

FILE REF: XX100/489C

Option for Lease - Proposed Fish Farm Site at Stromeferry

On behalf of CROWN ESTATE SCOTLAND, (in Gaelic, Oighreachd a' Chrùin Alba) established as a body corporate in terms of the Crown Estate Scotland Order 2017 previously carrying on business under the name of "Crown Estate Scotland (Interim Management)", (in Gaelic, Oighreachd a' Chrùin Alba (Stiùireadh Eadar-amail)) and renamed in terms of the Scottish Crown Estate Act 2019, on behalf of His Majesty the King, having its principal office at Quatermile 2, 2nd Floor, 2 Lister Square, Edinburgh, EH3 9GL, I offer to grant LOCH LONG SALMON LTD the option ("the Option"), for a period of 36 months subject to the option to extend as detailed below, 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 ("the planning permission");
 - 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 36 months from the date of this letter otherwise the Option will cease to be of effect.

Where a planning application for fish farming purposes is rejected by the Planning Authority, the Option will cease to be of effect and will automatically terminate. If you intend to appeal the Planning Authority's decision this must be confirmed to Crown Estate Scotland within 30 days of the Planning Authority's decision. Crown Estate Scotland may then at its discretion permit the Option to persist for the purpose of the appeal but has no obligation to do so.
3. You may apply to extend the duration of the Option in respect of all or part of the Option area for a further period of 24 months, provided;
 - 3.1 you apply within 18 months from the date of this letter, for the avoidance of doubt, if you do not apply within 18 months from the date of this letter, the option shall terminate at the expiry of the initial 36-month period;
 - 3.2 you give written notice to Crown Estate Scotland in the form of the application letter attached to this letter together with payment of One Thousand (£1000) Sterling being the option extension fee, and

- 3.3 you send together with your application supporting documented evidence (including for example a site investigation report and a feasibility study) of development potential, all to the reasonable satisfaction of Crown Estate Scotland.

Crown Estate Scotland will be entitled to terminate any extension of the option, by written notice being sent to you, in the event that they are not, at their sole discretion, satisfied with the supporting evidence provided in terms of clause 3.3.

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 Option 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.

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 36 months from the date of this letter have passed and you do not have a relevant planning application registered.

6.2 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;

6.3 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 Land and Buildings Transaction 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 you 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. **You will pay Crown Estate Scotland the applicable fee for the Option ('the Option fee') of £4,500.00. The Option shall have no effect until the Option fee is paid.**

13. This letter shall become binding on Crown Estate Scotland and on you when you have signed the acceptance docquet below and a copy and the Option fee has been received by Crown Estate Scotland.

14. 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 Quartermile Two, 2nd Floor, 2 Lister Square, Edinburgh EH3 9GL .

15. 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.

16. If Crown Estate Scotland has not received a copy of this letter with the acceptance docquetted signed and the Option fee paid by the expiry of 31 days from the date of this letter, then the letter is deemed to be withdrawn and shall have no effect.

17. By your acceptance of this letter, you acknowledge that acceptance results in the conclusion of a binding legal contract and that you have been advised to seek independent legal advice before signing.

Yours faithfully

For and on behalf of Crown Estate Scotland at Edinburgh.

Date:

On behalf of LOCH LONG SALMON LTD I accept the Offer from Crown Estate Scotland 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

Signature:

Full Name Print:

Address:

Date:

This is the form of the Option Notice referred to in the foregoing letter by Crown Estate Scotland to

Crown Estate Scotland
 Quatermile 2
 2nd Floor
 2 Lister Square
 Edinburgh
 EH3 9GL

I/we refer to the Option Agreement dated 202[] for the area of seabed for a proposed fish farm at Stromeferry, XX100/489C.

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 shellfish 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

Signature:

Full Name Print:

Address:

Date:

This is the form to apply to extend and vary this Option Agreement referred to in the foregoing letter by Crown Estate Scotland to

Crown Estate Scotland
 Quatermile 2
 2nd Floor
 2 Lister Square
 Edinburgh
 EH3 9GL

I/we refer to the Option Agreement dated 202[] for the area of seabed for a proposed fish farm at Stromeferry, XX100/489C.

This letter is an Application to extend and vary this Option Agreement.

I/we attach a copy of [] in support of this application.

I/we understand and agree that the Option Agreement will be amended as follows:-

With effect from the date of this letter the Option Agreement shall be varied as follows:-

Shall delete:-

the words "36 months" from paragraph 2 of the Agreement

and shall add:-

the words "60 months"

Shall delete:-

the words "36 months" from paragraph 6.1 of the Option Agreement

and shall add:-

the words "60 months"

I/we have taken legal advice before signing this application to extend or have decided not to take legal advice.

I enclose payment of £1000 (one thousand pounds)

FORM OF ACCEPTANCE

I hereby agree to observe the terms and conditions set out in this letter, of which the foregoing is a duplicate.

Signed

Date

Full Name

On Behalf of

For and on behalf of
Crown Estate Scotland
Quartermile 2
2nd Floor
2 Lister Square
Edinburgh
EH3 9GL

.

Signed

Date:
