 through December 29, 2015; \$31.34 for the period from December 29, 2015 through December 29, 2016; and \$34.83 for the period from December 29, 2016 through December 29, 2017. With respect to the second tranche, the hurdle price is \$31.34 for the period from December 29, 2010 through December 29, 2016; and \$34.83 for the period from December 29, 2016 through December 29, 2017. With respect to the third tranche, the hurdle price is \$34.83 for the period from December 29, 2010 through December 29, 2017. Any portion of the stock option that has not vested by December 29, 2017 will terminate.

The Wayne Time-Based Vesting Award and the Wayne Performance-Based Vesting Award are evidenced by agreements, copies of which are attached hereto as Exhibit 10.5 and 10.6, respectively, the terms of which are incorporated herein by reference.

In connection with the Merger, on December 29, 2010, the Surviving Company granted to each of Ms. Bean and Ms. Campion an option to purchase 118,808 shares of the Surviving Company's voting common stock with an exercise price of \$13.93 per share. 59,404 of the options granted to each of Ms. Bean and Ms. Campion will vest in five equal annual installments commencing on December 29, 2011 (the "Bean and Campion Time-Based Vesting Awards"). 59,404 of the options granted to each of Ms. Bean and Ms. Campion will vest in accordance with the Performance Conditions (the "Bean and Campion Performance-Based Vesting Awards"). The Bean and Campion Time-Based Vesting Awards and the Bean and Campion Performance-Based Vesting Awards are evidenced by agreements, copies of which are attached hereto as Exhibit 10.7, 10.8, 10.9 and 10.10, respectively, the terms of which are incorporated herein by reference.

In connection with the Merger, on December 29, 2010, the Surviving Company granted Robert Glauber, the Chairman of the Board, options to purchase 21,601 shares of the Surviving Company's voting common stock (the "Glauber Award") with an exercise price of \$13.93 per share, which will vest in three equal annual installments commencing on December 29, 2011. The Glauber Award is evidenced by an agreement, a copy of which is attached hereto as Exhibit 10.11, the terms of which are incorporated herein by reference.

In connection with the Merger, on December 29, 2010, the Surviving Company granted Matthew Botein, a director of the Surviving Company, an award of 81,005 stock appreciation rights with an exercise price of \$13.93 per share. All of the stock appreciation rights are immediately vested, but are subject to restrictions on exercisability as follows. 40,502 of the stock appreciation rights granted to Mr. Botein will become exercisable in five equal annual installments commencing on December 29, 2011 (the "Botein Time-Based Vesting Award"). 40,502 of the stock appreciation rights granted to Mr. Botein will become exercisable in accordance with the Performance Conditions (the "Botein Performance-Based Vesting Award"). The Botein Time-Based Vesting Award and the Botein Performance-Based Vesting Award are evidenced by agreements, copies of which are attached hereto as Exhibit 10.12 and 10.13, respectively, the terms of which are incorporated herein by reference.

In connection with the Merger, on December 29, 2010, the Surviving Company granted Mr. Delamater 13,026 shares of restricted stock (the "Restricted Stock Award"), 40% of which will vest on December 29, 2012, and the remainder of which shall vest in three equal annual installments commencing on December 29, 2013. The Restricted Stock Award is subject to certain TARP restrictions and limitations, which are specified in the agreement, a copy of which is attached as Exhibit 10.14, the terms of which are incorporated herein by reference.

In connection with the Merger, on December 29, 2010, the Surviving Company granted to each of Messrs. Lazenby, Johnson and Blais options to purchase 10,801 shares of the Surviving Company's voting common stock (the "Executive Option Awards"). For Mr. Lazenby, the options will vest in four equal annual installments commencing on December 29, 2011, and for Mr. Johnson and Mr. Blais, the options will vest in five equal annual installments commencing on December 29, 2011. The Executive Option Awards are evidenced by agreements, a form of which is attached as Exhibit 10.15, the terms of which are incorporated herein by reference.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

Pursuant to the Merger Agreement, effective upon the Merger, Northeast's Articles of Incorporation were amended and restated, and such amended and restated articles of incorporation became the Amended and Restated Articles of Incorporation of the Surviving Company. A copy of the Amended and Restated Articles of Incorporation of the Surviving Company is filed as Exhibit 3.1 hereto and incorporated herein by reference.

In addition, pursuant to the Merger Agreement, effective upon the Merger, Northeast's Bylaws were amended and restated, and such Amended and Restated Bylaws became the Amended and Restated Bylaws of the Surviving Company. A copy of the Amended and Restated Bylaws of the Surviving Company is filed as Exhibit 3.2 hereto and incorporated herein by reference.

Item 8.01. Other Events.

On December 29, 2010, the Surviving Company issued a press release announcing the completion of the Merger. A copy of the press release issued by the Surviving Company is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.***Financial Statements of Businesses Acquired.***

The financial statements required by this item will be filed by amendment to this Current Report on Form 8-K no later than 71 days after the date on which this Current Report on Form 8-K is required to be filed.

Pro Forma Financial Information.

The pro forma financial information required by this item will be filed by amendment to this Current Report on Form 8-K no later than 71 days after the date on which this Current Report on Form 8-K is required to be filed.

Exhibits

<u>Exhibit No.</u>	<u>Description</u>
2.1	Agreement and Plan of Merger, dated as of March 30, 2010, by and between Northeast Bancorp and FHB Formation LLC (incorporated by reference from Northeast's Current Report on Form 8-K filed on March 31, 2010).
3.1	Amended and Restated Articles of Incorporation of the Surviving Company*
3.2	Amended and Restated Bylaws of the Surviving Company*
10.1	Form of Indemnification Agreement, dated as of December 29, 2010, by and between the Surviving Company and each of the members of the Board*
10.2	Employment Agreement, dated December 30, 2010, by and between the Surviving Company and Richard Wayne*
10.3	Employment Agreement, dated December 30, 2010, by and between the Surviving Company and Claire Bean*
10.4	Employment Agreement, dated December 30, 2010, by and between the Surviving Company and Heather Campion*
10.5	Non-Qualified Time-Based Stock Option Agreement, dated December 29, 2010, by and between the Surviving Company and Richard Wayne*
10.6	Non-Qualified Performance-Based Stock Option Agreement, dated December 29, 2010, by and between the Surviving Company and Richard Wayne*
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10.9	Non-Qualified Performance-Based Stock Option Agreement, dated December 29, 2010, by and between the Surviving Company and Claire Bean*
10.10	Non-Qualified Performance-Based Stock Option Agreement, dated December 29, 2010, by and between the Surviving Company and Heather Campion*
10.11	Non-Qualified Stock Option Agreement, dated December 30, 2010, by and between the Surviving Company and Robert Glauber*
10.12	Time-Based Stock Appreciation Rights Agreement, dated December 29, 2010, by and between the Surviving Company and Matthew Botein*
10.13	Performance-Based Stock Appreciation Rights Agreement, dated December 29, 2010, by and between the Surviving Company and Matthew Botein*
10.14	Restricted Stock Award Agreement, dated December 29, 2010, by and between the Surviving Company and James Delamater*

10.15 Form of Non-Qualified Stock Option Agreement, dated December 29, 2010, by and between the Surviving Company and each of Pender Lazenby, Robert Johnson and Marcel Blais*

99.1 Press Release dated December 29, 2010*

* 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: January 5, 2011

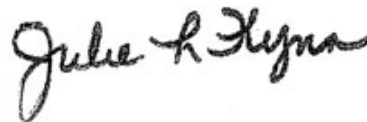
EXHIBIT INDEX

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99.1	Press Release dated December 29, 2010*

* Filed herewith

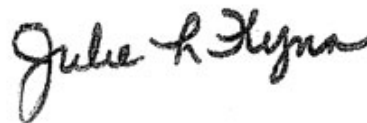
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STATE OF MAINE
ARTICLES OF MERGER
OR
SHARE EXCHANGE



Deputy Secretary of State

A True Copy When Attested By Signature



Deputy Secretary of State

Pursuant to 13-C MRSA §1106, the undersigned survivor of the merger or the acquiring corporation in a share exchange executes and delivers the following Articles of Merger or Share Exchange:

FIRST: The names, type of entity, jurisdiction of the parties to the merger or share exchange and the date on which the merger or share exchange occurred or is to be effective:

<u>Name</u>	<u>Type of Entity</u>	<u>Jurisdiction</u>	<u>Date</u>
Northeast Bancorp	Corporation	Maine	12/29/10 at 8:00 a.m
FHB Formation LLC	Limited Liability Company	Delaware	12/29/10 at 8:00 a.m.

Names, type of entity, jurisdiction and effective date of the additional parties to the merger or share exchange are attached as Exhibit ____, and made a part hereof.

SECOND: The name and jurisdiction of incorporation of the surviving entity:

<u>Name</u>	<u>Jurisdiction</u>
Northeast Bancorp	Maine

THIRD: The executed agreement or plan of merger is on file at the principal place of business of the surviving business entity. A copy of the agreement or plan of merger will be furnished by the surviving entity, on request and without cost, to any shareholder of any constituent corporation and any record owner of interests in any other business entity that participated in the merger. The address of such place of business is as follows:

500 Canal Street, Lewiston, Maine 04240

- FOURTH:** (“X” one box only)
- If the originating document of the survivor of a merger is amended, the amendments to the survivor’s originating document are attached as Exhibit A and made a part hereof.
 - If the result of the merger or share exchange creates a new corporation, attached is Exhibit _____ which contains all the provisions required to be set forth in its public organic document with any other desired provisions that are permitted. (Attach form MBCA-6-1, for a domestic business corporation)
- FIFTH:** The future effective date of the articles of merger or share exchange (if other than the date of filing of the articles of merger or share exchange) is _____.
- SIXTH:** (“X” if applicable)
- The plan was duly approved by the shareholders and, if voting by any separate voting group was required, by each separate group in the manner required by Title 13-C and the corporation’s articles of incorporation.
 - The plan of merger or share exchange did not require approval by the shareholders.
- SEVENTH:** (“X” if applicable)
- The participation of the foreign corporation was duly authorized as required by the organic law of the corporation.
 - The participation of the eligible entity was duly authorized as required by the organic law of that entity.
- EIGHTH:** When a merger becomes effective, a foreign corporation or a foreign eligible entity that is the survivor of the merger is deemed to appoint the Secretary of State as its agent for service of process in a proceeding to enforce the rights of shareholders of each domestic corporation that is a party to the merger who exercise appraisal rights. The foreign corporation or the foreign other entity shall provide the mailing address to which the Secretary of State may mail a copy of any process served on the Secretary of State.
- N/A
-
- (mailing address)
- NINTH:** The foreign corporation or foreign eligible entity agrees that it will promptly pay the amount, if any, to which the shareholders are entitled under chapter 13 of Title 13-C.
- TENTH:** The merger was effected in compliance with the laws applicable to mergers of all parties to the merger.
- ELEVENTH:** There is an agreement that the surviving corporation or eligible business entity shall continue to comply with all provisions of all laws applicable to mergers of all parties to the merger, including, without limitation, provisions on payment of amounts to which dissenting shareholders are entitled.

Must Be Completed By the First Party to the Merger

FHB Formation LLC, Limited Liability Company
(Name and type of participating business entity)

December 28, 2010
(Date)

(*Authorized signature)

Richard Wayne, Member
(Type or print name and capacity)

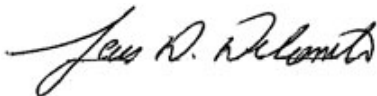
(*Authorized signature)

(Type or print name and capacity)

Must Be Completed By the Second Party to the Merger

Northeast Bancorp, Corporation
(Name and type of participating business entity)

December 28, 2010
(Date)



(*Authorized signature)

James D. Delamater, President and CEO

(Type or print name and capacity)

(*Authorized signature)

(Type or print name and capacity)

Must Be Completed By the Third Party to the Merger

(Name and type of participating business entity)

(Date)

(*Authorized signature)

(Type or print name and capacity)

(*Authorized signature)

(Type or print name and capacity)

(Copy this page, and modify participant number, if more signature spaces are needed.)

*Articles **MUST** be signed as follows:

- (1) If a corporation is a party to the merger/share exchange, this document must be signed by an officer or other duly authorized representative on behalf of each party. (13-C MRSA §1106.1).
- (2) If a limited partnership is a party to the merger/share exchange, this document must be signed by each general partner listed in the certificate of limited partnership (31 MRSA §1438.1)
- (3) If a limited liability company is a party to the merger/share exchange, this document must be signed by:
 - (a) at least one **manager OR**
 - (b) at least one **member** if the limited liability company is managed by the members **OR**
 - (c) any duly authorized person.

The execution of this certificate constitutes an oath or affirmation, under the penalties of false swearing under 17-A MRSA §453.

Please remit your payment made payable to the Maine Secretary of State.

Submit completed form to:

Secretary of State
Division of Corporations, UCC and Commissions
101 State House Station
Augusta, ME 04333-0101
 Telephone Inquiries: (207) 624-7752 Email Inquiries: CEC.Corporations@Maine.gov

Must Be Completed By the First Party to the Merger

FHB Formation LLC, Limited Liability Company
(Name and type of participating business entity)

December 28, 2010
(Date)



(*Authorized signature)

Richard Wayne, Member
(Type or print name and capacity)

(*Authorized signature)

(Type or print name and capacity)

Must Be Completed By the Second Party to the Merger

Northeast Bancorp, Corporation
(Name and type of participating business entity)

December 28, 2010
(Date)

(*Authorized signature)

James D. Delamater, President and CEO
(Type or print name and capacity)

(*Authorized signature)

(Type or print name and capacity)

Must Be Completed By the Third Party to the Merger

(Name and type of participating business entity)

(Date)

(*Authorized signature)

(Type or print name and capacity)

(*Authorized signature)

(Type or print name and capacity)

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Please remit your payment made payable to the Maine Secretary of State.

Submit completed form to:

Secretary of State
Division of Corporations, UCC and Commissions
101 State House Station
Augusta, ME 04333-0101
Telephone Inquiries: (207) 624-7752 Email Inquiries: CEC.Corporations@Maine.gov

EXHIBIT A

**NORTHEAST BANCORP
AMENDED AND RESTATED
ARTICLES OF INCORPORATION**

FIRST: The name of the corporation is NORTHEAST BANCORP.

SECOND: The name of its Clerk, who must be a Maine resident, and the address of its registered office shall be:

Suzanne M. Carney
500 Canal Street, Lewiston, Maine 04240

THIRD: The number of directors of the corporation shall be fixed solely and exclusively by resolution duly adopted from time to time by the Board of Directors. The directors, except as otherwise provided for those who may be elected by the holders of any series of Preferred Stock, shall be classified, with respect to the term for which they severally hold office, into three classes, as nearly equal in number as reasonably possible. The initial Class I directors of the corporation shall be Robert Glauber, Adam Shapiro and Richard Wayne; the initial Class II directors of the corporation shall be Matthew Botein, Cheryl Dorsey and Peter McClean; and the initial Class III directors of the corporation shall be David Tanner, John C. Orestis and Judith E. Wallingford. The initial Class I directors shall serve for a term expiring at the annual meeting of shareholders to be held in 2011; the initial Class II directors shall serve for a term expiring at the annual meeting of shareholders to be held in 2012; and the initial Class III directors shall serve for a term expiring at the annual meeting of shareholders to be held in 2013. At each annual meeting of shareholders, directors elected to succeed those directors whose terms expire shall be elected for a term of office to expire at the third succeeding annual meeting of shareholders after their election. Notwithstanding the foregoing, the directors elected to each class shall hold office until their successors are duly elected and qualified or until their earlier resignation, death or removal.

Notwithstanding the foregoing, whenever, pursuant to the provisions of Article FOURTH of these Amended and Restated Articles of Incorporation, the holders of any one or more series of Preferred Stock shall have the right, voting separately as a series or together with holders of other such series, to elect directors at an annual or special meeting of shareholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of these Amended and Restated Articles of Incorporation and any articles of amendment applicable thereto.

FOURTH: SHARES – The total number of shares of all classes of stock that the corporation shall have authority to issue is 16,000,000, of which 13,500,000 shares, \$1.00 par

value, shall be a separate class designated as Voting Common Stock (“Voting Common Stock”), 1,500,000 shares, \$1.00 par value, shall be a separate class designated as Non-Voting Common Stock (“Non-Voting Common Stock,” and together with Voting Common Stock, “Common Stock”) and 1,000,000 shares, \$1.00 par value, shall be a separate class designated as Preferred Stock (“Preferred Stock”), of which 4,227 are designated as shares of Fixed Rate Cumulative Perpetual Preferred Stock, Series A.

Common Stock.

Common Stock may be issued by the corporation from time to time by vote of the Board of Directors without the approval of the holders of the Common Stock. Upon payment of lawful consideration, such shares shall be deemed fully paid and nonassessable. Dividends, as declared by the Board of Directors out of lawfully available funds, shall be payable on the Common Stock subject to any rights or preferences of the Preferred Stock.

Except as may be provided in these Amended and Restated Articles of Incorporation or required by law and subject to the rights, powers and preferences of the Preferred Stock and except as provided in any articles of amendment designating any series of Preferred Stock, the Voting Common Stock shall have exclusive voting rights in the election of directors and on all other matters presented to shareholders, with each holder of Voting Common Stock being entitled to one vote for each share of Voting Common Stock held of record by such holder on such matters.

The holders of Non-Voting Common Stock, as such, shall have no voting power and shall not be entitled to vote on any matter except as otherwise required by law, including, without limitation, Section 1004(1) of the Maine Business Corporation Act (the “MBCA”) (or any successor provision), or as otherwise expressly provided for herein. Except as otherwise provided herein, Non-Voting Common Stock shall in all other respects carry the same rights and privileges as Voting Common Stock (including in respect of dividends and in respect of distributions upon any dissolution, liquidation or winding up of the corporation) and be treated the same as Voting Common Stock (including in any merger, consolidation, share exchange or other similar transaction); provided that, if the corporation shall in any manner split, subdivide or combine (including by way of a dividend payable in shares of Voting Common Stock or Non-Voting Common Stock) the outstanding shares of Voting Common Stock or Non-Voting Common Stock, the outstanding shares of the other such class of Common Stock shall likewise be split, subdivided or combined in the same manner proportionately and on the same basis per share, and provided further, that any dividend on the Common Stock that is payable in Common Stock shall be paid only in Non-Voting Common Stock on the Non-Voting Common Stock and only in Voting Common Stock on the Voting Common Stock.

Subject to the rights of the holders of any series of Preferred Stock, if any, holders of Common Stock shall be entitled to receive such dividends and distributions (whether payable in cash or otherwise) as may be declared on the Common Stock from time to time out of assets or funds of the corporation legally available therefor. Subject to the rights of the holders of any series of Preferred Stock, if any, in the event of any liquidation, dissolution or winding-up of the corporation (whether voluntary or involuntary), the assets of the corporation available for distribution to shareholders shall be distributed in equal amounts per share to the holders of Common Stock.

If, at any time a BHC Entity (as defined below) holds any Voting Common Stock that, together with the Voting Common Stock of any parties whose Voting Common Stock must be aggregated with those of such BHC Entity (a "BHC Aggregated Interest") for purposes of the Bank Holding Company Act of 1956, as amended (the "BHC Act"), would otherwise represent 5% or more of the total outstanding shares of Voting Common Stock, then the shares of Voting Common Stock comprising such BHC Aggregated Interest held directly by a BHC Entity that represent in excess of 4.99% of the total number of outstanding shares of Voting Common Stock shall be automatically converted into Non-Voting Common Stock and such BHC Entity and any successor to or assignee of such Non-Voting Common Stock held by such BHC Entity shall be prohibited from voting such Non-Voting Common Stock, except to the extent otherwise expressly provided in these Amended and Restated Articles of Incorporation. In the event that a BHC Entity holds a number of shares of Voting Common Stock such that the conversion of shares of Voting Common Stock into shares of Non-Voting Common Stock pursuant to this paragraph would not decrease the BHC Aggregated Interest of such BHC Entity below 5% of the total number of outstanding shares of Voting Common Stock, then the shares of Voting Common Stock held by each shareholder whose Voting Common Stock is included in the BHC Aggregated Interest shall be converted, on a pro rata basis as among such shareholders (including the BHC Entity), into shares of Non-Voting Common Stock such that the BHC Aggregated Interest of such BHC Entity shall represent less than 5% of the total number of outstanding shares of Voting Common Stock. For purposes of this Article FOURTH, "BHC Entity" means a shareholder that (a) is subject to the BHC Act or is directly or indirectly "controlled" (as the term is defined in the BHC Act) by a company that is subject to the BHC Act, and (b) so indicates in writing to the corporation that such holder elects to be subject to this paragraph of Article FOURTH. A BHC Entity may at any time elect to no longer be governed by the provisions of this paragraph by providing written notice to the corporation; provided, however, that any shares of Voting Common Stock automatically converted to Non-Voting Common Stock by operation of this paragraph of Article FOURTH prior to the corporation's receipt of such notice shall remain Non-Voting Common Stock unless otherwise expressly provided herein.

If any holder of Voting Common Stock that elects to be governed by this paragraph of Article FOURTH (an "Electing Section 13 Holder"), after having obtained the consent of the board of directors of the corporation to make such election, at any time holds any Voting Common Stock that, together with the Voting Common Stock of any parties whose Voting Common Stock is deemed to be beneficially owned by such holder (the "Section 13(d) Aggregated Interest") by virtue of Section 13, including without limitation Section 13(d)(3), of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), would otherwise represent 5% or more of the total outstanding shares of Voting Common Stock, then shares of Voting Common Stock comprising such Section 13(d) Aggregated Interest held directly by an Electing Section 13 Holder that represent in excess of 4.99% of the total number of outstanding shares of Voting Common Stock shall be automatically converted into Non-Voting Common Stock and such Electing Section 13 Holder and any successor to or assignee of such Non-Voting Common Stock held by such Electing Section 13 Holder shall be prohibited from voting such Non-Voting Common Stock, except to the extent otherwise expressly provided in these

Amended and Restated Articles of Incorporation. In the event that an Electing Section 13 Holder holds a number of shares of Voting Common Stock such that the conversion of shares of Voting Common Stock into shares of Non-Voting Common Stock pursuant to this paragraph would not decrease the Section 13(d) Aggregated Interest of such Electing Section 13 Holder below 5% of the total number of outstanding shares of Voting Common Stock, then the shares of Voting Common Stock held by each shareholder whose Voting Common Stock is included in the Section 13(d) Aggregated Interest shall be converted, on a pro rata basis as among such shareholders (including the Electing Section 13 Holder), into shares of Non-Voting Common Stock such that the Section 13(d) Aggregated Interest of such Electing Section 13 Holder shall represent less than 5% of the total number of outstanding shares of Voting Common Stock. An Electing Section 13 Holder may at any time elect to no longer be governed by the provisions of this paragraph by providing written notice to the corporation; provided; however, that any shares of Voting Common Stock automatically converted to Non-Voting Common Stock by operation of this paragraph of Article FOURTH prior to the corporation's receipt of such notice shall remain Non-Voting Common Stock unless otherwise expressly provided herein.

If, at any time any holder of Voting Common Stock electing to be governed by this paragraph of Article FOURTH (an "Electing CIBC Holder") holds any Voting Common Stock that, together with the Voting Common Stock of any parties whose Voting Common Stock must be aggregated with those of such holder (a "CIBC Aggregated Interest") for purposes of the BHC Act or the Change in Bank Control Act (the "Control Regulations"), would otherwise represent 10% or more of the total outstanding shares of Voting Common Stock, then the shares of Voting Common Stock comprising such CIBC Aggregated Interest held directly by an Electing CIBC Holder that represent in excess of 9.99% of the total number of outstanding shares of Voting Common Stock shall be automatically converted into Non-Voting Common Stock and such Electing CIBC Holder and any successor to or assignee of such Non-Voting Common Stock held by such CIBC Holder shall be prohibited from voting such Non-Voting Common Stock, except to the extent otherwise expressly provided in these Amended and Restated Articles of Incorporation. In the event that an Electing CIBC Holder holds a number of shares of Voting Common Stock such that the conversion of shares of Voting Common Stock into shares of Non-Voting Common Stock pursuant to this paragraph would not decrease the CIBC Aggregated Interest of such an Electing CIBC Holder below 10% of the total number of outstanding shares of Voting Common Stock, then the shares of Voting Common Stock held by each shareholder whose Voting Common Stock is included in the CIBC Aggregated Interest shall be converted, on a pro rata basis among such shareholders (including the Electing CIBC Holder), into shares of Non-Voting Common Stock such that the Aggregated CIBC Interest of such Electing CIBC Holder shall represent less than 10% of the total number of outstanding shares of Voting Common Stock. Such holder may at any time elect to no longer be governed by the provisions of this paragraph by providing written notice to the corporation; provided; however, that any shares of Voting Common Stock automatically converted to Non-Voting Common Stock by operation of this paragraph of Article FOURTH prior to the corporation's receipt of such notice shall remain Non-Voting Common Stock unless otherwise expressly provided herein.

Notwithstanding any provision herein to the contrary, shares of Non-Voting Common Stock shall be entitled to vote with respect to matters as to which shares of Non-Voting Common Stock are otherwise permitted to vote pursuant to 12 C.F.R. § 225.2(q)(2) and section 1004(1) of

the MBCA, as in effect from time to time, or any successor provisions thereto. Notwithstanding any provision herein to the contrary, shares of Non-Voting Common Stock shall remain Non-Voting Common Stock in the hands of the holder thereof and shall automatically convert into shares of Voting Common Stock solely (i) upon a transfer of such shares of Non-Voting Common Stock solely as permitted herein to a transferee that is not an affiliate of the transferor for purposes of the Control Regulations or (ii) to the extent necessary to maintain the percentage of outstanding Voting Common Stock held by the holder of such Non-Voting Common Stock as of immediately prior to any transaction (other than any transfer of Non-Voting Common Stock by, or any new issuance of Voting Common Stock to, the holder of such Non-Voting Common Stock), the effect of which transaction would be to otherwise decrease such percentage of Voting Common Stock held by such holder of Non-Voting Common Stock by increasing the number of shares of Voting Common Stock outstanding.

Shares of Non-Voting Common Stock may be transferred, and the corporation shall recognize such transfer, solely where such transfer is made (i) to an affiliate of the transferor of such Non-Voting Stock for purposes of the Control Regulations, (ii) in a widespread public distribution (iii) to a transferee that holds or controls more than 50% of any class of voting securities of the corporation (not including such shares of Non-Voting Common Stock or shares of Voting Common Stock or other voting securities of the corporation that the transferor or any affiliate of the transferor is proposing to transfer to such transferee), (iv) in one or more transactions in which no transferee (or group of transferees whose ownership of the corporation's securities must be aggregated for purposes of the Control Regulations) receives ownership or control of such securities for purposes of the Control Regulations representing 2% or more of any class of the corporation's voting securities, (v) in one or more open market transactions effected on a stock exchange, electronic communications network, or similar execution system or in the over-the-counter market (which may include a sale to one or more broker-dealers acting as market-makers or otherwise intending to resell the interests sold to them in accordance with normal business practices, provided that no such broker-dealer shall receive 2% or more of any class of the corporation's voting securities at any one time) where the transferring holder has no prior knowledge of or control or influence over the identity of the ultimate transferees, (vi) to the corporation with its approval in its sole discretion, or (vii) as part of a transaction approved by the Board of Governors of the Federal Reserve System.

Until presented and surrendered for cancellation following any such conversion, each certificate representing shares of Voting Common Stock in respect of which a conversion has occurred in accordance with this Article FOURTH shall be deemed to represent the number of shares of Non-Voting Common Stock into which such shares have been converted, and upon presentation and surrender of such certificate the holder thereof shall be entitled to receive a certificate for the appropriate number of shares of Non-Voting Common Stock. Upon a conversion pursuant to this Article FOURTH, each converted share of Voting Common Stock shall be retired.

Until presented and surrendered for cancellation following any such conversion, each certificate representing shares of Non-Voting Common Stock in respect of which a conversion has occurred in accordance with this Article FOURTH shall be deemed to represent the number of shares of Voting Common Stock into which such shares have been converted, and upon presentation and surrender of such certificate the holder thereof shall be entitled to receive a

certificate for the appropriate number of shares of Voting Common Stock. Upon a conversion pursuant to this Article FOURTH, each converted share of Non-Voting Common Stock shall be retired.

Preferred Stock.

The Board of Directors or any authorized committee thereof is expressly authorized, to the fullest extent permitted by law, to provide for the issuance of the shares of Preferred Stock in one or more series of such stock, and by filing articles of amendment pursuant to applicable law of the State of Maine, to determine from time to time the number of shares of each such series, and to fix the designations, powers, including voting powers, full or limited, or no voting powers, preferences and the relative, participating, optional or other special rights of the shares of each series, including any variations among holders of the same series, and any qualifications, limitations and restrictions thereof.

The rights, preferences and terms of the Fixed Rate Cumulative Perpetual Preferred Stock, Series A are incorporated into this Article FOURTH by reference to that certain Certificate of Designations attached hereto as Annex I.

Upon any liquidation, dissolution or winding up of the affairs of the corporation, whether voluntary or involuntary, holders of Common Stock are entitled to receive pro rata the remaining assets of the corporation after the holders of Preferred Stock have been paid in full any sums to which they may be entitled.

There shall be no cumulative voting for directors or otherwise.

SUMMARY

The aggregate par value of all authorized shares (of all classes) having a par value is \$16,000,000. The total number of authorized shares (of all classes) without par value is zero shares.

FIFTH: Meetings of the shareholders may be held outside the State of Maine.

SIXTH: There are no preemptive rights.

SEVENTH: INTERNAL AFFAIRS OF THE CORPORATION

Removal of Directors. At any meeting of shareholders called expressly for the purpose, any director may be removed from office by the affirmative vote of the holders of seventy-five percent (75%) of the shares entitled to vote or if removal is for cause, then by a majority of the shares then entitled to vote. For “cause” shall mean a final adjudication by a court of competent jurisdiction that the director (i) is liable for negligence or misconduct in the performance of his duty, (ii) guilty of a felony conviction, (iii) has failed to act or has acted in a manner which is in derogation of the director’s duties.

Vacancies. Any vacancy in the Board caused by death, resignation, retirement, disqualification, removal, or other cause, including a vacancy resulting from an increase in the

number of directors, may be filled solely by a majority vote of the remaining directors, though less than a quorum. Any director appointed in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successor shall have been duly elected and qualified or until his or her earlier resignation, death or removal.

Special Meetings. A special meeting of the shareholders for any purpose or purposes, unless otherwise prescribed by statute, may be called at any time by the Chairman of the Board, if any, the President, or a Vice-President, or by a majority of the Board of Directors, or upon written application therefore to the corporation by the holders of not less than twenty-five percent (25%) of the shares entitled to vote on any issue proposed to be considered at the meeting. Written notice of such meeting, stating the purpose for which it is called, shall be served by the corporation not less than ten (10) nor more than sixty (60) days before the date set for such meeting. No business other than that specified in the call for the meeting shall be transacted at any special meeting of the shareholders.

EIGHTH: AMENDMENTS

Amendments to Articles of Incorporation. The corporation reserves the right to amend or repeal these Amended and Restated Articles of Incorporation in the manner now or hereafter prescribed by statute and these Amended and Restated Articles of Incorporation, and all rights conferred upon shareholders herein are granted subject to this reservation. Whenever any vote of the holders of voting stock is required to amend or repeal any provision of these Amended and Restated Articles of Incorporation, and in addition to any other vote of holders of voting stock that is required by these Amended and Restated Articles of Incorporation or by law, such amendment or repeal shall require the affirmative vote of the holders of at least two-thirds (2/3) of all of the shares of the corporation entitled to vote for the election of directors, notwithstanding the fact that a lesser percentage may be specified by law.

Amendments to By-Laws. The By-Laws of the corporation may be amended at any time by the affirmative vote of a majority of the entire Board of Directors, subject to repeal, change or adoption of any contravening or inconsistent provision only by vote of the holders of at least two-thirds (2/3) of all the shares entitled to vote on the matter at a meetings expressly called for that purpose.

NINTH: LIMITATION OF LIABILITY

A director of the corporation shall not be personally liable to the corporation or its shareholders for money damages for action taken or a failure to take action as a director, except for liability (a) for the amount of a financial benefit received by a director to which the director is not entitled, (b) an intentional infliction of harm on the corporation or its shareholders, (c) a violation of the prohibition on unlawful distributions under Section 833 of the MBCA or (d) an intentional violation of criminal law. If the MBCA is amended after the effective date of these Amended and Restated Articles of Incorporation to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the MBCA, as so amended.

Any repeal or modification of this Article NINTH by either of (i) the shareholders of the corporation or (ii) an amendment to the MBCA, shall not adversely affect any right or protection existing at the time of such repeal or modification with respect to any acts or omissions occurring before such repeal or modification of a person serving as a director at the time of such repeal or modification.

TENTH: RENUNCIATION OF CORPORATE OPPORTUNITIES DOCTRINE

To the maximum extent permitted from time to time under the law of the State of Maine, the corporation renounces any interest or expectancy of the corporation in, or in being offered an opportunity to participate in, business opportunities that are from time to time presented to, or acquired, created or developed by, or which otherwise come into the possession of, its officers, directors or shareholders, other than those officers, directors or shareholders who are employees of the corporation. No amendment or repeal of this Article TENTH shall apply to or have any effect on the liability or alleged liability of any officer, director or shareholder of the corporation for or with respect to any opportunities of which such officer, director or shareholder becomes aware prior to such amendment or repeal.

ELEVENTH: MANDATORY INDEMNIFICATION OF DIRECTORS

Pursuant to and as provided in section 202(2)(E) of the MBCA, the corporation shall, to the fullest extent permitted by law, indemnify each person who is or was a director of the corporation for any liability, as defined in section 851(5) of the MBCA, to any person for an action taken or a failure to take an action as a director, except liability for:

- (1) Receipt of a financial benefit to which the director is not entitled;
- (2) An intentional infliction of harm on the corporation or its shareholders;
- (3) A violation of section 833 of the MBCA; or
- (4) An intentional violation of criminal law.

Nothing in this Article ELEVENTH shall diminish or adversely affect any indemnification to which a person who is or was a director is otherwise entitled pursuant to (i) the bylaws of the corporation, (ii) any contract between the corporation and the director, or (iii) any provision of law, including without limitation any provision of the MBCA.

The preceding paragraphs in this Article ELEVENTH shall apply to the officers of the corporation to the fullest extent permitted by law.

TWELFTH: RIGHT OF SHAREHOLDERS FOLLOWING CONTROL TRANSACTION

The provisions of ME Rev. Stat. Ann. Title 13-C, Section 1110 shall not be applicable to the corporation.

THIRTEENTH: REPEAL OF INCONSISTENT PROVISIONS

All provisions of the Articles of Incorporation of the corporation that are inconsistent with the foregoing Articles FIRST through TWELFTH of these Amended and Restated Articles of Incorporation are hereby repealed and revoked.

Annex I

**CERTIFICATE OF DESIGNATIONS
OF
FIXED RATE CUMULATIVE PERPETUAL PREFERRED STOCK, SERIES A
OF
NORTHEAST BANCORP**

Northeast Bancorp, a corporation organized and existing under the laws of the State of Maine (the "Corporation"), in accordance with the provisions of Sections 601-602 of the Maine Business Corporation Act, Title 13-C M.R.S., does hereby certify:

The board of directors of the Corporation (the "Board of Directors") or an applicable committee of the Board of Directors, in accordance with the articles of incorporation and bylaws of the Corporation and applicable law, adopted the following resolution on December 9, 2008, creating a series of 4,227 shares of Preferred Stock of the Corporation designated as "Fixed Rate Cumulative Perpetual Preferred Stock, Series A".

RESOLVED, that pursuant to the provisions of the articles of incorporation and the bylaws of the Corporation and applicable law, a series of Preferred Stock, par value \$1.00 per share, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

Part 1. Designation and Number of Shares. There is hereby created out of the authorized and unissued shares of preferred stock of the Corporation a series of preferred stock designated as the "Fixed Rate Cumulative Perpetual Preferred Stock, Series A" (the "Designated Preferred Stock"). The authorized number of shares of Designated Preferred Stock shall be 4,227.

Part 2. Standard Provisions. The Standard Provisions contained in Annex A attached hereto are incorporated herein by reference in their entirety and shall be deemed to be a part of this Certificate of Designations to the same extent as if such provisions had been set forth in full herein.

Part 3. Definitions. The following terms are used in this Certificate of Designations (including the Standard Provisions in Annex A hereto) as defined below:

(a) "Common Stock" means the common stock, par value \$1.00 per share, of the Corporation.

(b) "Dividend Payment Date" means February 15, May 15, August 15 and November 15 of each year.

(c) "Junior Stock" means the Common Stock and any other class or series of stock of the Corporation the terms of which expressly provide that it ranks junior to Designated Preferred Stock as to dividend rights and/or as to rights on liquidation, dissolution or winding up of the Corporation.

(d) "Liquidation Amount" means \$1,000 per share of Designated Preferred Stock.

(e) "Minimum Amount" means \$1,056,750.00.

(f) "Parity Stock" means any class or series of stock of the Corporation (other than Designated Preferred Stock) the terms of which do not expressly provide that such class or series will rank senior or junior to Designated Preferred Stock as to dividend rights and/or as to rights on liquidation, dissolution or winding up of the Corporation (in each case without regard to whether dividends accrue cumulatively or non-cumulatively).

(g) "Signing Date" means December 12, 2008.

Part. 4. Certain Voting Matters. Holders of shares of Designated Preferred Stock will be entitled to one vote for each such share on any matter on which holders of Designated Preferred Stock are entitled to vote, including any action by written consent.

IN WITNESS WHEREOF, Northeast Bancorp has caused this Certificate of Designations to be signed by James D. Delamater, its President and Chief Executive Officer, this 9th day of December.

NORTHEAST BANCORP

By: /s/ James D. Delamater

Name: James D. Delamater

Title: President and Chief Executive Officer

STANDARD PROVISIONS

Section 1. General Matters. Each share of Designated Preferred Stock shall be identical in all respects to every other share of Designated Preferred Stock. The Designated Preferred Stock shall be perpetual, subject to the provisions of Section 5 of these Standard Provisions that form a part of the Certificate of Designations. The Designated Preferred Stock shall rank equally with Parity Stock and shall rank senior to Junior Stock with respect to the payment of dividends and the distribution of assets in the event of any dissolution, liquidation or winding up of the Corporation.

Section 2. Standard Definitions. As used herein with respect to Designated Preferred Stock:

(a) “Applicable Dividend Rate” means (i) during the period from the Original Issue Date to, but excluding, the first day of the first Dividend Period commencing on or after the fifth anniversary of the Original Issue Date, 5% per annum and (ii) from and after the first day of the first Dividend Period commencing on or after the fifth anniversary of the Original Issue Date, 9% per annum.

(b) “Appropriate Federal Banking Agency” means the “appropriate Federal banking agency” with respect to the Corporation as defined in Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. Section 1813(q)), or any successor provision.

(c) “Business Combination” means a merger, consolidation, statutory share exchange or similar transaction that requires the approval of the Corporation’s stockholders.

(d) “Business Day” means any day except Saturday, Sunday and any day on which banking institutions in the State of New York generally are authorized or required by law or other governmental actions to close.

(e) “Bylaws” means the bylaws of the Corporation, as they may be amended from time to time.

(f) “Certificate of Designations” means the Certificate of Designations or comparable instrument relating to the Designated Preferred Stock, of which these Standard Provisions form a part, as it may be amended from time to time.

(g) “Charter” means the Corporation’s certificate or articles of incorporation, articles of association, or similar organizational document.

(h) “Dividend Period” has the meaning set forth in Section 3(a).

(i) “Dividend Record Date” has the meaning set forth in Section 3(a).

(j) "Liquidation Preference" has the meaning set forth in Section 4(a).

(k) "Original Issue Date" means the date on which shares of Designated Preferred Stock are first issued.

(l) "Preferred Director" has the meaning set forth in Section 7(b).

(m) "Preferred Stock" means any and all series of preferred stock of the Corporation, including the Designated Preferred Stock.

(n) "Qualified Equity Offering" means the sale and issuance for cash by the Corporation to persons other than the Corporation or any of its subsidiaries after the Original Issue Date of shares of perpetual Preferred Stock, Common Stock or any combination of such stock, that, in each case, qualify as and may be included in Tier 1 capital of the Corporation at the time of issuance under the applicable risk-based capital guidelines of the Corporation's Appropriate Federal Banking Agency (other than any such sales and issuances made pursuant to agreements or arrangements entered into, or pursuant to financing plans which were publicly announced, on or prior to October 13, 2008).

(o) "Share Dilution Amount" has the meaning set forth in Section 3(b).

(p) "Standard Provisions" mean these Standard Provisions that form a part of the Certificate of Designations relating to the Designated Preferred Stock.

(q) "Successor Preferred Stock" has the meaning set forth in Section 5(a).

(r) "Voting Parity Stock" means, with regard to any matter as to which the holders of Designated Preferred Stock are entitled to vote as specified in Sections 7(a) and 7(b) of these Standard Provisions that form a part of the Certificate of Designations, any and all series of Parity Stock upon which like voting rights have been conferred and are exercisable with respect to such matter.

Section 3. Dividends.

(a) Rate. Holders of Designated Preferred Stock shall be entitled to receive, on each share of Designated Preferred Stock if, as and when declared by the Board of Directors or any duly authorized committee of the Board of Directors, but only out of assets legally available therefor, cumulative cash dividends with respect to each Dividend Period (as defined below) at a rate per annum equal to the Applicable Dividend Rate on (i) the Liquidation Amount per share of Designated Preferred Stock and (ii) the amount of accrued and unpaid dividends for any prior Dividend Period on such share of Designated Preferred Stock, if any. Such dividends shall begin to accrue and be cumulative from the Original Issue Date, shall compound on each subsequent Dividend Payment Date (*i.e.*, no dividends shall accrue on other dividends unless and until the first Dividend Payment Date for such other dividends has passed without such other dividends having been paid on such date) and shall be payable quarterly in arrears on each Dividend Payment Date, commencing with the first such Dividend Payment Date to occur at least 20

calendar days after the Original Issue Date. In the event that any Dividend Payment Date would otherwise fall on a day that is not a Business Day, the dividend payment due on that date will be postponed to the next day that is a Business Day and no additional dividends will accrue as a result of that postponement. The period from and including any Dividend Payment Date to, but excluding, the next Dividend Payment Date is a "Dividend Period", provided that the initial Dividend Period shall be the period from and including the Original Issue Date to, but excluding, the next Dividend Payment Date.

Dividends that are payable on Designated Preferred Stock in respect of any Dividend Period shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of dividends payable on Designated Preferred Stock on any date prior to the end of a Dividend Period, and for the initial Dividend Period, shall be computed on the basis of a 360-day year consisting of twelve 30-day months, and actual days elapsed over a 30-day month. Dividends that are payable on Designated Preferred Stock on any Dividend Payment Date will be payable to holders of record of Designated Preferred Stock as they appear on the stock register of the Corporation on the applicable record date, which shall be the 15th calendar day immediately preceding such Dividend Payment Date or such other record date fixed by the Board of Directors or any duly authorized committee of the Board of Directors that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a "Dividend Record Date"). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

Holders of Designated Preferred Stock shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on Designated Preferred Stock as specified in this Section 3 (subject to the other provisions of the Certificate of Designations).

(b) Priority of Dividends. So long as any share of Designated Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than dividends payable solely in shares of Common Stock) or Parity Stock, subject to the immediately following paragraph in the case of Parity Stock, and no Common Stock, Junior Stock or Parity Stock shall be, directly or indirectly, purchased, redeemed or otherwise acquired for consideration by the Corporation or any of its subsidiaries unless all accrued and unpaid dividends for all past Dividend Periods, including the latest completed Dividend Period (including, if applicable as provided in Section 3(a) above, dividends on such amount), on all outstanding shares of Designated Preferred Stock have been or are contemporaneously declared and paid in full (or have been declared and a sum sufficient for the payment thereof has been set aside for the benefit of the holders of shares of Designated Preferred Stock on the applicable record date). The foregoing limitation shall not apply to (i) redemptions, purchases or other acquisitions of shares of Common Stock or other Junior Stock in connection with the administration of any employee benefit plan in the ordinary course of business (including purchases to offset the Share Dilution Amount (as defined below) pursuant to a publicly announced repurchase plan) and consistent with past practice, *provided* that any purchases to offset the Share Dilution Amount shall in no event exceed the Share Dilution Amount; (ii) purchases or other acquisitions by a broker-dealer subsidiary of the Corporation solely for the purpose of market-making, stabilization or customer facilitation transactions in

Junior Stock or Parity Stock in the ordinary course of its business; (iii) purchases by a broker dealer subsidiary of the Corporation of capital stock of the Corporation for resale pursuant to an offering by the Corporation of such capital stock underwritten by such broker-dealer subsidiary; (iv) any dividends or distributions of rights or Junior Stock in connection with a stockholders' rights plan or any redemption or repurchase of rights pursuant to any stockholders' rights plan; (v) the acquisition by the Corporation or any of its subsidiaries of record ownership in Junior Stock or Parity Stock for the beneficial ownership of any other persons (other than the Corporation or any of its subsidiaries), including as trustees or custodians; and (vi) the exchange or conversion of Junior Stock for or into other Junior Stock or of Parity Stock for or into other Parity Stock (with the same or lesser aggregate liquidation amount) or Junior Stock, in each case, solely to the extent required pursuant to binding contractual agreements entered into prior to the Signing Date or any subsequent agreement for the accelerated exercise, settlement or exchange thereof for Common Stock. "Share Dilution Amount" means the increase in the number of diluted shares outstanding (determined in accordance with generally accepted accounting principles in the United States, and as measured from the date of the Corporation's consolidated financial statements most recently filed with the Securities and Exchange Commission prior to the Original Issue Date) resulting from the grant, vesting or exercise of equity-based compensation to employees and equitably adjusted for any stock split, stock dividend, reverse stock split, reclassification or similar transaction.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside for the benefit of the holders thereof on the applicable record date) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period related to such Dividend Payment Date) in full upon Designated Preferred Stock and any shares of Parity Stock, all dividends declared on Designated Preferred Stock and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared *pro rata* so that the respective amounts of such dividends declared shall bear the same ratio to each other as all accrued and unpaid dividends per share on the shares of Designated Preferred Stock (including, if applicable as provided in Section 3(a) above, dividends on such amount) and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) (subject to their having been declared by the Board of Directors or a duly authorized committee of the Board of Directors out of legally available funds and including, in the case of Parity Stock that bears cumulative dividends, all accrued but unpaid dividends) bear to each other. If the Board of Directors or a duly authorized committee of the Board of Directors determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Corporation will provide written notice to the holders of Designated Preferred Stock prior to such Dividend Payment Date. Subject to the foregoing, and not otherwise, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or any duly authorized committee of the Board of Directors may be declared and paid on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and holders of Designated Preferred Stock shall not be entitled to participate in any such dividends.

Section 4. Liquidation Rights.

(a) Voluntary or Involuntary Liquidation. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Designated Preferred Stock shall be entitled to receive for each share of Designated Preferred Stock, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Corporation, subject to the rights of any creditors of the Corporation, before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other stock of the Corporation ranking junior to Designated Preferred Stock as to such distribution, payment in full in an amount equal to the sum of (i) the Liquidation Amount per share and (ii) the amount of any accrued and unpaid dividends (including, if applicable as provided in Section 3(a) above, dividends on such amount), whether or not declared, to the date of payment (such amounts collectively, the "Liquidation Preference").

(b) Partial Payment. If in any distribution described in Section 4(a) above the assets of the Corporation or proceeds thereof are not sufficient to pay in full the amounts payable with respect to all outstanding shares of Designated Preferred Stock and the corresponding amounts payable with respect of any other stock of the Corporation ranking equally with Designated Preferred Stock as to such distribution, holders of Designated Preferred Stock and the holders of such other stock shall share ratably in any such distribution in proportion to the full respective distributions to which they are entitled.

(c) Residual Distributions. If the Liquidation Preference has been paid in full to all holders of Designated Preferred Stock and the corresponding amounts payable with respect of any other stock of the Corporation ranking equally with Designated Preferred Stock as to such distribution has been paid in full, the holders of other stock of the Corporation shall be entitled to receive all remaining assets of the Corporation (or proceeds thereof) according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 4, the merger or consolidation of the Corporation with any other corporation or other entity, including a merger or consolidation in which the holders of Designated Preferred Stock receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

Section 5. Redemption.

(a) Optional Redemption. Except as provided below, the Designated Preferred Stock may not be redeemed prior to the first Dividend Payment Date falling on or after the third anniversary of the Original Issue Date. On or after the first Dividend Payment Date falling on or after the third anniversary of the Original Issue Date, the Corporation, at its option, subject to the approval of the Appropriate Federal Banking Agency, may redeem, in whole or in part, at any time and from time to time, out of funds legally available therefor, the shares of Designated

Preferred Stock at the time outstanding, upon notice given as provided in Section 5(c) below, at a redemption price equal to the sum of (i) the Liquidation Amount per share and (ii) except as otherwise provided below, any accrued and unpaid dividends (including, if applicable as provided in Section 3(a) above, dividends on such amount) (regardless of whether any dividends are actually declared) to, but excluding, the date fixed for redemption.

Notwithstanding the foregoing, prior to the first Dividend Payment Date falling on or after the third anniversary of the Original Issue Date, the Corporation, at its option, subject to the approval of the Appropriate Federal Banking Agency, may redeem, in whole or in part, at any time and from time to time, the shares of Designated Preferred Stock at the time outstanding, upon notice given as provided in Section 5(c) below, at a redemption price equal to the sum of (i) the Liquidation Amount per share and (ii) except as otherwise provided below, any accrued and unpaid dividends (including, if applicable as provided in Section 3(a) above, dividends on such amount) (regardless of whether any dividends are actually declared) to, but excluding, the date fixed for redemption; *provided* that (x) the Corporation (or any successor by Business Combination) has received aggregate gross proceeds of not less than the Minimum Amount (plus the “Minimum Amount” as defined in the relevant certificate of designations for each other outstanding series of preferred stock of such successor that was originally issued to the United States Department of the Treasury (the “Successor Preferred Stock”) in connection with the Troubled Asset Relief Program Capital Purchase Program) from one or more Qualified Equity Offerings (including Qualified Equity Offerings of such successor), and (y) the aggregate redemption price of the Designated Preferred Stock (and any Successor Preferred Stock) redeemed pursuant to this paragraph may not exceed the aggregate net cash proceeds received by the Corporation (or any successor by Business Combination) from such Qualified Equity Offerings (including Qualified Equity Offerings of such successor).

The redemption price for any shares of Designated Preferred Stock shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to the Corporation or its agent. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the Dividend Record Date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such Dividend Record Date relating to the Dividend Payment Date as provided in Section 3 above.

(b) No Sinking Fund. The Designated Preferred Stock will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of Designated Preferred Stock will have no right to require redemption or repurchase of any shares of Designated Preferred Stock.

(c) Notice of Redemption. Notice of every redemption of shares of Designated Preferred Stock shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any

holder of shares of Designated Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Designated Preferred Stock. Notwithstanding the foregoing, if shares of Designated Preferred Stock are issued in book-entry form through The Depository Trust Corporation or any other similar facility, notice of redemption may be given to the holders of Designated Preferred Stock at such time and in any manner permitted by such facility. Each notice of redemption given to a holder shall state: (1) the redemption date; (2) the number of shares of Designated Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; and (4) the place or places where certificates for such shares are to be surrendered for payment of the redemption price.

(d) Partial Redemption. In case of any redemption of part of the shares of Designated Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or in such other manner as the Board of Directors or a duly authorized committee thereof may determine to be fair and equitable. Subject to the provisions hereof, the Board of Directors or a duly authorized committee thereof shall have full power and authority to prescribe the terms and conditions upon which shares of Designated Preferred Stock shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

(e) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been deposited by the Corporation, in trust for the *pro rata* benefit of the holders of the shares called for redemption, with a bank or trust company doing business in the Borough of Manhattan, The City of New York, and having a capital and surplus of at least \$500 million and selected by the Board of Directors, so as to be and continue to be available solely therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

(f) Status of Redeemed Shares. Shares of Designated Preferred Stock that are redeemed, repurchased or otherwise acquired by the Corporation shall revert to authorized but unissued shares of Preferred Stock (*provided* that any such cancelled shares of Designated Preferred Stock may be reissued only as shares of any series of Preferred Stock other than Designated Preferred Stock).

Section 6. Conversion. Holders of Designated Preferred Stock shares shall have no right to exchange or convert such shares into any other securities.

Section 7. Voting Rights.

(a) General. The holders of Designated Preferred Stock shall not have any voting rights except as set forth below or as otherwise from time to time required by law.

(b) Preferred Stock Directors. Notwithstanding Section 1 of Article II of the Articles of Incorporation of the Corporation, whenever, at any time or times, dividends payable on the shares of Designated Preferred Stock have not been paid for an aggregate of six quarterly Dividend Periods or more, whether or not consecutive, the authorized number of directors of the Corporation shall automatically be increased by two and the holders of the Designated Preferred Stock shall have the right, with holders of shares of any one or more other classes or series of Voting Parity Stock outstanding at the time, voting together as a class, to elect two directors (hereinafter the "Preferred Directors" and each a "Preferred Director") to fill such newly created directorships at the Corporation's next annual meeting of stockholders (or at a special meeting called for that purpose prior to such next annual meeting) and at each subsequent annual meeting of stockholders until all accrued and unpaid dividends for all past Dividend Periods, including the latest completed Dividend Period (including, if applicable as provided in Section 3(a) above, dividends on such amount), on all outstanding shares of Designated Preferred Stock have been declared and paid in full at which time such right shall terminate with respect to the Designated Preferred Stock, except as herein or by law expressly provided, subject to reversion in the event of each and every subsequent default of the character above mentioned; *provided* that it shall be a qualification for election for any Preferred Director that the election of such Preferred Director shall not cause the Corporation to violate any corporate governance requirements of any securities exchange or other trading facility on which securities of the Corporation may then be listed or traded that listed or traded companies must have a majority of independent directors. Upon any termination of the right of the holders of shares of Designated Preferred Stock and Voting Parity Stock as a class to vote for directors as provided above, the Preferred Directors shall cease to be qualified as directors, the term of office of all Preferred Directors then in office shall terminate immediately and the authorized number of directors shall be reduced by the number of Preferred Directors elected pursuant hereto. Any Preferred Director may be removed at any time, with or without cause, and any vacancy created thereby may be filled, only by the affirmative vote of the holders a majority of the shares of Designated Preferred Stock at the time outstanding voting separately as a class together with the holders of shares of Voting Parity Stock, to the extent the voting rights of such holders described above are then exercisable. If the office of any Preferred Director becomes vacant for any reason other than removal from office as aforesaid, the remaining Preferred Director may choose a successor who shall hold office for the unexpired term in respect of which such vacancy occurred.

(c) Class Voting Rights as to Particular Matters. So long as any shares of Designated Preferred Stock are outstanding, in addition to any other vote or consent of stockholders required by law or by the Charter, the vote or consent of the holders of at least 66 2/3% of the shares of Designated Preferred Stock at the time outstanding, voting as a separate class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) Authorization of Senior Stock. Any amendment or alteration of the Certificate of Designations for the Designated Preferred Stock or the Charter to authorize or create or increase the authorized amount of, or any issuance of, any shares of, or any securities convertible into or exchangeable or exercisable for shares of, any class or series of capital stock of the Corporation ranking senior to Designated Preferred Stock with respect to either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Corporation;

(ii) Amendment of Designated Preferred Stock. Any amendment, alteration or repeal of any provision of the Certificate of Designations for the Designated Preferred Stock or the Charter (including, unless no vote on such merger or consolidation is required by Section 7(c)(iii) below, any amendment, alteration or repeal by means of a merger, consolidation or otherwise) so as to adversely affect the rights, preferences, privileges or voting powers of the Designated Preferred Stock; or

(iii) Share Exchanges, Reclassifications, Mergers and Consolidations. Any consummation of a binding share exchange or reclassification involving the Designated Preferred Stock, or of a merger or consolidation of the Corporation with another corporation or other entity, unless in each case (x) the shares of Designated Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of Designated Preferred Stock immediately prior to such consummation, taken as a whole;

provided, however, that for all purposes of this Section 7(c), any increase in the amount of the authorized Preferred Stock, including any increase in the authorized amount of Designated Preferred Stock necessary to satisfy preemptive or similar rights granted by the Corporation to other persons prior to the Signing Date, or the creation and issuance, or an increase in the authorized or issued amount, whether pursuant to preemptive or similar rights or otherwise, of any other series of Preferred Stock, or any securities convertible into or exchangeable or exercisable for any other series of Preferred Stock, ranking equally with and/or junior to Designated Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the rights, preferences, privileges or voting powers, and shall not require the affirmative vote or consent of, the holders of outstanding shares of the Designated Preferred Stock.

(d) Changes after Provision for Redemption. No vote or consent of the holders of Designated Preferred Stock shall be required pursuant to Section 7(c) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of the Designated Preferred Stock shall have been redeemed, or shall have

been called for redemption upon proper notice and sufficient funds shall have been deposited in trust for such redemption, in each case pursuant to Section 5 above.

(e) Procedures for Voting and Consents. The rules and procedures for calling and conducting any meeting of the holders of Designated Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules of the Board of Directors or any duly authorized committee of the Board of Directors, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Charter, the Bylaws, and applicable law and the rules of any national securities exchange or other trading facility on which Designated Preferred Stock is listed or traded at the time.

Section 8. Record Holders. To the fullest extent permitted by applicable law, the Corporation and the transfer agent for Designated Preferred Stock may deem and treat the record holder of any share of Designated Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Corporation nor such transfer agent shall be affected by any notice to the contrary.

Section 9. Notices. All notices or communications in respect of Designated Preferred Stock shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, in the Charter or Bylaws or by applicable law. Notwithstanding the foregoing, if shares of Designated Preferred Stock are issued in book-entry form through The Depository Trust Corporation or any similar facility, such notices may be given to the holders of Designated Preferred Stock in any manner permitted by such facility.

Section 10. No Preemptive Rights. No share of Designated Preferred Stock shall have any rights of preemption whatsoever as to any securities of the Corporation, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities, or such warrants, rights or options, may be designated, issued or granted.

Section 11. Replacement Certificates. The Corporation shall replace any mutilated certificate at the holder's expense upon surrender of that certificate to the Corporation. The Corporation shall replace certificates that become destroyed, stolen or lost at the holder's expense upon delivery to the Corporation of reasonably satisfactory evidence that the certificate has been destroyed, stolen or lost, together with any indemnity that may be reasonably required by the Corporation.

Section 12. Other Rights. The shares of Designated Preferred Stock shall not have any rights, preferences, privileges or voting powers or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Charter or as provided by applicable law.

NORTHEAST BANCORP
AMENDED AND RESTATED BY-LAWS

ARTICLE I
MEETINGS OF SHAREHOLDERS

Section 1. Place of Meeting. All meetings of the shareholders of the Corporation shall be held at the principal office of the Corporation in the State of Maine, or at such other place, within or without the State of Maine, as may, from time to time, be fixed by the Board of Directors or as shall be specified or fixed in the respective notices or waivers of notice thereof.

Section 2. Annual Meetings. The annual meeting of the shareholders shall be held on such date and at such hour as may be fixed by the Board of Directors and stated in the notice of such meeting or on such other date and at such time as shall be stated in the notice of the meeting or otherwise specified by the President. The Corporation shall notify shareholders of the date, time and place of each annual and special meeting not less than ten (10) days nor more than sixty (60) days before such meeting, addressed to each shareholder at his address as it appears on the stock book; but at any meeting at which all shareholders not present shall have waived notice in writing, the giving of notice as above required, may be foregone.

Section 3. Quorum. At each meeting of the shareholders, the presence, in person or by proxy, of the holders of a majority of the issued and outstanding stock of the Corporation entitled to vote at such meeting, shall constitute a quorum for the transaction of business except where otherwise provided by law or by the Articles of Incorporation of the Corporation or any amendment thereto. When any meeting is convened, the presiding officer may adjourn the meeting if (i) no quorum is present for the transaction of business, (ii) the Board of Directors determines that adjournment is necessary or appropriate to enable the shareholders to consider fully information which the Board of Directors determines has not been made sufficiently or timely available to shareholders, or (iii) the Board of Directors determines that adjournment is otherwise in the best interests of the Corporation. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. Notice of any adjourned meeting of the shareholders shall not be required to be given, except when expressly required by law.

Section 4. Organization. The Chairman of the Board, if any, or in the absence of the Chairman of the Board, the President or a Vice-President, or a Chairman designated by the Board of Directors or by the shareholders shall preside at every meeting of the shareholders. In the absence of the Secretary, the presiding officer shall appoint a secretary pro tempore.

Section 5. Voting.

(a) Each shareholder of the Corporation having voting rights shall, except as otherwise provided by law or by the Articles of Incorporation of the Corporation, at every

meeting of the shareholders be entitled to one vote in person or by proxy for each share of the stock of the Corporation registered in his name on the books of the Corporation.

(1) on the date fixed pursuant to Section 2 of Article VI of the By-laws as the record date for the determination of shareholders entitled to vote at such meeting, notwithstanding the sale, or other disposal or transfer on the books of the Corporation of such share on or after the date so fixed, or

(2) if no such record date shall have been fixed, then at the date on which notice of such meeting is mailed.

(b) Subject to Article II, Section 3, at any meeting of shareholders at which a quorum is present, the holders of a majority in interest of the stock having voting rights represented thereat in person or by proxy shall decide any question brought before such meeting unless a larger or different vote or proportion is required by law or by the Articles of Incorporation of the Corporation or by these By-laws.

(c) When so requested by a majority of the holders of outstanding shares present at the meeting, a written ballot shall be used for any vote of the shareholders. If a written ballot shall be used, each ballot shall state the name of the shareholder voting, the number of shares owned by him, and if such ballot be cast by proxy, the name of the proxy.

Section 6. Notice of Shareholder Business and Nominations.

(a) Annual Meetings of Shareholders.

(1) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of other business to be considered by the shareholders may be brought before an annual meeting (i) by or at the direction of the Board of Directors or (ii) by any shareholder of the Corporation who was a shareholder of record at the time of giving of notice provided for in this By-law, who is entitled to vote at the meeting, who is present (in person or by proxy) at the meeting and who complies with the notice procedures set forth in this By-law as to such nomination or business. For the avoidance of doubt, the foregoing clause (ii) shall be the exclusive means for a shareholder to bring nominations or business properly before an annual meeting (other than matters properly brought under Rule 14a-8 (or any successor rule) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), and such shareholder must comply with the notice and other procedures set forth in Article I, Section 6(a)(2) and (3) of this By-law to bring such nominations or business properly before an annual meeting. In addition to the other requirements set forth in this By-law, for any proposal of business to be considered at an annual meeting, it must be a proper subject for action by shareholders of the Corporation under Maine law.

(2) For nominations or other business to be properly brought before an annual meeting by a shareholder pursuant to clause (ii) of Article I, Section 6(a)(1) of this By-law, the shareholder must (i) have given Timely Notice (as defined below) thereof in writing to the Secretary of the Corporation, (ii) have

provided any updates or supplements to such notice at the times and in the forms required by this By-law and (iii) together with the beneficial owner(s), if any, on whose behalf the nomination or business proposal is made, have acted in accordance with the representations set forth in the Solicitation Statement (as defined below) required by this By-law. To be timely, a shareholder's written notice shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the one-year anniversary of the preceding year's annual meeting; provided, however, that in the event the annual meeting is first convened more than thirty (30) days before or more than sixty (60) days after such anniversary date, or if no annual meeting were held in the preceding year, notice by the shareholder to be timely must be received by the Secretary of the Corporation not later than the close of business on the later of the ninetieth (90th) day prior to the scheduled date of such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made (such notice within such time periods shall be referred to as "Timely Notice"). Such shareholder's Timely Notice shall set forth:

a. as to each person whom the shareholder proposes to nominate for election or reelection as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected);

b. as to any other business that the shareholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting, and any material interest in such business of each Proposing Person (as defined below);

c. (i) the name and address of the shareholder giving the notice, as they appear on the Corporation's books, and the names and addresses of the other Proposing Persons (if any) and (ii) as to each Proposing Person, the following information: (A) the class or series and number of all shares of capital stock of the Corporation which are, directly or indirectly, owned beneficially or of record by such Proposing Person or any of its affiliates or associates (as such terms are defined in Rule 12b-2 promulgated under the Exchange Act), including any shares of any class or series of capital stock of the Corporation as to which such Proposing Person or any of its affiliates or associates has a right to acquire beneficial ownership at any time in the future, (B) all Synthetic Equity Interests (as defined below) in which such

Proposing Person or any of its affiliates or associates, directly or indirectly, holds an interest including a description of the material terms of each such Synthetic Equity Interest, including without limitation, identification of the counterparty to each such Synthetic Equity Interest and disclosure, for each such Synthetic Equity Interest, as to (x) whether or not such Synthetic Equity Interest conveys any voting rights, directly or indirectly, in such shares to such Proposing Person, (y) whether or not such Synthetic Equity Interest is required to be, or is capable of being, settled through delivery of such shares and (z) whether or not such Proposing Person and/or, to the extent known, the counterparty to such Synthetic Equity Interest has entered into other transactions that hedge or mitigate the economic effect of such Synthetic Equity Interest, (C) any proxy (other than a revocable proxy given in response to a public proxy solicitation made pursuant to, and in accordance with, the Exchange Act), agreement, arrangement, understanding or relationship pursuant to which such Proposing Person has or shares a right to, directly or indirectly, vote any shares of any class or series of capital stock of the Corporation, (D) any rights to dividends or other distributions on the shares of any class or series of capital stock of the Corporation, directly or indirectly, owned beneficially by such Proposing Person that are separated or separable from the underlying shares of the Corporation, and (E) any performance-related fees (other than an asset based fee) that such Proposing Person, directly or indirectly, is entitled to based on any increase or decrease in the value of shares of any class or series of capital stock of the Corporation or any Synthetic Equity Interests (the disclosures to be made pursuant to the foregoing clauses (A) through (E) are referred to, collectively, as "Material Ownership Interests") and (iii) a description of the material terms of all agreements, arrangements or understandings (whether or not in writing) entered into by any Proposing Person or any of its affiliates or associates with any other person for the purpose of acquiring, holding, disposing or voting of any shares of any class or series of capital stock of the Corporation;

d. (i) a description of all agreements, arrangements or understandings by and among any of the Proposing Persons, or by and among any Proposing Persons and any other person (including with any proposed nominee(s)), pertaining to the nomination(s) or other business proposed to be brought before the meeting of shareholders (which description shall identify the name of each other person who is party to such an agreement, arrangement or understanding), and (ii) identification of the names and addresses of other shareholders (including beneficial owners) known by any of the Proposing Persons to support such nominations or other

business proposal(s), and to the extent known the class and number of all shares of the Corporation's capital stock owned beneficially or of record by such other shareholder(s) or other beneficial owner(s); and

e. a statement whether or not the shareholder giving the notice and/or the other Proposing Person(s), if any, will deliver a proxy statement and form of proxy to holders of, in the case of a business proposal, at least the percentage of voting power of all of the shares of capital stock of the Corporation required under applicable law to approve the proposal or, in the case of a nomination or nominations, at least the percentage of voting power of all of the shares of capital stock of the Corporation reasonably believed by such Proposing Person to be sufficient to elect the nominee or nominees proposed to be nominated by such shareholder (such statement, the "Solicitation Statement").

For purposes of this Article I of these By-laws, the term "Proposing Person" shall mean the following persons: (i) the shareholder of record providing the notice of nominations or business proposed to be brought before a shareholders' meeting, and (ii) the beneficial owner(s), if different, on whose behalf the nominations or business proposed to be brought before a shareholders' meeting is made. For purposes of this Section 6 of Article I of these By-laws, the term "Synthetic Equity Interest" shall mean any transaction, agreement or arrangement (or series of transactions, agreements or arrangements), including, without limitation, any derivative, swap, hedge, repurchase or so-called "stock borrowing" agreement or arrangement, the purpose or effect of which is to, directly or indirectly: (A) give a person or entity economic benefit and/or risk similar to ownership of shares of any class or series of capital stock of the Corporation, in whole or in part, including due to the fact that such transaction, agreement or arrangement provides, directly or indirectly, the opportunity to profit or avoid a loss from any increase or decrease in the value of any shares of any class or series of capital stock of the Corporation, (B) mitigate loss to, reduce the economic risk of or manage the risk of share price changes for, any person or entity with respect to any shares of any class or series of capital stock of the Corporation, (C) otherwise provide in any manner the opportunity to profit or avoid a loss from any decrease in the value of any shares of any class or series of capital stock of the Corporation, or (D) increase or decrease the voting power of any person or entity with respect to any shares of any class or series of capital stock of the Corporation.

(3) A shareholder providing Timely Notice of nominations or business proposed to be brought before an annual meeting shall further update and supplement such notice, if necessary, so that the information (including, without limitation, the Material Ownership Interests information) provided or required to be provided in such notice pursuant to this By-law shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days

prior to such annual meeting, and such update and supplement shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the fifth (5th) business day after the record date for the annual meeting (in the case of the update and supplement required to be made as of the record date), and not later than the close of business on the eighth (8th) business day prior to the date of the annual meeting (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting).

(4) Notwithstanding anything in the second sentence of Article I, Section 6(a)(2) of this By-law to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least ten (10) days before the last day a shareholder may deliver a notice of nomination in accordance with the second sentence of Article I, Section 6(a)(2), a shareholder's notice required by this By-law shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be received by the Secretary of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(b) General.

(1) Only such persons who are nominated in accordance with the provisions of this By-law shall be eligible for election and to serve as directors and only such business shall be conducted at an annual meeting as shall have been brought before the meeting in accordance with the provisions of this By-law. The Board of Directors or a designated committee thereof shall have the power to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the provisions of this By-law. If neither the Board of Directors nor such designated committee makes a determination as to whether any shareholder proposal or nomination was made in accordance with the provisions of this By-law, the presiding officer of the annual meeting shall have the power and duty to determine whether the shareholder proposal or nomination was made in accordance with the provisions of this By-law. If the Board of Directors or a designated committee thereof or the presiding officer, as applicable, determines that any shareholder proposal or nomination was not made in accordance with the provisions of this By-law, such proposal or nomination shall be disregarded and shall not be presented for action at the annual meeting.

(2) Except as otherwise required by law, nothing in this Article I, Section 6 shall obligate the Corporation or the Board of Directors to include in any proxy statement or other shareholder communication distributed on behalf of the Corporation or the Board of Directors information with respect to any nominee for director or any other matter of business submitted by a shareholder.

(3) Notwithstanding the foregoing provisions of this Article I, Section 6, if the proposing shareholder (or a qualified representative of the shareholder) does not appear at the annual meeting to present a nomination or any business, such nomination or business shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Article I, Section 6, to be considered a qualified representative of the proposing shareholder, a person must be authorized by a written instrument executed by such shareholder or an electronic transmission delivered by such shareholder to act for such shareholder as proxy at the meeting of shareholders and such person must produce such written instrument or electronic transmission, or a reliable reproduction of the written instrument or electronic transmission, to the presiding officer at the meeting of shareholders.

(4) For purposes of this By-law, “public announcement” shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(5) Notwithstanding the foregoing provisions of this By-law, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this By-law. Nothing in this By-law shall be deemed to affect any rights of (i) shareholders to have proposals included in the Corporation’s proxy statement pursuant to Rule 14a-8 (or any successor rule) under the Exchange Act and, to the extent required by such rule, have such proposals considered and voted on at an annual meeting or (ii) the holders of any series of Undesignated Preferred Stock to elect directors under specified circumstances.

ARTICLE II

BOARD OF DIRECTORS

Section 1. General Powers. The property, affairs and business of the Corporation shall be managed under the direction of the Board of Directors. The Board of Directors may adopt such rules and regulations for the conduct of its meetings and the management of the Corporation not inconsistent with these By-laws, the Corporation’s Articles of Incorporation, or the laws of the State of Maine as it may deem proper.

Section 2. Qualifications and Term of Office. The number of directors of the Corporation shall be fixed solely and exclusively by resolution duly adopted from time to time by the Board of Directors. No decrease in the number of directors constituting the Board shall shorten the term of any incumbent director. Directors need not be shareholders or residents of the State of Maine.

Section 3. Manner of Election. At the annual meeting of shareholders, directors are elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present.

Section 4. Quorum and Manner of Acting. A majority of the total number of directors then holding office shall constitute a quorum for the transaction of business at any meeting except where otherwise provided by statute, the Corporation's Articles of Incorporation or these By-laws; but, less than a quorum may adjourn the meeting. At all meetings of the Board of Directors, each director present is to have one vote. At all meetings of the Board of Directors, all questions, the manner of deciding which is not specifically regulated by statute or the Corporation's Articles of Incorporation, shall be determined by a majority of the directors present at the meeting.

Section 5. Place of Meeting, etc. The Board of Directors may hold its meetings and have one or more offices at such places within or without the State of Maine as the Board, from time to time, may determine or, in the case of meetings, as shall be specified or fixed in the respective notices or waivers of notice thereof.

Section 6. Books and Records. The correct and complete books and records of account and minutes of the proceedings of shareholders and the Board of Directors shall be kept at the registered office of the Corporation.

Section 7. Regular Meetings. Regular meetings of the Board of Directors shall be held at such place and at such time as the Board shall, from time to time, by resolution, determine. A regular meeting of the board of directors shall be held immediately after and at the same place as the annual meeting of shareholders. Notice of regular meetings need not be given.

Section 8. Special Meetings; Notice. Special meetings of the Board of Directors shall be held whenever called by the Chairman of the Board, if any, or by the President, or by the Clerk at the request of any two directors at the time being in office. Notice of each such meeting shall be mailed to each director, addressed to him at his residence or usual place of business, at least two (2) days before the day on which the meeting is to be held, or shall be sent to him at such place by electronic mail, telegraph, cable, radio or wireless, or be given personally or by telephone, not later than the day before the day on which the meeting is to be held. Every such notice shall state the time and place of the meeting, but, need not state the purpose thereof. Notice of any meeting of the Board need not be given to any directors, however, if waived by him in writing or by electronic mail, telegraph, cable, radio or wireless, whether before or after such meeting be held, or if he shall be present at such meeting unless his attendance at the meeting is expressly for the purpose of objecting to the transaction of any business because the meeting is not lawfully convened; and any meeting of the Board shall be a legal meeting without any notice thereof having been given, if all of the directors shall be present thereat.

Section 9. Resignations. Any director of the Corporation may resign at any time by giving written notice to the President or to the Clerk of the Corporation. Such resignation shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 10. Compensation. Directors shall receive such compensation for attendance at regular or special meetings as the Board of Directors shall, from time to time, determine.

Section 11. Directors' Participation in Meeting by Telephone. A director may participate in a meeting of the Board of Directors by means of conference telephone or similar communication equipment enabling all directors participating in the meeting to hear one another. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

Section 12. Director's Action Without Meeting. If all the directors then holding office severally or collectively consent in writing to any action taken or to be taken by the Corporation, such action shall be valid as though it had been authorized at a meeting of the Board of Directors. The Clerk shall file such consent or consents with the minutes of the meetings of the Board of Directors.

Section 13. Presumption of Assent. A director of the Corporation who is present at a meeting of the board of directors at which any action is taken shall be presumed to have assented to the action taken unless his or her dissent or abstention shall be entered in the minutes of the meeting or unless a written dissent to such action shall be filed with the person acting as the secretary of the meeting before the adjournment thereof or shall be forwarded by registered mail to the secretary of the Corporation within five (5) days after the date on which a copy of the minutes of the meeting is received. Such right to dissent shall not apply to a director who voted in favor of such action.

ARTICLE III COMMITTEES

Section 1. Designation; Vacancies. The Board of Directors, by a resolution passed by a majority of the whole Board, may designate such number of their members not less than two (2), including the President of the Corporation, as it may, from time to time, determine to constitute an Executive Committee, each member of which, unless otherwise determined by the Board, shall continue to be a member thereof until the expiration of his term of office as a director.

Section 2. Powers. During the intervals between the meetings of the Board of Directors, the Executive Committee shall have all of the powers of the Board of Directors in the management of the business and affairs of the Corporation, except those prescribed by applicable Maine law, and may exercise such powers in such manner as the Executive Committee shall deem best for the interests of the Corporation in all cases in which specific directions shall not have been given by the Board of Directors; provided that any action taken by the Executive Committee shall be presented for review and ratification by the Board of Directors at the next meeting of the Board of Directors.

Section 3. Procedure; Meetings; Quorum. The Executive Committee shall make its own rules of procedure and shall meet at such times and at such place or places as may be provided by such rules or by resolution of the Executive Committee. A majority of the whole

number of the members of the Executive Committee shall constitute a quorum at any meeting thereof, and the act of a majority of those present at a meeting at which a quorum is present shall be the act of the Executive Committee. The Board of Directors shall have power at any time to change the members of the Executive Committee, to fill vacancies, and to discharge the Executive Committee.

Section 4. Other Committees. The Board of Directors, by resolution passed by a majority of the whole Board, may designate members of the board to constitute other committees, which shall in each case consist of such number of directors and shall have and may exercise such powers as the Board may determine and specify in the respective resolutions appointing them. Such committees shall have such name or names as may be determined, from time to time, by resolution adopted by the Board of Directors. The Board of Directors shall have power at any time to change the members of any such committee, to fill vacancies, and to discharge any such committee.

Section 5. Compensation. Members of the Executive Committee or of other committees of the Board of Directors shall receive such compensation for their services as members of such committees as the Board of Directors shall, from time to time, determine.

ARTICLE IV

OFFICERS

Section 1. Number. The officers of the Corporation may include a Chairman of the Board and shall include a President, Treasurer, Secretary and such other officers as the Board of Directors may, from time to time, deem appropriate. One person may hold the office and perform the duties of more than one of said officers. The Corporation shall also have a Clerk, who shall not be an officer.

Section 2. Election, Term of Office and Qualifications. The officers, and the Clerk, shall be elected annually by the Board of Directors. Each officer shall hold office, and the Clerk shall remain Clerk of the Corporation, until his successor shall have been elected and shall have qualified, or until his death or until he shall have resigned or shall have been removed in the manner hereinafter provided.

Section 3. Removal. Any officer, or the Clerk, may be removed by the Board of Directors whenever, in its judgment, the best interests of the Corporation will be served by such action.

Section 4. Resignations. Any officer, or the Clerk, may resign at any time by giving written notice to the Board of Directors or to the President or to the Clerk. Such resignation shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office, or in the position of Clerk, because of death, resignation, removal or any other cause shall be filled for the unexpired portion of the term in the manner prescribed in these By-laws for election or appointment to such office or position of Clerk.

Section 6. The Chairman of the Board. The Chairman of the Board, if there shall be one, shall be elected by the board from among its members who are directors who are not employed by the Corporation or any affiliate of the Corporation, and shall, if present, preside at all meetings of the shareholders and of the Board of Directors. Except where, by law, the signature of the President is required, he shall possess the same power as the President to sign all certificates, contracts and other instruments of the Corporation which may be authorized by the Board of Directors or by the Executive Committee. He shall, in general, perform all duties incident to the office of the Chairman of the Board, subject, however, to the direction and control of the Board of Directors and of the Executive Committee, and such other duties as, from time to time, may be assigned to him by the Board of Directors or by the Executive Committee.

Section 7. The President. The President shall be the chief executive and administrative officer of the Corporation and shall have general and active supervision and direction over the day-to-day business and affairs of the Corporation and over its several officers, subject, however, to the direction and control of the Board of Directors and of the Executive Committee. At the request of the Chairman of the Board, or in case of his absence or inability to act, the President may act in his place. He shall sign or countersign all certificates, contracts and other instruments of the Corporation as authorized by the Board of Directors, and shall perform all such other duties as, from time to time, may be assigned to him by the Board of Directors or the Executive Committee.

Section 8. The Vice-Presidents. Each Vice-President shall have such powers and perform such duties as the Board of Directors may, from time to time, prescribe. At the request of the President, or in case of his absence or inability to act, any Vice President may act in his place, and when so acting shall have all the powers and be subject to all the restrictions of the President.

Section 9. The Clerk. The Clerk, who shall be a resident of the State of Maine and shall keep his office therein, shall perform the functions provided in the Maine Business Corporation Act, as it may be amended. The Clerk shall keep, or cause to be kept in books provided for the purpose the minutes of the meetings of the shareholders and of the Board of Directors; shall see that all notices are duly given in accordance with the provisions of these By-laws and as required by law; shall be the custodian of the records, stock certificates records and of the seal of the Corporation and see that the seal is affixed to all documents the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these By-laws.

Section 10. The Secretary. The Secretary shall perform such duties and have such powers as are required or permitted by law and as the Board of Directors shall, from time to time, designate. In his absence, an Assistant Secretary or a secretary pro tempore shall perform his duties, and the Assistant Secretary shall have such other powers and duties as the Board of Directors shall, from time to time, designate. In the absence of the Clerk, the Secretary shall keep or cause to be kept, in books provided for the purpose, the minutes of the meetings of the shareholders and of the Board of Directors and shall perform such other functions as are provided to be performed by the Clerk.

Section 11. The Treasurer. The Treasurer shall be the financial officer of the Corporation; shall have charge and custody of, and be responsible for, all funds of the Corporation, and deposit all such funds in the name of the Corporation in such banks, trust companies or other depositories as shall be selected by the Board of Directors; shall receive, and give receipts for, moneys due and payable to the Corporation from any source whatsoever; and in general, shall perform all the duties incident to the office of Treasurer and such other duties as, from time to time, may be assigned to him by the Board of Directors or by the President.

Section 12. Compensation of Officers. The compensation of the Chairman of the Board, President, Treasurer, Secretary, other officers and the Clerk, shall be fixed, from time to time, by the Board of Directors, subject to applicable law. No officer or the Clerk shall be prevented from receiving such compensation by reason of the fact that he is also a director of the Corporation.

ARTICLE V

CONTRACTS, CHECKS, NOTES, ETC.

Section 1. Execution of Contracts. All contracts and agreements authorized by the Board of Directors, and all checks, drafts, notes, bonds, bills of exchange and orders for the payment of money shall, unless otherwise directed by the Board of Directors, or unless otherwise required by law, be signed by any two of the following officers: The Chairman of the Board, President, Vice-President, Treasurer, or Secretary. The Board of Directors may, however, authorize any one of said officers to sign checks, drafts and orders for the payment of money singly and without necessity of counter signature, and may designate officers and employees of the Corporation other than those named above, or different combinations of such officers and employees, who may, in the name of the Corporation, execute checks, drafts, and orders for the payment of money on its behalf.

Section 2. Loans. No loans, to the Corporation, shall be contracted on behalf of the Corporation and no negotiable paper shall be signed in its name unless authorized by resolution of the Board of Directors. When authorized by the Board of Directors to do so, any officer or agent of the Corporation thereunto authorized may effect loans and advances at any time for the Corporation from any bank, trust company or other institution, or from any firm, corporation or individual, and for such loans and advances may make, execute and deliver promissory notes, bonds or other certificates or evidences of indebtedness of the Corporation and, when authorized so to do, may pledge, hypothecate or transfer any securities or advances. Such authority may be general or confined to specific instances.

ARTICLE VI
STOCK AND DIVIDENDS

Section 1. Certificate of Stock. Every shareholder shall be entitled to have a certificate certifying the number of shares owned by him in the Corporation. The certificates shall be in such form as the Board of Directors shall approve. They shall be signed by the President and countersigned by the Secretary and may be sealed with the seal of the Corporation or a facsimile thereof. Such certificates shall be transferable on the stock books of the Corporation in person or by attorney, but, except as hereinafter provided in the case of loss, destruction or mutilation of certificates, no transfer of stock shall be entered until the previous certificate, if any, given for the same shall have been surrendered and cancelled. Notwithstanding anything to the contrary provided in these Amended and Restated Bylaws, the Board of Directors of the Corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares (except that the foregoing shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation), and by the approval and adoption of these Amended and Restated Bylaws the Board of Directors has determined that all classes or series of the Corporation's stock may be uncertificated, whether upon original issuance, re-issuance, or subsequent transfer.

A record of shareholders giving the names and addresses of all shareholders and the number and class of the shares held by each, shall be kept at the Corporation's registered office or principal place of business.

The person in whose name shares of stock stand on the books of the Corporation shall be deemed the owner thereof for all purposes as regards the Corporation.

The Board of Directors may make such rules and regulations as it may deem expedient, not inconsistent with these By-laws, concerning the issue, transfer and registration of certificates for shares of the capital stock of the Corporation.

Section 2. Closing of Transfer Books or Fixing of Record Date. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or shareholders entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors of the Corporation may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, sixty (60) days. If the stock transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least ten(10) days immediately preceding such meeting. In lieu of closing the stock transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than sixty (60) days and, in case of a meeting of shareholders, not less than ten (10) days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken.

Section 3. Lost, Destroyed or Mutilated Certificates. In case of loss, destruction or mutilation of any certificate of stock, another may be issued in its place upon proof of such loss, destruction or mutilation and upon satisfying such other requirements as the Board of Directors shall specify, including such provision for indemnity as may seem advisable to the Board of Directors.

Section 4. Dividends. Subject to the provisions of the Articles of Incorporation of the Corporation, and to the extent permitted by law, the Board of Directors may declare dividends on the shares of stock of the Corporation at such times and in such amounts as, in its opinion, are advisable in view of the condition of the affairs of the Corporation.

**ARTICLE VII
FISCAL YEAR**

The fiscal year of the Corporation shall be fixed by the Board of Directors.

**ARTICLE VIII
SEAL**

The Board of Directors shall provide a corporate seal which shall be in the form of a circle and shall bear the name of the Corporation and words and figures indicating the year and state in which the Corporation was incorporated.

**ARTICLE IX
WAIVER OF NOTICE**

Whenever any notice is required to be given to any shareholder or director by these By-laws or the Articles of Incorporation or the laws of the State of Maine, a waiver of the notice in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to giving the notice.

**ARTICLE X
INDEMNIFICATION**

Section 1. Definitions. For purposes of this Article:

(a) "Corporate Status" describes the status of a person who is serving or has served (i) as a director of the Corporation, (ii) as an Officer of the Corporation, (iii) as a Non-Officer Employee of the Corporation or (iv) as a director, partner, trustee, officer, employee or agent of any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan, foundation, association, organization or other legal entity, which such person is or was serving at the request of the Corporation. For purposes of this Section 1(a), a Director, Officer or Non-Officer Employee of the Corporation who is serving or has served as a director, partner, trustee, officer, employee or agent of a Subsidiary shall be deemed to be serving at the request of the Corporation. Notwithstanding the foregoing, "Corporate Status" shall not include

the status of a person who is serving or has served as a director, officer, employee or agent of a constituent corporation absorbed in a merger or consolidation transaction with the Corporation with respect to such person's activities prior to said transaction, unless specifically authorized by the Board of Directors or the shareholders of the Corporation;

(b) "Director" means any person who serves or has served the Corporation as a director on the Board of Directors of the Corporation;

(c) "Disinterested Director" means, with respect to each Proceeding in respect of which indemnification is sought hereunder, a Director of the Corporation who is not and was not a party to such Proceeding;

(d) "Expenses" means all attorneys' fees, retainers, court costs, transcript costs, fees of expert witnesses, private investigators and professional advisors (including, without limitation, accountants and investment bankers), travel expenses, duplicating costs, printing and binding costs, costs of preparation of demonstrative evidence and other courtroom presentation aids and devices, costs incurred in connection with document review, organization, imaging and computerization, telephone charges, postage, delivery service fees, and all other disbursements, costs or expenses of the type customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, settling or otherwise participating in, a Proceeding;

(e) "Liabilities" means judgments, damages, liabilities, losses, penalties, excise taxes, fines and amounts paid in settlement;

(f) "MBCA" means the Maine Business Corporation Act.

(g) "Non-Officer Employee" means any person who serves or has served as an employee or agent of the Corporation, but who is not or was not a Director or Officer;

(h) "Officer" means any person who serves or has served the Corporation as an officer of the Corporation appointed by the Board of Directors of the Corporation;

(i) "Proceeding" means any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, inquiry, investigation, administrative hearing or other proceeding, whether civil, criminal, administrative, arbitral or investigative; and

(j) "Subsidiary" shall mean any corporation, partnership, limited liability company, joint venture, trust or other entity of which the Corporation owns (either directly or through or together with another Subsidiary of the Corporation) either (i) a general partner, managing member or other similar interest or (ii) (A) fifty percent (50%) or more of the voting power of the voting capital equity interests of such corporation, partnership, limited liability company, joint venture or other entity, or (B) fifty percent (50%) or more of the outstanding voting capital stock or other voting equity interests of such corporation, partnership, limited liability company, joint venture or other entity.

Section 2. Indemnification of Directors and Officers. Subject to the operation of Section 4 of this Article X of these By-laws, each Director and Officer shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the MBCA, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), but only to the extent permitted under applicable federal banking laws and regulations, including without limitation, 12 U.S.C. Section 1828(k) and the regulations issued thereunder by the Federal Deposit Insurance Corporation (the "FDIC"), and to the extent authorized in this Section 2.

(a) Actions, Suits and Proceedings Other than By or In the Right of the Corporation. Each Director and Officer shall be indemnified and held harmless by the Corporation against any and all Expenses and Liabilities that are incurred or paid by such Director or Officer or on such Director's or Officer's behalf in connection with any Proceeding or any claim, issue or matter therein (other than an action by or in the right of the Corporation), which such Director or Officer is, or is threatened to be made, a defendant or respondent to or in by reason of such Director's or Officer's Corporate Status, if (A) such Director or Officer acted in good faith and in a manner such Director or Officer reasonably believed, in the case of conduct in such person's official capacity, to be in the best interests of the Corporation, or, in all other cases, that such person's conduct was not opposed to the best interests of the Corporation, and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful, or (B) such Director or Officer engaged in conduct for which broader indemnification has been made permissible or obligatory under the Corporation's Articles of Incorporation as authorized by Section 202(2)(E) of the MBCA, provided that (i) the Corporation shall not indemnify any Director or Officer with respect to any Liability for conduct for which such Director or Officer was adjudged liable on the basis that such Director or Officer received a financial benefit to which such Director or Officer was not entitled, whether or not involving action in such Director or Officer's official capacity, and (ii) the Corporation shall not indemnify any Officer with respect to any Liability for which such Officer was adjudged liable on the basis that such Officer intentionally inflicted harm on the Corporation or its shareholders or intentionally violated a criminal law. The conduct of a Director or Officer with respect to an employee benefit plan for a purpose the Director or Officer reasonably believed to be in the best interests of the participants in, and the beneficiaries of, the plan is conduct that satisfies clause (A) of the preceding sentence.

(b) Actions, Suits and Proceedings By or In the Right of the Corporation. Each Director and Officer shall be indemnified and held harmless by the Corporation against any and all Expenses that are incurred by such Director or Officer or on such Director's or Officer's behalf in connection with any Proceeding or any claim, issue or matter therein by or in the right of the Corporation, which such Director or Officer is, or is threatened to be made, a defendant or respondent to or in by reason of such Director's or Officer's Corporate Status, if (A) such Director or Officer acted in good faith and in a manner such Director or Officer reasonably believed, in the case of conduct in such person's official capacity, to be in the best interests of the Corporation, or, in all other cases, that such person's conduct was not opposed to the best interests of the Corporation, or (B) such Director or Officer engaged in conduct for which broader indemnification has been made permissible or obligatory under the Corporation's Articles of Incorporation as authorized by Section 202(2)(E) of the MBCA. The conduct of a

Director or Officer with respect to an employee benefit plan for a purpose the Director or Officer reasonably believed to be in the best interests of the participants in, and the beneficiaries of, the plan is conduct that satisfies clause (A) of the preceding sentence. No indemnification shall be made under this Section 2(b) in respect of any claim, issue or matter as to which such Director or Officer shall have been finally adjudged by a court of competent jurisdiction to have not satisfied the standard of conduct in the preceding sentence, unless otherwise so ordered by a court of competent jurisdiction.

(c) Survival of Rights. The rights of indemnification provided by this Section 2 shall continue as to a Director or Officer after he or she has ceased to be a Director or Officer and shall inure to the benefit of his or her heirs, executors, administrators and personal representatives.

(d) Actions by Directors or Officers. Notwithstanding the foregoing, the Corporation shall indemnify any Director or Officer seeking indemnification in connection with a Proceeding initiated by such Director or Officer only if such Proceeding (including any parts of such Proceeding not initiated by such Director or Officer) was authorized in advance by the Board of Directors of the Corporation, unless such Proceeding was brought to enforce an Officer or Director's rights to indemnification or, in the case of Directors, advancement of Expenses under these By-laws in accordance with the provisions set forth herein.

Section 3. Indemnification of Non-Officer Employees. Subject to the operation of Section 4 of this Article X of these By-laws, each Non-Officer Employee may, in the discretion of the Board of Directors of the Corporation, be indemnified by the Corporation to the fullest extent authorized by the MBCA, as the same exists or may hereafter be amended, but only to the extent permitted under applicable federal banking laws and regulations, including without limitation, 12 U.S.C. Section 1828(k) and the regulations issued thereunder by the FDIC, against any or all Expenses and Liabilities that are incurred by such Non-Officer Employee or on such Non-Officer Employee's behalf in connection with any threatened, pending or completed Proceeding, or any claim, issue or matter therein, which such Non-Officer Employee is, or is threatened to be made, a defendant or respondent to or in by reason of such Non-Officer Employee's Corporate Status, if (A) such Non-Officer Employee acted in good faith and in a manner such Non-Officer Employee reasonably believed, in the case of conduct in such person's official capacity, to be in the best interests of the Corporation, or, in all other cases, that such person's conduct was not opposed to the best interests of the Corporation, and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful or (B) such Non-Officer Employee engaged in conduct for which broader indemnification has been made permissible or obligatory under the Corporation's Articles of Incorporation as authorized by Section 202(2)(E) of the MBCA, provided that (i) the Corporation shall not indemnify any Non-Officer Employee with respect to any Liability for conduct for which such Non-Officer Employee was adjudged liable on the basis that such Non-Officer Employee received a financial benefit to which such Non-Officer Employee was not entitled, whether or not involving action in such Non-Officer Employee's official capacity and (ii) the Corporation shall not indemnify any Non-Officer Employee with respect to any Liability for which such Non-Officer Employee was adjudged liable on the basis that such Non-Officer Employee intentionally inflicted harm on the Corporation or its shareholders or intentionally violated a criminal law. The rights of indemnification provided by this Section 3 shall exist as to a Non-Officer Employee after he or

she has ceased to be a Non-Officer Employee and shall inure to the benefit of his or her heirs, personal representatives, executors and administrators. The conduct of a Non-Officer Employee with respect to an employee benefit plan for a purpose the Non-Officer Employee reasonably believed to be in the best interests of the participants in, and the beneficiaries of, the plan is conduct that satisfies clause (A) of the preceding sentence. Notwithstanding the foregoing, the Corporation may indemnify any Non-Officer Employee seeking indemnification in connection with a Proceeding initiated by such Non-Officer Employee only if such Proceeding was authorized in advance by the Board of Directors of the Corporation.

Section 4. Determination. Unless ordered by a court, no indemnification shall be provided pursuant to this Article X to a Director, to an Officer or to a Non-Officer Employee unless a determination shall have been made that such person acted in accordance with the applicable standards of conduct set forth herein. Such determination shall be made (a) if there are two or more Disinterested Directors, by a majority vote of the Disinterested Directors, by a majority of whom for this purpose constitutes a quorum, (b) if there are two or more Disinterested Directors, by a majority of a committee comprised of two or more Disinterested Directors, such committee having been designated by a majority vote of the Disinterested Directors, (c) if there are two or more Disinterested Directors and a majority of Disinterested Directors so directs in accordance with clause (a) or (b) above, by independent legal counsel in a written opinion, (d) if there are fewer than two Disinterested Directors and a majority of the Board of Directors so directs, by independent legal counsel in a written opinion, or (e) by the shareholders of the Corporation (provided that shares owned or voted under the control of a Director who is not a Disinterested Director may not be voted on such action).

Section 5. Advancement of Expenses to Directors Prior to Final Disposition.

(a) The Corporation shall advance all Expenses incurred by or on behalf of any Director in connection with any Proceeding in which such Director is involved by reason of such Director's Corporate Status within thirty (30) days after the receipt by the Corporation of a written statement from such Director requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by such Director and shall be preceded or accompanied by (i) a written affirmation of such Director's good faith belief that he or she has met the relevant standard of conduct described in Section 2(a) of this Article X or that the Proceeding involves conduct for which liability has been eliminated under a provision of the Corporation's Articles of Incorporation to the extent permitted by law and (ii) an undertaking by or on behalf of such Director to repay any Expenses so advanced if it shall ultimately be determined that such Director is not entitled to be indemnified against such Expenses. Notwithstanding the foregoing, the Corporation shall advance all Expenses incurred by or on behalf of any Director seeking advancement of expenses hereunder in connection with a Proceeding initiated by such Director only if such Proceeding (including any parts of such Proceeding not initiated by such Director) was (i) authorized by the Board of Directors of the Corporation, or (ii) brought to enforce such Director's rights to indemnification or advancement of Expenses under these By-laws.

(b) If a claim for advancement of Expenses hereunder by a Director is not paid in full by the Corporation within thirty (30) days after receipt by the Corporation of documentation of Expenses and the required undertaking, such Director may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and if successful in whole or in part, such Director shall also be entitled to be paid the expenses of prosecuting such claim.

(c) In any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the Director has not met any applicable standard for indemnification set forth in the MBCA or applicable federal banking laws and regulations, including without limitation, 12 U.S.C. Section 1828(k) and the regulations issued thereunder by the FDIC.

Section 6. Advancement of Expenses to Officers and Non-Officer Employees Prior to Final Disposition.

(a) The Corporation may, at the discretion of the Board of Directors of the Corporation, advance any or all Expenses incurred by or on behalf of any Officer or any Non-Officer Employee in connection with any Proceeding in which such person is involved by reason of his or her Corporate Status as an Officer or Non-Officer Employee upon the receipt by the Corporation of a statement or statements from such Officer or Non-Officer Employee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by such Officer or Non-Officer Employee and shall be preceded or accompanied by (i) a written affirmation of such Officer's or Non-Officer Employee's good faith belief that he or she has met the relevant standard of conduct described in Section 2(a) of this Article X and (ii) an undertaking by or on behalf of such person to repay any Expenses so advanced if it shall ultimately be determined that such Officer or Non-Officer Employee is not entitled to be indemnified against such Expenses.

(b) In any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the Officer or Non-Officer Employee has not met any applicable standard for indemnification set forth in the MBCA or applicable federal banking laws and regulations, including without limitation, 12 U.S.C. Section 1828(k) and the regulations issued thereunder by the FDIC.

Section 7. Contractual Nature of Rights.

(a) The provisions of this Article X shall be deemed to be a contract between the Corporation and each Director and Officer entitled to the benefits hereof at any time while this Article X is in effect, in consideration of such person's past or current and any future performance of services for the Corporation. Neither amendment, repeal or modification of any provision of this Article X nor the adoption of any provision of the Articles of Incorporation inconsistent with this Article X shall eliminate or reduce any right conferred by this Article X in respect of any act or omission occurring, or any cause of action or claim that accrues or arises or any state of facts existing, at the time of or before such amendment, repeal, modification or adoption of an inconsistent provision (even in the case of a proceeding based on such a state of

facts that is commenced after such time), and all rights to indemnification and advancement of Expenses granted herein or arising out of any act or omission shall vest at the time of the act or omission in question, regardless of when or if any proceeding with respect to such act or omission is commenced. The rights to indemnification and to advancement of expenses provided by, or granted pursuant to, this Article X shall continue notwithstanding that the person has ceased to be a director or officer of the Corporation and shall inure to the benefit of the estate, heirs, executors, administrators, legatees and distributees of such person.

(b) If a claim for indemnification hereunder by a Director or Officer is not paid in full by the Corporation within sixty (60) days after receipt by the Corporation of a written claim for indemnification, such Director or Officer may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim, and if successful in whole or in part, such Director or Officer shall also be entitled to be paid the expenses of prosecuting such claim. The failure of the Corporation (including its Board of Directors or any committee thereof, independent legal counsel, or shareholders) to make a determination concerning the permissibility of such indemnification under this Article X shall not be a defense to an action brought by a Director or Officer for recovery of the unpaid amount of an indemnification claim and shall not create a presumption that such indemnification is not permissible. The burden of proving that a Director or Officer is not entitled to indemnification shall be on the Corporation.

(c) In any suit brought by a Director or Officer to enforce a right to indemnification hereunder, it shall be a defense that such Director or Officer has not met any applicable standard for indemnification set forth in the MBCA or applicable federal banking laws and regulations, including without limitation, 12 U.S.C. Section 1828(k) and the regulations issued thereunder by the FDIC.

Section 8. Non-Exclusivity of Rights. The rights to indemnification and to advancement of Expenses set forth in this Article X shall not be exclusive of any other right which any Director, Officer, or Non-Officer Employee may have or hereafter acquire under any statute, provision of the Articles of Incorporation or these By-laws, agreement, vote of shareholders or Disinterested Directors or otherwise.

Section 9. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any Director, Officer or Non-Officer Employee against any liability of any character asserted against or incurred by the Corporation or any such Director, Officer or Non-Officer Employee, or arising out of any such person's Corporate Status, whether or not the Corporation would have the power to indemnify such person against such liability under the MBCA or the provisions of this Article X.

Section 10. Other Indemnification. The Corporation's obligation, if any, to indemnify or provide advancement of Expenses to any person under this Article X as a result of such person serving, at the request of the Corporation, as a director, partner, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount such person may collect as indemnification or advancement of Expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or enterprise (the "Primary Indemnitor"). Any indemnification or

advancement of Expenses under this Article X owed by the Corporation as a result of a person serving, at the request of the Corporation, as a director, partner, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall only be in excess of, and shall be secondary to, the indemnification or advancement of Expenses available from the applicable Primary Indemnitor(s) and any applicable insurance policies.

ARTICLE XI
EMERGENCY PREPAREDNESS

In the event of an emergency in the conduct of the business of the Corporation resulting from an attack on the continental United States or any other such disaster resulting in a major disruption of the conduct of the business of the Corporation:

1. The officers and employees of the Corporation shall continue to conduct the business of the Corporation under such guidance from the Board of Directors as may be available, except as to matters which by statute require specific approval of the Board of Directors, and subject to any directive of duly constituted authority during emergency.

2. In the absence or disability of any officer, or upon the refusal of any officer to act, the Board of Directors may delegate for the time being that officer's powers and duties to any other officer or director.

3. In the event of an emergency so severe as to prevent the conduct and management of the business of the Corporation by the Board of Directors and the officers as contemplated by these by-laws, any two or more available directors shall constitute an interim Executive Committee for the full conduct and management of the business of the Corporation, subject to such regulations as the Board of Directors may from time to time adopt for emergency preparedness, until such time as the interim Executive Committee determines that the Corporation can resume the conduct and management of the business of the Corporation in the manner contemplated by the by-laws.

4. If, as a consequence of an emergency, the Chief Executive Officer of the Corporation cannot be located or is unable to assume and continue his normal executive duties, then his powers and duties shall, without further action of the Board of Directors, be assumed by one of the following officers in the seniority set forth:

- (a) President (unless he is serving as Chief Executive Officer)
- (b) Executive Vice President
- (c) Senior Vice Presidents (in order of seniority)
- (d) Treasurer

The officer so assuming the powers and duties of the Chief Executive Officer shall continue to serve until the majority of the available directors certify in writing that either he is unable to serve longer in that capacity or an officer senior to him is available to assume the powers and duties of the Chief Executive Officer.

5. If, as a consequence of an emergency, the Treasurer of the Corporation cannot be located or is unable to assume and continue his normal duties, then the powers and duties of the Treasurer shall, without further action of the Board of Directors, be assumed by one of the following officers in the seniority set forth:

- (a) President (unless he is serving as Chief Executive Officer)
- (b) Executive Vice President
- (c) Senior Vice Presidents (in order of seniority)
- (d) Assistant Treasurer or Comptroller.

The officer so assuming the powers and duties of the Treasurer shall continue to serve until the majority of the available directors certify in writing that either he is unable to serve longer in that capacity or an officer senior to him is available to assume the powers and duties of the Treasurer

Anyone dealing with the Corporation may accept a certificate of two or more officers that a specified individual is the acting Treasurer hereunder and rely upon that certificate to remain in full force and effect until modified or cancelled by a certificate of change signed by three officers of the Corporation.

6. If during such emergency, or as a consequence thereof, the business of the Corporation cannot be conducted and managed at its main office, business may be conducted and managed at such temporary location or locations as may be designated by the Board of Directors or by its interim Executive Committee for which provision is made above; and the business of the Corporation shall be returned from the temporary location or locations to the main office of the Corporation as soon as practicable.

ARTICLE XII AMENDMENT

The By-Laws of the Corporation may be amended at any time by the affirmative vote of a majority of the entire Board of Directors, subject to repeal, change or adoption of any contravening or inconsistent provision only by vote of the holders of at least two-thirds (2/3) of all the shares entitled to vote on the matter at a meetings expressly called for that purpose.

INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of _____ by and between Northeast Bancorp, a Maine corporation (the "Company"), and _____ ("Indemnitee").

RECITALS

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company;

WHEREAS, in order to induce Indemnitee to provide or continue to provide services to the Company, the Company wishes to provide for the indemnification of, and advancement of expenses to, Indemnitee to the maximum extent permitted by law;

WHEREAS, the Articles of Incorporation of the Company (the "Charter") and the Bylaws of the Company (the "Bylaws") require indemnification of the officers and directors of the Company, and Indemnitee may also be entitled to indemnification pursuant to the Maine Business Corporation Act (the "MBCA");

WHEREAS, the Bylaws and the MBCA contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the Company and Indemnitee recognize the continued difficulty in obtaining liability insurance for the Company's directors, officers, employees, agents and fiduciaries, the significant and continual increases in the cost of such insurance and the general trend of insurance companies to reduce the scope of coverage of such insurance;

WHEREAS, the Company and Indemnitee further recognize the substantial increase in corporate litigation in general, subjecting directors, officers, employees, agents and fiduciaries to expensive litigation risks at the same time as the availability and scope of coverage of liability insurance provide increasing challenges for the Company;

WHEREAS, Indemnitee does not regard the protection currently provided by applicable law, the Company's governing documents and available insurance as adequate under the present circumstances, and Indemnitee may not be willing to continue to serve in such capacity without additional protection;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that the increased difficulty in attracting and retaining highly qualified persons such as Indemnitee is detrimental to the best interests of the Company's stockholders and that the Company should act to assure Indemnitee that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law, regardless of any amendment or revocation of the Charter or Bylaws, so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified; and

WHEREAS, this Agreement is a supplement to and in furtherance of the indemnification provided in the Charter and the Bylaws and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to serve as a director of the Company. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee. The foregoing notwithstanding, this Agreement shall continue in force after Indemnitee has ceased to serve as a director of the Company.

Section 2. Definitions.

As used in this Agreement:

(a) "Corporate Status" describes the status of a person as a current or former director, officer, employee, agent or trustee of the Company or of any other Enterprise which such person is or was serving at the request of the Company.

(b) "Enforcement Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with an action to enforce indemnification or advancement rights, or an appeal from such action, including without limitation the premium, security for, and other costs relating to any cost bond, supersedes bond, or other appeal bond or its equivalent.

(c) "Enterprise" shall mean any corporation (other than the Company), partnership, joint venture, trust, employee benefit plan, limited liability company or other legal entity of which Indemnitee is or was serving at the request of the Company as a director, manager, officer, employee, agent or trustee.

(d) "Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding or an appeal resulting from a Proceeding, including

without limitation the premium, security for, and other costs relating to any cost bond, supersedes bond, or other appeal bond or its equivalent. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(e) “Independent Counsel” means a law firm, or a partner (or, if applicable, member or shareholder) of such a law firm, that is experienced in matters of Maine corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company, any Enterprise or Indemnitee in any matter material to any such party, or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(f) The term “Proceeding” shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative or investigative nature, and whether formal or informal, in which Indemnitee was, is or will be involved as, or is threatened to be made, a defendant or respondent in a Proceeding by reason of the fact that Indemnitee is or was a director of the Company or is or was serving at the request of the Company as a director, manager, officer, employee, agent or trustee of any Enterprise or by reason of any action taken by him or of any action taken on his part while acting as director of the Company or while serving at the request of the Company as a director, manager, officer, employee, agent or trustee of any Enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement; provided, however, that the term “Proceeding” shall not include any action, suit or arbitration, or part thereof, initiated by Indemnitee to enforce Indemnitee’s rights under this Agreement as provided for in Section 13(e) of this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made, a defendant or respondent to or in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if (A) Indemnitee acted in good faith and in a manner he reasonably believed, in the case of conduct in the Indemnitee’s official capacity, to be in the best interests of the Company, and in all other cases, that Indemnitee’s conduct was at least not opposed to the best interests of the Company, and, in the case of a criminal proceeding, had no reasonable cause to believe that his conduct was unlawful, or (B) Indemnitee

engaged in conduct for which broader indemnification has been made permissible or obligatory under the Charter as authorized by section 202(2)(E) of the MBCA. The conduct of a director with respect to an employee benefit plan for a purpose the director reasonably believed to be in the best interests of the participants in, and the beneficiaries of, the plan is conduct that satisfies clause (A) of the preceding sentence. Indemnitee shall not enter into any settlement in connection with a Proceeding without ten (10) days' prior notice to the Company. Unless ordered by a court of competent jurisdiction, notwithstanding the foregoing, Indemnitee shall not be entitled to indemnification from the Company (except with respect to Expenses) if Indemnitee is adjudged liable on the basis that he received a financial benefit to which he was not entitled, whether or not involving action in his official capacity.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 4 if Indemnitee is, or is threatened to be made, a defendant or respondent to or in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if (A) Indemnitee acted in good faith and in a manner he reasonably believed, in the case of conduct in Indemnitee's official capacity, to be in the best interests of the Company and, in all other cases, that Indemnitee's conduct was at least not opposed to the best interests of the Company, or (B) Indemnitee engaged in conduct for which broader indemnification has been made permissible or obligatory under the Charter as authorized by section 202(2)(E) of the MBCA. The conduct of a director with respect to an employee benefit plan for a purpose the director reasonably believed to be in the best interests of the participants in, and the beneficiaries of, the plan is conduct that satisfies clause (A) of the preceding sentence. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudicated by a court of competent jurisdiction to have not satisfied the standard of conduct in the preceding sentence, unless otherwise so ordered by a court of competent jurisdiction.

Section 5. Indemnification for Expenses of a Party Who is Wholly Successful. Notwithstanding any other provisions of this Agreement and except as provided in Section 8, to the extent that Indemnitee is a defendant or respondent to or in any Proceeding and is wholly successful, on the merits or otherwise, in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him in connection therewith. For purposes of this Section and without limitation, the termination of any Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such Proceeding.

Section 6. Indemnification For Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a witness in any Proceeding to which Indemnitee is not a party and is not threatened to be made a party, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

Section 7. Additional Indemnification.

(a) Except as provided in Section 8, notwithstanding any limitation in Sections 3, 4 or 5, the Company shall indemnify Indemnitee to the fullest extent permitted by law if Indemnitee was, is or will be involved as, or is threatened to be made, a defendant or respondent to or in any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee in connection with the Proceeding.

(b) For purposes of Section 7(a), the meaning of the phrase “to the fullest extent permitted by law” shall include, but not be limited to:

(i) to the fullest extent permitted by any provision of the MBCA that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the MBCA or such provision thereof; and

(ii) to the fullest extent authorized or permitted by any amendments to or replacements of the MBCA adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

Section 8. Exclusions. Notwithstanding any provision in this Agreement to the contrary, the Company shall not be obligated under this Agreement:

(a) to make any indemnity for amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received such amounts under any insurance policy, contract, agreement or otherwise;

(b) to make any indemnity for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law; or

(c) to make any indemnity or advancement that is prohibited by applicable law.

Section 9. Advances of Expenses. The Company shall advance, to the extent not prohibited by law, the Expenses incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within twenty (20) days after the receipt by the Company of a statement or statements requesting such advances (which shall include invoices received by Indemnitee in connection with such Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law shall not be included with the invoice) from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee’s ability to repay the expenses and without regard to Indemnitee’s ultimate entitlement to indemnification under the other provisions of this Agreement. Indemnitee shall qualify for advances upon the execution and delivery to the Company of (i) this Agreement,

which shall constitute an undertaking providing that Indemnitee undertakes to the fullest extent required by law to repay the advance if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Company, and (ii) a written affirmation of Indemnitee's good faith belief that he has met the relevant standard of conduct required under applicable law or that the Proceeding involves conduct for which liability has been eliminated under a provision of the Charter to the extent permitted by law. The right to advances under this paragraph shall in all events continue until final disposition of any Proceeding, including any appeal therein. Nothing in this Section 9 shall limit Indemnitee's right to advancement pursuant to Section 13(e) of this Agreement.

Section 10. Procedure for Notification and Defense of Claim.

To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request therefor and, if Indemnitee so chooses pursuant to Section 11 of this Agreement, such written request shall also include a request for Indemnitee to have the right to indemnification determined by Independent Counsel.

Section 11. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 10, a determination, if such determination is required by applicable law, with respect to the permissibility thereof shall be made in the specific case: (i) by Independent Counsel in a written opinion to the Board if Indemnitee so requests in such written request for indemnification pursuant to Section 10, or (ii) by the Company in accordance with applicable law if Indemnitee does not so request such determination be made by Independent Counsel. In the case that such determination is made by Independent Counsel, a copy of Independent Counsel's written opinion shall be delivered to Indemnitee and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall cooperate with the Independent Counsel or the Company, as applicable, making such determination with respect to the permissibility of indemnification of Indemnitee, including providing to such counsel or the Company, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the Independent Counsel or the Company shall be borne by the Company (irrespective of the determination as to the permissibility of indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) In the event that Indemnitee exercises his right to have the permissibility of indemnification determined by Independent Counsel pursuant to clause (i) of Section 11(a), the Independent Counsel shall be selected by the Company in accordance with applicable law. The Indemnitee may, within ten (10) days after written notice of such selection, deliver to the Company a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper

and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within thirty (30) days after the later of (i) submission by Indemnitee of a written request for indemnification and Independent Counsel pursuant to Sections 10(a) and 11(a)(i) hereof, respectively, and (ii) the final disposition of the Proceeding, including any appeal therein, no Independent Counsel shall have been selected without objection, Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by Indemnitee to the selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate. The person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 11(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 13(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

Section 12. Effect of Certain Proceedings.

(a) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of guilty, nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not meet the applicable standard of conduct for indemnification under this Agreement.

(b) The knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Company or any Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 13. Remedies of Indemnitee.

(a) Subject to Section 13(f), in the event that (i) a determination is made pursuant to Section 11 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 9 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 11(a) of this Agreement within sixty (60) days after receipt by the Company of the request for indemnification that does not include a request for Independent Counsel, (iv) payment of indemnification is not made pursuant to Section 5 or 6 or the last sentence of Section 11(a) of this Agreement within ten (10) days after receipt by the Company of a written request therefor or (v) payment of indemnification pursuant to Section 3, 4 or 7 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by a court of his entitlement to such indemnification or advancement.

Alternatively, Indemnitee, at his option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 13(a);

provided, however, that the foregoing time limitation shall not apply in respect of a proceeding brought by Indemnitee to enforce his rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 11(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 13 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 13, the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement, as the case may be.

(c) If a determination shall have been made pursuant to Section 11(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 13, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 13 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) The Company shall indemnify Indemnitee against any and all Enforcement Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Enforcement Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement or insurance recovery, as the case may be, in the suit for which indemnification or advancement is being sought.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding, including any appeal therein.

Section 14. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Charter, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his Corporate

Status prior to such amendment, alteration or repeal. To the extent that a change in Maine law, whether by statute or judicial decision, permits greater indemnification or advancement than would be afforded currently under the Charter, Bylaws and this Agreement, it is the intent of the parties hereto that Indemnatee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, agents or trustees of the Company or of any other Enterprise, Indemnatee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee, agent or trustee under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnatee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnatee against other persons (other than any Fund Indemnitor), who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company's obligation to provide indemnification or advancement hereunder to Indemnatee who is or was serving at the request of the Company as a director, officer, employee, agent or trustee of any other Enterprise shall be reduced by any amount Indemnatee has actually received as indemnification or advancement from such other Enterprise.

(e) [The Company hereby acknowledges that Indemnatee has certain rights to indemnification, advancement of expenses and/or insurance provided by **[Name of Fund/Sponsor]** and certain of **[its][their]** affiliates (collectively, the "Fund Indemnitors"). The Company hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to Indemnatee are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnatee are secondary), (ii) that it shall be required to advance the full amount of expenses incurred by Indemnatee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement and the Charter or Bylaws (or any other agreement between the Company and Indemnatee), without regard to any rights Indemnatee may have against the Fund Indemnitors, and, (iii) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the

Fund Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Fund Indemnitors are express third party beneficiaries of the terms of this Section 14(e).]

Section 15. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as a director of the Company or (b) one (1) year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights of indemnification or advancement hereunder and of any proceeding commenced by Indemnitee pursuant to Section 13 of this Agreement relating thereto. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and his heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

Section 16. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 17. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve, or continue to serve, as a director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Charter, the Bylaws and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 18. Modification and Waiver. No supplement, modification or amendment, or waiver of any provision, of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

Section 19. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement as provided hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise.

Section 20. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and received by the party to whom said notice or other communication shall have been directed, (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (c) mailed by reputable overnight courier and received for by the party to whom said notice or other communication shall have been directed or (d) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at such address as Indemnitee shall provide to the Company.

(b) If to the Company to:

or to any other address as may have been furnished to Indemnitee by the Company.

Section 21. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Proceeding in such proportion as is deemed fair and reasonable in light of all of the circumstances in order to reflect (i) the relative benefits received by the Company and Indemnitee in connection with the event(s) and/or transaction(s) giving rise to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transactions.

Section 22. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Maine, without regard to its conflict of laws rules. Except with

respect to any arbitration commenced by Indemnitee pursuant to Section 13(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Superior Court of Maine (the "Maine Court"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Maine Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) consent to service of process at the address set forth in Section 20 of this Agreement with the same legal force and validity as if served upon such party personally within the State of Maine, (iv) waive any objection to the laying of venue of any such action or proceeding in the Maine Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Maine Court has been brought in an improper or inconvenient forum.

Section 23. Section 18(k) of the Federal Deposit Insurance Act. Notwithstanding anything herein to the contrary, any indemnification hereunder shall be provided only to the extent permitted by 12 U.S.C. Section 1828(k) and the regulations issued thereunder by the Federal Deposit Insurance Corporation.

Section 24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 25. Miscellaneous. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

NORTHEAST BANCORP

By: _____
Name:
Title:

[Indemnity Name]

Northeast Bancorp
500 Canal Street
Lewiston, ME 04240
(207) 786-3245

December 30, 2010

Mr. Richard Wayne
25 Trailside Road
Weston, MA 02493

Dear Rick:

As you are aware, FHB Formation LLC has merged with Northeast Bancorp ("Northeast"), with Northeast being the surviving company (the "Merger"). It is my pleasure to confirm this offer to commence employment with Northeast and its wholly-owned subsidiary, Northeast Bank (the "Bank," and together with Northeast, the "Company") as of the consummation of the Merger on the terms and conditions set forth in this letter agreement (the "Agreement").

1. **Employment.** You will be employed by the Company commencing upon the closing date of the Merger (the "Commencement Date") for a term of three years (the "Term"). Upon expiration of such Term, this Agreement shall be renewed for successive Terms of one year, unless either you or the Company gives written notice not less than 90 days prior to the date of any such anniversary of the election not to extend the Term (a "Non-Renewal Election"). You will serve on a full time basis as Chief Executive Officer of the Company and shall have all duties and responsibilities consistent with this position, and you shall initially be a member of the Board of Directors of the Company (the "Board"). You shall report directly to the Board and you agree to devote your full business time, best efforts, skill, knowledge, attention and energies to the advancement of the Company's business and interests and to the performance of your duties and responsibilities as an employee of the Company; provided, that you may serve on other boards of directors or engage in other activities as previously disclosed to or subsequently approved by the Board. You agree to abide by the rules, regulations, instructions, personnel practices and policies of the Company and any changes therein that may be adopted from time to time by the Company. While employed by the Company, you will not engage in any competitive business or operations.
2. **Base Salary.** Your annualized base salary will be \$250,000, less all applicable taxes and withholdings, to be paid in installments in accordance with the Company's regular payroll practices. Such base salary may be increased from time to time in accordance with normal business practices and in the sole discretion of the Company. The base salary in effect at any given time is referred to herein as "Base Salary."
3. **Bonus.** You will be eligible to participate in the Company's non-equity incentive compensation plan as determined by the Company's Compensation Committee of the

Board from time to time. To qualify for payment of any earned incentive compensation in each calendar year, you must be actively employed by the Company on the day such incentive compensation is paid.

4. **Equity.** Effective the official date of the Merger, the Company intends to implement the 2010 Stock Option and Incentive Plan (the "Plan"). You will receive an option to purchase 237,616 shares of the Company's common stock, \$0.01 par value per share, subject to the terms and conditions of the Plan and the applicable award agreement.
5. **Benefits.** You will be eligible to participate in any and all benefit programs that the Company establishes and makes available to its employees from time to time, provided that you are eligible under (and subject to all provisions of) the plan documents that govern those programs. Benefits are subject to change at any time in the Company's sole discretion.
6. **Vacation.** You will be eligible for a maximum of five (5) weeks of paid vacation per calendar year to be taken in accordance with Company policy.
7. **Confidential Information, Nonsolicitation and Cooperation.**
 - (a) **Confidential Information.** As used in this Agreement, "Confidential Information" means information belonging to the Company which is of value to the Company in the course of conducting its business and the disclosure of which could result in a competitive or other disadvantage to the Company. Confidential Information includes, without limitation, financial information, reports, and forecasts; inventions, improvements and other intellectual property; trade secrets; know-how; designs, processes or formulae; software; market or sales information or plans; customer lists; and business plans, prospects and opportunities (such as possible acquisitions or dispositions of businesses or facilities) which have been discussed or considered by the management of the Company. Confidential Information includes information developed by you in the course of your employment by the Company, as well as other information to which you may have access in connection with your employment. Confidential Information also includes the confidential information of others with which the Company has a business relationship. Notwithstanding the foregoing, Confidential Information does not include information in the public domain, unless due to breach of your duties under Section 7(b).
 - (b) **Confidentiality.** You understand and agree that your employment creates a relationship of confidence and trust between you and the Company with respect to all Confidential Information. At all times, both during your employment with the Company and after its termination, you will keep in confidence and trust all such Confidential Information, and will not use or disclose any such Confidential Information without the written consent of the Company, except as may be necessary in the ordinary course of performing your duties to the Company.

- (c) Documents, Records, etc. All documents, records, data, apparatus, equipment and other physical property, whether or not pertaining to Confidential Information, which are furnished to you by the Company or are produced by you in connection with your employment will be and remain the sole property of the Company. You will return to the Company all such materials and property as and when requested by the Company. In any event, you will return all such materials and property immediately upon termination of your employment for any reason. You will not retain any such material or property or any copies thereof after such termination.
- (d) Nonsolicitation. During your employment with the Company and for the 24-month period following your termination from the Company (such 24-month period, the "Restricted Period"), regardless of whether it is a voluntary or involuntary termination, you, either alone or in the association of others, (i) will refrain from directly or indirectly employing, attempting to employ, recruiting or otherwise soliciting, inducing or influencing any person to leave employment with the Company (other than terminations of employment of subordinate employees undertaken in the course of your employment with the Company); and (ii) will refrain from soliciting or encouraging any client, customer, account or business partner or prospective client, customer, account or business partner to terminate or otherwise modify adversely its business relationship with the Company. You understand that the restrictions set forth in this Section 7(d) are intended to protect the Company's interest in its Confidential Information and established employee, customer and supplier relationships and goodwill, and agrees that such restrictions are reasonable and appropriate for this purpose.
- (e) Third-Party Agreements and Rights. You hereby confirm that you are not bound by the terms of any agreement with any previous employer or other party which restricts in any way your use or disclosure of information or your engagement in any business. You represent to the Company that your execution of this Agreement, your employment with the Company and the performance of your proposed duties for the Company will not violate any obligations you may have to any such previous employer or other party. In your work for the Company, you will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and you will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.
- (f) Litigation and Regulatory Cooperation. During and after your employment, you shall cooperate fully with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while you were employed by the Company. Your full cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after your

employment, you also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while you were employed by the Company. The Company shall reimburse you for any reasonable out-of-pocket expenses incurred in connection with the performance of your obligations pursuant to this Section 7(f).

- (g) **Injunction.** You agree that it would be difficult to measure any damages caused to the Company which might result from any breach by you of the promises set forth in this Section 7, and that in any event, money damages would be an inadequate remedy for any such breach. Accordingly, you agree that if you breach, or propose to breach, any portion of this Agreement, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the Company.
8. **Noncompetition.** During your employment with the Company and during the Restricted Period, regardless of whether it is a voluntary or involuntary termination, you will not, directly or indirectly, whether as owner, partner, shareholder, consultant, agent, employee, co-venturer or otherwise, engage, participate, assist or invest in any Competing Business (as hereinafter defined). You understand that the restrictions set forth in this Section 8 are intended to protect the Company's interest in its Confidential Information and established employee, customer and supplier relationships and goodwill, and agree that such restrictions are reasonable and appropriate for this purpose. For purposes of this Agreement, the term "Competing Business" shall mean (i) the business of community banking and/or insurance agencies in any state of the United States where the Company is doing such business and/or (ii) the business of affinity deposit services and/or loan acquisition and/or loan servicing in any state of the United States where the Company is doing business at any time during your employment; provided, however, you may own up to one percent of the outstanding stock of a publicly-held corporation that constitutes or is affiliated with a Competing Business.
9. **Salary Continuation in the Event of Termination of Employment.**
- (a) In the event (i) your employment with the Company is (a) terminated by the Company without Cause (as hereinafter defined) or by you for Good Reason (as hereinafter defined) or (b) the Company makes a Non-Renewal Election, and (ii) you execute and allow to become binding a release of claims (the "Release") prepared by the Company by a date no later than the earlier of the date specified on the Release and 60 days after your employment with the Company ends, Section 8 shall terminate unless the Company (in the sole discretion of the Board) pays you an amount equal to the base salary you would have received for the duration of the Restricted Period, less applicable taxes and withholdings, payable in accordance with the Company's regular payroll practices over the Restricted Period beginning on the first payroll date that occurs at least 60 days following the termination of your employment.

- (b) For purposes of this Agreement, “Cause” for termination shall be deemed to exist upon (a) a good faith finding by the Board of conduct by you constituting deliberate dishonesty or gross misconduct in connection with your employment, which has continued for more than 30 days following written notice of such deficiencies from the Board; (b) a good faith finding by the Board of your commission of any crime involving moral turpitude or any felony; (c) your commitment of any fraud, embezzlement, breach of fiduciary duty or misappropriation of funds against the Company; (d) your material violation of any of the terms of Section 7 or Section 8 of this Agreement; (e) your material violation of the Company’s written policies or rules material to your employment that results in material demonstrable harm to the Company and which has continued for more than 30 days following written notice of such violation from the Board; or (f) failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation.
- (c) For purposes of this Agreement, “Good Reason”, means any of the following, without your consent, provided the Company has not cured such matter within 30 days of notice by you to the Company and you provide such notice within 60 days of the first occurrence of such matter: (a) requiring your primary work location (excluding business travel) to be more than 50 miles from the corporate offices in Boston, Massachusetts, (b) the material failure of the Company to pay the compensation in the amounts and manner and at the times set forth in this Agreement, (c) a material adverse change in your title, or (d) a material diminution in your responsibilities, authority or duties which are materially inconsistent with your title without your prior consent.
10. **Compliance with EESA; TARP Waiver Agreement.** You acknowledge and understand that (a) the Company is currently a participant in the Capital Purchase Program, developed pursuant to the United States Department of Treasury’s Troubled Asset Relief Program (“TARP”) under the Emergency Economic Stabilization Act of 2008 (“EESA”), (b) under the EESA, as amended by the American Recovery and Reinvestment Act of 2009, and as clarified and expanded through an Interim Final Rule published June 15, 2009, certain executive compensation restrictions and prohibitions have been imposed on all TARP participants, including the Company; and (c) such restrictions and limitations apply or may apply to you and/or your compensation hereunder whether as a result of your role as Chief Executive Officer of the Company or otherwise on or after the Commencement Date. In light of the foregoing, you hereby agree to execute and return to the Company on or prior to the Commencement Date the TARP Waiver Agreement attached hereto as Exhibit A.
11. **Choice of Law.** This Agreement shall be interpreted and construed by the laws of the Commonwealth of Massachusetts, without regard to conflict of laws provisions. You hereby irrevocably submit to and acknowledge and recognize the jurisdiction of the

courts of the Commonwealth of Massachusetts, or if appropriate, a federal court located in Massachusetts (which courts, for purposes of this letter agreement, are the only courts of competent jurisdiction), over any suit, action or other proceeding arising out of, under or in connection with this letter agreement or the subject matter hereof.

12. **Effect of Section 409A.**

- (a) **Six Month Delay.** For purposes of this Agreement, a termination of employment shall mean a “separation from service” as defined in Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”). If and to the extent any portion of any payment, compensation or other benefit provided to you in connection with your separation from service (as defined in Section 409A of the Code) is determined to constitute “nonqualified deferred compensation” within the meaning of Section 409A of the Code and you are a specified employee as defined in Section 409A(a)(2)(B)(i) of the Code, as determined by the Company in accordance with its procedures, by which determination you hereby agree that you are bound, such portion of the payment, compensation or other benefit will not be paid before the earlier of (i) the day that is six months plus one day after the date of separation from service (as determined under Section 409A of the Code) or (ii) the tenth day after the date of your death (as applicable, the “New Payment Date”). The aggregate of any payments that otherwise would have been paid to you during the period between the date of separation from service and the New Payment Date will be paid to you in a lump sum on the first payroll date after such New Payment Date, and any remaining payments will be paid on their original schedule.
- (b) **General 409A Principles.** For purposes of this Agreement, each amount to be paid or benefit to be provided will be construed as a separate identified payment for purposes of Section 409A of the Code, and any payments that are due within the “short term deferral period” as defined in Section 409A of the Code or are paid in a manner covered by Treas. Reg. Section 1.409A-1(b)(iii) will not be treated as deferred compensation unless applicable law requires otherwise. Neither the Company nor you will have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A of the Code. This Agreement is intended to comply with the provisions of Section 409A of the Code and the Agreement will, to the extent practicable, be construed in accordance therewith. Terms defined in the Agreement will have the meanings given such terms under Section 409A of the Code if and to the extent required to comply with Section 409A of the Code. In any event, the Company makes no representations or warranty and will have no liability to you or any other person, other than with respect to payments made by the Company in violation of the provisions of this Agreement, if any provisions of or payments under this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but not to satisfy the conditions of that section.

- (c) Expense Timing. Payments with respect to reimbursements of business expenses will be made in the ordinary course of business and in any case on or before the last day of the calendar year following the calendar year in which the relevant expense is incurred. The amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year. The right to reimbursement or in-kind benefits pursuant to this Agreement is not subject to liquidation or exchange for another benefit.

If you agree that this letter correctly sets forth the terms under which you will be employed by the Company, please sign the enclosed duplicate of this letter in the space provided below and return it to me. You understand and agree that, in the event the merger agreement governing the Merger is terminated, this Agreement will be null and void and of no further force and effect.

Sincerely,

By: /s/ Claire S. Bean

Name: Claire S. Bean

Title: Chief Financial Officer

The foregoing correctly sets forth the terms of my employment with the Company. I am not relying on any representations other than those set forth above.

/s/ Richard Wayne

Richard Wayne

December 30, 2010

Date

December 30, 2010

Mr. Richard Wayne
25 Trailside Road
Weston, MA 02493

Re: TARP Executive Compensation Restrictions

Dear Rick:

As you know, Northeast Bancorp (“Northeast”) is currently a participant in the Capital Purchase Program, developed pursuant to the United States Department of Treasury’s Troubled Asset Relief Program (“TARP”) under the Emergency Economic Stabilization Act of 2008 (“EESA”). Under the EESA, as amended by the American Recovery and Reinvestment Act of 2009 (“ARRA”), certain executive compensation restrictions and prohibitions have been imposed on TARP participants, including Northeast. The Department of Treasury subsequently clarified and expanded upon these executive compensation restrictions through an Interim Final Rule (the “Rule”).

Generally, and depending on the particular restriction, these executive compensation restrictions apply to Northeast’s “named executive officers” (“NEOs”) and up to 20 of the “most highly compensated employees” of Northeast, Northeast Bank (the “Bank”) and its other subsidiaries. Under the Rule, the most highly compensated employees are determined on a fiscal year basis based on prior fiscal year compensation. The group of most highly compensated employees may change from fiscal year to fiscal year.

This letter agreement (this “Agreement”) shall set forth an understanding between you and Northeast with respect to the applicability of the executive compensation restrictions and prohibitions described in EESA, ARRA, the Rule and any additional guidance and interpretation thereunder (collectively, the “TARP Restrictions”). You and the Bank hereby acknowledge and agree that during the period in which Northeast is a TARP participant, as determined in accordance with the Rule (the “TARP Period”), you may be or become subject to some or all of the TARP Restrictions. Specifically, and notwithstanding the terms of any agreement between you, the Bank and/or Northeast or any of its other subsidiaries to the contrary, during the TARP period you hereby acknowledge and agree:

1. In any year that you are the most highly compensated employee, except to the extent permitted by the Rule, you shall be prohibited from receiving or accruing (and the Bank, Northeast and its other subsidiaries shall be prohibited from paying you or accruing on your

behalf) any bonus, retention award, or incentive compensation (as such terms are defined in the Rule). If you receive or are paid any such prohibited bonus, retention award or incentive compensation, then you agree to promptly return or repay to Northeast or the Bank (as applicable) such prohibited amounts. If you earn any such bonus, retention award or incentive compensation in a year or for any period in which you are not subject to this TARP Restriction, but such payment is payable during a time when you are subject to this TARP Restriction, then such payment may be made to you at the earliest time permitted under the Rule.

2. In any year during the TARP Period that you are an NEO or one of the five most highly compensated employees, except to the extent permitted by the Rule, you shall be prohibited from receiving (and the Bank, Northeast and its other subsidiaries shall be prohibited from paying you or accruing on your behalf) any "golden parachute payment" (as such term is defined in the Rule), which shall include any amount accrued or paid on account of your departure from the Bank, Northeast or any of its subsidiaries for any reason and any amount accrued or paid in connection with a change in control of the Bank, Northeast or any of its other subsidiaries, except for payments for services performed or benefits accrued.

3. If you are an NEO or one of the 20 most highly compensated employees, to the extent required under the Rule, any bonus, retention award or incentive compensation (as such terms are defined in the Rule) paid or accrued to you during the TARP Period shall be subject to recovery or "clawback" by Northeast if such payments or accruals were based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria. You and the Bank hereby agree to cooperate with Northeast to effect any clawback of compensation required by the TARP Restrictions.

4. In any year during the TARP Period that you are an NEO or one of the 20 most highly compensated employees, except to the extent permitted under the Rule, you shall not be permitted to receive (and the Bank, Northeast and its other subsidiaries shall not be permitted to pay you or accrue on your behalf) any tax "gross-up" (as such term is defined in the Rule), including any reimbursement for the payment of taxes relating to severance payments, perquisites, a change in control of the Bank, Northeast or any of its subsidiaries, or any other form of compensation.

5. In any year that you are an NEO and the most highly compensated employee, you acknowledge and agree that Northeast will be required to publicly disclose and describe any perquisites paid to or accrued by you with an aggregate value for such year that exceeds \$25,000.

6. If requested by the Department of Treasury in connection with Northeast's participation in TARP, you hereby agree to grant to the Department of Treasury a waiver releasing the United States, the Bank, Northeast and its other subsidiaries from any claims related to any TARP Restriction, and Northeast's participation in TARP that you may otherwise have, including, without limitation, any claims for compensation you would otherwise receive, but for such requirements.

7. You and the Bank hereby agree to cooperate with Northeast and timely provide all documents and information as reasonably requested by Northeast, its Compensation Committee, its Chief Executive Officer or its Chief Financial Officer (as applicable) in

connection with (i) Northeast's determination of its most highly compensated employees, (ii) all compensation or compensation plan reviews and assessments required under the Rule, and (iii) all certifications and disclosures required under the Rule.

As noted above, the Rule is subject to revision by the Department of Treasury. You agree that this Agreement shall be amended as may be necessary to fully comply with all relevant provisions of EESA, ARRA, and the Rule and any further interpretation thereunder.

This Agreement shall not be construed as creating any contract for continued services between you and the Bank, Northeast or any of its other subsidiaries and nothing herein contained shall give you the right to be retained as an employee of the Bank, Northeast or any of its other subsidiaries.

Please countersign this Agreement in the space provided below and return this Agreement to Northeast.

NORTHEAST BANCORP

By: /s/ Claire S. Bean
Name: Claire S. Bean
Title: Chief Financial Officer

Acknowledged, Accepted and Agreed to:

/s/ Richard Wayne
Richard Wayne

NORTHEAST BANK

By: /s/ Claire S. Bean
Name: Claire S. Bean
Title: Chief Financial Officer

Northeast Bancorp
500 Canal Street
Lewiston, ME 04240
(207) 786-3245

December 30, 2010

Ms. Claire S. Bean
20 Locke Road
Waban, MA 02468

Dear Claire:

As you are aware, FHB Formation LLC has merged with Northeast Bancorp (“Northeast”), with Northeast being the surviving company (the “Merger”). It is my pleasure to confirm this offer to commence employment with Northeast and its wholly-owned subsidiary, Northeast Bank (the “Bank,” and together with Northeast, the “Company”) as of the consummation of the Merger on the terms and conditions set forth in this letter agreement (the “Agreement”).

1. **Employment.** You will be employed by the Company commencing upon the closing date of the Merger (the “Commencement Date”) for a term of three years (the “Term”). Upon expiration of such Term, this Agreement shall be renewed for successive Terms of one year, unless either you or the Company gives written notice not less than 90 days prior to the date of any such anniversary of the election not to extend the Term (a “Non-Renewal Election”). You will serve on a full time basis as Chief Financial Officer and Chief Operating Officer of the Company and shall have all duties and responsibilities consistent with this position. You shall report directly to the Chief Executive Officer of the Company and you agree to devote your full business time, best efforts, skill, knowledge, attention and energies to the advancement of the Company’s business and interests and to the performance of your duties and responsibilities as an employee of the Company; provided, that you may serve on other boards of directors or engage in other activities as previously disclosed to or subsequently approved by the Board of Directors of the Company (the “Board”). You agree to abide by the rules, regulations, instructions, personnel practices and policies of the Company and any changes therein that may be adopted from time to time by the Company. While employed by the Company, you will not engage in any competitive business or operations.
2. **Base Salary.** Your annualized base salary will be \$250,000, less all applicable taxes and withholdings, to be paid in installments in accordance with the Company’s regular payroll practices. Such base salary may be increased from time to time in accordance with normal business practices and in the sole discretion of the Company. The base salary in effect at any given time is referred to herein as “Base Salary.”
3. **Bonus.** You will be eligible to participate in the Company’s non-equity incentive compensation plan as determined by the Company’s Compensation Committee of the

Board from time to time. To qualify for payment of any earned incentive compensation in each calendar year, you must be actively employed by the Company on the day such incentive compensation is paid.

4. **Equity.** Effective the official date of the Merger, the Company intends to implement the 2010 Stock Option and Incentive Plan (the "Plan"). You will receive an option to purchase 118,808 shares of the Company's common stock, \$0.01 par value per share, subject to the terms and conditions of the Plan and the applicable award agreement.
5. **Benefits.** You will be eligible to participate in any and all benefit programs that the Company establishes and makes available to its employees from time to time, provided that you are eligible under (and subject to all provisions of) the plan documents that govern those programs. Benefits are subject to change at any time in the Company's sole discretion.
6. **Vacation.** You will be eligible for a maximum of five (5) weeks of paid vacation per calendar year to be taken in accordance with Company policy.
7. **Confidential Information, Nonsolicitation and Cooperation.**
 - (a) **Confidential Information.** As used in this Agreement, "Confidential Information" means information belonging to the Company which is of value to the Company in the course of conducting its business and the disclosure of which could result in a competitive or other disadvantage to the Company. Confidential Information includes, without limitation, financial information, reports, and forecasts; inventions, improvements and other intellectual property; trade secrets; know-how; designs, processes or formulae; software; market or sales information or plans; customer lists; and business plans, prospects and opportunities (such as possible acquisitions or dispositions of businesses or facilities) which have been discussed or considered by the management of the Company. Confidential Information includes information developed by you in the course of your employment by the Company, as well as other information to which you may have access in connection with your employment. Confidential Information also includes the confidential information of others with which the Company has a business relationship. Notwithstanding the foregoing, Confidential Information does not include information in the public domain, unless due to breach of your duties under Section 7(b).
 - (b) **Confidentiality.** You understand and agree that your employment creates a relationship of confidence and trust between you and the Company with respect to all Confidential Information. At all times, both during your employment with the Company and after its termination, you will keep in confidence and trust all such Confidential Information, and will not use or disclose any such Confidential Information without the written consent of the Company, except as may be necessary in the ordinary course of performing your duties to the Company.

- (c) Documents, Records, etc. All documents, records, data, apparatus, equipment and other physical property, whether or not pertaining to Confidential Information, which are furnished to you by the Company or are produced by you in connection with your employment will be and remain the sole property of the Company. You will return to the Company all such materials and property as and when requested by the Company. In any event, you will return all such materials and property immediately upon termination of your employment for any reason. You will not retain any such material or property or any copies thereof after such termination.
- (d) Nonsolicitation. During your employment with the Company and for the 12-month period following your termination from the Company (such 12-month period, the "Restricted Period"), regardless of whether it is a voluntary or involuntary termination, you, either alone or in the association of others, (i) will refrain from directly or indirectly employing, attempting to employ, recruiting or otherwise soliciting, inducing or influencing any person to leave employment with the Company (other than terminations of employment of subordinate employees undertaken in the course of your employment with the Company); and (ii) will refrain from soliciting or encouraging any client, customer, account or business partner or prospective client, customer, account or business partner to terminate or otherwise modify adversely its business relationship with the Company. You understand that the restrictions set forth in this Section 7(d) are intended to protect the Company's interest in its Confidential Information and established employee, customer and supplier relationships and goodwill, and agrees that such restrictions are reasonable and appropriate for this purpose.
- (e) Third-Party Agreements and Rights. You hereby confirm that you are not bound by the terms of any agreement with any previous employer or other party which restricts in any way your use or disclosure of information or your engagement in any business. You represent to the Company that your execution of this Agreement, your employment with the Company and the performance of your proposed duties for the Company will not violate any obligations you may have to any such previous employer or other party. In your work for the Company, you will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and you will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.
- (f) Litigation and Regulatory Cooperation. During and after your employment, you shall cooperate fully with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while you were employed by the Company. Your full cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after your

employment, you also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while you were employed by the Company. The Company shall reimburse you for any reasonable out-of-pocket expenses incurred in connection with the performance of your obligations pursuant to this Section 7(f).

- (g) **Injunction.** You agree that it would be difficult to measure any damages caused to the Company which might result from any breach by you of the promises set forth in this Section 7, and that in any event, money damages would be an inadequate remedy for any such breach. Accordingly, you agree that if you breach, or propose to breach, any portion of this Agreement, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the Company.
8. **Noncompetition.** During your employment with the Company and during the Restricted Period, regardless of whether it is a voluntary or involuntary termination, you will not, directly or indirectly, whether as owner, partner, shareholder, consultant, agent, employee, co-venturer or otherwise, engage, participate, assist or invest in any Competing Business (as hereinafter defined). You understand that the restrictions set forth in this Section 8 are intended to protect the Company's interest in its Confidential Information and established employee, customer and supplier relationships and goodwill, and agree that such restrictions are reasonable and appropriate for this purpose. For purposes of this Agreement, the term "Competing Business" shall mean (i) the business of community banking and/or insurance agencies in any state of the United States where the Company is doing such business and/or (ii) the business of affinity deposit services in any state of the United States where the Company is doing such business and/or (iii) the business of loan acquisition and/or loan servicing in either case in any state of the United States where the Company is doing such business; provided, however, you may (a) own up to one percent of the outstanding stock of a publicly-held corporation that constitutes or is affiliated with a Competing Business, and (b) serve as an officer, employee, consultant, partner or director of, or rendering services to or doing business with, any person or company engaged in a Competing Business so long as (i) you are not directly engaged in the Competing Business conducted by such person or company, and (ii) the revenues of the Competing Business constitute a minority of the revenues of such person or company.
9. **Salary Continuation in the Event of Termination of Employment.**
- (a) In the event (i) your employment with the Company is (a) terminated by the Company without Cause (as hereinafter defined) or by you for Good Reason (as hereinafter defined) or (b) the Company makes a Non-Renewal Election, and (ii) you execute and allow to become binding a release of claims (the "Release") prepared by the Company by a date no later than the earlier of the date specified on the Release and 60 days after your employment with the Company ends, Section 8 shall terminate unless the Company (in the sole discretion of the

Board) pays you an amount equal to the base salary you would have received for the duration of the Restricted Period, less applicable taxes and withholdings, payable in accordance with the Company's regular payroll practices over the Restricted Period beginning on the first payroll date that occurs at least 60 days following the termination of your employment.

- (b) For purposes of this Agreement, "Cause" for termination shall be deemed to exist upon (a) a good faith finding by the Board of conduct by you constituting deliberate dishonesty or gross misconduct in connection with your employment, which has continued for more than 30 days following written notice of such deficiencies from the Board; (b) a good faith finding by the Board of your commission of any crime involving moral turpitude or any felony; (c) your commitment of any fraud, embezzlement, breach of fiduciary duty or misappropriation of funds against the Company; (d) your material violation of any of the terms of Section 7 or Section 8 of this Agreement; (e) your material violation of the Company's written policies or rules material to your employment that results in material demonstrable harm to the Company and which has continued for more than 30 days following written notice of such violation from the Board; or (f) failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation.
 - (c) For purposes of this Agreement, "Good Reason", means any of the following, without your consent, provided the Company has not cured such matter within 30 days of notice by you to the Company and you provide such notice within 60 days of the first occurrence of such matter: (a) requiring your primary work location (excluding business travel) to be more than 50 miles from the corporate offices in Boston, Massachusetts, (b) the material failure of the Company to pay the compensation in the amounts and manner and at the times set forth in this Agreement, (c) a material adverse change in your title, or (d) a material diminution in your responsibilities, authority or duties which are materially inconsistent with your title without your prior consent.
10. **Compliance with EESA; TARP Waiver Agreement.** You acknowledge and understand that (a) the Company is currently a participant in the Capital Purchase Program, developed pursuant to the United States Department of Treasury's Troubled Asset Relief Program ("TARP") under the Emergency Economic Stabilization Act of 2008 ("EESA"), (b) under the EESA, as amended by the American Recovery and Reinvestment Act of 2009, and as clarified and expanded through an Interim Final Rule published June 15, 2009, certain executive compensation restrictions and prohibitions have been imposed on all TARP participants, including the Company; and (c) such restrictions and limitations apply or may apply to you and/or your compensation hereunder whether as a result of your role as Chief Financial Officer and Chief Operating Officer of the Company or otherwise on or after the Commencement

Date. In light of the foregoing, you hereby agree to execute and return to the Company on or prior to the Commencement Date the TARP Waiver Agreement attached hereto as Exhibit A.

11. **Choice of Law.** This Agreement shall be interpreted and construed by the laws of the Commonwealth of Massachusetts, without regard to conflict of laws provisions. You hereby irrevocably submit to and acknowledge and recognize the jurisdiction of the courts of the Commonwealth of Massachusetts, or if appropriate, a federal court located in Massachusetts (which courts, for purposes of this letter agreement, are the only courts of competent jurisdiction), over any suit, action or other proceeding arising out of, under or in connection with this letter agreement or the subject matter hereof.
12. **Effect of Section 409A.**
 - (a) **Six Month Delay.** For purposes of this Agreement, a termination of employment shall mean a “separation from service” as defined in Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”). If and to the extent any portion of any payment, compensation or other benefit provided to you in connection with your separation from service (as defined in Section 409A of the Code) is determined to constitute “nonqualified deferred compensation” within the meaning of Section 409A of the Code and you are a specified employee as defined in Section 409A(a)(2)(B)(i) of the Code, as determined by the Company in accordance with its procedures, by which determination you hereby agree that you are bound, such portion of the payment, compensation or other benefit will not be paid before the earlier of (i) the day that is six months plus one day after the date of separation from service (as determined under Section 409A of the Code) or (ii) the tenth day after the date of your death (as applicable, the “New Payment Date”). The aggregate of any payments that otherwise would have been paid to you during the period between the date of separation from service and the New Payment Date will be paid to you in a lump sum on the first payroll date after such New Payment Date, and any remaining payments will be paid on their original schedule.
 - (b) **General 409A Principles.** For purposes of this Agreement, each amount to be paid or benefit to be provided will be construed as a separate identified payment for purposes of Section 409A of the Code, and any payments that are due within the “short term deferral period” as defined in Section 409A of the Code or are paid in a manner covered by Treas. Reg. Section 1.409A-1(b)(iii) will not be treated as deferred compensation unless applicable law requires otherwise. Neither the Company nor you will have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A of the Code. This Agreement is intended to comply with the provisions of Section 409A of the Code and the Agreement will, to the extent practicable, be construed in accordance therewith. Terms defined in the Agreement will have the meanings given such terms under Section 409A of the Code if and to the extent required to comply with Section 409A of the Code. In any event, the Company makes no representations or warranty and

will have no liability to you or any other person, other than with respect to payments made by the Company in violation of the provisions of this Agreement, if any provisions of or payments under this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but not to satisfy the conditions of that section.

- (c) Expense Timing. Payments with respect to reimbursements of business expenses will be made in the ordinary course of business and in any case on or before the last day of the calendar year following the calendar year in which the relevant expense is incurred. The amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year. The right to reimbursement or in-kind benefits pursuant to this Agreement is not subject to liquidation or exchange for another benefit.

If you agree that this letter correctly sets forth the terms under which you will be employed by the Company, please sign the enclosed duplicate of this letter in the space provided below and return it to me. You understand and agree that, in the event the merger agreement governing the Merger is terminated, this Agreement will be null and void and of no further force and effect.

Sincerely,

By: /s/ Richard Wayne

Name: Richard Wayne

Title: Chief Executive Officer

The foregoing correctly sets forth the terms of my employment with the Company. I am not relying on any representations other than those set forth above.

/s/ Claire S. Bean

Claire S. Bean

December 30, 2010

Date

EXHIBIT A

December 30, 2010

Ms. Claire S. Bean
20 Locke Road
Waban, MA 02468

Re: TARP Executive Compensation Restrictions

Dear Claire:

As you know, Northeast Bancorp (“Northeast”) is currently a participant in the Capital Purchase Program, developed pursuant to the United States Department of Treasury’s Troubled Asset Relief Program (“TARP”) under the Emergency Economic Stabilization Act of 2008 (“EESA”). Under the EESA, as amended by the American Recovery and Reinvestment Act of 2009 (“ARRA”), certain executive compensation restrictions and prohibitions have been imposed on TARP participants, including Northeast. The Department of Treasury subsequently clarified and expanded upon these executive compensation restrictions through an Interim Final Rule (the “Rule”).

Generally, and depending on the particular restriction, these executive compensation restrictions apply to Northeast’s “named executive officers” (“NEOs”) and up to 20 of the “most highly compensated employees” of Northeast, Northeast Bank (the “Bank”) and its other subsidiaries. Under the Rule, the most highly compensated employees are determined on a fiscal year basis based on prior fiscal year compensation. The group of most highly compensated employees may change from fiscal year to fiscal year.

This letter agreement (this “Agreement”) shall set forth an understanding between you and Northeast with respect to the applicability of the executive compensation restrictions and prohibitions described in EESA, ARRA, the Rule and any additional guidance and interpretation thereunder (collectively, the “TARP Restrictions”). You and the Bank hereby acknowledge and agree that during the period in which Northeast is a TARP participant, as determined in accordance with the Rule (the “TARP Period”), you may be or become subject to some or all of the TARP Restrictions. Specifically, and notwithstanding the terms of any agreement between you, the Bank and/or Northeast or any of its other subsidiaries to the contrary, during the TARP period you hereby acknowledge and agree:

1. In any year that you are the most highly compensated employee, except to the extent permitted by the Rule, you shall be prohibited from receiving or accruing (and the Bank, Northeast and its other subsidiaries shall be prohibited from paying you or accruing on your

behalf) any bonus, retention award, or incentive compensation (as such terms are defined in the Rule). If you receive or are paid any such prohibited bonus, retention award or incentive compensation, then you agree to promptly return or repay to Northeast or the Bank (as applicable) such prohibited amounts. If you earn any such bonus, retention award or incentive compensation in a year or for any period in which you are not subject to this TARP Restriction, but such payment is payable during a time when you are subject to this TARP Restriction, then such payment may be made to you at the earliest time permitted under the Rule.

2. In any year during the TARP Period that you are an NEO or one of the five most highly compensated employees, except to the extent permitted by the Rule, you shall be prohibited from receiving (and the Bank, Northeast and its other subsidiaries shall be prohibited from paying you or accruing on your behalf) any "golden parachute payment" (as such term is defined in the Rule), which shall include any amount accrued or paid on account of your departure from the Bank, Northeast or any of its subsidiaries for any reason and any amount accrued or paid in connection with a change in control of the Bank, Northeast or any of its other subsidiaries, except for payments for services performed or benefits accrued.

3. If you are an NEO or one of the 20 most highly compensated employees, to the extent required under the Rule, any bonus, retention award or incentive compensation (as such terms are defined in the Rule) paid or accrued to you during the TARP Period shall be subject to recovery or "clawback" by Northeast if such payments or accruals were based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria. You and the Bank hereby agree to cooperate with Northeast to effect any clawback of compensation required by the TARP Restrictions.

4. In any year during the TARP Period that you are an NEO or one of the 20 most highly compensated employees, except to the extent permitted under the Rule, you shall not be permitted to receive (and the Bank, Northeast and its other subsidiaries shall not be permitted to pay you or accrue on your behalf) any tax "gross-up" (as such term is defined in the Rule), including any reimbursement for the payment of taxes relating to severance payments, perquisites, a change in control of the Bank, Northeast or any of its subsidiaries, or any other form of compensation.

5. In any year that you are an NEO and the most highly compensated employee, you acknowledge and agree that Northeast will be required to publicly disclose and describe any perquisites paid to or accrued by you with an aggregate value for such year that exceeds \$25,000.

6. If requested by the Department of Treasury in connection with Northeast's participation in TARP, you hereby agree to grant to the Department of Treasury a waiver releasing the United States, the Bank, Northeast and its other subsidiaries from any claims related to any TARP Restriction, and Northeast's participation in TARP that you may otherwise have, including, without limitation, any claims for compensation you would otherwise receive, but for such requirements.

7. You and the Bank hereby agree to cooperate with Northeast and timely provide all documents and information as reasonably requested by Northeast, its Compensation Committee, its Chief Executive Officer or its Chief Financial Officer (as applicable) in

connection with (i) Northeast's determination of its most highly compensated employees, (ii) all compensation or compensation plan reviews and assessments required under the Rule, and (iii) all certifications and disclosures required under the Rule.

As noted above, the Rule is subject to revision by the Department of Treasury. You agree that this Agreement shall be amended as may be necessary to fully comply with all relevant provisions of EESA, ARRA, and the Rule and any further interpretation thereunder.

This Agreement shall not be construed as creating any contract for continued services between you and the Bank, Northeast or any of its other subsidiaries and nothing herein contained shall give you the right to be retained as an employee of the Bank, Northeast or any of its other subsidiaries.

Please countersign this Agreement in the space provided below and return this Agreement to Northeast. If you have any questions regarding this Agreement or the TARP executive compensation restrictions, please contact Rick Wayne at (617) 697-2005.

NORTHEAST BANCORP

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

Acknowledged, Accepted and Agreed to:

/s/ Claire S. Bean
Claire S. Bean

NORTHEAST BANK

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

Northeast Bancorp
500 Canal Street
Lewiston, ME 04240
(207) 786-3245

December 30, 2010

Ms. Heather P. Campion
284 Dean Road
Brookline, MA 02445

Dear Heather:

As you are aware, FHB Formation LLC has merged with Northeast Bancorp ("Northeast"), with Northeast being the surviving company (the "Merger"). It is my pleasure to confirm this offer to commence employment with Northeast and its wholly-owned subsidiary, Northeast Bank (the "Bank," and together with Northeast, the "Company") as of the consummation of the Merger on the terms and conditions set forth in this letter agreement (the "Agreement").

1. **Employment.** You will be employed by the Company commencing upon the closing date of the Merger (the "Commencement Date") for a term of three years (the "Term"). Upon expiration of such Term, this Agreement shall be renewed for successive Terms of one year, unless either you or the Company gives written notice not less than 90 days prior to the date of any such anniversary of the election not to extend the Term (a "Non-Renewal Election"). You will serve on a full time basis as Chief Administrative Officer of the Company and shall have all duties and responsibilities consistent with this position. You shall report directly to the Chief Executive Officer of the Company and you agree to devote your full business time, best efforts, skill, knowledge, attention and energies to the advancement of the Company's business and interests and to the performance of your duties and responsibilities as an employee of the Company; provided, that you may serve on other boards of directors or engage in other activities as previously disclosed to or subsequently approved by the Board of Directors of the Company (the "Board"). You agree to abide by the rules, regulations, instructions, personnel practices and policies of the Company and any changes therein that may be adopted from time to time by the Company. While employed by the Company, you will not engage in any competitive business or operations.
2. **Base Salary.** Your annualized base salary will be \$250,000, less all applicable taxes and withholdings, to be paid in installments in accordance with the Company's regular payroll practices. Such base salary may be increased from time to time in accordance with normal business practices and in the sole discretion of the Company. The base salary in effect at any given time is referred to herein as "Base Salary."
3. **Bonus.** You will be eligible to participate in the Company's non-equity incentive compensation plan as determined by the Company's Compensation Committee of the Board from time to time. To qualify for payment of any earned incentive compensation in each calendar year, you must be actively employed by the Company on the day such incentive compensation is paid.

4. **Equity.** Effective the official date of the Merger, the Company intends to implement the 2010 Stock Option and Incentive Plan (the “Plan”). You will receive an option to purchase 118,808 shares of the Company’s common stock, \$0.01 par value per share, subject to the terms and conditions of the Plan and the applicable award agreement.
5. **Benefits.** You will be eligible to participate in any and all benefit programs that the Company establishes and makes available to its employees from time to time, provided that you are eligible under (and subject to all provisions of) the plan documents that govern those programs. Benefits are subject to change at any time in the Company’s sole discretion.
6. **Vacation.** You will be eligible for a maximum of five (5) weeks of paid vacation per calendar year to be taken in accordance with Company policy.
7. **Confidential Information, Nonsolicitation and Cooperation.**
 - (a) **Confidential Information.** As used in this Agreement, “Confidential Information” means information belonging to the Company which is of value to the Company in the course of conducting its business and the disclosure of which could result in a competitive or other disadvantage to the Company. Confidential Information includes, without limitation, financial information, reports, and forecasts; inventions, improvements and other intellectual property; trade secrets; know-how; designs, processes or formulae; software; market or sales information or plans; customer lists; and business plans, prospects and opportunities (such as possible acquisitions or dispositions of businesses or facilities) which have been discussed or considered by the management of the Company. Confidential Information includes information developed by you in the course of your employment by the Company, as well as other information to which you may have access in connection with your employment. Confidential Information also includes the confidential information of others with which the Company has a business relationship. Notwithstanding the foregoing, Confidential Information does not include information in the public domain, unless due to breach of your duties under Section 7(b).
 - (b) **Confidentiality.** You understand and agree that your employment creates a relationship of confidence and trust between you and the Company with respect to all Confidential Information. At all times, both during your employment with the Company and after its termination, you will keep in confidence and trust all such Confidential Information, and will not use or disclose any such Confidential Information without the written consent of the Company, except as may be necessary in the ordinary course of performing your duties to the Company.

- (c) Documents, Records, etc. All documents, records, data, apparatus, equipment and other physical property, whether or not pertaining to Confidential Information, which are furnished to you by the Company or are produced by you in connection with your employment will be and remain the sole property of the Company. You will return to the Company all such materials and property as and when requested by the Company. In any event, you will return all such materials and property immediately upon termination of your employment for any reason. You will not retain any such material or property or any copies thereof after such termination.
- (d) Nonsolicitation. During your employment with the Company and for the 12-month period following your termination from the Company (such 12-month period, the "Restricted Period"), regardless of whether it is a voluntary or involuntary termination, you, either alone or in the association of others, (i) will refrain from directly or indirectly employing, attempting to employ, recruiting or otherwise soliciting, inducing or influencing any person to leave employment with the Company (other than terminations of employment of subordinate employees undertaken in the course of your employment with the Company); and (ii) will refrain from soliciting or encouraging any client, customer, account or business partner or prospective client, customer, account or business partner to terminate or otherwise modify adversely its business relationship with the Company. You understand that the restrictions set forth in this Section 7(d) are intended to protect the Company's interest in its Confidential Information and established employee, customer and supplier relationships and goodwill, and agrees that such restrictions are reasonable and appropriate for this purpose.
- (e) Third-Party Agreements and Rights. You hereby confirm that you are not bound by the terms of any agreement with any previous employer or other party which restricts in any way your use or disclosure of information or your engagement in any business. You represent to the Company that your execution of this Agreement, your employment with the Company and the performance of your proposed duties for the Company will not violate any obligations you may have to any such previous employer or other party. In your work for the Company, you will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and you will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.
- (f) Litigation and Regulatory Cooperation. During and after your employment, you shall cooperate fully with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while you were employed by the Company. Your full cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after your employment, you also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as

any such investigation or review relates to events or occurrences that transpired while you were employed by the Company. The Company shall reimburse you for any reasonable out-of-pocket expenses incurred in connection with the performance of your obligations pursuant to this Section 7(f).

- (g) **Injunction.** You agree that it would be difficult to measure any damages caused to the Company which might result from any breach by you of the promises set forth in this Section 7, and that in any event, money damages would be an inadequate remedy for any such breach. Accordingly, you agree that if you breach, or propose to breach, any portion of this Agreement, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the Company.
8. **Noncompetition.** During your employment with the Company and during the Restricted Period, regardless of whether it is a voluntary or involuntary termination, you will not, directly or indirectly, whether as owner, partner, shareholder, consultant, agent, employee, co-venturer or otherwise, engage, participate, assist or invest in any Competing Business (as hereinafter defined). You understand that the restrictions set forth in this Section 8 are intended to protect the Company's interest in its Confidential Information and established employee, customer and supplier relationships and goodwill, and agree that such restrictions are reasonable and appropriate for this purpose. For purposes of this Agreement, the term "Competing Business" shall mean (i) the business of community banking and/or insurance agencies in any state of the United States where the Company is doing such business and/or (ii) the business of affinity deposit services in any state of the United States where the Company is doing such business and/or (iii) the business of loan acquisition and/or loan servicing in either case in any state of the United States where the Company is doing such business; provided, however, you may (a) own up to one percent of the outstanding stock of a publicly-held corporation that constitutes or is affiliated with a Competing Business, and (b) serve as an officer, employee, consultant, partner or director of, or rendering services to or doing business with, any person or company engaged in a Competing Business so long as (i) you are not directly engaged in the Competing Business conducted by such person or company, and (ii) the revenues of the Competing Business constitute a minority of the revenues of such person or company.
9. **Salary Continuation in the Event of Termination of Employment.**
- (a) In the event (i) your employment with the Company is (a) terminated by the Company without Cause (as hereinafter defined) or by you for Good Reason (as hereinafter defined) or (b) the Company makes a Non-Renewal Election, and (ii) you execute and allow to become binding a release of claims (the "Release") prepared by the Company by a date no later than the earlier of the date specified on the Release and 60 days after your employment with the Company ends, Section 8 shall terminate unless the Company (in the sole discretion of the Board) pays you an amount equal to the base salary you would have received for the duration of the Restricted Period, less applicable taxes and withholdings,

payable in accordance with the Company's regular payroll practices over the Restricted Period beginning on the first payroll date that occurs at least 60 days following the termination of your employment.

- (b) For purposes of this Agreement, "Cause" for termination shall be deemed to exist upon (a) a good faith finding by the Board of conduct by you constituting deliberate dishonesty or gross misconduct in connection with your employment, which has continued for more than 30 days following written notice of such deficiencies from the Board; (b) a good faith finding by the Board of your commission of any crime involving moral turpitude or any felony; (c) your commitment of any fraud, embezzlement, breach of fiduciary duty or misappropriation of funds against the Company; (d) your material violation of any of the terms of Section 7 or Section 8 of this Agreement; (e) your material violation of the Company's written policies or rules material to your employment that results in material demonstrable harm to the Company and which has continued for more than 30 days following written notice of such violation from the Board; or (f) failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation.
 - (c) For purposes of this Agreement, "Good Reason", means any of the following, without your consent, provided the Company has not cured such matter within 30 days of notice by you to the Company and you provide such notice within 60 days of the first occurrence of such matter: (a) requiring your primary work location (excluding business travel) to be more than 50 miles from the corporate offices in Boston, Massachusetts, (b) the material failure of the Company to pay the compensation in the amounts and manner and at the times set forth in this Agreement, (c) a material adverse change in your title, or (d) a material diminution in your responsibilities, authority or duties which are materially inconsistent with your title without your prior consent.
10. **Compliance with EESA; TARP Waiver Agreement.** You acknowledge and understand that (a) the Company is currently a participant in the Capital Purchase Program, developed pursuant to the United States Department of Treasury's Troubled Asset Relief Program ("TARP") under the Emergency Economic Stabilization Act of 2008 ("EESA"), (b) under the EESA, as amended by the American Recovery and Reinvestment Act of 2009, and as clarified and expanded through an Interim Final Rule published June 15, 2009, certain executive compensation restrictions and prohibitions have been imposed on all TARP participants, including the Company; and (c) such restrictions and limitations apply or may apply to you and/or your compensation hereunder whether as a result of your role as Chief Administrative Officer of the Company or otherwise on or after the Commencement Date. In light of the foregoing, you hereby agree to execute and return to the Company on or prior to the Commencement Date the TARP Waiver Agreement attached hereto as Exhibit A.

11. **Choice of Law.** This Agreement shall be interpreted and construed by the laws of the Commonwealth of Massachusetts, without regard to conflict of laws provisions. You hereby irrevocably submit to and acknowledge and recognize the jurisdiction of the courts of the Commonwealth of Massachusetts, or if appropriate, a federal court located in Massachusetts (which courts, for purposes of this letter agreement, are the only courts of competent jurisdiction), over any suit, action or other proceeding arising out of, under or in connection with this letter agreement or the subject matter hereof.
12. **Effect of Section 409A.**
- (a) **Six Month Delay.** For purposes of this Agreement, a termination of employment shall mean a “separation from service” as defined in Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”). If and to the extent any portion of any payment, compensation or other benefit provided to you in connection with your separation from service (as defined in Section 409A of the Code) is determined to constitute “nonqualified deferred compensation” within the meaning of Section 409A of the Code and you are a specified employee as defined in Section 409A(a)(2)(B)(i) of the Code, as determined by the Company in accordance with its procedures, by which determination you hereby agree that you are bound, such portion of the payment, compensation or other benefit will not be paid before the earlier of (i) the day that is six months plus one day after the date of separation from service (as determined under Section 409A of the Code) or (ii) the tenth day after the date of your death (as applicable, the “New Payment Date”). The aggregate of any payments that otherwise would have been paid to you during the period between the date of separation from service and the New Payment Date will be paid to you in a lump sum on the first payroll date after such New Payment Date, and any remaining payments will be paid on their original schedule.
- (b) **General 409A Principles.** For purposes of this Agreement, each amount to be paid or benefit to be provided will be construed as a separate identified payment for purposes of Section 409A of the Code, and any payments that are due within the “short term deferral period” as defined in Section 409A of the Code or are paid in a manner covered by Treas. Reg. Section 1.409A-1(b)(iii) will not be treated as deferred compensation unless applicable law requires otherwise. Neither the Company nor you will have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A of the Code. This Agreement is intended to comply with the provisions of Section 409A of the Code and the Agreement will, to the extent practicable, be construed in accordance therewith. Terms defined in the Agreement will have the meanings given such terms under Section 409A of the Code if and to the extent required to comply with Section 409A of the Code. In any event, the Company makes no representations or warranty and will have no liability to you or any other person, other than with respect to payments made by the Company in violation of the provisions of this Agreement, if any provisions of or payments under this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but not to satisfy the conditions of that section.

- (c) Expense Timing. Payments with respect to reimbursements of business expenses will be made in the ordinary course of business and in any case on or before the last day of the calendar year following the calendar year in which the relevant expense is incurred. The amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year. The right to reimbursement or in-kind benefits pursuant to this Agreement is not subject to liquidation or exchange for another benefit.

If you agree that this letter correctly sets forth the terms under which you will be employed by the Company, please sign the enclosed duplicate of this letter in the space provided below and return it to me. You understand and agree that, in the event the merger agreement governing the Merger is terminated, this Agreement will be null and void and of no further force and effect.

Sincerely,

By: /s/ Richard Wayne

Name: Richard Wayne

Title: Chief Executive Officer

The foregoing correctly sets forth the terms of my employment with the Company. I am not relying on any representations other than those set forth above.

/s/ Heather P. Campion

Heather P. Campion

December 30, 2010

Date

EXHIBIT A

December 30, 2010

Ms. Heather P. Campion
284 Dean Road
Brookline, MA 02445

Re: TARP Executive Compensation Restrictions

Dear Heather:

As you know, Northeast Bancorp (“Northeast”) is currently a participant in the Capital Purchase Program, developed pursuant to the United States Department of Treasury’s Troubled Asset Relief Program (“TARP”) under the Emergency Economic Stabilization Act of 2008 (“EESA”). Under the EESA, as amended by the American Recovery and Reinvestment Act of 2009 (“ARRA”), certain executive compensation restrictions and prohibitions have been imposed on TARP participants, including Northeast. The Department of Treasury subsequently clarified and expanded upon these executive compensation restrictions through an Interim Final Rule (the “Rule”).

Generally, and depending on the particular restriction, these executive compensation restrictions apply to Northeast’s “named executive officers” (“NEOs”) and up to 20 of the “most highly compensated employees” of Northeast, Northeast Bank (the “Bank”) and its other subsidiaries. Under the Rule, the most highly compensated employees are determined on a fiscal year basis based on prior fiscal year compensation. The group of most highly compensated employees may change from fiscal year to fiscal year.

This letter agreement (this “Agreement”) shall set forth an understanding between you and Northeast with respect to the applicability of the executive compensation restrictions and prohibitions described in EESA, ARRA, the Rule and any additional guidance and interpretation thereunder (collectively, the “TARP Restrictions”). You and the Bank hereby acknowledge and agree that during the period in which Northeast is a TARP participant, as determined in accordance with the Rule (the “TARP Period”), you may be or become subject to some or all of the TARP Restrictions. Specifically, and notwithstanding the terms of any agreement between you, the Bank and/or Northeast or any of its other subsidiaries to the contrary, during the TARP period you hereby acknowledge and agree:

1. In any year that you are the most highly compensated employee, except to the extent permitted by the Rule, you shall be prohibited from receiving or accruing (and the Bank, Northeast and its other subsidiaries shall be prohibited from paying you or accruing on your

behalf) any bonus, retention award, or incentive compensation (as such terms are defined in the Rule). If you receive or are paid any such prohibited bonus, retention award or incentive compensation, then you agree to promptly return or repay to Northeast or the Bank (as applicable) such prohibited amounts. If you earn any such bonus, retention award or incentive compensation in a year or for any period in which you are not subject to this TARP Restriction, but such payment is payable during a time when you are subject to this TARP Restriction, then such payment may be made to you at the earliest time permitted under the Rule.

2. In any year during the TARP Period that you are an NEO or one of the five most highly compensated employees, except to the extent permitted by the Rule, you shall be prohibited from receiving (and the Bank, Northeast and its other subsidiaries shall be prohibited from paying you or accruing on your behalf) any "golden parachute payment" (as such term is defined in the Rule), which shall include any amount accrued or paid on account of your departure from the Bank, Northeast or any of its subsidiaries for any reason and any amount accrued or paid in connection with a change in control of the Bank, Northeast or any of its other subsidiaries, except for payments for services performed or benefits accrued.

3. If you are an NEO or one of the 20 most highly compensated employees, to the extent required under the Rule, any bonus, retention award or incentive compensation (as such terms are defined in the Rule) paid or accrued to you during the TARP Period shall be subject to recovery or "clawback" by Northeast if such payments or accruals were based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria. You and the Bank hereby agree to cooperate with Northeast to effect any clawback of compensation required by the TARP Restrictions.

4. In any year during the TARP Period that you are an NEO or one of the 20 most highly compensated employees, except to the extent permitted under the Rule, you shall not be permitted to receive (and the Bank, Northeast and its other subsidiaries shall not be permitted to pay you or accrue on your behalf) any tax "gross-up" (as such term is defined in the Rule), including any reimbursement for the payment of taxes relating to severance payments, perquisites, a change in control of the Bank, Northeast or any of its subsidiaries, or any other form of compensation.

5. In any year that you are an NEO and the most highly compensated employee, you acknowledge and agree that Northeast will be required to publicly disclose and describe any perquisites paid to or accrued by you with an aggregate value for such year that exceeds \$25,000.

6. If requested by the Department of Treasury in connection with Northeast's participation in TARP, you hereby agree to grant to the Department of Treasury a waiver releasing the United States, the Bank, Northeast and its other subsidiaries from any claims related to any TARP Restriction, and Northeast's participation in TARP that you may otherwise have, including, without limitation, any claims for compensation you would otherwise receive, but for such requirements.

7. You and the Bank hereby agree to cooperate with Northeast and timely provide all documents and information as reasonably requested by Northeast, its Compensation Committee, its Chief Executive Officer or its Chief Financial Officer (as applicable) in

connection with (i) Northeast's determination of its most highly compensated employees, (ii) all compensation or compensation plan reviews and assessments required under the Rule, and (iii) all certifications and disclosures required under the Rule.

As noted above, the Rule is subject to revision by the Department of Treasury. You agree that this Agreement shall be amended as may be necessary to fully comply with all relevant provisions of EESA, ARRA, and the Rule and any further interpretation thereunder.

This Agreement shall not be construed as creating any contract for continued services between you and the Bank, Northeast or any of its other subsidiaries and nothing herein contained shall give you the right to be retained as an employee of the Bank, Northeast or any of its other subsidiaries.

Please countersign this Agreement in the space provided below and return this Agreement to Northeast. If you have any questions regarding this Agreement or the TARP executive compensation restrictions, please contact Rick Wayne at (617) 697-2005.

NORTHEAST BANCORP

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

Acknowledged, Accepted and Agreed to:

/s/ Heather P. Champion
Heather P. Champion

NORTHEAST BANK

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

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

Name of Optionee: Richard Wayne
 Type of Stock: Voting Common Stock
 No. of Option Shares: 118,808
 Option Exercise Price per Share: \$13.93
 Grant Date: December 29, 2010
 Expiration Date: December 29, 2020

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 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 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. 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:

Incremental (Aggregate Number) of Option Shares Exercisable	Exercisability Date
20% (20%)	First Anniversary of Grant Date
20% (40%)	Second Anniversary of Grant Date
20% (60%)	Third Anniversary of Grant Date
20% (80%)	Fourth Anniversary of Grant Date
20% (100%)	Fifth Anniversary of Grant 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.

The Company is currently a participant in the Capital Purchase Program, developed pursuant to the United States Department of Treasury's Troubled Asset Relief Program ("TARP") under the Emergency Economic Stabilization Act of 2008, as amended. Notwithstanding anything herein to the contrary, to the extent the Optionee becomes subject to the restrictions of Section 30.10 of 31 C.F.R. part 30, an interim final regulation promulgated by the United States Department of Treasury ("Treasury") governing executive compensation for recipients of financial assistance under TARP, and the related guidance thereto (the "TARP Rules") and to the extent any portion of this Stock Option is not yet exercisable pursuant to the schedule above, the exercisability of such portion of this Stock Option shall be tolled and such portion of this Stock Option shall not become exercisable for any period from such date through the date the Optionee is no longer subject to the limitations described in Section 30.10 of the TARP Rules (the "Tolled Period"), and, in connection therewith, the exercisability schedule shall be extended for a period equal to the Tolled Period, subject to all terms and conditions of this Stock Option.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option 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. Termination of Employment. If the Optionee's employment by the Company or a Subsidiary (as defined in the Plan) is terminated, the exercisability of this Stock Option may be accelerated and the period within which to exercise the Stock Option may be subject to earlier termination as set forth below. The Administrator's determination of the reason for termination of the Optionee's employment shall be conclusive and binding on the Optionee and his or her representatives or legatees. Except as set forth below, any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

(a) Termination Due to Death or Disability. If the Optionee's employment terminates by reason of the Optionee's death or disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date that would have become exercisable on or before the later of (i) the third anniversary of the Grant Date, or (ii) the first anniversary of the Optionee's termination of employment, shall be exercisable. Such Stock Option may thereafter be exercised by the Optionee or the Optionee's legal representative or legatee (as applicable) until the Expiration Date.

(b) Termination for Cause. If the Optionee's employment terminates for Cause, any portion of this Stock Option outstanding on such date, whether or not exercisable, shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" shall have the meaning ascribed to such term in the Employment Agreement by and between the Company and the Optionee.

(c) Termination without Cause or for Good Reason. If the Company terminates the Optionee's employment without Cause or the Optionee resigns for Good Reason, (i) if such termination or resignation occurs prior to the third anniversary of the Grant Date, any portion of this Stock Option outstanding on such date that would have become exercisable on or before the later of (x) the third anniversary of the Grant Date, or (y) the first anniversary of the Optionee's termination of employment, shall be exercisable, and (ii) if such termination or resignation occurs on or following the third anniversary of the Grant Date, any portion of this Stock Option outstanding on the such that that would have become exercisable on or before the first anniversary of the Optionee's termination of employment, shall be exercisable. Such Stock Option may be exercised, to the extent exercisable on the date of termination (after giving affect to any acceleration hereunder), until the Expiration Date. Any portion of this Stock Option that is not exercisable on the date of termination (after giving affect to any acceleration hereunder) shall terminate immediately and be of no further force or effect. For purposes hereof, "Good Reason" shall have the meaning ascribed to such term in the Employment Agreement by and between the Company and the Optionee.

(d) Voluntary Termination. If the Optionee resigns other than for Good Reason, any portion of this Stock Option that is exercisable on the date of termination may be exercised until the Expiration Date.

4. Company's Right of Repurchase.

(a) Right of Repurchase. The Company shall have the right (the "Repurchase Right") upon the occurrence of any of the events specified in Section 4(b) below (the "Repurchase Event") to repurchase from the Optionee (or any Permitted Transferee) some or all (as determined by the Company) of the exercisable portion of this Stock Option in accordance with the terms hereof at the purchase price specified below. The Repurchase Right may be exercised by the Company within 12 months following the date of the Repurchase Event. The Repurchase Right shall be exercised by the Company by giving the Optionee or any Permitted Transferee written notice on or before the last day of the Repurchase Period of its intention to exercise the Repurchase Right, and, together with such notice, tendering to the Optionee or any Permitted Transferee an amount equal to the difference between the Exercise Price per share and the fair market value per share of the underlying shares, multiplied by the number of shares subject to the Stock Option being repurchased (the "Repurchase Price"). The Repurchase Price shall be paid in cash; provided, however, that upon a good faith determination that a cash payment would cause material adverse regulatory consequences, the Company may pay the Repurchase Price with a promissory note that is repaid over a period of time not to exceed two years, with interest equal to the "Prime Rate" determined as of the date the Repurchase Right is exercised. The Repurchase Right shall terminate three years following the Grant Date.

(b) Company's Right to Exercise Repurchase Right. The Company shall have the Repurchase Right in the event that the Optionee resigns for any reason, other than for Good Reason, death or disability.

(c) Determination of Fair Market Value. The fair market value of the shares shall be, for purposes of this Section 4, the average closing price of the Stock for the thirty trading days preceding the date the Board elects to exercise its repurchase rights in connection with a Repurchase Event.

5. 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 5(a) 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. This Section 5(a) will terminate and be of no further force or effect upon the earliest to occur of (i) a termination of Optionee's employment by the Company without Cause or by the Optionee for Good Reason, (ii) a termination of Optionee's employment due to death or disability or (iii) a termination of Optionee's employment by the Optionee for any reason following the expiration of the initial three-year term of the employment agreement between the Company and the Optionee.

6. Recoupment Policy. The Optionee acknowledges and agrees that this Stock Option shall be subject to cancellation, and any Shares issued upon exercise of this Stock Option shall be subject to repurchase at cost, in each case at the discretion of the Board and to the extent permitted by applicable law, if (i) the Board determines that gross negligence, intentional misconduct or fraud by the Optionee caused or was a significant contributing factor to a materially adverse restatement of the Company's financial statements and (ii) the vesting of such Stock Option was calculated or contingent upon the achievement of financial or operating results that were affected by the restatement and the vesting of such Stock Option would have been less had the financial statements been correct.

7. 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.

8. 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.

9. Tax Withholding. The Optionee shall, not later than the date as of which the exercise of this Stock Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Optionee may elect to have the minimum required tax withholding obligation satisfied, in

whole or in part, by authorizing the Company to withhold from shares of Stock to be issued a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due.

10. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Optionee at any time.

11. 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: December 29, 2010

/s/ Richard Wayne

Optionee's Signature

Optionee's name and address:

Richard Wayne

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

Name of Optionee:	Richard Wayne
Type of Stock:	Voting Common Stock
No. of Option Shares:	118,808
Option Exercise Price per Share:	\$13.93
Grant Date:	December 29, 2010
Expiration Date:	December 29, 2020

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 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 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. 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
39,602	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
39,603	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
39,603	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.

(d) TARP Compliance. The Company is currently a participant in the Capital Purchase Program, developed pursuant to the United States Department of Treasury's Troubled Asset Relief Program ("TARP") under the Emergency Economic Stabilization Act of 2008, as amended. Notwithstanding anything herein to the contrary, to the extent the Optionee becomes subject to the restrictions of Section 30.10 of 31 C.F.R. part 30, an interim final regulation promulgated by the United States Department of Treasury ("Treasury") governing executive compensation for recipients of financial assistance under TARP, and the related guidance thereto (the "TARP Rules") and to the extent any portion of this Stock Option is not yet exercisable, no portion of the performance conditions set forth in Section 1(a) above may be satisfied with respect to such portion of this Stock Option during any period from such date through the date the Optionee is no longer subject to the limitations described in Section 30.10 of the TARP Rules (the "Tolled Period"), and no portion of this Stock Option shall not become first exercisable during the Tolled Period.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option 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. Termination of Employment. If the Optionee's employment by the Company or a Subsidiary (as defined in the Plan) is terminated, the exercisability of this Stock Option may be accelerated and the period within which to exercise the Stock Option may be subject to earlier termination as set forth below. The Administrator's determination of the reason for termination of the Optionee's employment shall be conclusive and binding on the Optionee and his or her representatives or legatees.

(a) Termination Due to Death or Disability. If the Optionee's employment terminates by reason of the Optionee's death or disability (as determined by the Administrator) and such death or disability occurs (i) after the first anniversary of the Grant Date and on or prior to the second anniversary of the Grant Date, 20 percent of this Stock Option shall become exercisable as of the date of such death or disability, (ii) after the second anniversary of the Grant Date and on or before the third anniversary of the Grant Date, 40 percent of this Stock Option shall become exercisable as of the date of such death or disability or (iii) after the third anniversary of the Grant Date, 100% of this Stock Option shall become exercisable as of the date of such death or disability. Such Stock Option may thereafter be exercised by the Optionee or the Optionee's legal representative or legatee (as applicable) until the Expiration Date.

(b) Termination for Cause. If the Optionee's employment terminates for Cause, any portion of this Stock Option outstanding on such date, whether or not exercisable, shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" shall have the meaning ascribed to such term in the Employment Agreement by and between the Company and the Optionee.

(c) Termination without Cause or for Good Reason. If the Company terminates the Optionee's employment without Cause or the Optionee resigns for Good Reason and such termination or resignation occurs (i) prior to the third anniversary of the Grant Date, this Stock Option shall become exercisable as of the date of such termination or resignation with respect to one-third of the total number of Option Shares subject to this Stock Option, and this Stock Option may become exercisable with respect to such additional number of Option Shares that become exercisable (notwithstanding such termination or resignation) during the twelve-month period following the date of termination or resignation (the "Additional Vesting Period"), or (ii) following the third anniversary of the Grant Date, this Stock Option shall become exercisable with respect to the number of Option Shares that become exercisable

(notwithstanding such termination or resignation) during the lesser of (x) the Additional Vesting Period and (y) the seven-year period from the Grant Date. Such Stock Option may be exercised, to the extent exercisable after expiration of the Additional Vesting Period (or the seven-year period from the Grant Date, if applicable), until the Expiration Date. Any portion of this Stock Option that is not exercisable after expiration of the Additional Vesting Period (or the seven-year period from the Grant Date, if applicable) shall terminate immediately and be of no further force or effect. For purposes hereof, "Good Reason" shall have the meaning ascribed to such term in the Employment Agreement by and between the Company and the Optionee.

(d) Voluntary Termination. If the Optionee resigns other than for Good Reason, any portion of this Stock Option that is exercisable on the date of termination may be exercised until the Expiration Date.

4. Company's Right of Repurchase.

(a) Right of Repurchase. The Company shall have the right (the "Repurchase Right") upon the occurrence of any of the events specified in Section 4(b) below (the "Repurchase Event") to repurchase from the Optionee (or any Permitted Transferee) some or all (as determined by the Company) of the exercisable portion of this Stock Option in accordance with the terms hereof at the purchase price specified below. The Repurchase Right may be exercised by the Company within 12 months following the date of the Repurchase Event. The Repurchase Right shall be exercised by the Company by giving the Optionee or any Permitted Transferee written notice on or before the last day of the Repurchase Period of its intention to exercise the Repurchase Right, and, together with such notice, tendering to the Optionee or any Permitted Transferee an amount equal to the difference between the Exercise Price per share and the fair market value per share of the underlying shares, multiplied by the number of shares subject to the Stock Option being repurchased (the "Repurchase Price"). The Repurchase Price shall be paid in cash; provided, however, that upon a good faith determination that a cash payment would cause material adverse regulatory consequences, the Company may pay the Repurchase Price with a promissory note that is repaid over a period of time not to exceed two years, with interest equal to the "Prime Rate" determined as of the date the Repurchase Right is exercised. The Repurchase Right shall terminate three years following the Grant Date.

(b) Company's Right to Exercise Repurchase Right. The Company shall have the Repurchase Right in the event that the Optionee resigns for any reason, other than for Good Reason, death or disability.

(c) Determination of Fair Market Value. The fair market value of the shares shall be, for purposes of this Section 4, the average closing price of the Stock for the thirty trading days preceding the date the Board elects to exercise its repurchase rights in connection with a Repurchase Event.

5. 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 5(a) 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. This Section 5(a) will terminate and be of no further force or effect upon the earliest to occur of (i) a termination of Optionee's employment by the Company without Cause or by the Optionee for Good Reason, (ii) a termination of Optionee's employment due to death or disability or (iii) a termination of Optionee's employment by the Optionee for any reason following the expiration of the initial three-year term of the employment agreement between the Company and the Optionee.

6. Recoupment Policy. The Optionee acknowledges and agrees that this Stock Option shall be subject to cancellation, and any Shares issued upon exercise of this Stock Option shall be subject to repurchase at cost, in each case at the discretion of the Board and to the extent permitted by applicable law, if (i) the Board determines that gross negligence, intentional misconduct or fraud by the Optionee caused or was a significant contributing factor to a materially adverse restatement of the Company's financial statements and (ii) the vesting of such Stock Option was calculated or contingent upon the achievement of financial or operating results that were affected by the restatement and the vesting of such Stock Option would have been less had the financial statements been correct.

7. 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.

8. 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.

9. Tax Withholding. The Optionee shall, not later than the date as of which the exercise of this Stock Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Optionee may elect to have the minimum required tax withholding obligation satisfied, in whole or in part, by authorizing the Company to withhold from shares of Stock to be issued a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due.

10. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Optionee at any time.

11. 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: December 29, 2010

/s/ Richard Wayne

Optionee's Signature

Optionee's name and address:

Richard Wayne

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

Name of Optionee: Claire Bean
 Type of Stock: Voting Common Stock
 No. of Option Shares: 59,404
 Option Exercise Price per Share: \$13.93
 Grant Date: December 29, 2010
 Expiration Date: December 29, 2020

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 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 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. 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 Grant Date
20% (40%)	Second Anniversary of Grant Date
20% (60%)	Third Anniversary of Grant Date
20% (80%)	Fourth Anniversary of Grant Date
20% (100%)	Fifth Anniversary of Grant 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 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. Termination of Employment. If the Optionee's employment by the Company or a Subsidiary (as defined in the Plan) is terminated, the exercisability of this Stock Option may be accelerated and the period within which to exercise the Stock Option may be subject to earlier termination as set forth below. The Administrator's determination of the reason for termination of the Optionee's employment shall be conclusive and binding on the Optionee and his or her representatives or legatees. Except as set forth below, any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

(a) Termination Due to Death or Disability. If the Optionee's employment terminates by reason of the Optionee's death or disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date that would have become exercisable on or before the later of (i) the third anniversary of the Grant Date, or (ii) the first anniversary of the Optionee's termination of employment, shall be exercisable. Such Stock Option may thereafter be exercised by the Optionee or the Optionee's legal representative or legatee (as applicable) until the Expiration Date.

(b) Termination for Cause. If the Optionee's employment terminates for Cause, any portion of this Stock Option outstanding on such date, whether or not exercisable, shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" shall have the meaning ascribed to such term in the Employment Agreement by and between the Company and the Optionee.

(c) Termination without Cause or for Good Reason. If the Company terminates the Optionee's employment without Cause or the Optionee resigns for Good Reason, (i) if such termination or resignation occurs prior to the third anniversary of the Grant Date, any portion of this Stock Option outstanding on such date that would have become exercisable on or before the later of (x) the third anniversary of the Grant Date, or (y) the first anniversary of the Optionee's termination of employment, shall be exercisable, and (ii) if such termination or resignation occurs on or following the third anniversary of the Grant Date, any portion of this Stock Option outstanding on the such that would have become exercisable on or before the first anniversary of the Optionee's termination of employment, shall be exercisable. Such Stock Option may be exercised, to the extent exercisable on the date of termination (after giving affect to any acceleration hereunder), until the Expiration Date. Any portion of this Stock Option that

is not exercisable on the date of termination (after giving effect to any acceleration hereunder) shall terminate immediately and be of no further force or effect. For purposes hereof, "Good Reason" shall have the meaning ascribed to such term in the Employment Agreement by and between the Company and the Optionee.

(d) Voluntary Termination. If the Optionee resigns other than for Good Reason, any portion of this Stock Option that is exercisable on the date of termination may be exercised until the Expiration Date.

4. Company's Right of Repurchase.

(a) Right of Repurchase. The Company shall have the right (the "Repurchase Right") upon the occurrence of any of the events specified in Section 4(b) below (the "Repurchase Event") to repurchase from the Optionee (or any Permitted Transferee) some or all (as determined by the Company) of the exercisable portion of this Stock Option in accordance with the terms hereof at the purchase price specified below. The Repurchase Right may be exercised by the Company within 12 months following the date of the Repurchase Event. The Repurchase Right shall be exercised by the Company by giving the Optionee or any Permitted Transferee written notice on or before the last day of the Repurchase Period of its intention to exercise the Repurchase Right, and, together with such notice, tendering to the Optionee or any Permitted Transferee an amount equal to the difference between the Exercise Price per share and the fair market value per share of the underlying shares, multiplied by the number of shares subject to the Stock Option being repurchased (the "Repurchase Price"). The Repurchase Price shall be paid in cash; provided, however, that upon a good faith determination that a cash payment would cause material adverse regulatory consequences, the Company may pay the Repurchase Price with a promissory note that is repaid over a period of time not to exceed two years, with interest equal to the "Prime Rate" determined as of the date the Repurchase Right is exercised. The Repurchase Right shall terminate three years following the Grant Date.

(b) Company's Right to Exercise Repurchase Right. The Company shall have the Repurchase Right in the event that the Optionee resigns for any reason, other than for Good Reason, death or disability.

(c) Determination of Fair Market Value. The fair market value of the shares shall be, for purposes of this Section 4, the average closing price of the Stock for the thirty trading days preceding the date the Board elects to exercise its repurchase rights in connection with a Repurchase Event.

5. 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 5(a) 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. This Section 5(a) will terminate

and be of no further force or effect upon the earliest to occur of (i) a termination of Optionee's employment by the Company without Cause or by the Optionee for Good Reason, (ii) a termination of Optionee's employment due to death or disability or (iii) a termination of Optionee's employment by the Optionee for any reason following the expiration of the initial three-year term of the employment agreement between the Company and the Optionee.

6. Recoupment Policy. The Optionee acknowledges and agrees that this Stock Option shall be subject to cancellation, and any Shares issued upon exercise of this Stock Option shall be subject to repurchase at cost, in each case at the discretion of the Board and to the extent permitted by applicable law, if (i) the Board determines that gross negligence, intentional misconduct or fraud by the Optionee caused or was a significant contributing factor to a materially adverse restatement of the Company's financial statements and (ii) the vesting of such Stock Option was calculated or contingent upon the achievement of financial or operating results that were affected by the restatement and the vesting of such Stock Option would have been less had the financial statements been correct.

7. 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.

8. 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.

9. Tax Withholding. The Optionee shall, not later than the date as of which the exercise of this Stock Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Optionee may elect to have the minimum required tax withholding obligation satisfied, in whole or in part, by authorizing the Company to withhold from shares of Stock to be issued a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due.

10. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Optionee at any time.

11. 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: December 29, 2010

/s/ Claire S. Bean

Optionee's Signature

Optionee's name and address:

Claire S. Bean

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

Name of Optionee: Heather Champion
 Type of Stock: Voting Common Stock
 No. of Option Shares: 59,404
 Option Exercise Price per Share: \$13.93
 Grant Date: December 29, 2010
 Expiration Date: December 29, 2020

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 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 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. 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 Grant Date
20% (40%)	Second Anniversary of Grant Date
20% (60%)	Third Anniversary of Grant Date
20% (80%)	Fourth Anniversary of Grant Date
20% (100%)	Fifth Anniversary of Grant 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 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. Termination of Employment. If the Optionee's employment by the Company or a Subsidiary (as defined in the Plan) is terminated, the exercisability of this Stock Option may be accelerated and the period within which to exercise the Stock Option may be subject to earlier termination as set forth below. The Administrator's determination of the reason for termination of the Optionee's employment shall be conclusive and binding on the Optionee and his or her representatives or legatees. Except as set forth below, any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

(a) Termination Due to Death or Disability. If the Optionee's employment terminates by reason of the Optionee's death or disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date that would have become exercisable on or before the later of (i) the third anniversary of the Grant Date, or (ii) the first anniversary of the Optionee's termination of employment, shall be exercisable. Such Stock Option may thereafter be exercised by the Optionee or the Optionee's legal representative or legatee (as applicable) until the Expiration Date.

(b) Termination for Cause. If the Optionee's employment terminates for Cause, any portion of this Stock Option outstanding on such date, whether or not exercisable, shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" shall have the meaning ascribed to such term in the Employment Agreement by and between the Company and the Optionee.

(c) Termination without Cause or for Good Reason. If the Company terminates the Optionee's employment without Cause or the Optionee resigns for Good Reason, (i) if such termination or resignation occurs prior to the third anniversary of the Grant Date, any portion of this Stock Option outstanding on such date that would have become exercisable on or before the later of (x) the third anniversary of the Grant Date, or (y) the first anniversary of the Optionee's termination of employment, shall be exercisable, and (ii) if such termination or resignation occurs on or following the third anniversary of the Grant Date, any portion of this Stock Option outstanding on the such that that would have become exercisable on or before the first anniversary of the Optionee's termination of employment, shall be exercisable. Such Stock Option may be exercised, to the extent exercisable on the date of termination (after giving affect to any acceleration hereunder), until the Expiration Date. Any portion of this Stock Option that

is not exercisable on the date of termination (after giving effect to any acceleration hereunder) shall terminate immediately and be of no further force or effect. For purposes hereof, "Good Reason" shall have the meaning ascribed to such term in the Employment Agreement by and between the Company and the Optionee.

(d) Voluntary Termination. If the Optionee resigns other than for Good Reason, any portion of this Stock Option that is exercisable on the date of termination may be exercised until the Expiration Date.

4. Company's Right of Repurchase.

(a) Right of Repurchase. The Company shall have the right (the "Repurchase Right") upon the occurrence of any of the events specified in Section 4(b) below (the "Repurchase Event") to repurchase from the Optionee (or any Permitted Transferee) some or all (as determined by the Company) of the exercisable portion of this Stock Option in accordance with the terms hereof at the purchase price specified below. The Repurchase Right may be exercised by the Company within 12 months following the date of the Repurchase Event. The Repurchase Right shall be exercised by the Company by giving the Optionee or any Permitted Transferee written notice on or before the last day of the Repurchase Period of its intention to exercise the Repurchase Right, and, together with such notice, tendering to the Optionee or any Permitted Transferee an amount equal to the difference between the Exercise Price per share and the fair market value per share of the underlying shares, multiplied by the number of shares subject to the Stock Option being repurchased (the "Repurchase Price"). The Repurchase Price shall be paid in cash; provided, however, that upon a good faith determination that a cash payment would cause material adverse regulatory consequences, the Company may pay the Repurchase Price with a promissory note that is repaid over a period of time not to exceed two years, with interest equal to the "Prime Rate" determined as of the date the Repurchase Right is exercised. The Repurchase Right shall terminate three years following the Grant Date.

(b) Company's Right to Exercise Repurchase Right. The Company shall have the Repurchase Right in the event that the Optionee resigns for any reason, other than for Good Reason, death or disability.

(c) Determination of Fair Market Value. The fair market value of the shares shall be, for purposes of this Section 4, the average closing price of the Stock for the thirty trading days preceding the date the Board elects to exercise its repurchase rights in connection with a Repurchase Event.

5. 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 5(a) 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. This Section 5(a) will terminate

and be of no further force or effect upon the earliest to occur of (i) a termination of Optionee's employment by the Company without Cause or by the Optionee for Good Reason, (ii) a termination of Optionee's employment due to death or disability or (iii) a termination of Optionee's employment by the Optionee for any reason following the expiration of the initial three-year term of the employment agreement between the Company and the Optionee.

6. Recoupment Policy. The Optionee acknowledges and agrees that this Stock Option shall be subject to cancellation, and any Shares issued upon exercise of this Stock Option shall be subject to repurchase at cost, in each case at the discretion of the Board and to the extent permitted by applicable law, if (i) the Board determines that gross negligence, intentional misconduct or fraud by the Optionee caused or was a significant contributing factor to a materially adverse restatement of the Company's financial statements and (ii) the vesting of such Stock Option was calculated or contingent upon the achievement of financial or operating results that were affected by the restatement and the vesting of such Stock Option would have been less had the financial statements been correct.

7. 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.

8. 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.

9. Tax Withholding. The Optionee shall, not later than the date as of which the exercise of this Stock Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Optionee may elect to have the minimum required tax withholding obligation satisfied, in whole or in part, by authorizing the Company to withhold from shares of Stock to be issued a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due.

10. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Optionee at any time.

11. 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: December 29, 2010

/s/ Heather Campion

Optionee's Signature

Optionee's name and address:

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

Name of Optionee:	Claire Bean
Type of Stock:	Voting Common Stock
No. of Option Shares:	59,404
Option Exercise Price per Share:	\$13.93
Grant Date:	December 29, 2010
Expiration Date:	December 29, 2020

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 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 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. 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
19,801	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
19,801	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
19,802	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 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. Termination of Employment. If the Optionee's employment by the Company or a Subsidiary (as defined in the Plan) is terminated, the exercisability of this Stock Option may be accelerated and the period within which to exercise the Stock Option may be subject to earlier termination as set forth below. The Administrator's determination of the reason for termination of the Optionee's employment shall be conclusive and binding on the Optionee and his or her representatives or legatees.

(a) Termination Due to Death or Disability. If the Optionee's employment terminates by reason of the Optionee's death or disability (as determined by the Administrator) and such death or disability occurs (i) after the first anniversary of the Grant Date and on or prior to the second anniversary of the Grant Date, 20 percent of this Stock Option shall become exercisable as of the date of such death or disability, (ii) after the second anniversary of the Grant Date and on or before the third anniversary of the Grant Date, 40 percent of this Stock Option shall become exercisable as of the date of such death or disability or (iii) after the third anniversary of the Grant Date, 100% of this Stock Option shall become exercisable as of the date of such death or disability. Such Stock Option may thereafter be exercised by the Optionee or the Optionee's legal representative or legatee (as applicable) until the Expiration Date.

(b) Termination for Cause. If the Optionee's employment terminates for Cause, any portion of this Stock Option outstanding on such date, whether or not exercisable, shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" shall have the meaning ascribed to such term in the Employment Agreement by and between the Company and the Optionee.

(c) Termination without Cause or for Good Reason. If the Company terminates the Optionee's employment without Cause or the Optionee resigns for Good Reason and such termination or resignation occurs (i) prior to the third anniversary of the Grant Date, this Stock Option shall become exercisable as of the date of such termination or resignation with respect to one-third of the total number of Option Shares subject to this Stock Option, and this Stock Option may become exercisable with respect to such additional number of Option Shares that become exercisable (notwithstanding such termination or resignation) during the twelve-month period following the date of termination or resignation (the "Additional Vesting Period"), or (ii) following the third anniversary of the Grant Date, this Stock Option shall become exercisable with respect to the number of Option Shares that become exercisable (notwithstanding such termination or resignation) during the lesser of (x) the Additional Vesting Period and (y) the seven-year period from the Grant Date. Such Stock Option may be exercised, to the extent exercisable after expiration of the Additional Vesting Period (or the seven-year period from the Grant Date, if applicable), until the Expiration Date. Any portion of this Stock Option that is not exercisable after expiration of the Additional Vesting Period (or the seven-year period from the Grant Date, if applicable) shall terminate immediately and be of no further force or effect. For purposes hereof, "Good Reason" shall have the meaning ascribed to such term in the Employment Agreement by and between the Company and the Optionee.

(d) Voluntary Termination. If the Optionee resigns other than for Good Reason, any portion of this Stock Option that is exercisable on the date of termination may be exercised until the Expiration Date.

4. Company's Right of Repurchase.

(a) Right of Repurchase. The Company shall have the right (the "Repurchase Right") upon the occurrence of any of the events specified in Section 4(b) below (the "Repurchase Event") to repurchase from the Optionee (or any Permitted Transferee) some or all (as determined by the Company) of the exercisable portion of this Stock Option in accordance with the terms hereof at the purchase price specified below. The Repurchase Right may be exercised by the Company within 12 months following the date of the Repurchase Event. The Repurchase Right shall be exercised by the Company by giving the Optionee or any Permitted Transferee written notice on or before the last day of the Repurchase Period of its intention to exercise the Repurchase Right, and, together with such notice, tendering to the Optionee or any Permitted Transferee an amount equal to the difference between the Exercise Price per share and the fair market value per share of the underlying shares, multiplied by the number of shares subject to the Stock Option being repurchased (the "Repurchase Price"). The Repurchase Price shall be paid in cash; provided, however, that upon a good faith determination that a cash payment would cause material adverse regulatory consequences, the Company may pay the Repurchase Price with a promissory note that is repaid over a period of time not to exceed two years, with interest equal to the "Prime Rate" determined as of the date the Repurchase Right is exercised. The Repurchase Right shall terminate three years following the Grant Date.

(b) Company's Right to Exercise Repurchase Right. The Company shall have the Repurchase Right in the event that the Optionee resigns for any reason, other than for Good Reason, death or disability.

(c) Determination of Fair Market Value. The fair market value of the shares shall be, for purposes of this Section 4, the average closing price of the Stock for the thirty trading days preceding the date the Board elects to exercise its repurchase rights in connection with a Repurchase Event.

5. 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 5(a) 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. This Section 5(a) will terminate and be of no further force or effect upon the earliest to occur of (i) a termination of Optionee's employment by the Company without Cause or by the Optionee for Good Reason, (ii) a termination of Optionee's employment due to death or disability or (iii) a termination of Optionee's employment by the Optionee for any reason following the expiration of the initial three-year term of the employment agreement between the Company and the Optionee.

6. Recoupment Policy. The Optionee acknowledges and agrees that this Stock Option shall be subject to cancellation, and any Shares issued upon exercise of this Stock Option shall be subject to repurchase at cost, in each case at the discretion of the Board and to the extent

permitted by applicable law, if (i) the Board determines that gross negligence, intentional misconduct or fraud by the Optionee caused or was a significant contributing factor to a materially adverse restatement of the Company's financial statements and (ii) the vesting of such Stock Option was calculated or contingent upon the achievement of financial or operating results that were affected by the restatement and the vesting of such Stock Option would have been less had the financial statements been correct.

7. 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.

8. 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.

9. Tax Withholding. The Optionee shall, not later than the date as of which the exercise of this Stock Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Optionee may elect to have the minimum required tax withholding obligation satisfied, in whole or in part, by authorizing the Company to withhold from shares of Stock to be issued a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due.

10. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Optionee at any time.

11. 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: December 29, 2010

/s/ Claire S. Bean

Optionee's Signature

Optionee's name and address:

Claire S. Bean

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

Name of Optionee:	Heather Champion
Type of Stock:	Voting Common Stock
No. of Option Shares:	59,404
Option Exercise Price per Share:	\$13.93
Grant Date:	December 29, 2010
Expiration Date:	December 29, 2020

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 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 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. 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
19,801	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
19,801	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
19,802	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 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. Termination of Employment. If the Optionee's employment by the Company or a Subsidiary (as defined in the Plan) is terminated, the exercisability of this Stock Option may be accelerated and the period within which to exercise the Stock Option may be subject to earlier termination as set forth below. The Administrator's determination of the reason for termination of the Optionee's employment shall be conclusive and binding on the Optionee and his or her representatives or legatees.

(a) Termination Due to Death or Disability. If the Optionee's employment terminates by reason of the Optionee's death or disability (as determined by the Administrator) and such death or disability occurs (i) after the first anniversary of the Grant Date and on or prior to the second anniversary of the Grant Date, 20 percent of this Stock Option shall become exercisable as of the date of such death or disability, (ii) after the second anniversary of the Grant Date and on or before the third anniversary of the Grant Date, 40 percent of this Stock Option shall become exercisable as of the date of such death or disability or (iii) after the third anniversary of the Grant Date, 100% of this Stock Option shall become exercisable as of the date of such death or disability. Such Stock Option may thereafter be exercised by the Optionee or the Optionee's legal representative or legatee (as applicable) until the Expiration Date.

(b) Termination for Cause. If the Optionee's employment terminates for Cause, any portion of this Stock Option outstanding on such date, whether or not exercisable, shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" shall have the meaning ascribed to such term in the Employment Agreement by and between the Company and the Optionee.

(c) Termination without Cause or for Good Reason. If the Company terminates the Optionee's employment without Cause or the Optionee resigns for Good Reason and such termination or resignation occurs (i) prior to the third anniversary of the Grant Date, this Stock Option shall become exercisable as of the date of such termination or resignation with respect to one-third of the total number of Option Shares subject to this Stock Option, and this Stock Option may become exercisable with respect to such additional number of Option Shares that become exercisable (notwithstanding such termination or resignation) during the twelve-month period following the date of termination or resignation (the "Additional Vesting Period"), or (ii) following the third anniversary of the Grant Date, this Stock Option shall become exercisable with respect to the number of Option Shares that become exercisable (notwithstanding such termination or resignation) during the lesser of (x) the Additional Vesting Period and (y) the seven-year period from the Grant Date. Such Stock Option may be exercised, to the extent exercisable after expiration of the Additional Vesting Period (or the seven-year period from the Grant Date, if applicable), until the Expiration Date. Any portion of this Stock Option that is not exercisable after expiration of the Additional Vesting Period (or the seven-year period from the Grant Date, if applicable) shall terminate immediately and be of no further force or effect. For purposes hereof, "Good Reason" shall have the meaning ascribed to such term in the Employment Agreement by and between the Company and the Optionee.

(d) Voluntary Termination. If the Optionee resigns other than for Good Reason, any portion of this Stock Option that is exercisable on the date of termination may be exercised until the Expiration Date.

4. Company's Right of Repurchase.

(a) Right of Repurchase. The Company shall have the right (the "Repurchase Right") upon the occurrence of any of the events specified in Section 4(b) below (the "Repurchase Event") to repurchase from the Optionee (or any Permitted Transferee) some or all (as determined by the Company) of the exercisable portion of this Stock Option in accordance with the terms hereof at the purchase price specified below. The Repurchase Right may be exercised by the Company within 12 months following the date of the Repurchase Event. The Repurchase Right shall be exercised by the Company by giving the Optionee or any Permitted Transferee written notice on or before the last day of the Repurchase Period of its intention to exercise the Repurchase Right, and, together with such notice, tendering to the Optionee or any Permitted Transferee an amount equal to the difference between the Exercise Price per share and the fair market value per share of the underlying shares, multiplied by the number of shares subject to the Stock Option being repurchased (the "Repurchase Price"). The Repurchase Price shall be paid in cash; provided, however, that upon a good faith determination that a cash payment would cause material adverse regulatory consequences, the Company may pay the Repurchase Price with a promissory note that is repaid over a period of time not to exceed two years, with interest equal to the "Prime Rate" determined as of the date the Repurchase Right is exercised. The Repurchase Right shall terminate three years following the Grant Date.

(b) Company's Right to Exercise Repurchase Right. The Company shall have the Repurchase Right in the event that the Optionee resigns for any reason, other than for Good Reason, death or disability.

(c) Determination of Fair Market Value. The fair market value of the shares shall be, for purposes of this Section 4, the average closing price of the Stock for the thirty trading days preceding the date the Board elects to exercise its repurchase rights in connection with a Repurchase Event.

5. 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 5(a) 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. This Section 5(a) will terminate and be of no further force or effect upon the earliest to occur of (i) a termination of Optionee's employment by the Company without Cause or by the Optionee for Good Reason, (ii) a termination of Optionee's employment due to death or disability or (iii) a termination of Optionee's employment by the Optionee for any reason following the expiration of the initial three-year term of the employment agreement between the Company and the Optionee.

6. Recoupment Policy. The Optionee acknowledges and agrees that this Stock Option shall be subject to cancellation, and any Shares issued upon exercise of this Stock Option shall be subject to repurchase at cost, in each case at the discretion of the Board and to the extent

permitted by applicable law, if (i) the Board determines that gross negligence, intentional misconduct or fraud by the Optionee caused or was a significant contributing factor to a materially adverse restatement of the Company's financial statements and (ii) the vesting of such Stock Option was calculated or contingent upon the achievement of financial or operating results that were affected by the restatement and the vesting of such Stock Option would have been less had the financial statements been correct.

7. 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.

8. 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.

9. Tax Withholding. The Optionee shall, not later than the date as of which the exercise of this Stock Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Optionee may elect to have the minimum required tax withholding obligation satisfied, in whole or in part, by authorizing the Company to withhold from shares of Stock to be issued a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due.

10. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Optionee at any time.

11. 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: December 29, 2010

/s/ Heather Campion

Optionee's Signature

Optionee's name and address:

**NON-QUALIFIED STOCK OPTION AGREEMENT
FOR NON-EMPLOYEE DIRECTORS
UNDER NORTHEAST BANCORP
2010 STOCK OPTION AND INCENTIVE PLAN**

Name of Optionee: Robert Glauber
 Type of Stock: Voting Common Stock
 No. of Option Shares: 21,601
 Option Exercise Price per Share: \$13.93
 Grant Date: December 29, 2010
 Expiration Date: December 29, 2020

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 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 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. 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>
33 1/3% (33 1/3%)	First Anniversary of Grant Date
33 1/3% (66 2/3%)	Second Anniversary of Grant Date
33 1/3% (100%)	Third Anniversary of Grant 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 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. Termination as Director. If the Optionee ceases to be a Director of the Company or a Subsidiary (as defined in the Plan), the exercisability of this Stock Option may be accelerated and the period within which to exercise the Stock Option may be subject to earlier termination as set forth below. Except as set forth below, any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

(a) Termination Due to Death or Disability. If the Optionee ceases to be a Director by reason of the Optionee's death or disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date shall become fully exercisable and may thereafter be exercised by the Optionee or the Optionee's legal representative or legatee (as applicable) for a period of 12 months from the date of termination or until the Expiration Date, if earlier.

(b) Other Termination. If the Optionee ceases to be a Director for any reason other than the Optionee's death or disability, any portion of this Stock Option outstanding on such date, to the extent exercisable, may be exercised for a period of three months from the date of termination or until the Expiration Date, if earlier.

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. Neither the Plan nor this Stock Option confers upon the Optionee any rights with respect to continuance as a Director.

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

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

Dated: December 30, 2010

/s/ Robert Glauber
Optionee's Signature

Optionee's name and address:

Robert Glauber

**TIME-BASED STOCK APPRECIATION RIGHTS AGREEMENT
UNDER NORTHEAST BANCORP
2010 STOCK OPTION AND INCENTIVE PLAN**

Name of Grantee: Matthew Botein
 No. of Stock Appreciation Rights: 40,502
 Exercise Price per Share: \$13.93
 Grant Date: December 29, 2010
 Expiration Date: December 29, 2020

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 a director of or an adviser to the Company, the number of Stock Appreciation Rights ("SARs") specified above. This Agreement shall give the Grantee the right to exercise on or prior to the Expiration Date specified above all or part of the number of SARs specified above at the Exercise Price per Share specified above, and to receive a cash payment in accordance with Paragraph 2 of this Agreement, subject to the terms and conditions set forth herein and in the Plan. Each of the SARs granted herein relates to the value of one share of the Company's Voting Common Stock.

1. Exercisability Schedule. These SARs shall be deemed vested in full as of the Grant Date; however, no portion of these SARs 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, these SARs shall be exercisable on the dates indicated:

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

Once exercisable, these SARs 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, these SARs shall become fully exercisable as of the effective time of the Sale Event.

2. Manner of Exercise.

(a) The Grantee may elect to exercise SARs, to the extent exercisable, in the following manner: Prior to the close of business on the Expiration Date, the Grantee may give written notice to the Company of his or her election to exercise a specified number of exercisable SARs. The Grantee shall thereupon receive a cash payment in an amount equal to the product of (i) the Fair Market Value of a share of Stock on the date of exercise 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) The minimum number of SARs which may be exercised at any one time shall be 100, unless the number of SARs being exercised is the total number of SARs subject to exercise at the time.

(c) 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 Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

Dated: December 29, 2010

/s/ Matthew Botein
Grantee's Signature

Grantee's name and address:

Matthew Botein

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

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

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 shall give the Grantee the right to exercise on or prior to the Expiration Date specified above all or part of the number of SARs specified above at the Exercise Price per Share specified above, and to receive a cash payment in accordance with Paragraph 2 of this Agreement, subject to the terms and conditions set forth herein and in the Plan. Each of the SARs granted herein relates to the value of one share of the Company’s Voting Common Stock.

1. Exercisability Schedule. These SARs shall be deemed vested in full as of the Grant Date; however, no portion of this SARs 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, these SARs shall be exercisable upon satisfaction of the performance goals set forth below.

(a) Performance Conditions. These SARs shall be exercisable with respect to the number of SARs 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 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

Once exercisable, these SARs 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 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 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) The Grantee may elect to exercise SARs, to the extent exercisable, in the following manner: Prior to the close of business on the Expiration Date, the Grantee may give written notice to the Company of his or her election to exercise a specified number of exercisable SARs. The Grantee shall thereupon receive a cash payment in an amount equal to the product of (i) the Fair Market Value of a share of Stock on the date of exercise 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) The minimum number of SARs which may be exercised at any one time shall be 100, unless the number of SARs being exercised is the total number of SARs subject to exercise at the time.

(c) 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 Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

Dated: December 29, 2010

/s/ Matthew Botein
Grantee's Signature

Grantee's name and address:

Matthew Botein

**RESTRICTED STOCK AWARD AGREEMENT
UNDER NORTHEAST BANCORP
2010 STOCK OPTION AND INCENTIVE PLAN**

Name of Grantee: James D. Delamater
Type of Stock: Voting Common Stock
No. of Shares: 13,026
Grant Date: December 29, 2010

Pursuant to the Northeast Bancorp 2010 Stock Option and Incentive Plan (the "Plan") as amended through the date hereof, Northeast Bancorp (the "Company") hereby grants a Restricted Stock Award (an "Award") to the Grantee named above. Upon acceptance of this Award, the Grantee shall receive the number of shares of Voting Common Stock of the Company specified above, subject to the restrictions and conditions set forth herein and in the Plan. The Company acknowledges the receipt from the Grantee of consideration with respect to the par value of the Stock in the form of cash, past or future services rendered to the Company by the Grantee or such other form of consideration as is acceptable to the Administrator.

The Company is currently a participant in the Capital Purchase Program, developed pursuant to the United States Department of Treasury's Troubled Asset Relief Program ("TARP") under the Emergency Economic Stabilization Act of 2008, as amended. To the extent the Grantee is subject to the restrictions of Section 30.10 of 31 C.F.R. part 30, an interim final regulation promulgated by the United States Department of Treasury ("Treasury") governing executive compensation for recipients of financial assistance under TARP, and the related guidance thereto (the "TARP Rules"), this Award is and shall be intended to satisfy the requirements for and qualify as an award of "long term restricted stock," as defined the TARP Rules, and this Agreement shall be interpreted and construed in accordance therewith.

1. Acceptance of Award. The Grantee shall have no rights with respect to this Award unless he or she shall have accepted this Award by (i) signing and delivering to the Company a copy of this Award Agreement, and (ii) delivering to the Company a stock power endorsed in blank. Upon acceptance of this Award by the Grantee, the shares of Restricted Stock so accepted shall be issued and held by the Company's transfer agent in book entry form, and the Grantee's name shall be entered as the stockholder of record on the books of the Company. Thereupon, the Grantee shall have all the rights of a stockholder with respect to such shares, including voting and dividend rights, subject, however, to the restrictions and conditions specified in Paragraph 2 below.

2. Restrictions and Conditions.

(a) Any book entries for the shares of Restricted Stock granted herein shall bear an appropriate legend, as determined by the Administrator in its sole discretion, to the effect that such shares are subject to restrictions as set forth herein and in the Plan.

(b) Shares of Restricted Stock granted herein may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of by the Grantee prior to vesting.

(c) If the Grantee's employment with the Company and its Subsidiaries is voluntarily or involuntarily terminated for any reason prior to vesting of shares of Restricted Stock granted herein, all shares of Restricted Stock shall immediately and automatically be forfeited and returned to the Company. Notwithstanding the foregoing, if the Grantee's employment with the Company and its Subsidiaries is terminated due to the Grantee's death or disability prior to the vesting of shares of Restricted Stock granted herein, all restrictions shall lapse and such shares shall automatically become fully vested. The Administrator's determination of the reason for termination of the Grantee's employment shall be conclusive and binding on the Grantee and his or her representatives or legatees.

(d) Notwithstanding anything herein or in the Plan to the contrary, but only to the extent the Grantee is subject to the restrictions of Section 30.1(a) of the TARP Rules, vested shares of the Stock granted hereunder shall not be transferable (as defined in 26 C.F.R. 1.83-3(d)) at any time earlier than as permitted under the following schedule (except to the extent provided below or as necessary to reflect a merger or acquisition of the Company (within the meaning of the TARP Rules)):

(i) 25 percent of the shares of Stock at the time of repayment of 25 percent of the aggregate financial assistance received by the Company from Treasury under TARP;

(ii) an additional 25 percent of the shares of Stock granted (for an aggregate total of 50 percent of the shares of Stock) at the time of repayment of 50 percent of the aggregate financial assistance received by the Company from Treasury under TARP;

(iii) an additional 25 percent of the shares of Stock granted (for an aggregate total of 75 percent of the shares of Stock granted) at the time of repayment of 75 percent of the aggregate financial assistance received by the Company from Treasury under TARP; and

(iv) the remainder of the shares of Stock granted at the time of repayment of 100 percent of the aggregate financial assistance received by the Company from Treasury under TARP.

Notwithstanding the foregoing, at any time beginning with the date upon which the Restricted Stock becomes vested and ending on December 31 of the calendar year including such vesting

date, a portion of the vested shares of Stock may be made transferable as may reasonably be required to pay the Federal, state or local taxes that are anticipated to apply to the income recognized due to such vesting, and the amounts made transferable for this purpose shall not count toward the percentages in the schedule above.

3. Vesting of Restricted Stock. Except as provided in Paragraph 2(d), the restrictions and conditions in Paragraph 2 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee remains an employee of the Company or a Subsidiary on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 2 shall lapse only with respect to the number of shares of Restricted Stock specified as vested on such date.

Number of Shares Vested	Vesting Date
40% (40%)	Second Anniversary of Grant Date
20% (60%)	Third Anniversary of Grant Date
20% (80%)	Fourth Anniversary of Grant Date
20% (100%)	Fifth Anniversary of Grant Date

Subsequent to such Vesting Date or Dates, the shares of Stock on which all restrictions and conditions have lapsed shall no longer be deemed Restricted Stock. The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 3, subject to the TARP Rules. Notwithstanding anything herein to the contrary, in the case of a Sale Event (and provided such Sale Event constitutes a “change in control event” under the TARP Rules), all restrictions and conditions shall lapse and such shares shall automatically become fully vested.

4. Dividends. Dividends on Shares of Restricted Stock shall be paid currently to the Grantee.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement 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.

6. 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.

7. Tax Withholding. The Grantee shall, not later than the date as of which the receipt of this Award becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. Except in the case where an election is made pursuant to Paragraph 8 below, and to the extent permitted under Paragraph 2(d), the Company shall have the authority to cause the required minimum tax withholding obligation to be satisfied, in whole or in part, by withholding from shares of Stock to be issued or released by the transfer agent a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due.

8. Election Under Section 83(b). The Grantee and the Company hereby agree that the Grantee may, within 30 days following the acceptance of this Award as provided in Paragraph 1 hereof, file with the Internal Revenue Service and the Company an election under Section 83(b) of the Internal Revenue Code. In the event the Grantee makes such an election, he or she agrees to provide a copy of the election to the Company. The Grantee acknowledges that he or she is responsible for obtaining the advice of his or her tax advisors with regard to the Section 83(b) election and that he or she is relying solely on such advisors and not on any statements or representations of the Company or any of its agents with regard to such election.

9. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Grantee at any time.

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

Dated: December 29, 2010

/s/ James D. Delamater
Grantee's Signature
Grantee's name and address:
James D. Delamater

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

Name of Optionee: _____
Type of Stock: Voting Common Stock
No. of Option Shares: _____ 10,801
Option Exercise Price per Share: \$ _____ 13.93
Grant Date: _____ December 29, 2010
Expiration Date: _____ December 29, 2020

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 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 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.¹ 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 Grant Date
20%(40%)	Second Anniversary of Grant Date
20%(60%)	Third Anniversary of Grant Date
20%(80%)	Fourth Anniversary of Grant Date
20%(100%)	Fifth Anniversary of Grant Date

¹ For Messrs. Johnson and Blais, the option shall vest in 5 equal annual installments; for Mr. Lazenby, the option shall vest in 4 equal annual installments.

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 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. Termination of Employment. If the Optionee's employment by the Company or a Subsidiary (as defined in the Plan) is terminated, the exercisability of this Stock Option may be accelerated and the period within which to exercise the Stock Option may be subject to earlier termination as set forth below. The Administrator's determination of the reason for termination of the Optionee's employment shall be conclusive and binding on the Optionee and his or her representatives or legatees. Except as set forth below, any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

(a) Termination Due to Death or Disability. If the Optionee's employment terminates by reason of the Optionee's death or disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date shall become fully exercisable and may thereafter be exercised by the Optionee or the Optionee's legal representative or legatee (as applicable) for a period of 12 months from the date of termination or until the Expiration Date, if earlier.

(b) Termination for Cause. If the Optionee's employment terminates for Cause, any portion of this Stock Option outstanding on such date, whether or not exercisable, shall terminate immediately and be of no further force and effect. For purposes hereof, unless otherwise provided in an employment agreement between the Company and the Optionee, "Cause" for termination shall be deemed to exist upon (a) the Optionee's continued non-performance of the Optionee's duties to the Company or a Subsidiary (other than by reason of the Optionee's physical or mental illness, incapacity or disability) which has continued for more than 30 days following written notice of such non-performance from the Company or a Subsidiary; (b) the Optionee's commission of any crime involving moral turpitude or any felony; (c) the Optionee's violation of any confidentiality, noncompetition or nonsolicitation covenants with respect to the Company or a Subsidiary; (d) the Optionee's material violation of the Company's or a Subsidiary's policies or rules material to the Optionee's employment which has continued for more than 30 days following written notice of such non-performance from the Company or a Subsidiary, (e) a good faith finding by the Board of Directors of the Company or a Subsidiary that the Optionee engaged in deliberate dishonesty with regard to the Company or a Subsidiary or (f) failure to cooperate with a bona fide internal investigation or an investigation

by regulatory or law enforcement authorities, after being instructed by the Company or a Subsidiary to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation.

(c) Other Termination. If the Optionee's employment terminates for any reason other than the Optionee's death, the Optionee's disability or Cause, and unless otherwise determined by the Administrator, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier.

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. Tax Withholding. The Optionee shall, not later than the date as of which the exercise of this Stock Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Optionee may elect to have the minimum required tax withholding obligation satisfied, in whole or in part, by authorizing the Company to withhold from shares of Stock to be issued a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due.

7. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Optionee at any time.

8. 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: _____
Title:

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

Dated: _____

Optionee's Signature

Optionee's name and address:

**FOR IMMEDIATE RELEASE:**

December 29, 2010

Contacts:***Chris Delamater, Director of Marketing***

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**Northeast Bancorp Completes Transaction with FHB Formation LLC
Northeast Bank to remain headquartered in Lewiston, Maine**

Lewiston, ME (December 29, 2010) – Northeast Bancorp (NASDAQ: NBN) (“Northeast”) announced today that it has completed the previously announced merger with FHB Formation LLC (“FHB”). As a result of this transaction, Northeast will receive approximately \$16 million in new capital.

As part of this transaction, Northeast will continue as the surviving entity, and will retain its headquarters in Lewiston, ME. Northeast’s management and employees will remain. Northeast’s customer accounts and retail locations will not change as a result of the transaction, making this transition seamless for customers across all of Northeast’s business lines, including its investment group, Northeast Financial Services and its wholly-owned subsidiary, Northeast Bank Insurance Group, Inc.

The existing management team of Northeast will continue with the company: Jim Delamater will become President & CEO of the Northeast Community Banking Division, Pender J. Lazenby will remain as the Chief Risk Officer of Northeast, Robert S. Johnson will become Chief Financial Officer of the Northeast Community Banking Division and Marcel C. Blais will become Chief Operating Officer of the Northeast Community Banking Division.

Richard Wayne will become President & Chief Executive Officer of Northeast. Mr. Wayne co-founded Capital Crossing Bank in 1988 and served as President and Co-Chief Executive Officer from 1991 until its sale in 2007. Claire S. Bean will become Chief Financial Officer & Chief Operating Officer of Northeast. She has a 25-year track record in financial services, most recently as EVP and CFO of Benjamin Franklin Bancorp which was sold to Independent Bancorp in 2009. Heather P. Champion will become Chief Administrative Officer of Northeast. She has over 25 years of experience as a leading executive in the public and private sectors, and was the Group EVP and Director of Corporate Affairs at Citizens Financial Group from 1998-2007.

ABOUT NORTHEAST BANCORP

Northeast Bank, a leader in delivering one-stop shopping for financial services, is headquartered in Lewiston, Maine and is a wholly-owned subsidiary of Northeast Bancorp (NASDAQ: NBN). Northeast has approximately \$629 million in assets as of September 30, 2010 and derives its income from a combination of traditional banking services and non-traditional financial products and services including insurance and investments, operating 10 traditional bank branches, 11 insurance offices and three investment centers that serve western, central, mid-coastal and southern Maine, as well as seacoast New Hampshire. Information regarding Northeast Bank Insurance Group, Inc. and Northeast Bank can be found on its website at www.northeastbank.com or by contacting 800-284-5989.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on management’s current expectations and beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. The forward-looking statements contained in this document include statements concerning the proposed transaction. These statements are not guarantees of future performance, involve certain risks, uncertainties and assumptions that are difficult to predict, and are based upon assumptions as to future events that may not prove accurate. Therefore, actual outcomes and results may differ materially from what is expressed herein. We urge you to carefully consider the risks which are described in Northeast’s Annual Report on Form 10-K for the year ended June 30, 2010 and in Northeast’s other SEC filings. Northeast is under no obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements whether as a result of new information, future events, or otherwise.

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