

This lease made in duplicate this 16 day of November, 2018.

BETWEEN:

HER MAJESTY THE QUEEN, in right of the Province of Nova Scotia, as represented by the Administrator, Nova Scotia Department of Fisheries and Aquaculture, as appointed under section 54A of the Fisheries and Coastal Resources Act, SNS 1996, c. 25,

hereinafter referred to as "**THE ADMINISTRATOR**"

OF THE ONE PART

- and -

Bill and Stanley Oyster Company Ltd.
931 Brush Wharf Road
Vernon Bridge, PE
C0A 2E0

hereinafter referred to as "**THE LESSEE**"

OF THE OTHER PART

WHEREAS the Administrator, under the provisions of the Fisheries and Coastal Resources Act, S.N.S. 1996, Chapter 25 (the "Act") and the Aquaculture Licence and Lease Regulations (the "Regulations"), is authorized to renew aquaculture licences and aquaculture leases;

AND WHEREAS pursuant to the Act Lease No. 0623 was issued on January 9, 2014 for a term of five years from December 19, 2013 to December 19, 2018;

AND WHEREAS pursuant to the Act Lease No. 0623 was assigned on February 13, 2014 from Atlantic Aqua Farms Partnership to Bill and Stanley Oyster Company Ltd.;

AND WHEREAS pursuant to the Act Lease No. 0623 was amended on May 29, 2014 to authorize cultivation American oysters (*Crassostrea virginica*);

AND WHEREAS pursuant to the Act Lease No. 0623 was amended on October 14, 2014 to expand the site from 6.73 HA to 14.24 HA;

AND WHEREAS pursuant to the Act Lease No. 0623 was amended on September 27, 2016 to authorize cultivation of Sugar kelp, Finger kelp, Dulse and Sea lettuce;

AND WHEREAS pursuant to the Act Lease No. 0623 was amended on August 13, 2018 to replace Schedule "B" with regards to harvesting Giant sea scallops;

AND WHEREAS the Lessee wishes to renew aquaculture Lease No. 0623;

NOW THEREFORE in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. The Administrator hereby grants to the Lessee a lease to use a 14.24 hectare area located in the body of waters known as County Harbour, Guysborough County, more particularly described in Schedule "A" attached to and forming part of this Agreement (the "site") for the suspended cultivation of Blue mussel (*Mytilus edulis*), American oysters (*Crassostrea virginica*), Giant sea scallop (*Placopecten magellanicus*), Kelp (*laminaria*), Sea lettuce (*Ulva lactuca*) and Dulse (*Palmaria palmata*)
2. The term of this lease shall be for twenty years commencing on the 19th day of December 2018 to the 19th day of December 2038 with the right of renewal, in accordance with the terms of the Act and the Regulations.

3. The Lessee shall pay to the Minister of Finance and Treasury Board an annual fee as set out in the Regulations. The annual payment must be received by the anniversary date of the lease. Late payments are subject to a fee as set out in the Regulations.
4. The undertakings set out in Schedule "B" to this lease (the "undertakings"), form part of this Agreement, and the Lessee hereby agrees to comply with any conditions or limitations contained in the undertakings unless compliance for leasing purposes is expressly waived by the Administrator. The Lessee is responsible for confirming any undertakings and ensuring compliance with them.
5. Except to the extent restricted by an enactment or this lease, the Lessee has, for aquacultural purposes, the exclusive right to use the leased sub-aquatic lands and water column.
6. The Lessee agrees to comply with any permits, protocols, approvals, licenses or permissions (the "licensing requirements") which may be required under the laws of the relevant municipality, the Province or Canada. The Lessee is responsible for confirming any licensing requirements and ensuring compliance with them.
7. This lease must not be assigned without the written approval of the Administrator. If the Lessee is a corporation, any change in the right to control the corporation shall be deemed to be an assignment.
8. In the event that the Lessee shall cease conducting an aquaculture business in the normal course, become insolvent, make a general assignment for the benefit of creditors, suffer or permit the appointment of a receiver of its business assets, or avail itself of any proceeding in bankruptcy under any statute relating to insolvency or the protection of rights of creditors, the Administrator may revoke this lease and this Agreement shall be of no further force and effect subject only to the right of Her Majesty the Queen in right of the Province of Nova Scotia ("Her Majesty") to claim for damages.
9. The Lessee must adhere to the Farm Management Plan, as it is in effect for this lease from time to time, and any failure to adhere to the Farm Management Plan is a breach of this lease.
10. This lease does not include any rights as to minerals in or on the site.
11. The Lessee shall submit to the Minister of the Nova Scotia Department of Fisheries and Aquaculture (the "Minister") an annual report stating such information as the Minister requires concerning the Lessee's use and the productivity of the site.
12. Following the completion of a performance review, in accordance with the Regulations, of the aquaculture operation subject to this lease, the Administrator may vary any terms or conditions of this lease in order to address any concerns raised in the performance review.
13. The Lessee is hereby prohibited from using the site in any way that would interfere with other leased aquaculture operations.
14. If the Administrator, in his or her sole discretion, is of the opinion that the aquaculture activities authorized by this lease are detrimental to or interfere with other leased facilities, the Administrator may revoke this lease without compensation.
15. The Administrator may revoke this lease without advance notice or compensation if the Lessee is found by a court of competent jurisdiction to be in violation of any law of the Province or Canada relating to fishery activities.
16. If the Lessee fails to perform any of its obligations under this lease, the Minister may have the obligations performed, with the amount of any costs incurred to be a debt due to Her Majesty, for which Her Majesty shall have a first priority charge on the aquacultural produce within the site.

Schedule A

GPS COORDINATE INFORMATION SHEET

Application #: 0623
Applicant: Bill and Stanley Oyster Company Ltd.
Location: Country Harbour County: Guysborough
Hydrographic Chart: 4234 Orthophoto #:
Dimensions of site: Approx. 205 m x 700 m Size: Approx. 14.24 hectares

Approximate Coordinates of Application:

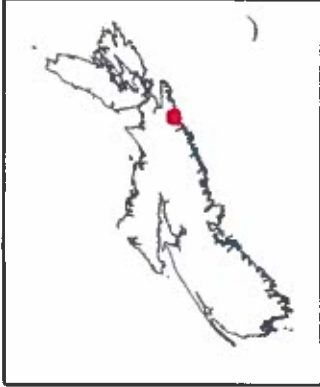
Datum used: NAD 83

Centre coordinates (approx.) Lat. 45° 10' 25.88"
Long. -61° 42' 24.04"

Corner #1 Lat. 45° 10' 35.91" Corner #2 Lat. 45° 10' 19.51"
Long. -61° 42' 30.75" Long. -61° 42' 09.13"

Corner #3 Lat. 45° 10' 15.22" Corner #4 Lat. 45° 10' 31.82"
Long. -61° 42' 16.23" Long. -61° 42' 38.22"

NOTE: COORDINATES ARE NOT TAKEN FROM A LEGAL SURVEY



Aquaculture Site
0623

Centre
 Lat 45° 10' 25.88" Long -61° 42' 24.04"
 Corner 1
 Lat 45° 10' 35.91" Long -61° 42' 30.75"
 Corner 2
 Lat 45° 10' 19.51" Long -61° 42' 09.13"
 Corner 3
 Lat 45° 10' 15.22" Long -61° 42' 16.23"
 Corner 4
 Lat 45° 10' 31.82" Long -61° 42' 38.22"

DATUM NAD 83
 The above coordinates
 are not from a legal survey



Application Information

Proponent : Bill and Stanley Oyster Company Ltd.
 Site Location : Country Harbour
 Dimensions : Approx. 205 m x 700 m
 Area : Approx. 14.24 ha

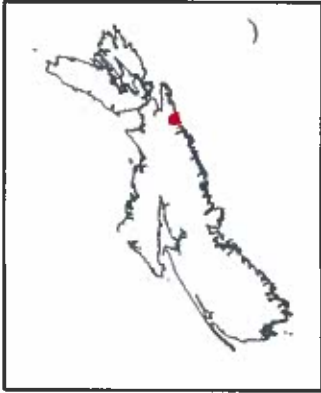
Renewal Application
 Other Issued Lease
 OMHW Mark
 Low Water Mark

Chart No.
4234

Disclaimer

This map should not be used for navigation or legal purposes. It is intended for general reference use only.

MK-0623-JUN-2018



**Aquaculture Site
0623**

Centre
 Lat 45° 10' 26.88" Long -61° 42' 24.04"
 Corner 1
 Lat 45° 10' 36.91" Long -61° 42' 30.75"
 Corner 2
 Lat 45° 10' 19.51" Long -61° 42' 09.13"
 Corner 3
 Lat 45° 10' 15.22" Long -61° 42' 16.23"
 Corner 4
 Lat 45° 10' 31.82" Long -61° 42' 38.22"

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Application Information

Proponent : Bill and Stanley Oyster Company Ltd.
 Site Location : Country Harbour
 Dimensions : Approx. 205 m x 700 m
 Area : Approx. 14.24 ha

Issued Lease
 Property Boundary

OMHW Mark
 Low Water Mark
 NS Bathymetry

Chart No.
4234



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Schedule “B”

This Schedule sets out any undertakings required of the Lessee.

The Lessee undertakes to:

To avoid potential of serious harm to fish, as well as impacts to aquatic species at risk and their habitat, the Licencee/Lessee agrees to avoid physical impacts to eel grass beds, rocky reef habitats, and fish spawning areas.

The Licencee/Lessee agrees to immediately report any observations of significant mortalities to Fisheries and Oceans Canada, Shellfish Health Unit at (506) 851-3107.

Where Fisheries and Oceans Canada, pursuant to the *Management of Contaminated Fisheries Regulations*, issues an order which prohibits fishing in an area (the “closed area”), and does not list Giant Sea scallops on the prohibition order, and the site falls within the closed area, the Lessee shall not harvest or retain Giant Sea scallops from the site unless all of the following conditions are met:

- (a) all Giant sea scallops harvested and retained shall be shucked prior to being taken from the site;
- (b) only the adductor muscle (meat), free of all roe and viscera, from the Giant sea scallops shall be retained; and
- (c) no intermingling of Giant sea scallop meat retained from the site shall occur, prior to processing, with Giant sea scallop meat retained from any other location