

FILE REF: XX100/302C

Option for Lease - Proposed Fish Farm Site at Eigg, Isle of Eigg

On behalf of CROWN ESTATE SCOTLAND (INTERIM MANAGEMENT) a body corporate constituted by The Crown Estate Scotland (Interim Management) Order 2017 and having its principal place of business at 6 Bell's Brae Edinburgh EH4 3BJ acting in exercise of the powers conferred on it by the Scotland Act 1998 (as amended) and The Crown Estate Act 1961 on behalf of Her Majesty the Queen ("Crown Estate Scotland") I offer to grant MARINE HARVEST SCOTLAND LTD the option ("the Option") to require (on the terms contained in this letter) the grant of a lease of the relevant part of the proposed fish farm area which must be part of the seabed shown outlined red on the plan attached to the extent that such area has the benefit of any subsisting planning permission at the time of exercise of the Option. The Option shall be exercisable in accordance with and will be regulated by the following terms and conditions:

1. You can only exercise the Option:
 - 1.1 During a period of 6 months (or such longer period as Crown Estate Scotland may agree) after the date of issue in writing of the planning permission for fish farming purposes;
 - 1.2 by giving written notice to Crown Estate Scotland in the form of the notice attached to this letter accompanied by a copy of the planning permission;
 - 1.3 on one occasion and not in phases.
2. You must have a planning application registered with the Planning Authority within a period of 24 months from the date of this letter otherwise the Option will cease to be of effect.
3. You must have obtained planning permission for a fish farm within the area outlined red on the plan within a period of 36 months from the date of this letter. Crown Estate Scotland may at its discretion grant an extension to this period but has no obligation to do so
4. If you (a) serve the Option notice validly within the relevant time period in paragraph 1.1 (b) have the relevant Planning Permission and (c) identify the extent of the area of the fish farm referred to in the Planning Permission, then Crown Estate Scotland will enter into a Lease with you for the relevant area.

The terms of the Lease will be generally on the terms and conditions of leases for a fin fish farm or a shell fish farm as applicable granted by Crown Estate Scotland at the time of service of the Option Notice including the period for which the Lease will apply and the rental payments and rent review basis.

5. For any part of the area which is not included in any plan attached to an Option notice this excluded area will as from the date you give the Option Notice no longer form part of the Option and Crown Estate Scotland will be free to grant other rights to it to other parties.

You are not required to pay an option fee to Crown Estate Scotland for this Option. All sums which you may be required to pay to Crown Estate Scotland in connection

with or in terms of the Lease are exclusive of Value Added Tax which will be payable in addition if applicable.

6. The Option will terminate on the first of the following events to occur:
 - 6.1 24 months from the date of this letter have passed and you do not have a relevant planning application registered
 - 6.2 36 months from the date of this letter have passed and you have not obtained planning permission (unless Crown Estate Scotland agree an extension of that period)
 - 6.3 6 months from the date of issue in writing of the planning permission to you has passed and you have not served the Option notice on Crown Estate Scotland;
 - 6.4 you suffer an event of insolvency. An event of insolvency means if you are an individual or a partnership you have become bankrupt or signed a Trust Deed for Creditors or any similar arrangement or if you are a company you have entered into liquidation or have had a liquidator an interim liquidator a receiver or an administrator appointed or an administration order has been issued or any similar or equivalent process.
7. You agree that the terms of this letter and the plan attached contain all of the terms for the grant of the Option. You agree that if you accept this letter you have not done so and will not be exercising the Option in either case relying wholly or partly on any statement or representation made by or on behalf of Crown Estate Scotland.
8. You agree and understand that Crown Estate Scotland owes no duty to you to protect, secure or maintain the seabed or area shown on the plan on or after the date of this letter. Crown Estate Scotland does not give any express or implied assurance that the area of seabed is suitable for fish farming or that planning permission for a fish farm will be granted.
9. Any Stamp Duty Land Tax payable consequent upon or by virtue of this Option or any other tax which may become payable whether by Crown Estate Scotland or me/us by virtue of the planning notwithstanding that the obligation primarily falls on any party and any tax for which Crown Estate Scotland is liable to pay shall be refundable by me/us forthwith to Crown Estate Scotland in full on written demand.
10. You cannot assign sub-grant or transfer your rights under this letter or the Option to any party

Crown Estate Scotland will not consider any request to assign the Lease for which this Option is exercised within 5 years of the Date of Entry in the absence of development and production of the species consented under the Lease.
11. You can only exercise the Option once and to do so you must identify the part of the area of seabed you wish to be incorporated in the Lease. Once you have served the Option Notice identifying the area the rights in respect of the remainder of the area (if any) immediately cease to have any effect.
12. This letter shall become binding on The Crown Estate and on you when you have signed the acceptance docquet below and a copy has been received by Crown Estate Scotland.
13. For the purpose of serving any notice or returning the copy of this letter to Crown Estate Scotland it will only be valid if you send it to Crown Estate Scotland at 6 Bell's Brae, Edinburgh EH4 3BG.

14. The terms of the agreement created by this letter and you signing the acceptance docquet will be governed and construed by the laws of Scotland.
15. If Crown Estate Scotland has not received a copy of this letter with the acceptance docquetted signed by the expiry of 21 days from the date of this letter then the letter is deemed to be withdrawn and shall have no effect.

Yours faithfully



For and on behalf of Crown Estate Scotland (Interim Management)

6 Bell's Brae, Edinburgh EH4 3BG.

Date: 13/09/18

I/we on behalf of Marine Harvest Scotland Ltd accept the Offer from Crown Estate Scotland (Interim Management) of an Option to take a lease of the fish farm to which the foregoing letter relates subject to my obtaining planning permission and all on the terms of the foregoing letter.

Yours faithfully



For and on behalf of Marine Harvest Scotland Ltd

Date: 10/9/2018

This is the form of the Option Notice referred to in the foregoing letter by Crown Estate Scotland (Interim Management) to Marine Harvest Scotland Ltd

Crown Estate Scotland (Interim Management)
6 Bell's Brae
Edinburgh
EH 4 3BJ

I/we refer to the Option Agreement XX100/302C for the area of seabed for a proposed fish farm at Eigg.

I/we attach a copy of the planning permission authorising a fish farm to be located within the area.

I/we attach a plan showing that part of the area to which I/we request Crown Estate Scotland grant we/us a Lease.

This letter is an Option Notice for the exercise of the Option and/or the Agreement.

I/we confirm that the Lease will be granted on the terms on which Crown Estate Scotland grants leases of fin fish or shell fish sites as applicable.

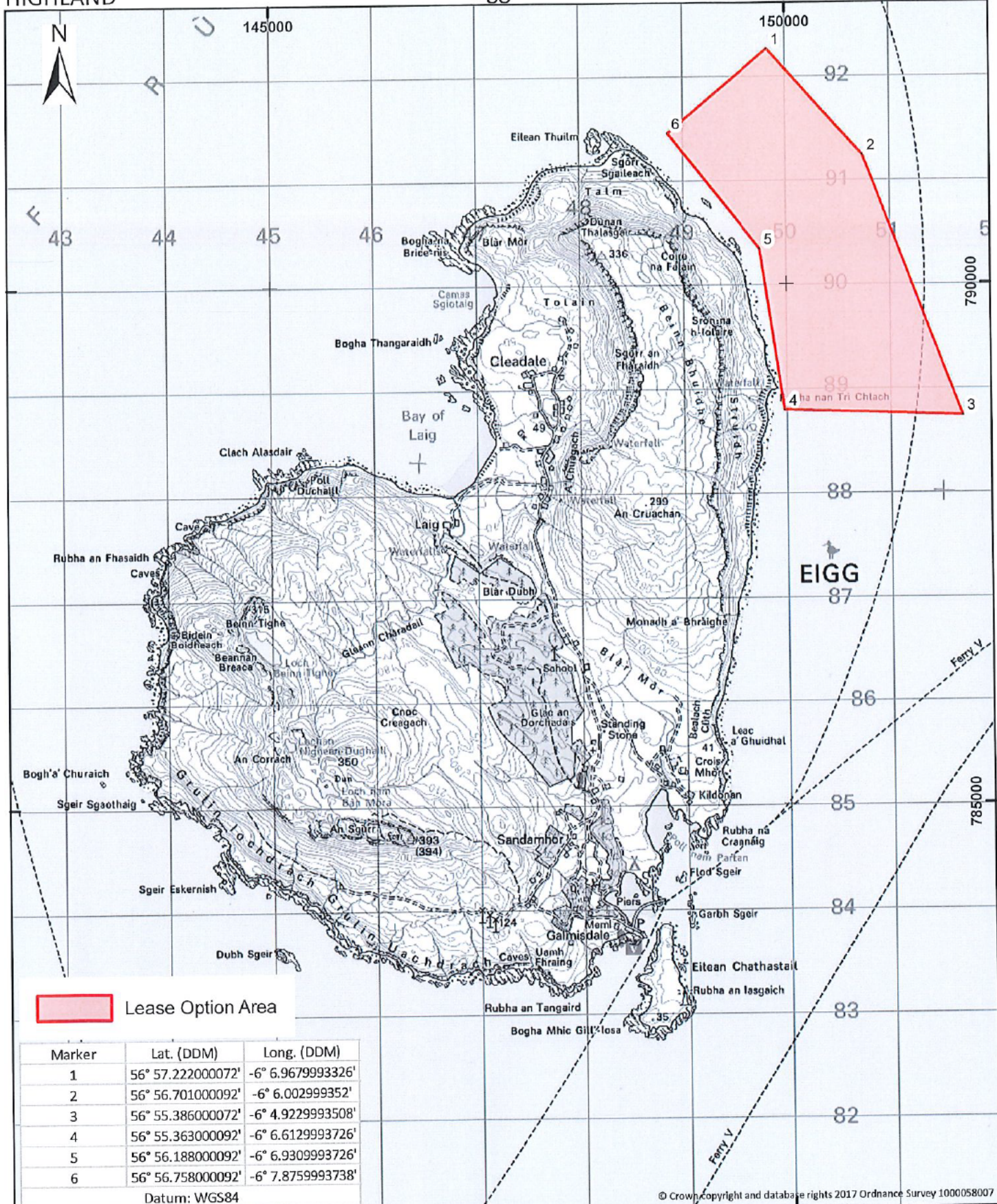
The planning permission is confirmed to authorise use of the site as a finfish/shellfish site.

I/we understand that by giving them notice I am/we are committed to accept the Lease.
I/we have taken legal advice before signing this notice or have decided not to take legal advice.

Yours faithfully

Name and Address

Date



THIS IS THE PLAN REFERRED TO IN THE FOREGOING LEASE OPTION AGREEMENT DATED



10/9/2018

Signature

13/09/18



**Crown Estate
Scotland**
Oighreachd a' Chrùin Alba

Crown Estate Scotland
6 Bell's Brae
Edinburgh
EH4 3BJ

Scale: 1:50,000

Date: 11/05/2018

Author: [Redacted]

Reference: XX100/302C

Coordinate System: British National Grid
Datum: OSGB 1936

0 500 1,000 2,000 metres