

STATE OF MAINE
AQUACULTURE LEASE

No. 1003-21
Lease DAM CC2

This is a lease conveying certain limited rights in the submerged lands and waters of the State of Maine. Please read the lease carefully and abide by its terms.

THIS LEASE is entered into by:

The Department of Marine Resources, an agency of the State of Maine, by its Commissioner acting pursuant to the provisions of 12 M.R.S.A. §§6072, hereinafter the "Lessor", and

Damariscove Seafood, LLC, a corporation organized pursuant to the laws of the State of Maine, hereinafter the "Lessee".

LESSOR HEREBY LEASES TO LESSEE on the terms and conditions hereinafter set forth, the following described submerged land situated in the town of **South Bristol, Lincoln County**, Maine, to wit: **one tract, containing 12 acres**, more or less, of coastal waters and public land **located in Clarks Cove, in the Damariscotta River** and described more particularly as follows:

STARTING at the point Latitude 43° 55' 43.729" N, Longitude 69° 34' 19.883" W (datum NAD83/WGS84), called corner A, which is the point of beginning; thence 213.77° True, a distance of 200 feet, more or less, to corner B (43° 55' 42.087" N, 69° 34' 21.402" W); thence 123.61° True, a distance of 218 feet, more or less, to corner C (43° 55' 40.897" N, 69° 34' 18.925" W); thence 213.77° True, a distance of 500 feet, more or less, to corner D (43° 55' 36.792" N, 69° 34' 22.723" W); thence 303.77° True, a distance of 871 feet, more or less, to corner E (43° 55' 41.574" N, 69° 34' 32.619" W); thence 33.77° True, a distance of 500 feet, more or less, to corner F (43° 55' 45.679" N, 69° 34' 28.821" W); thence 123.92° True, a distance of 218 feet, more or less, to corner G (43° 55' 44.478" N, 69° 34' 26.35" W); thence 33.77° True, a distance of 200 feet, more or less, to corner H (43° 55' 46.120" N, 69° 34' 24.831" W); thence 123.77° True, a distance of 436 feet, more or less, to corner A and point of beginning,

hereinafter referred to as the "leased premises".

1. **TERM**. The term of this lease is **beginning on the twenty-first day of May 2011, and continuing to the twentieth day of May, 2021**. Within one year of the granting of this lease to Lessee, the Commissioner of Marine Resources shall review the lease to determine whether revocation pursuant to the standards of 12 M.R.S.A. §6072(11) is warranted.
2. **USE OF LEASE**. Lessee, his guests, servants, or agents are hereby authorized to use the leased premises for the purposes of cultivation of **American oysters (*Crassostrea virginica*), European oysters (*Ostrea edulis*), blue mussels (*Mytilus edulis*), quahogs (*Mercenaria mercenaria*), soft-shell clams (*Mya arenaria*), sugar kelp (*Saccharina latissima* previously *Laminaria saccharina*), winged or edible kelp (*Alaria esculenta*), horsetail or fingered kelp (*Laminaria digitata*), sea colander or shotgun kelp (*Agarum clathratum*), dulse (*Palmaria palmata*), nori, species native to the Gulf of Maine (*Porphyra* spp.), Irish moss (*Chondrus crispus*), and sea lettuce (*Ulva lactuca*) using suspended culture technique.**
3. **OTHER USES**. Lessor reserves the right to make the greatest multiple, compatible uses of the leased area, but shall preserve the rights of Lessee to the extent necessary to carry out the lease purpose.
4. **ASSIGNMENT**. The rights leased herein by Lessor may not be assigned or sublet by Lessee.
5. **RENTAL**. Rental shall be payable hereunder as follows:
One hundred dollars (\$100) per acre per year payable on or before each October 1st throughout the term hereof; rental for the first year (or any fraction of the current year) being due and payable upon execution hereof. Lessor reserves the right to increase the rental fee pursuant to 12 M.R.S.A. §6072 (9).

6. **INDEMNITY.** Lessee agrees to defend or cause to be defended and to indemnify and hold the Lessor harmless from and against any and all manner of claims, suits, expenses, damages or causes of action for damages arising out of, or allegedly arising out of, in whole or in part, the use or occupancy of the premises by Lessee, its agents, contractors, employees and invitees.
7. **PERFORMANCE BOND.** Lessee shall post a bond or establish an escrow account conditioned upon his performance of the obligation contained in the aquaculture lease document in the amount required by Chapter 2.64 of the Department's Regulations.
8. **MAINTENANCE.**
 - a. Lessee shall mark the lease tracts by means of buoys or by other devices in the manner described in Chapter 2.80 of the Department's Regulations and will maintain the markings when the area is not covered with ice.
 - b. No nuisance shall be permitted to exist on the leased premises. Lessee shall not operate in such a fashion as to be detrimental to public health, personal property or marine resources, or as to create a serious threat to the marine environment.
 - c. Lessee shall, at its expense, keep the leased premises free of garbage, refuse and similar material and shall maintain all improvements on the leased premises in good condition and repair, reasonable wear and tear only excepted.
9. **DEFAULT.** The following events shall be deemed to be events of default hereunder:
 - a. If Lessee fails to pay when due any rent payable hereunder;
 - b. If Lessee does not comply with any other provision of this Lease and does not cure such noncompliance within 30 days after notice thereof to Lessee, or where such noncompliance cannot be cured within 30 days, if Lessee fails to promptly and diligently undertake to cure such noncompliance and cause the same to be cured as soon as reasonably possible;
 - c. If Lessee shall make a transfer in fraud of creditors or be adjudged bankrupt or insolvent in any proceedings;
 - d. If a receiver or trustee shall be appointed for all or substantially all assets of Lessee;
 - e. If Lessee shall abandon any substantial portion of the leased premises;
 - f. If substantially no aquaculture has been conducted on the leased premises within the preceding year, or if Lessee has conducted aquaculture activities in a manner substantially injurious to marine organisms; or
 - g. If Lessee fails to comply with all applicable Department of Marine Resources statutes, rules and regulations.

Upon the occurrence of any such event of default, Lessor may, in addition to (and not instead of) any other remedies available at law or equity, revoke this lease. A lease revocation shall be an adjudicatory proceeding under the Maine Administrative Procedures Act, Title 5, Chapter 375, subchapter IV. A hearing with public notice shall be held prior to revoking any lease.

10. **ENTRY.** The Lessor, its agents and representatives shall have access to the premises at all reasonable times for the purpose of inspecting the same and securing compliance with the terms and conditions of this Lease.
11. **NOTICE.** Notice required to be given to Lessor or Lessee under this lease shall be deemed to have been given when actually delivered or when deposited in the U.S. mail, first class, postage prepaid, addressed as follows:

TO THE LESSOR: Department of Marine Resources
Attention: Aquaculture Leasing Program
21 State House Station
Augusta, Maine 04333

TO THE LESSEE: at the address given below or at such other
address as Lessee may have theretofore
specified by written notice actually received
and placed on record with Lessor.

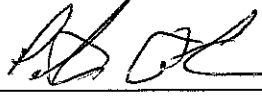
12. **ALTERATION.** Lessee may make no alteration to the premises without Lessor's prior written consent except that specifically authorized by the regulatory permits in effect on the date of the signing of this document and any permits issued after the signing of this document, which form a part of this Lease.
13. **FILING.** Lessee shall record the lease in the registry of deeds of each county in which the leased area is located.
14. **NOTICE.** After being granted a lease, Lessee shall publish a notice in the *Lincoln County News* and *Commercial Fisheries News*. The notice shall describe the area leased and enumerate any restrictions in the leased area.
15. **CONDITIONS.**
- a. Conditions imposed on this lease by the decision dated May 21, 2011 and incorporated in the renewal decision dated August 25, 2011, include the following:"]
1. The lessee must mark the site in accordance with the requirements of the U.S. Coast Guard and Department of Marine Resources Rule Chapter 2.80.
16. **VARIANCE.**
- a. The lease shall be operated in a manner consistent with the specifications contained in the original application for this lease site, as modified by the Commissioner's decision on that application and by all other applications and decisions of any kind relating to this lease site.
- b. The lessee may, with the written approval of the Department, vary from these specifications and conditions provided the Department determines that such operation pursuant to the variance would continue to satisfy all lease decision criteria. The Department's decision whether to approve a variance request is discretionary.
17. **MISCELLANEOUS.** This lease shall be binding upon and shall inure to the benefit of Lessor and Lessee and their respective legal representatives. Failure of either party to complain of any act or omission on the part of the other party, no matter how long the same may continue, shall not be deemed to be a waiver by said party of any of its rights hereunder. No waiver by either party at any time, express or implied, of any breach of any provision of this Lease, shall be deemed a waiver of or a consent to any subsequent breach of the same or any other provision. Lessor makes no warranty of Lessee's leasehold estate and in the event of any lawful ejectment of Lessee, Lessor shall refund to Lessee any rentals theretofore paid to Lessor hereunder. Lessee shall comply with all applicable laws, regulations and ordinances of governmental entities that have jurisdiction over the leased premises. This lease contains the entire agreement of the parties and may not be modified except by a writing subscribed by both parties.

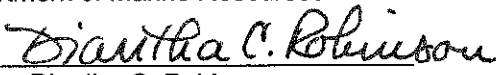
The Lessee expressly agrees to all terms and conditions herein, and binds himself for the payment of the rental hereinbefore specified.

Executed this 27th day of October, 2011

Lessee: Damariscove Seafood, LLC

Lessor: State of Maine
Department of Marine Resources

By 
(Lessee)

By 
Diantha C. Robinson
(Aquaculture Hearings Officer)

Peter Fischer, Manager
(Print name and title)

Lessee's Address:


Damariscove Seafood LLC
Attn: Peter Fischer
PO Box 1255
Damariscotta, ME 04543-1255


State of Maine
Knox County

State of Maine
Lincoln County

Personally appeared Peter Fischer
for Damariscove Seafood, LLC and
acknowledged this to be his/her free act and
deed before me.

Personally appeared Diantha C. Robinson
for the Department of Marine Resources
and acknowledged this to be her free act
and deed before me.


Notary Public
My Commission Expires: 12/12/2016


Sylvia M. Brann, Notary Public
My Commission Expires: Nov. 8, 2011