

OPTIONS AND PURCHASE AGREEMENT

This Options and Purchase Agreement, dated as of this 30 day of JANUARY, 2018, is by and between the **BELFAST WATER DISTRICT**, a quasi-municipal, consumer-owned water utility district having an address of 285 Northport Avenue, Belfast, Maine 04915 (the "Seller"), **NORDIC AQUAFARMS, INC.**, a Delaware corporation having an address of c/o Nordic Aquafarms AS, Øraveien 2, 1630 Gml Fredrikstad, Norway (the "NAF"), and the **CITY OF BELFAST**, a municipal corporation having an address of 131 Church Street, Belfast, Maine 04915 (the "City").

TERMS AND CONDITIONS:

1. Property Descriptions.

a. Premises. Seller owns the land depicted on Exhibit A hereto as the "Realty" together with any improvements thereon and appurtenances thereto, located in Belfast, Maine, containing approximately 18 acres, such land being a portion of the land identified on the City of Belfast Tax Map 29 as Lot 39 and specifically excluding the Lower Dam (hereinafter defined) (the "Realty"). Seller also owns the land located in Belfast, together with any improvements thereon and appurtenances thereto, northerly of the Cassida Property (as such term is defined in the Evaluation Agreement by and between the parties dated substantially herewith (the "Evaluation Agreement")) and easterly of the Waterfront Parcel (hereinafter defined), such land being depicted on Exhibit A in yellow dots above the lot marked "Cassida Property" and is marked "Additional Parcel", such land being a portion of the land identified on the City of Belfast Tax Map 29 as Lot 39 and containing approximately 12 acres (the "Additional Parcel"). The Realty and Additional Parcel, together with all right, title and interest of Seller in and to any land lying in the bed of any street, road, avenue, lane or other way (opened or proposed) adjacent to or abutting or adjoining such premises, together with all rights, privileges, rights of way and easements appurtenant to such premises, and all other appurtenances and rights associated with the property, including subterranean rights, air rights, water rights, riparian and littoral rights, rights in submerged lands, all sewer and utility rights allocated to the Realty and all rights and entitlements to the development of the Property is hereinafter referred to as the "Real Property". All buildings, fixtures and other improvements located thereon is hereinafter referred to as the "Improvements", and, together with the Real Property, the "Premises".

b. Lower Dam. Seller owns the dam structure located on the southeasterly portion of the Realty, which dam separates Belfast Reservoir Number One on Little River from Belfast Bay, and all appurtenances, rights, privileges and easements pertaining thereto including any flowage rights and access over the remaining land of Seller (the "Lower Dam").

c. Waterfront Parcel. Seller owns (i) the portion of City of Belfast Tax Map 29, Lot 39 which runs along the northerly shore of Little River, such land being depicted on Exhibit A as inside the red lines which are outside of the yellow lines and marked

“Waterfront Parcel”, (ii) the entirety of the Town of Northport Tax Map U1, Lot 6, which lot runs along the southerly shore of Little River between the Northport/Belfast town line and Route 1, (iii) the entirety of the City of Belfast Tax Map 4, Lot 23-C, which lot runs along the southwesterly shore of Little River northerly of the Northport/Belfast town line being approximately 3 acres, and Seller may have (iv) right, title and interest over the land (Tax Map 4, Lot 10) owned by a third-party for access to “Perkins Road” running from the northerly bound of the BWD premises on Lot 29, Map 39 to said Perkins Road (collectively (i) to (iv), with all appurtenances, rights, privileges and easements pertaining thereto, the “Waterfront Parcel”).

2. Options; Terms; Purchase Prices. Seller hereby grants to NAF the following options to purchase (collectively, the “Options”, and individually, an “Option”):

a. Premises Option. NAF shall have an option to purchase the Premises for twelve (12) months from the date hereof, provided, however, NAF shall have the right to extend this Option for an additional six (6) months by giving written notice of and payment for the extension to Seller on or before three hundred thirty (330) days from the date hereof (the “Premises Option”). At NAF’s election, on the Closing Date (as hereinafter defined) for the Premises Option, assuming Seller has the legal right to do so, Seller shall also grant to NAF an easement(s) appurtenant to the Premises over both the land owned by a third-party and the Waterfront Parcel for access to “Perkins Road,” a public right-of-way existing generally to the north of the Premises, which easement(s) shall be in a location and upon dimensions as NAF and the City may mutually agree. The total purchase price for the Premises is ONE MILLION FIFTY NINE THOUSAND and 00/100 Dollars (\$1,059,000.00) (being NINE HUNDRED SEVENTY FIVE THOUSAND and 00/100 Dollars (\$975,000.00) for the Realty and EIGHTY FOUR THOUSAND and 00/100 Dollars (\$84,000.00) for the Additional Parcel) (the “Premises Purchase Price”).

b. Lower Dam Option. NAF shall have an option to purchase the Lower Dam for a term ending on the earlier to occur of the following: two (2) years from the date of Closing on the Premises or, if NAF does not exercise its Premises Option, upon the expiration of the Premises Option (the “Lower Dam Option”). The total purchase price for the Lower Dam shall be ONE and 00/100 Dollars (\$1.00) (the “Lower Dam Purchase Price”).

3. Waterfront Parcel Agreement. Seller agrees to sell and the City agrees to buy, upon the terms and conditions hereinafter set forth and upon NAF closing on the purchase of the Premises, the Waterfront Parcel subject to easements necessary for the infrastructure related to NAF’s land-based aquaculture facility on the Premises and related improvements project (the “Project”) so long as such easements do not unreasonably interfere with the nature path located on the Waterfront Parcel. At the City’s election, assuming Seller has the legal right to do so, Seller shall also grant to the City an easement(s) appurtenant to the Waterfront Parcel over the land owned by a third-party for access to “Perkins Road,” a public right-of-way existing generally to the north of the Premises, which easement(s) shall be in a location and upon dimensions as NAF and the City may mutually agree. The total purchase price for the Waterfront Parcel shall be up to ONE HUNDRED THOUSAND and 00/100 Dollars (\$100,000.00) in the sole

discretion of BWD (the "Waterfront Parcel Purchase Price"). It shall be a condition to the Premises Option Closing that the City is contemporaneously purchasing the Waterfront Parcel from Seller on the terms and conditions herein. It shall be a condition precedent to the closing on the Waterfront Parcel that NAF is contemporaneously purchasing the Premises from Seller on the terms and conditions herein. The City agrees that the use of the Waterfront Parcel shall be restricted to conservation and passive recreation uses, subject to easements necessary for the Project as aforesaid.

4. Option Consideration. For the Options, NAF shall pay to Seller an option consideration of THIRTY THOUSAND DOLLARS and 00/100 (\$30,000.00) at the time of execution of this Agreement for the initial option term. If NAF decides to extend its option for any property for the additional six (6) months set forth above then NAF shall pay to Seller an additional option consideration of FIFTEEN THOUSAND DOLLARS and 00/100 (\$15,000.00) (collectively, together with interest earned thereon, if any, the "Options Consideration"). The Options Consideration shall be deemed paid to Seller when delivered to NAF's attorney described in Section 15 below ("Escrow Agent"). The Options Consideration shall be deposited in a federally insured interest-bearing bank account and disbursed according to the terms of this Agreement.

If NAF (a) does not exercise an Option or (b) fails to close on a purchase once it has exercised the Option for it, in either case due to a reason other than (y) a default by NAF or Seller as described below or (z) a failure to fulfill the title condition precedent described in Section 5b below, then all Options Consideration paid to Seller shall be retained by Seller, as liquidated damages and Seller's sole and exclusive remedy for any such breach. Further, if Seller, having the right, terminates the Evaluation Agreement pursuant to Sections 2A or 2B thereof, then all Options Consideration paid to Seller shall be returned to NAF. If NAF exercises an Option, the relevant Options Consideration shall be applied to the Purchase Price (hereinafter defined), as set forth below.

5. Exercise of Option/Purchase and Sale Agreement. NAF shall exercise its Options, if at all, as to the Premises or the Lower Dam at any time during the relevant Option term by delivering written notice to Seller of its intent to do so (the "Notice of Election to Purchase"). Upon any exercise of an Option as aforesaid, the following terms and provisions shall apply to conveyance of the relevant property:

a. Purchase Price. The Premises Purchase Price, Lower Dam Purchase Price and Waterfront Parcel Purchase Price are individually each referred to as a "Purchase Price" hereinafter and shall be paid as follows:

i. Premises. Subject to any adjustments and prorations hereafter described, at the Closing NAF shall pay the Premises Purchase Price to Seller or its agent as follows:

1. NAF shall receive a credit for all Options Consideration paid to Seller; and
2. NAF shall pay the balance to Seller in lawful currency of the

United States of America in immediately available funds by wire transfer to an account designated by Seller in writing.

ii. Lower Dam. Subject to any adjustments and prorations hereafter described, at the Closing NAF shall pay the Lower Dam Purchase Price of ONE and 00/100 Dollar (\$1.00) to Seller in immediately available funds by wire transfer to an account designated by Seller in writing.

iii. Waterfront Parcel. Subject to any adjustments and prorations hereafter described, at the Closing the City shall pay the Waterfront Parcel Purchase Price to Seller or its agent in lawful currency of the United States of America in immediately available funds by wire transfer to an account designated by Seller in writing.

b. Deed. The relevant property shall be conveyed by Seller in fee simple absolute, by a good and sufficient quitclaim deed with covenant in accordance with the Short Form Deeds Act, 33 M.R.S.A. §761, *et seq.* (each a "Deed"), running to NAF or the City, as applicable, or their nominee or designee in accordance with Section 17 below. A Deed shall convey a good and clear record and marketable title to the Premises or Waterfront Parcel, as applicable, insurable on the current ALTA Standard Owners Form at standard rates, with standard printed exceptions for parties in possession and mechanics' liens deleted, free from all mortgages and monetary liens and all other encumbrances except: (i) those matters listed on Exhibit B attached hereto, and (ii) any matters created by or suffered by the relevant buyer. A Deed shall convey title to the Lower Dam, free from all mortgages and monetary liens and all other encumbrances except: (i) those matters listed on Exhibit B attached hereto, and (ii) any matters created by or suffered by NAF. Each Deed shall be in proper form for recording and shall be duly executed, acknowledged and delivered by Seller at the Closing.

It shall be a condition precedent to all Closings that the relevant buyer has obtained a title commitment in form and substance acceptable to it, with such endorsements as it may require, and if it is unable to obtain such a title commitment, NAF may, at its option, (i) rescind the Notice of Election to Purchase as though the Notice of Election to Purchase had not been delivered, or (ii) extend the sixty (60) day time period provided for the Option Closing by no more than sixty (60) days in order to obtain such title commitment.

c. Closing. Unless extended pursuant to the terms of this Agreement, the closing of the transactions contemplated hereunder (each individually a "Closing" occurring on a "Closing Date") shall take place as follows:

i. Premises Closing Date. The Closing of the Premises shall occur at 10:00 a.m. on the thirtieth (30th) day following the receipt by Seller of the Notice of Election to Purchase the Premises, or such earlier date as may be mutually agreed upon by the parties (such date, as the same may be extended pursuant to the terms of this Agreement, the "Premises Closing Date").

ii. Waterfront Parcel Closing Date. The Closing of the Waterfront Parcel shall occur on the same day and immediately after the closing on the Premises (such date, as the same may be extended pursuant to the terms of this Agreement, the "Waterfront Parcel Closing Date").

iii. Lower Dam Closing. The Closing of the Lower Dam shall occur at 10:00 a.m. on the thirtieth (30th) day following the receipt by Seller of the Notice of Election to Purchase the Lower Dam or such earlier date as may be mutually agreed upon by the parties (such date, as the same may be extended pursuant to the terms of this Agreement, the "Lower Dam Closing Date").

Each Closing shall occur at the offices of the City's attorney described in Section 15 below. If a Closing Date shall fall on a Saturday, Sunday or legal holiday, the Closing Date shall automatically be extended to the next business day. The Closing may be conducted in the customary manner of an escrow closing by the parties making delivery of all closing documents and funds to the Title Company on or prior to the Closing Date, and in such event the attendance of the parties at Closing shall not be required. Time is of the essence in this Agreement.

Each Closing shall not be deemed to be completed until all documents and payments as aforesaid have been properly delivered (and recorded where appropriate) to the satisfaction of all parties.

Seller may, at the relevant Closing, use the relevant Purchase Price, or any portion thereof, to clear the title of any and all encumbrances or interests provided that all such instruments so procured are recorded simultaneously with the delivery of the relevant Deed.

d. Seller Closing Deliverables. At each Closing, Seller shall deliver the following documents, reasonably satisfactory in form and substance to the relevant buyer, properly executed and acknowledged as required:

i. A Deed;

ii. Evidence reasonably satisfactory to NAF and to the Title Company or the City and its attorney of Seller's authority and the authority of the signatory on behalf of Seller to convey the relevant property pursuant to this Agreement;

iii. As to the Premises and Waterfront Parcel, affidavits sufficient for the Title Company or NAF's or the City's attorney to delete any exceptions for parties in possession and mechanics' or materialmen's liens from the owner's title insurance policy (the "Title Insurance");

iv. Such other instruments as the relevant buyer may reasonably request consistent with the terms of this Agreement, so long as said documents do not create any new or continuing obligations on behalf of Seller.

e. Buyer Closing Deliverables. At each Closing, the relevant buyer shall deliver, or cause to be delivered, the following payment and documents, reasonably satisfactory in form and substance to Seller, properly executed and acknowledged as required:

i. The relevant Purchase Price, as adjusted in accordance with the terms hereof;

ii. A closing statement setting forth the Purchase Price and the closing adjustments and prorations as further described below (the "Closing Statement");

iii. The Federal and State of Maine tax certificate and disclosures; and

iv. Such other instruments as Seller may reasonably request consistent with the terms of this Agreement.

f. NAF's Conditions to Closing. Without limiting any other conditions to NAF's obligations to close set forth in this Agreement, the obligations of NAF under this Agreement are subject to the satisfaction at the time of each Closing of each of the following conditions (any of which may be waived in whole or in part by NAF at or prior to Closing):

i. There shall be no final judgment materially affecting the ability of Seller to perform its obligations rendered against Seller, or if, within thirty (30) days after entry thereof, such judgment shall have been discharged or execution thereof stayed, or if, within thirty (30) days after the expiration of any such stay, such judgment shall have been discharged.

ii. All of the representations by Seller set forth in this Agreement or any Exhibit attached hereto shall be true and correct in all material respects. With respect to any representation made to the best of Seller's knowledge, the condition to Closing shall be not only that such representation still be true to the best of Seller's knowledge, but that the specific fact or condition that was the subject of the representation also be true.

iii. Seller shall have performed, observed and complied with all material covenants and agreements required by this Agreement to be performed by Seller at or prior to Closing.

iv. Subject to the provisions of Sections 5(k) and 7 hereof, the physical and environmental condition of the Premises shall not have changed

adversely after the date hereof, reasonable wear and tear and acts caused by NAF excepted.

If any of NAF's foregoing conditions is not fully satisfied on or before the Closing Date and it is susceptible to cure by Seller, Seller shall use reasonable efforts to satisfy such condition, in which event Seller shall have a period not exceeding thirty (30) days after the Closing Date to satisfy such condition, and the Closing Date shall be extended accordingly. If (despite Seller's reasonable efforts to cure where applicable), any such condition is not fully satisfied on or before the extended Closing Date, NAF shall have the option to either (x) terminate this Agreement by notice to Seller, in which event this Agreement shall terminate and all obligations of the parties hereto shall cease without further recourse or remedy of the parties hereunder, except for those obligations which are stated herein to survive the termination of this Agreement and the Options Consideration paid to Seller shall be returned to NAF forthwith, (y) waive such condition and proceed to consummate the transaction contemplated hereby in accordance with the provisions of this Agreement, or (z) if any such condition is susceptible of being cured by NAF, then NAF shall have the right, but not the obligation, to take such actions and incur such costs and expenses as necessary to satisfy such condition and any and all costs and expenses incurred by NAF shall be deducted from the relevant Purchase Price at Closing. Notwithstanding the foregoing, in the event that the failure to satisfy any condition precedent to Closing is caused by a breach by Seller of its obligations set forth in this Agreement, Seller shall be deemed to be in default hereunder, in which event the foregoing cure period and NAF's option shall not be applicable and the provisions of Section 12 below shall apply.

g. The City's Conditions to Closing. Without limiting any other conditions to the City's obligations to close set forth in this Agreement, the obligations of the City under this Agreement are subject to the satisfaction at the time of the Closing on the Waterfront Parcel of each of the following conditions (any of which may be waived in whole or in part by the City at or prior to Closing):

i. There shall be no final judgment materially affecting the ability of Seller to perform its obligations rendered against Seller, or if, within thirty (30) days after entry thereof, such judgment shall have been discharged or execution thereof stayed, or if, within thirty (30) days after the expiration of any such stay, such judgment shall have been discharged.

ii. All of the representations by Seller set forth in this Agreement or any Exhibit attached hereto shall be true and correct in all material respects. With respect to any representation made to the best of Seller's knowledge, the condition to Closing shall be not only that such representation still be true to the best of Seller's knowledge, but that the specific fact or condition that was the subject of the representation also be true.

iii. Seller shall have performed, observed and complied with all material covenants and agreements required by this Agreement to be performed by Seller at or prior to Closing.

iv. Subject to the provisions of Sections 5(k) and 7 hereof, the physical and environmental condition of the Premises shall not have changed adversely after the date hereof, reasonable wear and tear and acts caused by the City excepted.

If any of the City's foregoing conditions is not fully satisfied on or before the Closing Date and it is susceptible to cure by Seller, Seller shall use reasonable efforts to satisfy such condition, in which event Seller shall have a period not exceeding thirty (30) days after the Closing Date to satisfy such condition, and the Closing Date shall be extended accordingly. If (despite Seller's reasonable efforts to cure where applicable), any such condition is not fully satisfied on or before the extended Closing Date, the City shall have the option to either (x) terminate this Agreement by notice to Seller, in which event this Agreement shall terminate and all obligations of the parties hereto shall cease without further recourse or remedy of the parties hereunder, except for those obligations which are stated herein to survive the termination of this Agreement, (y) waive such condition and proceed to consummate the transaction contemplated hereby in accordance with the provisions of this Agreement, or (z) if any such condition is susceptible of being cured by the City, then the City shall have the right, but not the obligation, to take such actions and incur such costs and expenses as necessary to satisfy such condition and any and all costs and expenses incurred by the City shall be deducted from the Waterfront Parcel Purchase Price at Closing. Notwithstanding the foregoing, in the event that the failure to satisfy any condition precedent to Closing is caused by a breach by Seller of its obligations set forth in this Agreement, Seller shall be deemed to be in default hereunder, in which event the foregoing cure period and the City's option shall not be applicable and the provisions of Section 12 below shall apply.

h. Seller's Conditions to Closing. Without limiting any other conditions to Seller's obligations to close set forth in this Agreement, the obligations of Seller under this Agreement are subject to the satisfaction at the time of each Closing of each of the following conditions (any of which may be waived in whole or in part by Seller at or prior to Closing):

i. NAF and Seller shall have entered into a water supply agreement pursuant to which NAF will have the right to purchase, and Seller will commit to supply to NAF, water for use in connection with the Project (the "Water Supply Agreement").

ii. NAF and Seller shall enter into a license agreement pursuant to which Seller shall have the irrevocable right to occupy the office and garage facilities existing on the Realty as of the date hereof for a period ending on the

earlier to occur of the following: (y) on the first (1st) anniversary of the Premises Closing Date, or (z) Seller is able to move its offices, equipment and vehicles into and provide services to the public from its new headquarters and associated operations facilities (the "License Agreement"), such agreement to be on commercially reasonable terms mutually agreeable to NAF and Seller and to (a) provide that Seller pay taxes, utilities and other occupancy costs and expenses but no license or rental fee, and (b) include a holdover penalty/damages provision.

iii. Seller has acquired an MPUC Order/Opinion, subject to and in accordance with Section 2A of the Evaluation Agreement.

iv. As to the Premises Closing, the City shall be contemporaneously closing on the purchase of the Waterfront Parcel.

If any of Seller's foregoing conditions is not fully satisfied on or before a Closing Date, Seller shall have the option to either (y) terminate this Agreement by notice to the other parties, in which event this Agreement shall terminate and the Options Consideration shall be retained by Seller (unless the failure of condition results from a breach or default of Seller, in which event the Options Consideration shall be returned to NAF forthwith) and all obligations of the parties hereto shall cease without further recourse or remedy of the parties hereunder, except for those obligations which are stated herein to survive the termination of this Agreement, or (z) waive such condition and proceed to consummate the transaction contemplated hereby in accordance with the provisions of this Agreement.

i. Apportionment of Taxes and Other Charges. All normal and customarily proratable items, including, without limitation, real estate taxes and assessments (if applicable), utility bills (except as hereinafter provided) and collected rents and other income (if any), shall be prorated as of a relevant Closing Date, Seller being charged and credited for all of the same relating to the period up to the Closing Date and the relevant buyer being charged and credited for all of the same relating to the period on and after the Closing Date. If the amount of any such item is not known at the time of the delivery of the relevant Deed, such item shall be apportioned on the basis of the comparable period of the prior year or a current estimate, with a reapportionment within ninety (90) days of the Closing Date or as soon thereafter as the amount of the item is actually determined. Final readings and final billings for utilities will be made if possible as of the Closing Date, in which event no proration shall be made at the Closing with respect to utility bills. Otherwise a proration shall be made based upon the parties' reasonable good faith estimate, and a readjustment made within thirty (30) days after Closing or such later date as shall be necessary so that such readjustment may be based upon actual bills for such utilities. Seller shall be entitled to receive a return of all deposits presently in effect with the utility providers, and the relevant buyer shall be obligated to make its own arrangements for deposits with the utility providers. The provisions of this Section shall survive the Closing for a period of twelve (12) months, and in the event of any error in performing the prorations contemplated by this Agreement or if information becomes available subsequent to the Closing indicating that the prorations performed at Closing

were not accurate, the parties hereto shall be obligated to re-prorate the closing adjustments to correct such errors and to reflect such new information. A detailed statement shall setting forth the manner of computation of the aforesaid pro-ration adjustments shall be included on the Closing Statement.

j. Closing Costs. Each of Seller and the relevant buyer shall be responsible for preparing such documents as it is obligated to deliver pursuant to Sections 5d and 5e hereof and for its own legal expenses. Seller and the relevant buyer agree to allocate closing costs as follows:

i. Transfer/conveyance taxes (if applicable) shall be divided evenly between Seller and the relevant buyer.

ii. A buyer's title insurance expenses and premiums shall be paid by that buyer.

iii. The cost of an update to the most recent survey of the Premises or of a new survey and any related surveyor's certificate shall be paid by NAF.

iv. The cost of preparation and recordation of any releases and termination statements required to clear title to the Premises shall be paid by Seller.

v. The cost of preparation of each Deed shall be paid by Seller.

vi. The costs of performing each Closing and drafting any other closing documents not described in Sections 5d and 5e hereof, and any escrow charges shall be paid by the relevant buyer.

k. Condition of Premises at Closing and Closing Inspection. At a Closing, but without limiting any of the other conditions to Closing hereunder and except as may be provided in the License Agreement, full possession of the relevant property, free of all tenants and occupants and of all personal property located on the relevant property and owned by Seller is to be delivered to the relevant buyer at the Closing, the relevant property to be then in the same condition as on the date hereof, reasonable use and wear excepted, and excepting the removal of any buildings and/or fixtures by Seller; provided such removal does not create and unsafe condition, nuisance or other violation of law. NAF and the City and their agents, employees, representatives or independent contractors shall be entitled to an inspection of the relevant property prior to the Closing in order to determine whether the condition thereof complies with the terms of this Section.

6. Entire Agreement Herein. The parties understand and agree that their entire agreement is contained herein, in the Water Supply Agreement and Evaluation Agreement that no warranties, guarantees, statements, or representations shall be valid or binding on a party unless set forth in this Agreement. It is further understood and agreed that all prior understandings and agreements heretofore had between the parties are merged in this Agreement

which alone fully and completely expresses their agreement and that the same is entered into after full investigation, neither party relying on any statement or representation not embodied in this Agreement. This Agreement may be changed, modified, altered or terminated only by a written agreement signed by the parties hereto.

7. Condemnation. If all or a material part of the Realty or Additional Parcel is taken by condemnation, eminent domain or by agreement in lieu thereof, or any proceeding to acquire, take or condemn all or part of the Realty or Additional Parcel is threatened or commenced, NAF may either terminate this Agreement (in which event NAF shall be entitled to a return of the Options Consideration paid to Seller), or purchase the Realty or Additional Parcel in accordance with the terms hereof, without reduction in the relevant Purchase Price, together with an assignment of Seller's rights to any award paid or payable by or on behalf of the condemning authority. Otherwise NAF shall complete the transaction and shall receive an assignment of Seller's rights to the award therefor at Closing. If Seller has received payments from the condemning authority and if NAF elects to purchase the Realty or Additional Parcel, Seller shall credit the amount of said payments against the relevant Purchase Price at the Closing. For the purposes hereof, a part of the Realty or Additional Parcel shall be deemed "material" if in NAF's judgment the taking thereof would adversely affect NAF's ability to pursue the proposed Project as such term is defined in the Evaluation Agreement.

8. Representations of Seller. In order to induce the buyers to enter into this Agreement and to consummate the purchase of the Premises, Seller hereby represents to each as of the date of this Agreement and as of each Closing Date that the following representations of Seller are true and correct in all material respects:

a. Seller has the power and authority to enter into this Agreement and complete the transactions contemplated herein, all action necessary to authorize the execution and delivery of this Agreement has occurred, the individual executing this Agreement and all documents to be executed by Seller are duly authorized, and this Agreement and all such documents that are to be executed by Seller and delivered to the relevant buyer at the relevant Closing are duly authorized, executed and delivered by Seller and enforceable against Seller in accordance with its terms.

b. There are no leases, licenses or other forms of occupancy agreements affecting the Premises or Waterfront Parcel or any maintenance, management or other contracts affecting either of these that will survive the Closing.

c. There is not now pending nor, to Seller's best knowledge, has there been threatened, any action, suit or proceeding against or affecting the Premises or Waterfront Parcel or Seller with respect thereto, whether before or by any federal or state court, commission, regulatory body, administrative agency or other governmental body, domestic or foreign, or otherwise.

d. Seller has not received notice of any pending or threatened proceeding for a taking or condemnation of the Premises or Waterfront Parcel.

e. Seller has not received notice of any assessment for public improvements applicable to the Premises or Waterfront Parcel.

f. Seller has not received notice of any proposal for or pending moratorium, rezoning, overlay, or other change to the land use classification or restrictions affecting the Premises or Waterfront Parcel.

g. Seller's rights, title and interest in and to and ownership of the Premises or Waterfront Parcel and all portions thereof and rights appurtenant thereto have never been challenged or questioned.

9. Representations of Buyer. NAF and the City hereby represent and warrant to Seller as of the date hereof and as of each Closing Date that the following representations of it are true and correct in all material respects:

a. It has the power and authority to enter into this Agreement and complete the transactions contemplated herein, all action necessary to authorize the execution and delivery of this Agreement has occurred, the individual executing this Agreement and all documents to be executed by it are duly authorized, and this Agreement and all such documents that are to be executed by it and delivered to Seller at the Closing are duly authorized, executed and delivered by it and enforceable against it in accordance with its terms.

b. There are no proceedings pending or, to its knowledge, threatened against it in any court or before any governmental authority or any tribunal which, if adversely determined, would have a material adverse effect on its ability to purchase the relevant property or to carry out its obligations under this Agreement, the Water Supply Agreement (as to NAF only), or the Evaluation Agreement.

10. Maintenance; New Leases or Agreements, Etc. Between the date hereof and the Closing:

a. Seller shall maintain all of its property subject to this Agreement in at least the same condition as the same is in at the date hereof, reasonable wear and tear and the consequences of any taking by eminent domain excepted. Seller shall maintain insurance on the Premises as currently insured.

b. Seller shall not enter into any lease, license or other occupancy agreement of all or any part of its property subject to this Agreement or any other agreement affecting such property without the relevant buyer's prior written consent (which the relevant buyer may withhold in its sole and absolute discretion).

c. Seller shall not make any commitments or representations to any other Governmental Authorities, any adjoining property owners, and civic association or interest groups concerning its property subject to this Agreement that would be binding upon the relevant buyer in any manner.

d. Seller shall promptly deliver to the relevant buyer copies of any notices or other correspondence it receives from any other Governmental Authorities (as such terms is defined in the Evaluation Agreement) regarding its property subject to this Agreement.

11. Broker. Each party represents hereby to the other that it dealt with no broker in the consummation of this Agreement and each party shall indemnify and save the other harmless from and against any claim arising from the breach of such representation by the indemnifying party. The provisions of this Section shall survive the Closing or, if applicable, the termination of this Agreement.

12. Default; Remedies. Either party shall be in default hereunder if they fail to fulfill its obligations as set forth in this Agreement, Water Supply Agreement or Evaluation Agreement.

a. In the event of a material default by Seller hereunder, then the relevant buyer shall deliver to Seller a written notice of such material breach, which notice shall set forth complete information describing the nature of the material breach. In the case of a non-monetary default, Seller shall use its reasonable efforts to cure any such breach, default or failure and in such event the Closing Date shall be extended by a written notice from Seller to the other parties for a period of up to thirty (30) days as specified in said notice. If, despite Seller's reasonable efforts, Seller fails to cure any such breach, default or failure on or before the extended Closing Date, each buyer shall have the right to exercise any one of the following remedies:

i. terminate this Agreement by written notice to Seller, in which event the Options Consideration paid to Seller for all purchases that have not yet closed shall be paid (or repaid, as the case may be) to NAF, and (except for those obligations which are stated herein to survive the termination of this Agreement) all obligations of the parties under this Agreement shall terminate; provided, however, if such default is as a result of a willful breach by Seller, in addition to a return of the Option Consideration, NAF and the City shall each be entitled to immediate payment from Seller of all reasonable out of pocket costs incurred by that party in connection with this Agreement and the Project (including under and pursuant to the Evaluation Agreement); or

ii. seek specific performance of this Agreement; or

iii. if any default by Seller is susceptible of being cured by NAF or the City, then NAF and the City shall have the right, but not the obligation, to take such actions and incur such costs and expenses as necessary to cure such default and any and all costs and expenses incurred by it shall be deducted from the relevant Purchase Price at the Closing; or

iv. waive the default and proceed to consummate the transaction contemplated hereby in accordance with the provisions of this Agreement.

The foregoing remedies shall be NAF's and the City's sole and exclusive remedies and each waives consequential damages against Seller, except in the event of fraud or intentional default by Seller.

b. In the event of a material default by NAF or the City hereunder, then Seller shall deliver to the other parties a written notice of such material breach, which notice shall set forth complete information describing the nature of the material breach. In the case of a non-monetary default, the defaulting party shall use its reasonable efforts to cure any such breach, default or failure and in such event the Closing Date shall be extended by a written notice from the defaulting party to Seller for a period of up to thirty (30) days as specified in said notice. If, despite the defaulting party's reasonable efforts, the defaulting party fails to cure any such breach, default or failure on or before the extended Closing Date, Seller shall have the right to exercise any one of the following remedies: terminate this Agreement by written notice to the other parties, in which event the Options Consideration paid to Seller for all purchases that have not yet closed shall be given to Seller as its sole remedy, at law or in equity, and (except for those obligations which are stated herein to survive the termination of this Agreement) all obligations of the parties under this Agreement shall terminate; provided, however, if such default is as a result of a willful breach by NAF or the City, in addition to retaining the Option Consideration, Seller shall each be entitled to immediate payment from the breaching party of all reasonable out of pocket costs incurred by Seller after the date the applicable Option was exercised pursuant to a Notice of Election to Purchase.

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13. Continuation and Survival of Representations, Indemnifications and Covenants. All provisions, covenants, representations, warranties, indemnifications and covenants of the parties contained herein or made in writing pursuant to this Agreement are intended to be and shall remain true and correct as of the time of Closing, shall be deemed to be material, shall survive the execution and delivery of this Agreement, and shall survive the Closing (unless and to the extent otherwise provided herein).

14. Recording. It is agreed hereby that this Agreement shall not be filed for recording with the Register of Deeds for the County of Waldo or with any other governmental body but that a memorandum of this Agreement may be recorded at any party's request.

15. Notices. Any notice or communication which may be or is required to be given pursuant to the terms of this Agreement shall be in writing (from either a party hereto or its counsel) and shall be sent to the respective party at the address set forth in the first paragraph of this Agreement, by hand delivery, by postage prepaid certified mail, return receipt requested, by a nationally recognized overnight courier service that provides tracing and proof of receipt of items mailed, or to such other address as either party may designate by notice similarly sent. Notices shall be effective upon receipt or attempted delivery if delivery is refused or the party no longer receives deliveries at said address and no new address has been given to the other party pursuant to this paragraph. A copy of any notice to NAF shall also be simultaneously sent to Mintz, Levin, Cohn, Ferris, Glovsky & Popeo, P.C., One Financial Center, Boston, Massachusetts 02111, Attention: Daniel O. Gaquin, Esq. A copy of any notice to the City shall

also be simultaneously sent to Kelly & Associates, LLC, 96 High Street, Belfast, Maine 04915, Attention: William Kelly, Esq. A copy of any notice to Seller shall also be simultaneously sent to Eaton Peabody, 80 Exchange Street, Bangor, Maine 04402, Attention: Sarah L. Reinhart, Esq. Notices by any party may be sent by such party's counsel.

16. Captions. The captions in this Agreement are inserted only for the purpose of convenient reference and in no way define, limit or prescribe the scope or intent of this Agreement or any part hereof.

17. Successors and Assigns.

a. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.

b. NAF may not assign this Agreement and the rights or benefits hereof, except that NAF may assign this Agreement, without Seller's consent, to an entity that directly or indirectly controls, is controlled by or is under common control with NAF or any institutional investor partner of NAF which entity was also assigned and did assume the Evaluation Agreement and Water Supply Agreement. The term "control" means the power to direct the management of such entity through voting rights, ownership or contractual obligations.

c. The City may not assign this Agreement but may assign title to a land trust of independent trustees or directors for the Waterfront Parcel after closing, so long as the Waterfront Parcel shall be used exclusively for municipal and/or public use and benefit.

18. Governing Law. The laws of the State of Maine shall govern the validity, construction, enforcement and interpretation of this Agreement.

19. Title Matters. Any matter or practice arising under or relating to this Agreement which is the subject of a title standard or practice standard of the Maine State Bar Association shall be governed by such standard to the extent applicable.

20. Multiple Counterparts. This Agreement may be executed in any number of identical counterparts. If so executed, each of such counterparts shall constitute this Agreement. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

21. Post-Closing Obligations. After the Closing, the parties shall cooperate with one another at reasonable times and on reasonable conditions and shall execute and deliver such instruments and documents as may be necessary in order fully to carry out the intent and purposes of the transactions contemplated hereby. Except for such instruments and documents as the parties were originally obligated to deliver by the terms of this Agreement, such cooperation shall be without additional cost or liability.

22. Entire Agreement. This Agreement supersedes all prior agreements and

understandings between the parties, including those contained in any letter of intent and any extensions or modifications thereof, and represents the full and complete understanding of the parties hereto in conjunction with the Water Supply Agreement or in the Evaluation Agreement. It being the intent of the parties that all obligations of the parties are contained only in this Agreement, and the entire agreement of the parties is fully set forth herein.

IN WITNESS WHEREOF, the parties hereto have executed this Options and Purchase Agreement as an instrument under seal as of the day and year first written above.

SELLER:

BELFAST WATER DISTRICT

By: 
Name: Keith Pooler
Title: Superintendent
Hereunto Duly Authorized

BUYERS:

NORDIC AQUAFARMS, INC.

By: 
Name: Erik Heim
Title: President
Hereunto Duly Authorized

CITY OF BELFAST

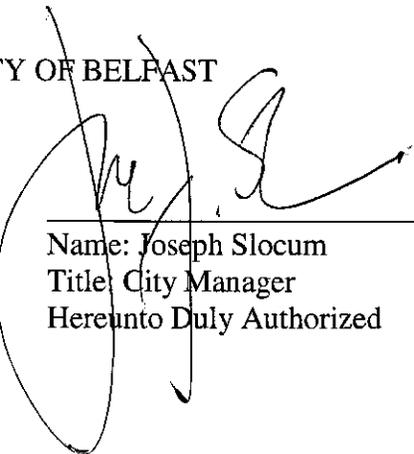
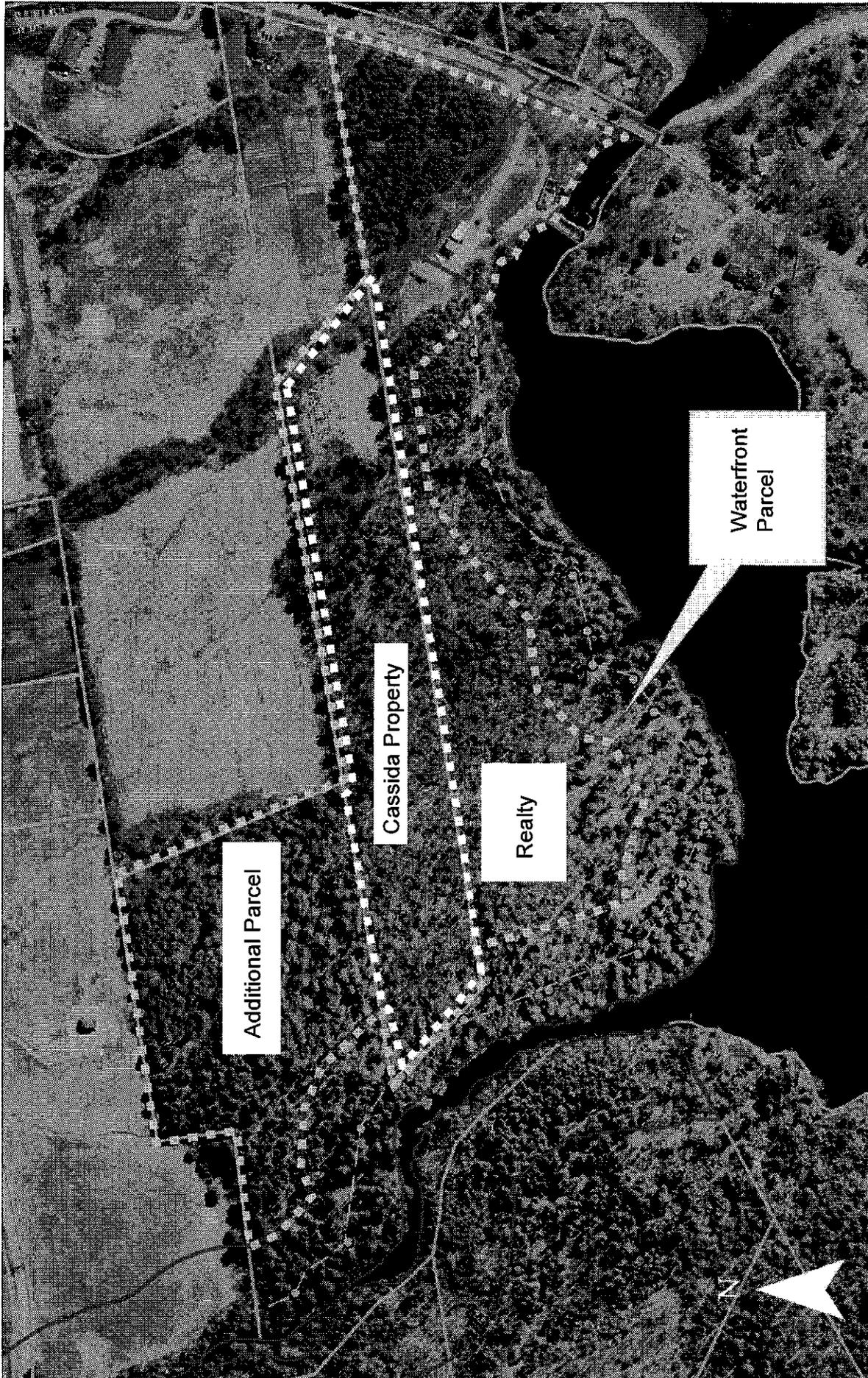
By: 
Name: Joseph Slocum
Title: City Manager
Hereunto Duly Authorized

EXHIBIT B

PERMITTED ENCUMBRANCES

1. meter vault
2. water supply line for Northport Village Corporation
3. access and utility easements benefiting Seller's remaining land including the Additional Parcel and Lower Dam

EXHIBIT A



Red Line - Shoreland Zone - 250' from HAT
Green Line - 100' Structure Setback in Resource Protection Shoreland Zone

District Land - @ 30 Acres
Cassida Land - @ 14 Acres (white dash)
Total Land - @ 44 Acres (yellow dash)

