

This lease made in duplicate this _____ day of _____, 20_____.

BETWEEN:

HER MAJESTY THE QUEEN, in right of the Province of Nova Scotia, represented in this behalf by the Honourable Minister of the Nova Scotia Department of Fisheries and Aquaculture,

hereinafter referred to as "**THE MINISTER**"

OF THE ONE PART

- and -

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

OF THE OTHER PART

WHEREAS the Minister, under the provisions of the Fisheries and Coastal Resources Act, R.S.N.S. 1996, Chapter 25, is authorized to grant aquaculture leases for the purpose of conducting aquaculture in Nova Scotia;

AND WHEREAS the Lessee wishes to conduct aquaculture in the Province.

1. The Minister hereby grants to the Lessee a lease to use a 42.15 hectare area located in the body of waters known as St. Mary's Bay, more particularly described in Schedule "A" attached to and forming part of this Agreement for the marine cage cultivation of (Atlantic salmon) **Salmo salar**.
2. The term of this lease shall be for ten years commencing on the 8th day of June, 2011 to the 7th day of June, 2021 with the right of renewal, in accordance with the terms of the Act & Regulations.
3. The Lessee shall pay to the Minister an annual fee as set out in the Regulations. The first payment is due upon issuance of the lease, with further annual payments due in full within 60 days after each anniversary of the granting of the lease.

4. Any undertakings required by Schedule "B" to this lease, and any permits, protocols, approvals, leases or permissions which may be required under the laws of the Province or Canada form part of this Agreement, and the Lessee hereby agrees to comply with any conditions or limitations contained in these requirements unless compliance for leasing purposes is expressly waived by the Minister.

5. This lease may not be assigned without the express written consent of the Minister. If the Lessee is a corporation, any change in the right to control the corporation shall be deemed to be an assignment. No assignment shall be binding on the Minister until approved by him.

6. The Minister will not normally approve of a lease assignment unless the site has been in production for a period of at least one year.

7. 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, then, at the option of the Minister, this lease shall terminate and be of no further force and effect subject only to the right of the Minister to claim for damages.

8. This lease does not include any rights as to minerals in or on the lease area.

9. The lease holder, its employees, workers and agents must not allow the release or escapement of finfish either through a deliberate act or acts or through negligence or accident. The lease holder, its employees, workers and agents shall take all measures necessary to prevent such an occurrence. In the event of a release or an escapement of finfish, the lease holder shall contact and notify the Nova Scotia Department of Fisheries and Aquaculture within four (4) hours of the lease holder having knowledge of the release or escapement of any of the aforesaid. No finfish that have been released or that have escaped from an aquaculture facility may be recaptured, unless authorized in advance, by permit or licence from the appropriate authority or authorities.

10. The Lessee must develop, submit and comply with a sea lice management plan that is acceptable to the Minister.
11. Leasehold improvements shall remain the property of the Lessee and may be removed by him on the expiration of the lease, if this may be done without material damage to the sub-aquatic lands or water column, or after compensation for such material damage, however leasehold improvements may forfeit to the Minister at its sole discretion if the lease is lawfully terminated by the Minister because of breach or default by the Lessee.
12. The Lessee is hereby given the exclusive right to use the leased sub-aquatic lands and water column and the right to exclude all others from the leased area who do not have a statutory right to enter upon the premises.
13. The Lessee is hereby prohibited from using the site in any way that would interfere with other leased aquaculture operations.
14. If the Minister, in its sole discretion, is of the opinion that the aquaculture activities authorized by this lease are detrimental to or interfere with previously leased facilities, the Minister may cancel this lease upon reasonable notice without compensation.
15. If, in the opinion of the Minister, the Lessee fails to utilize all of the site for aquaculture purposes, the Minister may, in his sole discretion cancel that portion of the area that is unused.
16. The Minister may cancel this lease without advance notice or compensation if the Minister in his sole discretion finds any form of disease on the site which could adversely affect either aquatic flora or fauna, or render the aquacultural produce unsuitable for human consumption.
17. The Minister may cancel this lease without advance notice or compensation if the Lessee is found by a court of competent jurisdiction to be in violation of any Provincial or Federal law relating to fishery activities.

18. The Lessee shall immediately remove from the site and safely dispose of any deleterious substance.

19. If the Lessee fails to perform any of its obligations under this lease, the Minister may perform them at the Lessee's expense. In addition to any other remedies available, the Minister shall have a first priority charge for the amount due to it on the aquacultural produce within the site.

20. If the Lessee is in breach of the terms of this lease and such breach is not corrected within the time period set out in the notice from the Minister, the Minister may cancel this lease without further notice or compensation.

21. Should it become necessary for the Minister to expropriate the Lessee's rights under this lease, it is hereby agreed that the value of the lease for purposes of expropriation compensation shall not exceed the depreciated value of improvements made by the Lessee that cannot be removed from the site. No compensation may be claimed for the cancellation of this lease where compensation is paid or payable in relation to the expropriation of a lease for the same area.

22. Any notices required to be given under this lease may be sent to the parties at their addresses set out in the heading of this Agreement. Nothing in this section prohibits the giving of notice by any other means. The Lessee must notify the Minister of any change of address within 30 days.

23. Nothing in this Agreement shall be taken as a warranty by the Minister that the leased premises may be used now or in the future by the Lessee for aquaculture purposes. The Minister assumes no responsibility whatsoever for any private property rights or for the actions of other levels of government which may interfere with the use of the site for aquaculture purposes.

24. This lease shall be subject to the laws of the Province of Nova Scotia and the parties hereby agree to attorn to its courts.

