

## EVALUATION AGREEMENT

This Evaluation Agreement, dated as of January 30, 2018, is by and between the **Belfast Water District**, a quasi-municipal, consumer-owned water utility district with offices at 285 Northport Avenue, Belfast, Maine 04915 ("**BWD**"), **Nordic Aquafarms, Inc.**, a Delaware corporation with an address of c/o Nordic Aquafarms AS, Øraveien 2, 1630 Gml Fredrikstad, Norway ("**NAF**") and the **City of Belfast**, a municipal corporation having an address of 131 Church Street, Belfast, Maine 04915 ("**City**").

### WITNESSETH

**WHEREAS**, NAF is considering the development of a land-based aquaculture facility and related improvements (the "**Project**") on the portion of BWD's real property defined as the **Realty** in that certain Options And Purchase Agreement between the parties hereto of substantially even date herewith (the "**Acquisition Agreement**") and in which event it would purchase water from BWD pursuant to that certain Water Supply and Purchase Agreement between BWD and NAF of substantially even date herewith (the "**Water Agreement**") (all capitalized terms herein which are not defined herein shall have the meanings set forth in the Acquisition Agreement);

**WHEREAS**, in order to purchase the Premises (as defined in the Acquisition Agreement) and develop and operate the Project, NAF needs to conduct due diligence, including (1) testing of the public water source and surrounding private wells to assess both water quality and quantity, and (2) tests and inspections of the Premises and surrounding land to assess its suitability;

**WHEREAS**, before NAF can determine if it wants to take title to the dam structure located on the southeasterly portion of the Realty, which dam separates Belfast Reservoir Number One on Little River from Belfast Bay, (the "**Lower Dam**") NAF needs to conduct tests and inspections of it and BWD needs to investigate with Maine officials as to its priority (or not) to the State of Maine;

**WHEREAS**, before BWD can sell NAF real estate and water under the Water Agreement, BWD needs to either receive approval of the sale from the Maine Public Utilities Commission ("**MPUC**") pursuant to 35-A MRS §703 and 1101, or receive an opinion from MPUC's general counsel or otherwise that approval is not required;

**WHEREAS**, in order for BWD to sell NAF the Premises, BWD needs to find and relocate its headquarters and associated operations facilities to a new location;

WHEREAS, in order for NAF to develop and operate the Project, NAF needs to procure permitting approval from local, state, and federal authorities for the Project; and

WHEREAS, the City views the Project as an economic development opportunity which benefits the City and its inhabitants because it is investing in the future for generations of Belfast workers and ancillary businesses that will provide services to the Project.

NOW THEREFORE, in consideration of the foregoing and the mutual promises of the parties contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **NAF's Evaluations.** Commencing on the date hereof, and continuing for a period of twelve (12) months thereafter, unless further extended by NAF as hereinafter provided or unless this Agreement is earlier terminated (as may be extended or earlier terminated, the "NAF Period") (the parties intending said NAF Period to be the same as the term of the Premises Option under the Acquisition Agreement):

A. **Water Testing:** NAF and its agents and representatives may perform whatever water quality and quantity testing of the public water source and surrounding private wells (the "Water Source") NAF may deem necessary or desirable to confirm whether the water is suitable in quality and quantity for the operation of the Project (including to determine whether capital investments or operating costs will be required for water treatment) (collectively, the "Water Source Testing"). NAF shall provide the results of all water quality and quantity testing of the public Water Source to BWD. Nothing herein shall prevent BWD from performing whatever water quality and quantity testing of the Water Source it deems necessary.

If NAF determines the Water Source requires filtrations or other treatment for its use, including activated carbon treatment (the "Water Treatment"), then the City shall contribute one-half of the NAF's actual incurred costs for such Water Treatment up to a maximum amount of One Hundred Twenty Thousand and 00/100 Dollars (\$120,000.00) over six (6) years.

B. **Realty Due Diligence:** NAF and its agents and representatives may perform whatever inspections and tests of the Realty, Additional Parcel and Waterfront Parcel (as such terms are defined in the Acquisition Agreement) along with that additional property owned by BWD identified on the City of Belfast assessing records as Tax Map 4, Lot 22 (collectively the "Inspection Property") it deems necessary or desirable, including title review; surveys; architectural,

engineering, water quality and capacity, geo-technical, environmental, and hydrogeological inspections and tests (including test pits, sampling, borings, and drilling); and any other due diligence investigations, tests or analyses that NAF may deem necessary or desirable for NAF's development and operation of the Project (collectively, the "Due Diligence"). NAF shall provide the results of all water quality and capacity testing of public Water Source on the Realty to BWD.

**C. Dam Inspections:** NAF may conduct due diligence on the Lower Dam, which diligence may include, without limitation, external structural inspections, tests, and investigations as the parties agree are reasonably necessary, including, without limitation, inspections, tests, and investigations related to the structural integrity of the Lower Dam (collectively, the "Dam Inspections"). The cost of any Dam Inspections shall be equally split between NAF and the City. The City and NAF estimate those costs to be no more than Twenty Thousand Dollars and 00/100 (\$20,000.00) per party and agree to confer if the costs exceed that estimated amount. This cost-sharing obligation shall survive the termination of this Agreement.

**D. NAF Permitting:** NAF may, at such time as it deems appropriate pursue all final, unappealable endorsements, approvals, orders, permits, special permits, variances, subdivision approvals, site plan approvals, waivers, authorizations, and zoning changes (collectively, "Governmental Approvals") from all local, town, regional, county, state, and federal entities, instrumentalities, agencies, authorities, and commissions as have jurisdiction over the Premises (collectively, "Governmental Authorities") necessary or desirable for the Project. The process, sequence, and schedule for pursuing the Governmental Approvals shall be determined by NAF in its sole discretion. It is NAF's present intention to commence pursuit of, and diligently and in good faith pursue, the Governmental Approvals and file the necessary applications therefor as soon as reasonably practicable subject to satisfactory progress and/or completion of its Due Diligence as it shall determine prudent. NAF shall keep BWD apprised as to the schedule and progression thereof.

It shall be NAF's responsibility to obtain, and to pay for, all Governmental Approvals necessary or desirable for the development and operation of the Project. The City (excluding its own municipal permits and licenses) and BWD, upon NAF's reasonable request, shall cooperate with NAF as reasonably necessary (including signing applications in a timely manner) to obtain such Governmental Approvals provided that NAF shall promptly reimburse BWD for all reasonable external costs incurred by BWD in connection with BWD's cooperation and, provided further, that no such Governmental Approval will have a material adverse effect on BWD's use of the Premises. BWD shall advise NAF and obtain NAF's consent before incurring any external costs which would require reimbursement.

**E. Cassida Lease:** NAF shall diligently and in good faith endeavor to enter into a binding contract to purchase or lease the immediately adjacent real property with Samuel E. Cassida (which real property consists of approximately twelve (12) acres located at 271 Northport Avenue, and identified as Tax Map 4, Lot 104 (the "Cassida Property") (the "Cassida Contract").

**F. Extension and Termination Rights:** If before the expiration of the NAF Period NAF has been unable to complete any of the foregoing to NAF's satisfaction, NAF shall have the right to extend the NAF Period for a six (6) month period by giving both (i) written notice of and (ii) payment for the additional option consideration set forth in Section 4 of the Acquisition Agreement to Seller on or before three hundred thirty (330) days from the date of the Acquisition Agreement.

NAF may, for any reason or for no reason, terminate this Agreement prior to the expiration of the NAF Period upon written notice to BWD and the City. Upon any such termination, all obligations of the parties hereto shall cease and this Agreement shall be terminated and the parties shall be without further recourse or remedy hereunder, except for those obligations which are stated herein to survive the termination of this Agreement. In the event that NAF terminates this Agreement as herein provided, NAF shall promptly return to BWD all documents and materials in NAF's possession delivered by BWD or BWD's representatives relating to the Inspection Property.

**2. BWD Period.** Commencing on the date hereof and continuing for a period of one hundred twenty (120) days thereafter (as may be extended or earlier terminated, the "BWD Period"):

**A. MPUC Approval:** BWD shall diligently and in good faith use reasonable efforts to, as soon as possible, (1) acquire approval from the MPUC pursuant to 35-A MRS §703 and 1101 of the sale of the Premises and Water Parcel and the sale of water under the Water Agreement, if legally required, or (2) in the alternative, seek confirmation that the approval of the MPUC is not required for the sale of the Premises by BWD to NAF and the Water Parcel by BWD to the City, which confirmation shall be evidenced by either (a) a writing signed by the MPUC, or (b) an opinion of MPUC's general counsel, in each case reasonably acceptable to NAF, the City and BWD (collectively 1 and 2 are, "MPUC Order/Opinion").

If before the expiration of the BWD Period BWD is unable to obtain the MPUC Order/Opinion, then BWD and NAF shall have the right to terminate this Agreement by written notice to the other party and the City and the Options Consideration (as defined in the Acquisition Agreement) paid to BWD pursuant to the Acquisition Agreement shall be returned to NAF, whereupon 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. In the event NAF or BWD terminates this Agreement as herein provided, NAF shall promptly return to BWD all documents and materials in NAF's possession delivered by BWD or BWD's representatives relating to the Inspection Property. In the event that either party fails to terminate this Agreement on or before the expiration of the BWD Period, each shall be deemed to have waived the provisions of this Section 2A and this Agreement shall remain in full force and effect.

**B. BWD Relocation:** BWD shall diligently and in good faith, using reasonable efforts, endeavor to locate as soon as possible a replacement site for the relocation of BWD's operations existing at the Premises as of the date hereof (the "Replacement Site"). The City has endeavored to assist BWD in identifying a Replacement Site, and the parties have preliminarily identified a City-owned site on Crocker Road as a potentially suitable Replacement Site and which the City has offered to sell to BWD for One Dollar and 00/100 (\$1.00). If despite such efforts BWD has not entered into a binding contract to purchase or a long-term lease for a Replacement Site (a "Site Contract") before the expiration of the BWD Period, then BWD may terminate this Agreement prior to the expiration of the search period upon written notice to NAF and the City. Upon any such termination, the Options Consideration paid to BWD pursuant to the Acquisition Agreement shall be returned to NAF and all obligations of the parties hereto shall cease and this Agreement shall be terminated and the parties shall be without further recourse or remedy hereunder, except for those obligations which are stated herein to survive the termination of this Agreement. In the event that BWD terminates this Agreement as herein provided, NAF shall promptly return to BWD all documents and materials in NAF's possession delivered by BWD or BWD's representatives relating to the Inspection Property. In the event that BWD fails to terminate this Agreement on or before the expiration of the BWD Period, BWD shall be deemed to have waived the provisions of this Section 2B and this Agreement shall remain in full force and effect.

### **3. Access.**

In conducting any Due Diligence of the Inspection Property, NAF and its agents and representatives: (i) (together with the equipment or machinery of any such party) shall have a license to access the Inspection Property at all reasonable times for the purpose of conducting the Due Diligence; (ii) not unreasonably interfere with BWD's use or maintenance of the Inspection Property; (iii) comply with all applicable laws; (iv) promptly pay when due the costs of all Due Diligence done with regard to the Inspection Property; (v) not permit any liens to attach to the Inspection Property by reason of the exercise of its rights hereunder; and (vi) promptly repair any damage to the Inspection Property not resulting from BWD's actions and restore any areas disturbed resulting directly from any such Due

Diligence substantially to their condition prior to the performance of such Due Diligence.

Except as arising from BWD's negligence, gross negligence, or willful misconduct or any matter arising from the mere discovery of a pre-existing condition at the Inspection Property, NAF hereby agrees to indemnify and hold BWD harmless from, all third-party claims, liabilities, damages, losses, costs, expenses (including, without limitation, reasonable attorneys' fees), actions, and causes of action arising out of personal injury and/or property damage directly caused by any entry onto the Inspection Property by, or any Due Diligence performed by NAF, its agents, independent contractors, servants and/or employees. The provisions of this Section 3 shall survive the termination of this Agreement.

NAF shall obtain and maintain, at its expense: (i) statutory Worker's Compensation and Employers Liability Insurance with available limits of not less than \$1,000,000, which insurance must contain a waiver of subrogation; (ii) Commercial General Liability coverage with available limits of not less than \$4,000,000 in combined single limits for bodily injury and property damage and covering the contractual liabilities assumed under this Contract; (iii) business automobile liability insurance with available limits of not less than \$2,000,000 combined single limit for bodily injury and/or property damage per occurrence; and (iv) such other insurance as BWD may reasonably require. Such policy(s) shall provide primary (and not merely contributory coverage) to BWD. A policy endorsement naming BWD and its designee as an additional insureds and specifying such coverage shall be furnished to BWD prior to the execution of this Agreement, and the required coverage will be kept in force until all of NAF's obligations under this Contract have been fully discharged and fulfilled, or until NAF shall have been specifically released by a written instrument signed by an authorized officer of NAF, which release BWD agrees not to unreasonably withhold, condition or delay. NAF shall also provide BWD with a copy of the insurance policies upon request of BWD. The insurance policies or certificates thereof shall provide that the insurance carrier must give BWD notice at least thirty (30) days in advance of cancellation of coverage, of any change in coverage, or of cancellation of the policy.

In order to facilitate NAF's Due Diligence, BWD will promptly, but in any event no later than ten (10) days after the date hereof, supply NAF with any and all information relating to the Inspection Property (including, without limitation, title information, surveys, environmental reports, engineering studies, tax bills, legal notices, permits, approvals, and such other information as NAF may reasonably request) in BWD's possession or under BWD's control. At no cost other than a reasonable internal cost to BWD, BWD shall also reasonably cooperate with NAF and its agents to facilitate its due diligence investigations, including consent to and

coordinating tree removal as may be reasonably required for such access and testing.

4. Miscellaneous.

A. **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. 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 BWD 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.

B. **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.

C. **Successors and Assigns:** This Agreement shall be binding upon the parties hereto and their respective successors and assigns. NAF may not assign this Agreement and the rights or benefits hereof, except that NAF may assign this Agreement, without BWD'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 if the entity was also assigned and did assume the Acquisition Agreement and Water Agreement. The term "control" means the power to direct the management of such entity through voting rights, ownership or contractual obligations. The City may not assign this Agreement and the rights or benefits hereof.

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

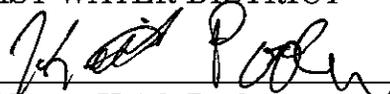
E. **Multiple Counterparts:** This Agreement may be executed in any number of identical counterparts. If so executed, each of such counterparts shall constitute this Agreement. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

F. **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 Acquisition Agreement and Water Agreement. It being the intent of the parties that all obligations of the parties are contained only in this Agreement, the Acquisition Agreement and Water Agreement, and the entire agreement of the parties is fully set forth herein.

G. **Authority.** Each party hereto represent to the others that it has the power and authority to enter into this Agreement and advance the transactions contemplated herein, all action necessary to authorize the execution and delivery of this Agreement has occurred, the individual executing this Agreement is duly authorized, and this Agreement is duly authorized, executed and delivered and enforceable against such party in accordance with its terms.

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

SELLER:  
BELFAST WATER DISTRICT

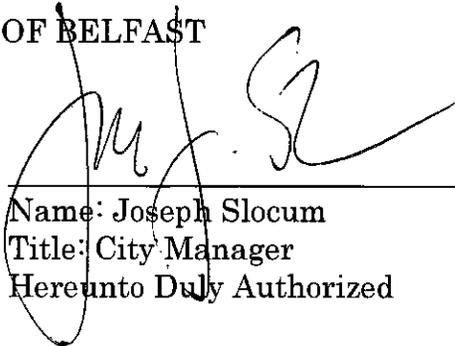
By:   
Name: Keith Pooler  
Title: Superintendent  
Hereunto Duly Authorized

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