

**THOMAS EDWARDS, LLC
LIMITED LIABILITY COMPANY AGREEMENT**

THIS LIMITED LIABILITY COMPANY AGREEMENT ("Agreement"), is entered into as of the 21st day of March, 2013, by and among Thomas E. Watson, an individual with an address of 94 Pine Street, Portland, Maine 04102 (the "Manager") and the parties listed on Schedule 1 attached hereto (collectively the "Members").

WITNESSETH:

ARTICLE 1.

FORMATION, PURPOSES, DURATION

Section 1.1 **Formation and Name.**

1.1.1 **Formation.** The Members have formed a Maine limited liability company pursuant to the provisions of 31 M.R.S.A. §1502, the Maine Limited Liability Company Act (as the same may be amended from time to time, "Act") and this Agreement. In connection therewith, the Certificate (as defined below) has been filed, in accordance with the Act, with the Office of the Secretary of State for the State of Maine.

1.1.2 **Name/Maine Registered Office/Agent.** The name of the Company is "THOMAS EDWARDS, LLC". The registered office of the Company in the State of Maine shall be at c/o Port Property Management, Inc., having a principal place of business at 104 Grant Street, Portland, ME, 04101 or at such other location as may hereafter be designated by the Manager. The Manager shall have the right to change the identity of such registered agent in the Manager's reasonable discretion and upon notice to the Members.

1.1.3 **Certificate of Formation.** On March 21, 2013, a Certificate of Formation ("**Certificate**") for the Company was filed with the Maine Secretary of State. The Managers are duly authorized to execute, acknowledge, and/or verify such other documents and/or instruments as may be necessary and/or appropriate in order to establish the Company under the Act and/or to continue its existence in accordance with the provisions of the Act and/or to register, qualify to do business, and/or operate its business as a foreign limited liability company in any other state in which the Company conducts business.

Section 1.2 **Purpose and Powers.** The Company has been formed as a single purpose limited liability company to purchase and acquire the Property consisting of a certain parcel of land and the building improvement located thereon which is more commonly identified as 65 Pine Street, Portland, Maine, to own, mortgage, lease, operate, manage, improve and sell the Property, and to engage in any activities directly or indirectly related or incidental thereto. The Company shall possess and exercise all of the powers and privileges granted by the Act, together with any powers incidental thereto, so far as such powers or privileges are necessary or

convenient to the conduct, promotion, or obtainment of the business, purposes or activities of the Company related to the Property including, without limitation, the following powers:

1.2.1 **Own and Deal with Real and Personal Property.** To purchase, receive, take, lease, or otherwise acquire, own, hold, improve, maintain, use, or otherwise deal in and, sell, convey, lease, exchange, transfer, or otherwise dispose of, mortgage, pledge, encumber, or create a security interest in the Property, or any interest therein;

1.2.2 **Borrow and Invest Funds.** Subject to the restrictions contained herein, to borrow or lend money or obtain or extend credit and other financial accommodations, to invest and reinvest its funds in any type of security or obligation of or interest in any public, private, or governmental entity, and to give and receive interests in real and personal property as security for the payment of funds so borrowed, loaned, or invested;

1.2.3 **Incur Liabilities.** To incur liabilities and give guaranties related to the Property in furtherance of the business and purpose of the Company;

1.2.4 **Engage Manager.** In connection with the operation and management of the Property, to engage a manager or managers to execute and deliver documents as provided in the Certificate, to employ agents and other persons, to fix the compensation and define the duties and obligations of such personnel, to establish and carry out customary retirement, incentive, and benefit plans for such personnel, and to indemnify such personnel, all as determined by the Manager, and, generally, to manage and direct all operations of the Property and the Company except as may be expressly hereinafter reserved to the Members, all to the extent permitted by this Agreement and the Act;

1.2.5 **Litigation and Settlement.** To institute, prosecute, and defend any legal action or arbitration proceeding involving the Company and/or the Property, and to pay, adjust, compromise, settle, or refer to arbitration any claim by or against the Company or the Property; and,

1.2.6 **Contracts and Agreements.** In connection with the operation and management of the Property, to enter into, execute, modify, amend, supplement, acknowledge, deliver, perform, and carry out contracts of any kind, including operating agreements of LLCs (whether as a member or manager), joint venture agreements, limited partnership and general partnership agreements, contracts with Affiliates, including other contracts establishing business arrangements or organizations necessary to, in connection with, or incidental to the accomplishment of, the purpose of the Company.

1.2.7 **General.** In connection with the operation and management of the Property, to conduct any and all other business which a limited liability company may conduct under the Act.

Section 1.3 **Scope of Members' Authority.** Except as specifically set forth herein, no Member shall have any authority to bind or act for, or assume any obligations or responsibility on behalf of, the Company. Except as otherwise expressly and specifically provided herein, neither the Company nor any Member shall, by virtue of executing this Agreement, be

responsible or liable for any indebtedness or obligation of any other Member or otherwise incurred or arising either before or after the execution of this Agreement. Nothing herein contained shall be considered to constitute a Member as the agent of any other Member, except as specifically authorized and provided for herein.

Section 1.4 **Principal Place of Business.** The principal place of business of the Company shall be located at the office of Port Property Management, Inc., having a principal place of business at 104 Grant Street, Portland, ME 04101 or at such other location as may be designated from time to time by the Manager, provided it is not moved outside the United States of America, but the Manager shall promptly notify the Members of any change in such principal place of business.

Section 1.5 **Registered Agent in Maine.** William H. Leete, Jr., Esq., Leete & Lemieux, P.A., at 95 Exchange Street, Portland, Maine 04101.

Section 1.6 **Fiscal Year.** The fiscal year ("Fiscal Year") of the Company shall end on December 31 in each year.

Section 1.7 **Term.** The term ("Term") of the Company shall continue until the Company is dissolved pursuant to the provisions of Article 8 or as otherwise provided by law.

ARTICLE 2.

MANAGEMENT

Section 2.1 **Manager; Management Reserved to Manager.** The Company shall be managed exclusively by the Manager, and, except as set forth below, Members as such have no right to act for the Company or to bind it. Subject to those specific powers and duties hereinafter reserved to the Members, the Manager shall be responsible for managing the business and affairs of the Company and shall possess all necessary powers to do so under the Act.

Section 2.2 **Powers and Duties of the Manager:**

2.2.1 **General Powers.** Subject to the terms and conditions of this Agreement, and the condition that all transactions concerning the sale of property are arm's length transactions and on terms consistent with and customary in the ordinary course of business, the business and affairs of the Company shall be vested in the Manager which shall have and may exercise on behalf of the Company all of its rights, powers, duties, and responsibilities as set forth in this Agreement except as hereinafter expressly provided, or provided by law with respect to the Property including all aspects of its acquisition, and further, including, without limitation, the duty, right, and authority:

(a) To manage the business and affairs of the Company and in connection with the ownership, operation and management of the Property, to employ, retain, or appoint consultants, agents, brokers, professionals, or other persons in any capacity for such compensation and on such terms as the Manager deems necessary or desirable and to delegate to

such Persons such duties and responsibilities as the Manager shall determine, all in accordance with (i) this Agreement and/or (ii) the Act as the same may be modified, amended, replaced, or substituted;

(b) Consistent with and not in derogation of this Agreement, in connection with the ownership, operation and management of the Property, to enter into, execute, deliver, acknowledge, make, modify, supplement, or amend any documents or instruments (other than this Agreement) in the name of the Company;

(c) Consistent with and not in derogation of this Agreement and in connection with the ownership, operation and management of the Property, to borrow money or otherwise obtain credit and other financial accommodations on behalf of the Company on a secured or unsecured basis and to perform or cause to be performed all of the Company's obligations in respect of its indebtedness, *provided, however*, that under no circumstances will the Manager permit or cause or undertake any action which would result in any lien or encumbrance on, or credit extension in reliance on, the assets of the Members; and

(d) To procure and maintain a policy or policies of insurance issued by insurance companies authorized to do business in the State of Maine, insuring the assets and liabilities of the Company in such amounts and on such terms and conditions as the Manager shall determine from time to time.

2.2.2 **Devotion of Time.** The Manager shall not be required to devote all of its time or business efforts to the Company.

2.2.3 **Manager May Bind the Company.** Unless otherwise provided in this Agreement, any action taken by the Manager will duly authorize any agreement, contract, instrument, or other document on behalf of the Company and shall be sufficient to bind the Company and shall be conclusive evidence with respect to third parties as to the authority of the Manager and the Company with respect thereto; provided, however, that the following actions shall require the Consent of the Members:

(a) to sell, lease, transfer, or otherwise dispose the Property other than leases of space within the Property in the ordinary course of business;

(b) any financing or refinancing of the Property, on a secured or unsecured basis, except the initial financing (which may include more than one loan entered into in connection with the acquisition of the Property) which shall be exclusively within the power and authority of the Manager.

(c) the decision to avail the Company of the bankruptcy or insolvency, laws or remedies; or

(d) the decision to merge or consolidate the Company with another entity.

A Statement of Authority in the form attached hereto as Exhibit A shall be filed with the Maine

Secretary of State evidencing the Manager's authority.

Section 2.3 **Action by the Members.** Except as otherwise specifically provided in this Agreement, the Members shall have no authority to bind the Company.

2.3.1 **Sale of Assets.** With the Consent of the Members, the Members may, at any time after the date the Property is acquired, direct the Manager to sell the Property, distribute the amounts received as provided in Article 8 and dissolve the Company.

2.3.2 **Method of Acting.** The Members may act (i) through meetings which may be held at such times and places in the United States only as shall from time to time be fixed by the Members without notice of the date, time, place, or purpose of the meeting provided that all Members are present and acting throughout, or (ii) without a meeting if the action is taken by the Consent of the Members and evidenced by one or more consents describing the action taken, in writing, signed by each Member, or (iii) by any means of communication by which all Members participating may simultaneously hear each other during the meeting.

Section 2.4 **Reliance by Third Parties.** Any third party dealing with the Company, the Manager, or the Members may rely on a certificate signed by the Manager as to (i) the identity of any Manager or Members; (ii) any factual matters relevant to the affairs of the Company; (iii) the Persons who are authorized to execute and deliver any document on behalf of the Company; and (iv) any action taken or omitted by the Company, the Manager or the Members.

Section 2.5 **Removal of the Manager.**

2.5.1 **Removal of Manager.** With the Consent of the Members, the Members may, at any time remove the initial Manager and appoint another Manager to manage the Property. Any successor Manager may be removed at any time by Consent of the Members.

2.5.2 **Replacement of the Manager.** Following the resignation or removal of a Manager, the Members shall appoint a replacement Manager provided such replacement Manager shall succeed to all of the powers, rights, and duties of the Manager with respect to the business of the Company and shall agree to be bound by the terms of this Agreement.

2.5.3 **Limitation of Liability of the Manager.** No Manager shall be obligated to become separately or personally liable for any debt, obligation, or liability of the Company, whether arising in contract, tort, or otherwise, solely by reason of being or acting as the Manager of the Company. No Manager shall be separately or personally liable to the Company or to its Members for any act performed by the Manager within the scope of authority conferred on the Manager by this Agreement.

Section 2.6 **Indemnification of Manager or Member.**

2.6.1 **Right to Indemnification.** Except to the extent limited by law and subject to

the provisions of this Article, the Company shall defend and indemnify the Manager and the Members against all expenses, judgments, losses, or claims ("**Expenses**") incurred by the them in connection with any Proceeding in which such Manager or Member is involved as a result of actions taken or serving in such capacity, except that no indemnification shall be provided for the Manager or a Member regarding any matter as to which it shall be adjudicated that said Manager or Member did not act in good faith and in the reasonable belief that its, his or her action was in the best interests of the Company and in accordance with the powers or authority granted to them under this Agreement. Subject to the foregoing limitations, such indemnification may be provided by the Company with respect to a Proceeding in which it is claimed that the Manager or Member received an improper personal benefit by reason of his or her position, regardless of whether the claim arises out of the Manager's or Member's service in such capacity, except for matters as to which it is adjudicated that an improper personal benefit was received by the Manager or Member.

2.6.2 **Successful Defense.** Notwithstanding any contrary provisions of this Section 2.6, if the Manager or Member has been wholly successful on the merits in the defense of any Proceeding in which he/she/it was involved by reason of his/her/its position as Manager or status as a Member, or as a result of acting or serving in such capacity (including termination of investigative or other proceedings without a finding of fault on the part of the Manager or Member), the Manager or the Member shall be indemnified by the Company against all Expenses incurred by the Manager or the Member in connection therewith.

2.6.3 **Advance Payments.** Except as limited by law, Expenses incurred by the Manager or Member in defending any Proceeding, including a Proceeding by or in the right of the Company, shall be paid by the Company to the Manager or Member in advance of final disposition of the Proceeding upon receipt of his/her/its written undertaking to repay such amount if the Manager or Member is determined pursuant to this Section 2.6 or adjudicated to be ineligible for indemnification, which undertaking shall be an unlimited general obligation but need not be secured and may be accepted without regard to the financial ability of the Manager or the Member to make repayment.

2.6.4 **Insurance.** The Company shall have the power to purchase and maintain insurance on behalf of the Manager or the Members, and any officer, agent, or employee of the Manager, against any liability or cost incurred by such Person in any such capacity or arising out of its status as such, whether or not the Company would have power to indemnify against such liability or cost.

2.6.5 **Non-Exclusivity.** The provisions of this Section 2.6 shall not be construed to limit the power of the Company to indemnify its Manager, Members or agents to the full extent permitted by law or to enter into specific agreements, commitments, or arrangements for indemnification permitted by law. The absence of any express provision for indemnification herein shall not limit any right of indemnification existing independently of this Section 2.6.

2.6.6 **Amendment.** The provisions of this Section 2.6 may be amended or repealed in

accordance with Section 10.3 ("Amendment or Modification"); however, no amendment or repeal of such provisions that adversely affects the rights of the Manager or Member under this Section 2.6 with respect to its, his or her acts or omissions at any time prior to such amendment or repeal shall apply to said Manager or Member without its, his or her consent.

ARTICLE 3.

CLASSES OF MEMBERS AND MEMBERSHIP INTERESTS; MEMBERS

Section 3.1 **Classes of Members.** There shall be a single class of membership interests in the Company. The Members and the membership interest of each Member is listed on Schedule 1 attached to this Agreement.

3.1.1 **Interests of the Manager.** Intentionally Omitted.

Section 3.2 **Units.** Interests of Members in the Company shall be evidenced by Units in the Company. Each Unit shall represent a one percent (1.0%) interest in the Company.

Section 3.3 **Effect of Member Bankruptcy.** No Member shall cease to be a Member by reason of the Member becoming bankrupt.

Section 3.4 **Compliance with Securities and Other Laws.** Each Member hereby represents and warrants to the Company and acknowledges that (i) such Member has such knowledge and experience in financial and business matters and that the Member is capable of evaluating the merits and risks of an investment in the Company and making an informed investment decision with respect thereto, (ii) such Member is able to bear the economic and financial risk of an investment in the Company for an indefinite period of time and understands that he has no right to withdraw and have the Member's interest repurchased by the Company, (iii) such Member is acquiring an interest in the Company for investment only and not with a view to or for resale in connection with any distribution to the public or public offering thereof and (iv) such Member understands that the interests in the Company have not been registered under the securities laws of any jurisdiction and cannot be disposed of unless they are subsequently registered and/or qualified under applicable securities laws (if applicable) and the provisions of the Agreement have been complied with.

Section 3.5 **No New Members.** Other than as provided in Section 3.8, no new person or entity may be admitted to the Company as a Member without the express written consent of the Manager and Consent of the Members.

Section 3.6 **Withdrawal or Transfer of Interest.** Except with the express written consent of the Manager or the Consent of the Members, no Member shall have any right to withdraw from the Company or to receive any distribution or the redemption of its Capital Account except as provided in this Agreement. No Member shall have any right to have the fair value of its membership interest in the Company appraised and paid out upon the resignation or withdrawal of such Member or any other circumstances.

Section 3.7 **Waiver of Partition.** No Member shall, either directly or indirectly, take any action to require partition or appraisal of the Company or of any of its assets or properties or cause the sale of any Company property, and notwithstanding any provisions of applicable law to the contrary, each Member (and its Legal Representatives, successors, or assigns) hereby irrevocably waives any and all rights to maintain any action for partition or to compel any sale with respect to its membership interest, or with respect to its assets or properties of the Company, except as expressly provided in this Agreement.

Section 3.8 **Transfers of Membership Interests.**

3.8.1 **General Restrictions on Transfer.**

(a) **No Transfer or Encumbrance of Membership Interest.** Except as permitted in Section 3.8.2, no Member may assign, transfer, pledge, or grant a security interest in all or any part of the Member's membership interest in the Company ("**Transfer**") without the express prior written consent of the Manager and Consent of the Members. Any purported Transfer by a Member undertaken in derogation of the provisions of this Agreement shall be null and void and of no effect whatsoever

(b) **Recognition of Record Members.** The Company, its Manager, and its Members shall be entitled to treat the record owner of an interest in the Company as the absolute owner thereof in all respects and shall incur no liability for distributions of cash or other property made in good faith to such owner until such time as a written assignment of such interest has been received and accepted by the Manager and recorded on the books of the Company.

3.8.2 **Transfer of Interests to a Related Group.** Any Member may Transfer (including for this purpose, by testamentary disposition or intestate succession, on the death of a Member) at any time any of its membership interest to any other Member(s), or to any spouse or issue thereof or to a trust controlled by or for the benefit of such Member or such Member's spouse or issue, whether by operation of law or otherwise (the Members, their spouses and issue and such controlled entities being collectively referred to as "**Related Group**"); provided that, as a condition to such Transfer, the transferee agrees in writing to be bound by all the terms and conditions of this Agreement, pursuant to such agreements as shall be acceptable to the Manager. In the event of any Transfer provided in this Section 3.8.2, the Member effecting the Transfer shall give thirty (30) days advance written Notice to the Manager and the other Members prior to any such Transfer.

3.8.3 **Prohibited Transfers.** Any transfer in violation of any provision of this Agreement shall be null and void and ineffective to transfer any membership interest in the Company and shall not be binding upon or be recognized by the Company, and any such transferee shall not be treated as or deemed to be a Member for any purpose. In the event that any Member shall at any time transfer its membership interests in violation of any provision of this Agreement, the Company and the other Members, in addition to all rights and remedies at law and equity, shall have and be entitled to an order restraining or enjoining such transaction, it

being expressly acknowledged and agreed that damages at law would be an inadequate remedy for a transfer in violation of this Agreement.

(a) Each Member that is not an individual agrees that (i) no membership interest, shares of common stock or other instruments reflecting ownership or control of such entity (and the membership interests, certificates for shares of common stock or other securities in any similar entities controlling such entity) may be Transferred to any party other than in accordance with the terms and provisions of this Agreement as if such membership interest, common stock or other securities were Units, and (ii) any Transfer of such membership interest common stock or other securities shall be deemed to be a Transfer of a pro rata number of Units hereunder.

3.8.4 **Admission of New Members.** Except as otherwise provided in this Agreement, new Members may be admitted to the Company only with the consent of the Manager and Consent of the Members. Upon admission of any new Member, or the modification of the Percentage Interest held by any Member by forfeiture, Transfer or otherwise, appropriate modification shall be made to Schedule I. It shall be a condition to the admission of a new Member that such new Member shall execute an agreement in such as form as shall be required by the Manager agreeing to be bound by the terms and conditions of this Agreement. Subject to the other provisions provided herein, the Company may issue interests in the Company that qualify as profits interests within the meaning of IRS Revenue Procedure 93-27 to employees, consultants, directors, officers, and other service providers. Profits interests shall have no Capital Account on the date of issuance and the Capital Accounts of all of the Members shall be booked-up as provided under applicable Treasury Regulations immediately before the issuance of any such interests. The Members acknowledge the proposed revenue procedure set forth in Notice 2005-43, 2005-24 I.R.B. 1 (May 20, 2005), and expressly intend that the Company shall be enabled to make a "Safe Harbor Election" and to issue "Safe Harbor Partnership Interests" within the meaning thereof. If such proposed revenue procedure (or a substantial equivalent) is promulgated in final, effective form, the Tax Matters Partner shall (without the need for further action by the Members) have all necessary authority under this Agreement to give effect to the intention set forth in the preceding sentence (including the authority to make any applicable tax election on behalf of the Company and the Members).

ARTICLE 4.

ACCOUNTING AND RECORDS

Section 4.1 **Books and Records of the Company.** The Manager shall keep or cause to be kept complete and accurate records of the Company. These records shall include, but not be limited to: (i) a copy of this Agreement; (ii) copies of the Company's federal, state, and local income tax returns, if any, and reports of the Company for the three (3) most recent years or for such longer period as may be required by applicable statute or regulation; and (iii) copies of all financial statements and records of the Company for the three (3) most recent fiscal years.

Section 4.2 **Reports.** The Manager shall be responsible for the preparation of and

distribution to the Members within thirty (30) days from the end of each calendar quarter a financial statement report (or annually if the Manager determines such period to be appropriate), including a balance sheet as of the end of said quarter (or year) and an income and expense statement for such previous quarter(or year), together with a narrative of Property operations during such quarter or year.

Section 4.3 **Location and Copying.** The books and records of the Company shall be available at the office of the Company in the State of Maine for inspection and copying by any Member at any and all reasonable times during normal business hours.

Section 4.4 **Tax Returns.** The Manager shall cause the Company Accountants to prepare all income and other tax returns of the Company and shall cause the same to be filed in a timely manner in accordance with applicable law.

Section 4.5 **Taxation of Company.** The Members agree that the Company will be treated as a partnership for U.S. tax purposes.

Section 4.6 **Withholding.** The Manager shall have the right to cause the Company to withhold from or pay on behalf of or with respect to any Member any amount of federal, state, local, or foreign taxes that are required by law to be withheld or paid on behalf of or with respect to any amount distributable or allocable to a Member pursuant to this Agreement.

Section 4.7 **Information from Members.** Each Member shall furnish to the Company in a timely manner such information as the Company may require to comply with its tax or other reporting requirements under federal, state, local, or foreign law.

Section 4.8 **Tax Matters Partner.** The Manager shall designate the Manager to receive all notices from the Internal Revenue Service which pertain to the tax affairs of the Company. The Manager shall be the "**Tax Matters Partner**" pursuant to the Code with the power to manage and represent the Company in any administrative proceeding of the Internal Revenue Service.

Section 4.9 **Bank Accounts.** The Manager shall have fiduciary responsibility for the safekeeping and use of all funds and assets of the Company, whether or not in its immediate possession or control. The funds of the Company shall not be commingled with the funds of any other Person and the Manager shall not employ, or permit any other Person to employ, such funds in any manner except for the benefit of the Company.

ARTICLE 5

CONFLICTS OF INTEREST

Section 5.1 **Transactions with Interested Persons.** Subject to Section 5.2, unless entered into in bad faith, no contract or transaction between the Company and any Affiliate of the Manager or a Member, shall be voidable solely for this reason, provided that the material facts as to the relationship or interest of the Affiliate and as to the contract or transaction were

disclosed in writing or otherwise known to all of the Members. The Manager or Member so related to the Affiliate who is interested in such contract or transaction, because of such interest, shall not be considered in breach of this Agreement or liable to the Company, the Manager, any Member, or any other Person or organization for any loss or expense incurred by reason of such contract or transaction nor shall be accountable for any gain or profit realized from such contract or transaction. It is understood and agreed that the Manager may enter into a management contract with respect to the Property with a company affiliated with the Manager. The Members acknowledge and agree that the Management Agreement being entered into as of the date hereof between the Company and Port Property Management, Inc, a Maine corporation owned and controlled by Thomas E. Watson and Russell Pierce, is fair and reasonable and at arm's length terms.

Section 5.2 **Arms Length Contracts.** Under no circumstances will the Manager treat any Person intending to enter into any contract with the Company other than at arms length and on terms consistent with, and customary in, the ordinary course of business.

Section 5.3 **Business in Competition with Company.** The Manager or any Member may engage or have an interest in other business ventures which are similar to or competitive with the business of the Company, and the pursuit of such ventures, even if competitive, shall not be deemed wrongful or improper or give the Company, its Manager, its Members, or the other Members any rights with respect thereto. No Manager or Member shall be obligated to present an investment opportunity to the Company even if it is similar to or consistent with the business of the Company, and such Member or Manager shall have a right to take for their own account or recommend to others any such investment opportunity.

ARTICLE 6.

CAPITAL ACCOUNTS AND CONTRIBUTIONS

Section 6.1 **Capital Accounts.**

6.1.1 **Capital Account for Each Member.** A separate account (each a "**Capital Account**") shall be established and maintained for each Member which shall be credited with (a) the Capital Contributions, if any, made by such Member to the Company and (b) such Member's share of the **Profits** of the Company, and shall be charged with (c) the amount of cash and the fair market value of any other property distributed to such Member and (d) such Member's share of the **Losses** of the Company. It is the intention of the Members that the Capital Accounts be maintained in accordance with the provisions of Section 704(b) of the Code and the Treasury Regulations thereunder, that any liabilities be taken into account in accordance with the provisions of Section 752 of the Code and the Treasury Regulations thereunder, and that this Agreement be interpreted consistently therewith. In addition, the Capital Accounts of the Members shall be adjusted and maintained in accordance with Sections 1.704-1(b)(2)(iv) and 1.704-1(b)(4) of the Proposed Treasury Regulations. Except as otherwise provided in the Treasury Regulations, a transferee of all or a portion of a Member's Units shall succeed to the Capital Account of its transferor to the extent allocable to the transferred interest.

6.1.2 **Capital Contributions.** Each Member has contributed to the Company the money or property as a Capital Contribution described opposite such Member's name on Schedule I in exchange for the Units set forth opposite such Member's name on Schedule I. A transferee of all or a portion of a Member's Units shall succeed to the Capital Contributions of its transferor to the extent allocable to the transferred interest.

6.1.3 **Funding Capital Requirements.**

(a) In the event that the Company requires additional funds to carry out its purposes, to conduct its business, or to meet its obligations, the Company may borrow funds from such lender(s), including any or all Members, and on such terms and conditions as are approved by the Managers in its sole discretion, *provided that* loans from Members shall be on commercially reasonable terms and the Members shall be entitled to participate in making such loans to the Company on a pro rata basis in proportion to their respective Units. No loan made to the Company by any Member shall constitute a Capital Contribution to the Company for any purpose.

(b) Except as otherwise provided herein, no Member or Manager shall be obligated to make any Capital Contributions or loans to the Company, or otherwise supply or make available any funds to the Company, even if the failure to do so would result in a default of any of the Company's obligations or the loss or termination of all or any part of the Company's assets or business.

(c) The provisions of this Section 6.1.3 are not intended to be for the benefit of any creditor or other party (other than a Member in its capacity as a Member) to whom any debts, liabilities or obligations are owed by (or who otherwise has any claim against) the Company or any of the Members. Notwithstanding anything contained in this Agreement, including specifically, but without limitation, this ARTICLE 6, no such creditor or other party shall obtain any rights under this Agreement nor shall, by reason of this Agreement, make any claim in respect of any debt, liability or obligation (or otherwise) against the Company or any Member.

6.1.4 **Compliance with Code.** The Capital Account of each Member (regardless of the time or manner in which such Member's interest was acquired) shall be maintained in accordance with the rules of Section 704(b) of the Code (together with Section 1.704-1(b) of the Regulations). Adjustments shall be made to the Capital Accounts for distributions and allocations as required by the rules of Section 704(b) of the Code and the Regulations thereunder.

ARTICLE 7.

DISTRIBUTIONS AND ALLOCATIONS

Section 7.1 **Cash Flow Distribution.** Operating Cash Flow in each fiscal year shall be used pay debt service and all other expenses of the Company and to create a capital reserve as determined by the Manager. In the sole discretion of the Manager, any remaining Operating Cash Flow may be distributed to the Members in accordance with their respective Percentage Interests.

Section 7.2 **Extraordinary Cash Flow Distribution.** Extraordinary Cash Flow in any fiscal year shall be used pay expenses of the Company and to create a capital reserve as determined by the Manager. Any remaining Extraordinary Cash Flow shall be distributed to the Members in the following order and priority:

7.2.1 **First,** to the Members, in proportion to any Unreturned Capital Contribution of such Member at such date; and

7.2.2 **Second,** the remaining balance, if any, of such proceeds (or, upon liquidation, the remainder of the Company's cash and other property) shall be distributed among the Members in accordance with their respective Percentage Interests.

Section 7.3 **Distribution of Assets in Kind.** No Member shall have the right to require any distribution of any assets of the Company in kind. Solely for the purpose of maintaining Capital Accounts, the amount by which the fair market value of any property to be distributed exceeds or is less than the adjusted basis of such property for purposes of Section 704(b) of the Code shall be taken into account in determining Profit or Loss as if such property had been sold at its fair market value as determined by a qualified appraiser selected in good faith by the Manager.

Section 7.4 **Tax Distributions.** To the extent Operating Cash Flow under Section 7.1 is determined by the Manager, in its reasonable discretion, to be available for distribution, the Company shall distribute to each Member within 75 days after the close of each tax year (or within 30 days after the receipt of a final assessment with respect to any federal or state income tax audit of the Company's income tax returns) a minimum amount equal to (i) the sum of the net taxable income (other than taxable income from a Major Capital Event) allocated to a Member for all applicable periods (in excess of losses allocated to a Member for all prior periods) multiplied by an aggregate effective federal and state income tax rate determined by the Manager, minus (ii) the sum of the amounts distributed to such Member in all periods pursuant to this Article 7.

Section 7.5 **Allocations of Profit or Loss.**

7.5.1 **Allocations of Profit or Loss.** Except as otherwise provided herein, the Profit or Loss of the Company for each Fiscal Year shall be allocated among the Members in a manner that will, as nearly as possible, cause the Capital Account balance of each Member at the end of such Fiscal Year to equal the excess (which may be negative) of: (i) the amount, if any, that such Member would receive if, on the last day of the Fiscal Year, (A) all Company assets, including

cash, were sold for cash equal to their Book Value, taking into account any adjustments thereto for such Fiscal Year, (B) all Company liabilities were satisfied in cash according to their terms (limited, with respect to each Nonrecourse Liability, to the Book Value of the assets securing such liability), and (C) the net proceeds (after satisfaction of liabilities) were distributed in full pursuant to Section 8.3 ("**Liquidation**"); over (ii) the sum of (X) the amount, if any, which such Member is unconditionally obligated to contribute to the capital of the Company, (Y) such Member's share of Company Minimum Gain determined pursuant to Treasury Regulations Section 1.704-2(g), and (Z) such Member's share of Company Minimum Gain determined pursuant to Treasury Regulations Section 1.704-2(i)(5), all computed immediately prior to the hypothetical sale described above.

7.5.2 **Limitation on Allocation of Losses.** Losses allocated pursuant to Section 7.5.1 shall not exceed the maximum amount of Losses that can be so allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Fiscal Year. In the event some but not all of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of Losses pursuant to Section 7.5.1, the limitation set forth in Section 7.5.1 shall be applied on a Member-by-Member basis so as to allocate the maximum possible Losses to each Member under Treasury Regulations Section 1.704-1(b)(2)(ii)(d).

7.5.3 **Purpose of Allocations.** It is the intention of the Manager to allocate Profit and Losses pursuant to Section 7.5 in such a manner as to cause each Member's Capital Account to always equal the amount of cash such Member would be entitled to receive if the Company sold its assets for their Book Value and, after satisfying all Company liabilities, the proceeds from such sale, as well as all other funds of the Company, were then distributed to the Members pursuant to a Liquidation under Section 8.3. These provisions shall be so interpreted as necessary to accomplish such result.

ARTICLE 8.

DISSOLUTION, LIQUIDATION, AND TERMINATION

Section 8.1 **Dissolution.** The Company shall dissolve and its affairs shall be wound up upon the first to occur of the following:

8.1.1 **Sale of the Property to a Third Party.** At such date as the Manager shall specify upon the sale of the Property or of the Company to a third party; or

8.1.2 **Written Consent.** The election to dissolve by the Consent of the Members and the Manager.

8.1.3 **Notification of Dissolution.** The Manager shall promptly notify the Members of the effective date of the dissolution of the Company.

Section 8.2 **No Restoration of Capital Account.** Upon dissolution of the

Company, no Member shall be required to restore any negative balance in the Members' Capital Account that may exist after making all applicable allocations as provided herein.

Section 8.3 **Liquidation.** Upon dissolution of the Company, the Manager shall act as liquidating trustee of the Company. The liquidating trustee shall proceed diligently to liquidate the Company and wind up its affairs and shall dispose of the assets of the Company as follows:

8.3.1 First, to the payment of all debts and liabilities of the Company, including, without limitation, any loans made to the Company and expenses of its liquidation;

8.3.2 Second, to the setting up of any reserves that the liquidating trustee may deem necessary or proper for any contingent or unforeseen liabilities or obligations of the Company or of the Members arising out of or in connection with the Company;

8.3.3 Third, to the payment of all Unreturned Capital Contributions of the Members to the extent not already repaid from Extraordinary Cash Flow, Operating Cash Flow, or otherwise;

8.3.4 Fourth, amounts remaining after the payment by the Company of the sums set forth above in Sections 8.3.1 through 8.3.3 shall be distributed among the Members in accordance with their respective Percentage Interests.

8.3.5 **Continued Operation and Accounting.** Until final distribution, the liquidating trustee may continue to operate the business and properties of the Company with all of the power and authority of the Manager. As promptly as possible after dissolution and again after final liquidation, the liquidating trustee shall cause an accounting of the Company's assets, liabilities, operations, and liquidating distributions to be given to the Members.

Section 8.4 **Certificate of Cancellation.** Upon completion of the distribution of Company assets as provided herein, the Company shall be terminated, and the Manager (or such Person or persons as the Act may require or permit) shall file a Certificate of Cancellation with the Secretary of State for the State of Maine under the Act at such time as he shall determine to be appropriate, cancel any other filings made pursuant to this Agreement or the Act, and take such other actions as may be necessary to terminate the existence of the Company.

ARTICLE 9.

REPRESENTATION AND WARRANTIES

As of the date hereof, each statement contained herein shall be a true, accurate, and full disclosure of all facts relevant to the matters contained therein, and such warranties and representations shall survive the execution of this Agreement. The Manager and each Member hereby represents and warrants that:

Section 9.1 **Power and Authority.** If such Member or Manager is a corporation (partnership) (limited liability company), such Member or Manager is a duly organized and validly existing corporation (partnership) (limited liability company) under the laws of the jurisdiction of organization of such entity and has the requisite power and authority to enter into and carry out the terms of this Agreement.

Section 9.2 **Corporate Action.** If such Member or Manager is a corporation (partnership) (limited liability company), all corporation (partnership) (limited liability company) action required to be taken by such Member or Manager to consummate this Agreement has been taken and no further Approval of any board, court, or other body is necessary in order to permit such Member or Manager to consummate this Agreement.

Section 9.3 **No Default.** To the best of such Member's or Manager's knowledge, neither the execution and delivery of this Agreement, nor the performance of or the compliance with this Agreement has resulted (or will result) in any violation of, or be in conflict with, or invalidate, cancel, or make inoperative, or interfere with, or constitute a default under, or result in the creation of any lien, encumbrance, or any other charge upon the Property pursuant to any charter or bylaw provision, partnership agreement, trust agreement, mortgage, deed of trust, indenture, contract, agreement, permit, judgment, decree, or order to which such Member or Manager is a party or by which the Property (or any portion thereof) is bound, and there is no default and no event or omission has occurred which, but for the passing of time or the giving of notice, or both, would constitute a default on the part of such Member or Manager under this Agreement.

Section 9.4 **No Action.** To the best of such Member's or Manager's knowledge, there is no action, proceeding, or investigation, pending or threatened (nor any basis therefor) which questions, directly or indirectly, the validity or enforceability of this Agreement as to such Member or which would materially and adversely affect the Property.

Section 9.5 **Special OFAC Provisions.**

9.5.1 No portion of the Member's capital contributions has been or will be derived (directly or indirectly) from proceeds of any illegal activity.

9.5.2 The Member and each person owning an interest (directly or indirectly) in the Member: (A) is not currently identified on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control of the United States

Department of the Treasury ("**OFAC**") and (B) is not a person with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States. The Member shall implement and apply, on behalf of the Company, procedures to ensure the foregoing representations and warranties remain true and correct at all times. Upon the Company's request from time to time, the Member shall certify in writing to the Company that the representations, warranties, and covenants set forth in this Section remain true and correct and have not been breached. The Member shall immediately notify the Company in writing if any of such representations, warranties, or covenants are no longer true or have been breached or if the Member has a reasonable basis to believe that they may no longer be true or have been breached. The Member shall also reimburse to the Company any expense incurred by the Company in obtaining any necessary license from governmental authorities as may be necessary for the Company to enforce its rights under this Agreement, and in complying with all applicable law applicable to the Company as the result of the existence of such an event and for any penalties or fines imposed upon the Company as a result thereof.

ARTICLE 10.

GENERAL PROVISIONS

Section 10.1 **Notices.** Any notice, consent, approval, waiver, statement, demand, or other material communication provided for in this Agreement to be given by the Members and/or the Manager to any the other of them shall be in writing (each a "**Notice**"). Notices shall be sent by (i) registered or certified mail, addressed to the recipient with return receipt requested, (ii) delivery to the recipient in person or by courier, or (iii) by facsimile transmission which is confirmed by a Notice provided under (i) or (ii).

Manager: Thomas E. Watson
94 Pine Street
Portland, ME 04102

Copy to: William H. Leete, Jr., Esquire
Leete & Lemieux, P.A.
95 Exchange Street
Portland, ME 04101

Other Members: As set forth in Schedule 1.

Notices shall be deemed given (x) five (5) calendar days after the date mailed by postage prepaid registered or certified mail, (y) upon delivery if delivered in hand or by courier (delivery charges prepaid), or (z) that same business day if sent by confirmed facsimile transmission and received by the recipient prior to 5:00 p.m. or if not, the first

business day following confirmed transmission. Any party to this Agreement may notify any other party of a change of address in the manner provided for Notices. Whenever any Notice is required to be given, a written waiver thereof signed by the Person entitled to Notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such Notice.

Section 10.2 **Entire Agreement.** This Agreement constitutes the entire agreement of the Manager and the Members relating to the Company and supersedes all prior contracts or agreements with respect to the Company, whether oral or written.

Section 10.3 **Amendment or Modification.** This Agreement may be amended or modified from time to time only by a written instrument signed by Consent of the Members; provided, however, that no amendment that materially adversely and disproportionately affects the economic rights and obligations of any Member shall be made without such Member's prior written consent.

Section 10.4 **Binding Effect.** This Agreement is binding on and inures to the benefit of the parties and their respective heirs, Legal Representatives, successors, and assigns.

Section 10.5 **Severability.** In the event of a conflict between the provisions of this Agreement and any provision of this Agreement or the Act, the applicable provision of this Agreement shall control to the extent permitted by law. If any provision of this Agreement or the application thereof to any Person or circumstance is held invalid or unenforceable to any extent, the remainder of this Agreement and the application of that provision shall be enforced to the fullest extent permitted by law.

Section 10.6 **Further Assurances.** In connection with this Agreement and the transactions contemplated hereby, each Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and those transactions, as requested by the Manager.

Section 10.7 **Waiver of Certain Rights.** Each Member irrevocably waives any right it may have to maintain any action for dissolution of the Company or for partition of any asset of the Company. The failure of a Member to insist upon strict performance of a covenant hereunder or of any obligation hereunder, irrespective of the length of time for which such failure continues, shall not be a waiver of such Member's right to demand strict compliance herewith in the future. No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation hereunder, shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation hereunder.

Section 10.8 **Arbitration/Mediation.** Except to the extent provided for herein to the contrary or to the extent any Member may be entitled to injunctive relief with respect to any covenant or other agreement contained in this Agreement prior to resolution by arbitration in accordance with this Section 10.9, any disagreement, dispute, controversy, or claim arising out of or relating to this Agreement, the execution or the interpretation hereof or any arrangements relating hereto or contemplated herein or the breach, termination, or invalidity hereof, shall be

submitted to non-binding mediation with the costs of such mediation borne equally by the parties involved. If such mediation fails to resolve the dispute, it shall then be settled exclusively and finally by binding arbitration. It is specifically understood and agreed that any disagreement, dispute, or controversy which cannot be resolved by the Members, including, without limitation, any matter relating to the interpretation of this Agreement, may be submitted to arbitration irrespective of the magnitude thereof, the amount in controversy or whether such disagreement, dispute, or controversy would otherwise be considered justiciable or ripe for resolution by a court or arbitration tribunal. The arbitration ("**Arbitration**") shall be conducted in accordance with the commercial arbitration rules of the American Arbitration Association ("**Arbitration Rules**") (except as Arbitration Rules conflict with the provisions of this Section 10.9, in which event the provisions of this Section 10.9 shall control), as follows:

10.8.1 **Single Arbitrator.** The arbitration tribunal shall consist of a single arbitrator agreed upon by the parties, but failing agreement, as chosen by the American Arbitration Association in accordance with the Arbitration Rules ("**Arbitrator**"), *provided, however,* that any arbitrator, however selected to act as such pursuant to this Section 10.9 shall have familiarity, skill, and experience associated with the matter in dispute; and

10.8.2 **Venue.** The Arbitration/Mediation shall be conducted in Portland, Maine, unless another site is mutually agreed upon by the Members; and

10.8.3 **Discovery.** During the thirty (30) day period following appointment of the Arbitrator, any Member may serve on the other Members a request for the production of a limited number of documents directly related to the dispute. Such documents shall be produced within thirty (30) calendar days of the request. Following the thirty (30) calendar day period of document production, there will be a forty-five (45) calendar day period during which limited depositions will be permissible. Disputes as to discovery or pre-hearing matters of a procedural nature shall be promptly submitted to the Arbitrator. The Arbitrator shall make every effort to render a ruling on such interim matters within five (5) business days. The Arbitrator shall make every effort to commence the hearing within thirty (30) calendar days of the conclusion of the deposition period and, in addition, will make every effort to conduct the hearing on consecutive business days to conclusion; and

10.8.4 **Final and Binding Decision.** The Arbitrator shall reach a decision on the merits on the basis of the internal laws of the State of Maine excluding its choice of law and conflicts of laws provisions. Any decision or award of the Arbitrator ("**Arbitration Award**") shall be final and binding upon the Members. The Members hereby waive, to the extent permitted by law, any rights to appeal or to review of the Arbitration Award by any court or tribunal. The Members agree that the Arbitration Award may be enforced against the Members or their assets wherever they may be found and that a judgment upon the Arbitration Award may be entered in any court having jurisdiction thereof; and

10.8.5 **Conduct of the Arbitration.** Conformity to the legal rules of evidence shall be required in the Arbitration. At any oral hearing of evidence in connection with the Arbitration, each Member or its legal counsel shall have the right to examine its

witnesses and to cross-examine the witnesses of any opposing Member. No evidence of any witness shall be presented in written form unless the opposing Member shall have the opportunity to cross examine such witness, except as the Members to the dispute otherwise agree in writing or except under extraordinary circumstances where the interests of justice require a different procedure; and

10.8.6 **Costs and Expenses of a Member.** All out-of-pocket costs and expenses incurred by a Member in connection with the resolution by Arbitration of any disagreement, dispute, controversy, or claim, including, without limitation, expert witness fees and reasonable attorney's fees and disbursements, shall be borne by the Member incurring the same.

10.8.7 **Arbitrator Costs.** The costs of the Arbitration shall be divided equally between the Members, unless there is a "prevailing Member," in which case the Arbitrator may allocate more or all of such costs to the Member thereto that is not the "prevailing Member."

Section 10.9 **Notice to Members, Manager and Initial Members of Provisions of this Agreement.** By executing this Agreement, each Member, and the Manager acknowledge that such Member, Manager have actual notice of all of the provisions of this Agreement. Each Member and Manager, each hereby agree that this Agreement constitutes adequate notice of all such provisions, and each Member and the Manager hereby waive any requirement that any further notice hereunder be given.

Section 10.10 **Third-Party Beneficiaries.** The provisions of this Agreement are not intended to be for the benefit of any creditor or other Person to whom any debts or obligations are owed by, or who may have any claim against, the Company or any of its Members, or its Manager, except for a Member, Manager in the capacity as such. Notwithstanding any contrary provision of this Agreement, no such creditor or Person shall obtain any rights under this Agreement or shall, by reason of this Agreement, be permitted to make any claim against the Company or a Member or Manager.

Section 10.11 **Interpretation.** For the purposes of this Agreement, terms not defined in this Agreement shall be defined as provided in the Act or this Agreement; and all nouns, pronouns, and verbs used in this Agreement shall be construed as masculine, feminine, neuter, singular, or plural, whichever shall be applicable. Titles or captions contained in this Agreement are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision hereof. Each party to this Agreement shall be deemed to have participated equally in the drafting of this Agreement and the parties to this Agreement waive any rule of construction that any ambiguity be construed against any party as drafter.

Section 10.12 **Counterparts.** This Agreement may be executed in any number of counterparts with the same effect as if all parties had signed the same document, and all counterparts shall be construed together and shall constitute the same instrument.

Section 10.13 **Single Purpose Entity**. The Members agree and acknowledge that the Company shall at all times be operated and maintained as single purpose limited liability company for the acquisition, development, construction, financing, leasing, management, and disposition of the Property in accordance with the provisions set forth herein.

ARTICLE 11.

DEFINITIONS

The following defined terms used in this Agreement shall have the meanings specified below:

"Accountants" shall mean the independent certified public accountants selected by the Manager.

"Act" shall have the meaning set forth in Section 1.1.1.

"Adjusted Capital Account Deficit" shall mean with respect to any Member, the deficit amount, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(a) credit to such Capital Account any amounts which such Member is obligated to restore pursuant to any provisions of this Agreement or is deemed to be obligated to restore pursuant to Regulations Sections 1.704-2(g)(1) and 1.704-2(0)(5); and

(b) debit to such Capital Account the items described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5), and (6).

The foregoing definition is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Affiliate" shall mean any Person controlled by (having fifty percent (50%) or more of the voting rights), controlling, or in a common control with a Member or Manager.

"Agreement" shall mean this Limited Liability Company Agreement as it may be amended, supplemented, or restated from time to time.

"Arbitration" shall have the meaning set forth in Section 10.9.

"Arbitration Award" shall have the meaning set forth in Section 10.9.4.

"Arbitration Rules" shall have the meaning set forth in Section 10.9.

"Arbitrator" shall have the meaning set forth in Section 10.9.1.

"Bankrupt or Bankruptcy" means one of the events set forth in Section 1502(8) of the Act.

"Book Value" shall mean, with respect to any asset of the Company, such asset's adjusted basis for federal income tax purposes, except that:

(i) the initial Book Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset (not reduced for any liabilities to which it is subject or which the Company assumes), as such value is determined and for which credit is given to the contributing Member under this Agreement; and

(ii) the Book Values of all assets of the Company shall be adjusted to equal their respective gross fair market values, as determined by the Manager, at and as of the following times:

(a) the acquisition of an additional or new interest in the Company by a new or existing Member in exchange for other than a *de minimis* Capital Contribution by such Member, if the Manager reasonably determines that such adjustment is necessary or appropriate to reflect the relative economic interests of the Members;

(b) the distribution by the Company to a Member of more than a *de minimis* amount of any asset of the Company (including cash or cash equivalents) as consideration for all or any portion of an Interest in the Company, if the Manager reasonably determine that such adjustment is necessary or appropriate to reflect the relative economic interests of the Members;

(c) the liquidation of the Company within the meaning of Regulations Section 1.704-1 (b)(2)(ii)(g); and

(iii) the Book Value of the assets of the Company shall be increased (or decreased) to reflect any adjustment to the adjusted basis of such assets pursuant to Section 734(b) or Section 743(b) of the Code, but only to the extent such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m); *provided, however*, that Book Value shall not be adjusted pursuant to this clause (iii) to the extent that the Manager determines that an adjustment pursuant to clause (ii) hereof is necessary or appropriate in connection with the transaction that would otherwise result in an adjustment pursuant to this clause (iii).

If the Book Value of an asset has been determined or adjusted pursuant to the preceding clauses (i), (ii) or (iii), such Book Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses, and the amount of the adjustment shall thereafter be taken into account as gain or loss from the distribution of such asset for purposes of computing Profits or Losses.

"Capital Account" shall have the meaning set forth in Section 6.1.1.

"Capital Contributions" shall have the meaning set forth in Section 6.1.2.

"Certificate" shall have the meaning set forth in Section 1.1.3.

"Code" shall mean the United States Internal Revenue Code of 1986, as amended.

"Company" shall mean THOMAS EDWARDS, LLC, a Maine limited liability company, as set forth in the Preamble.

"Consent of the Members" shall mean the consent of Members holding at least sixty-six and two thirds percent (66 $\frac{2}{3}$ %) of all of the Percentage Interests in the Company.

"Depreciation" shall mean, for each year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable for federal income tax purposes with respect to an asset for such year or other period, except that if the Book Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount that bears the same relationship to the Book Value of such asset as the depreciation, amortization, or other cost recovery deduction computed for tax purposes with respect to such asset for such period bears to the adjusted tax basis for such asset, or if such asset has a zero adjusted tax basis, Depreciation shall be determined with reference to the initial Book Value of such asset using any reasonable method selected by the Manager, but not less than depreciation allowable for tax purposes for such year.

"Members" shall have the meaning set forth in the Recitals.

"Expenses" shall have the meaning set forth in Section 2.6.1.

"Extraordinary Cash Flow" shall mean the net cash receipts of a Major Capital Event as reduced by the costs and expenses incurred by the Company in connection with such Major Capital Event and funds applied to pay or repay any indebtedness of the Company.

"Fiscal Year" shall have the meaning set forth in Section 1.6.

"Legal Representatives" shall mean with respect to an individual, a duly appointed executor, administrator, guardian, trustee, conservator, personal representative, or other legal representative appointed as a result of the death or incompetence of such individual.

"Manager" is identified in Section 2.1.

"Major Capital Event" shall mean one or more of the following: (i) sale of all or substantially all of the Property; (ii) placement and funding of any subsequent indebtedness of the Company that nets to the Company at least Five Hundred Thousand Dollars (\$500,000.00) or more secured by some or all of the Property, excluding short term borrowing in the ordinary course of business; or (iii) refinancing of existing indebtedness of the Company in excess of the

amount of the existing indebtedness.

"Member" shall have the meaning set forth in the Preamble.

"Minimum Gain" shall mean the minimum amount of gain that would be recognized by the Company for federal income tax purposes if the Company disposed of property subject to Nonrecourse Liabilities (for which no Member bears the economic risk of loss pursuant to the Treasury Regulations) in full satisfaction and for the amount thereof computed in accordance with Treasury Regulations Section 1.704-2(d).

"Nonrecourse Liability" shall mean any liability of the Company to the extent that the liability is nonrecourse for purposes of Treasury Regulations §1.1001-2.

"Notice" shall have the meaning set forth in Section 10.2.

"OFAC" shall have the meaning set forth in Section 9.5.2.

"Operating Cash Flow" shall mean the excess, if any, of Operating Revenues over Operating Expenses.

"Operating Expenses" shall mean all expenses of the Company, determined in accordance with U.S. federal income tax basis accounting other than any expense not involving a cash expenditure, such as depreciation or amortization or expenses incurred in a Major Capital Event and the repayment of any borrowing or refinancing included in Operating Revenues.

"Operating Revenues" shall mean all cash receipts of the Company from the operation of its business, property or services, interest, dividends, tax refunds, reduction of reserves previously created from Operating Revenues that were previously treated as Operating Expenses, and any other incidental income attributable to or resulting from the business operations of the Company. Operating Revenues do not include (i) receipts from the sale, lease, or other disposition of any products, property, or services outside of the ordinary course of business of the Company, (ii) the proceeds of any borrowing or refinancing from a Major Capital Event, (iii) Contributions to the Company, (iv) insurance proceeds, or (vi) any other items the proceeds of which are, under generally accepted accounting principles, attributable to capital.

"Person" shall mean an individual, a corporation, a partnership, a limited liability company, an estate, a trust, and any other entity or organization.

"Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and any claim which could be the subject of a proceeding.

"Profit" or "Loss" shall mean, for each fiscal year, the net income or loss of the Company for such fiscal year, as the case may be, including any items of income, gain, loss, or deduction that are separately stated for purposes of Section 702(a) of the Code, as determined

in accordance with federal income tax accounting principles as adjusted by Regulations Section 1.704-1(b)(2)(iv) provided that any item of income that is not subject to federal income taxation and any expenditure described in Section 705(a)(2)(B) of the Code or treated as an expense under Section 705(a)(2)(B) of the Code pursuant to Regulations Section 1.704-1(b)(2)(iv)(i) shall be taken into account.

"Property" shall have the meaning set forth in the Recitals.

"Registered Agent in Maine" shall be the person names in Section 1.5 and any successor or successors thereto.

"Related Group" shall have the meaning set forth in Section 3.8.2.

"Tax Matters Partner" shall have the meaning set forth in Section 4.8.

"Transfer" shall have the meaning set forth in Section 3.8.1.

"Treasury Regulations" or **"Regulations"** shall mean those Regulations promulgated under the United States Internal Revenue Code of 1986, as amended.

"Unreturned Capital Contribution" means, as to any Member, the Capital Contribution of such Member less the cumulative amounts of cash actually distributed to such Member by the Company pursuant to Article 7.

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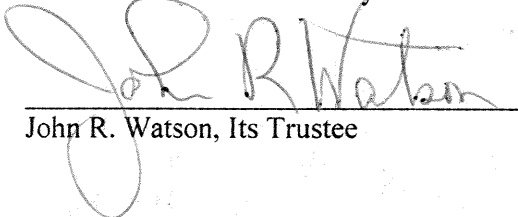
EXECUTED as a sealed instrument as of the date set forth above.

MANAGER:

Thomas E. Watson

MEMBERS:

John R. Watson 2002 Family Trust



John R. Watson, Its Trustee

Watson 2002 Children's Trust

Thomas E. Watson, Its Trustee

Thomas E. Watson

Brian C. Bush

John J. Bush, Jr. 2003 Children's Trust

Brian C. Bush, Its Trustee

Jacqueline Pierce, Its Trustee

Jacqueline Pierce

Russell Pierce

EXECUTED as a sealed instrument as of the date set forth above.

MANAGER:


Thomas E. Watson

MEMBERS:

John R. Watson 2002 Family Trust

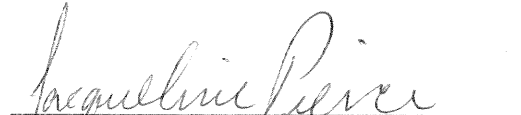
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Jacqueline Pierce

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Thomas E. Watson

MEMBERS:

John R. Watson 2002 Family Trust

John R. Watson, Its Trustee

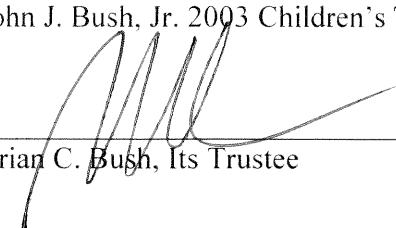
Watson 2002 Children's Trust

Thomas E. Watson, Its Trustee

Thomas E. Watson

Brian C. Bush

John J. Bush, Jr. 2003 Children's Trust



Brian C. Bush, Its Trustee

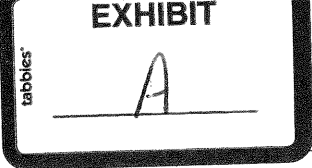
Jacqueline Pierce, Its Trustee

Jacqueline Pierce

Russell Pierce

SCHEDULE 1

Members Names & Addresses:	INTERESTS	UNITS	CAPITAL CONTRIBUTION ROUND 1	CAPITAL CONTRIBUTION ROUND 2
Thomas E. Watson 94 Pine Street Portland, ME 04102	26.56%	26.56	\$23,903.00	\$15,935.00
John R. Watson, Trustee John R. Watson 2002 Family Trust 3 Wild Goose Lane York Harbor, ME 03911	17.17%	17.17	\$15,450.00	\$10,300.00
Brian C. Bush 7 Smith Street Westborough, MA 01581	12.64%	12.64	\$11,375.00	\$7,583.00
Thomas E. Watson, Trustee Watson 2002 Children's Trust 94 Pine Street Portland, ME 04102	17.54%	17.54	\$15,788.00	\$10,525.00
Brian C. Bush, Trustee John J. Bush, Jr. 2003 Children's Trust 7 Smith Street Westborough, MA 01581	9.94%	9.94	\$8,949.00	\$5,966.00
Russell Pierce 6 Masefield Terrace Cape Elizabeth, ME 04107	12.82%	12.82	\$11,535.00	\$7,690.00
Jacqueline Pierce 6 Masefield Terrace Cape Elizabeth, ME 04107	3.33%	3.33	\$3,000.00	\$2,000.00



MAINE
LIMITED LIABILITY COMPANY

STATE OF MAINE

CERTIFICATE OF FORMATION

File No. 20133239DC Pages 2
Fee Paid \$ 175
DCN 2130941800131 DLLC
---FILED---
03/21/2013

Deputy Secretary of State

A True Copy When Attested By Signature

Deputy Secretary of State

Pursuant to 31 MRSA §1531, the undersigned executes and delivers the following Certificate of Formation:

FIRST: The name of the limited liability company is:

Thomas Edwards, LLC

(A limited liability company name must contain the words "limited liability company" or "limited company" or the abbreviation "L.L.C.," "LLC," "L.C." or "LC" or, in the case of a low-profit limited liability company, "L3C" or "l3c" - see 31 MRSA 1508.)

SECOND: Filing Date: (select one)

- Date of this filing; or
- Later effective date (specified here): _____

THIRD: Designation as a low profit LLC (Check only if applicable):

- This is a low-profit limited liability company pursuant to 31 MRSA §1611 meeting all qualifications set forth here:
 - A. The company intends to qualify as a low-profit limited liability company;
 - B. The company must at all times significantly further the accomplishment of one or more of the charitable or educational purposes within the meaning of Section 170(c)(2)(B) of the Internal Revenue Code of 1986, as it may be amended, revised or succeeded, and must list the specific charitable or educational purposes the company will further;
 - C. No significant purpose of the company is the production of income or the appreciation of property. The fact that a person produces significant income or capital appreciation is not, in the absence of other factors, conclusive evidence of a significant purpose involving the production of income or the appreciation of property; and
 - D. No purpose of the company is to accomplish one or more political or legislative purpose within the meaning of Section 170(c)(2)(D) of the Internal Revenue Code of 1986, or its successor.

FOURTH: Designation as a professional LLC (Check only if applicable):

- This is a professional limited liability company* formed pursuant to 13 MRSA Chapter 22-A to provide the following professional services:

(Type of professional services)

FIFTH: The Registered Agent is a: (select **either** a Commercial or Noncommercial Registered Agent)

Commercial Registered Agent CRA Public Number: _____

(Name of commercial registered agent)

Noncommercial Registered Agent

William H. Leete, Jr., Esq.

(Name of noncommercial registered agent)

Leete & Lemieux, P.A., 95 Exchange Street, Portland, ME 04101

(physical location, not P.O. Box – street, city, state and zip code)

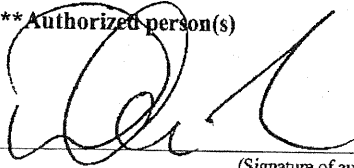
Leete & Lemieux, P.A., P.O. Box 7740, Portland, ME 04112

(mailing address if different from above)

SIXTH: Pursuant to 5 MRSA §105.2, the registered agent listed above has consented to serve as the registered agent for this limited liability company.

SEVENTH: Other matters the members determine to include are set forth in the attached Exhibit _____, and made a part hereof.

** Authorized person(s)



(Signature of authorized person)

Dated March 20, 2013

William H. Leete, Duly Authorized

(Type or print name of authorized person)

(Signature of authorized person)

(Type or print name of authorized person)

***Examples** of professional service limited liability companies are accountants, attorneys, chiropractors, dentists, registered nurses and veterinarians. (This is not an inclusive list – see 13 MRSA §723.7)

Pursuant to 31 MRSA §1676.1.A, Certificate of Formation **MUST be signed by at least one 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