

STATE OF MAINE
AQUACULTURE LEASE

Lease PEN HI2x

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 and §6072-A, hereinafter the “Lessor,” and

Jason and Molly Hooper, of South Thomaston, Maine, hereinafter referred to, individually and collectively, as the case may be, as the “Lessee.”

LESSOR HEREBY LEASES TO LESSEE on the terms and conditions hereinafter set forth, the following described submerged land situated in **Unorganized Territory, Knox County, Maine**, to wit: **one tract, containing 3.79 acres**, more or less, of coastal waters and public land **located in the Muscle Ridge Channel northeast of High Island and southwest of Spectacle Island** and described more particularly as follows:

BEGINNING at the northwest corner, which is a point with the coordinates 44° 01.005'N 69° 03.525'W (all datum is NAD83/WGS84), and following the courses and distances listed below between the northwest, southwest, southeast, and northeast corners, respectively;

<u>Corner</u>	<u>Latitude</u>	<u>Longitude</u>	
NW	44° 01.005'N	69° 03.525'W	<i>then 162.69 feet at 210.80° True to</i>
SW	44° 00.982'N	69° 03.544'W	<i>then 1051.54 feet at 121.72° True to</i>
SE	44° 00.891'N	69° 03.340'W	<i>then 149.85 feet at 35.82° True to</i>
NE	44° 00.911'N	69° 03.320'W	<i>then 1064.93 feet at 302.43° True</i>

to the northwest corner and point of beginning; hereinafter referred to as “the leased premises.”

1. **TERM.** The term of this lease is for **3 years, beginning on the 19th day of December 2019, and continuing to the 18th day of December 2022.** 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) or §6072-A(22) is warranted.
2. **USE OF LEASE.** Lessee, and Lessee’s agents, contractors, employees and invitees are hereby authorized to use the leased premises to cultivate **sugar kelp (*Saccharina latissima*), skinny kelp (*Saccharina angustissima*), winged kelp (*Alaria esculenta*), horsetail kelp (*Laminaria digitata*), dulse (*Palmaria palmata*), Irish moss (*Chondrus crispus*), and laver (*Porphyra sp.*), using suspended culture techniques.** [An experimental lease issued under 12 M.R.S.A. §6072-A for scientific research or commercial aquaculture research and development conveys only those rights specified in the lease.]

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. **RENT.** Rent shall be payable at the rate of one hundred dollars (\$100.00) per acre per year payable on or before each October 1st throughout the term hereof; rent for the first year (or any fraction of the current year) being due and payable upon execution of this lease. Lessor reserves the right to increase the rental fee pursuant to 12 M.R.S.A. §6072 (9) and §6072-A (14).
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 and Lessee's agents, contractors, employees, and invitees.
7. **PERFORMANCE BOND.** Lessee shall post a bond or establish an escrow account as required by Department Regulations Chapters 2.40 and 2.64 in the amount of five thousand dollars (\$5,000.00), conditioned upon Lessee's performance of the obligations contained in this aquaculture lease.
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 maintain the markings when the area is not covered with ice.
 - b. Lessee shall maintain the lease area in good order, as required by Department Regulations, Chapter 2.75.
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.
- h. 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 Procedure 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 inspections by the Department of 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
Attn: Aquaculture Division
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. **CONDITIONS.** The following conditions are imposed on this lease by the decision dated December 19, 2019:

- a. The lease area shall be marked in accordance with U.S. Coast Guard and Department of Marine Resources Regulations Chapter 2.80.
- b. All gear, including moorings, lines, and buoys, must be removed from the water between June 15th and November 1st of each year.
- c. Due to possible interactions with gear, lobstering and dragging are restricted from the site from November 1st to June 15th annually.

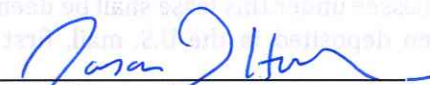
14. **MISCELLANEOUS.** This lease shall be binding upon and shall inure to the benefit of Lessor and Lessee and their respective legal representatives. Failure of either party to complain of any act or omission on the part of the other party, no matter how long the same may continue, shall not be deemed 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

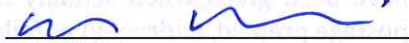
be deemed a waiver of or a consent to any subsequent breach of the same or any other provision. Lessee shall comply with all applicable laws, regulations, and ordinances of governmental entities that have jurisdiction over the leased premises. This lease contains the entire agreement of the parties and may not be modified except by a writing subscribed by both parties.

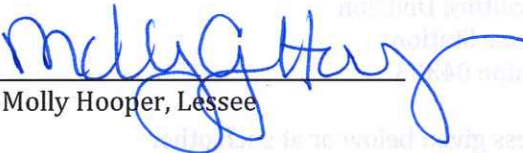
The Lessee expressly agrees to all terms and conditions herein.

Lessee: Jason and Molly Hooper

Lessor: State of Maine
Department of Marine Resources

By: 
Jason Hooper, Lessee

By: 
Erin Wilkinson
Aquaculture Hearing Officer

By: 
Molly Hooper, Lessee

Lessor's Address:
Department of Marine Resources
Attn: Aquaculture Division
21 State House Station
Augusta, ME 04333

Lessee's Address:
Jason and Molly Hooper
26 Nabby Cove Road
South Thomaston, ME 04858

For DMR use only:

Executed this 3 day of February, 2020