SECTOR OPERATIONS PLAN AND AGREEMENT

This NORTHEAST FISHERY SECTOR OPERATIONS PLAN AND AGREEMENT (this "Agreement") is entered into as of September 1, 2010 (the "Effective Date"), by and among Northeast Fishery Sector XII ("NEFS XII") and each of the Sector members identified on the attached **Exhibit A**.

Recitals

A. Pursuant to "Amendment 16" to the Northeast Multispecies Fishery Management Plan and implementing regulations promulgated by the National Marine Fisheries Service ("NMFS"), a group of persons holding limited access multispecies vessel permits may form self-selecting voluntary sectors for fishery management. As a condition to forming a sector under Amendment 16, the persons wishing to do so must enter into a binding sector operations plan and agreement that contains the required elements.

B. The parties to this Agreement wish to form a self-selecting voluntary sector under Amendment 16, and to do so are entering into this Agreement.

Agreement

Now therefore, for and in consideration of the agreements, covenants, rights and obligations set forth herein and the mutual benefits anticipated by the Members under this Agreement, the receipt and sufficiency of which is hereby acknowledged, the Members and Sector hereby agree as follows:

1. Sector Name. The organization described under this Agreement shall be called the XII Northeast Fishery Sector. This is a non-profit organization incorporated in Massachusetts on May 26, 2009 and therefore may be held liable for violations committed by its members.

2. Sector Eligibility and Membership. To be eligible to be a member of the Sector, a person must hold a limited access Northeast multi-species permit and meet all other Sector eligibility requirements established from time to time by the Sector's Board of Directors (the

"Board"). Any person wishing to become a Sector member must submit an application no later than sixty (60) days prior to the annual deadline by which Sector applications must be submitted to NMFS. Sector membership shall be effective upon admission of a member by the Board and acceptance by execution by such member of the Sector's Membership Agreement. Subject to the automatic renewal provisions of Section 12 below, and the disciplinary expulsion provisions of Section 13 below, Sector membership shall expire at the conclusion of each fishing year, unless renewed by the Board in accordance with the Sector's Bylaws and this Agreement. The Sector's members (the "Members"), such Members' "Limited Access Multispecies Permit" (LA MS) as identified by its "Moratorium Rights Identifier" (MRI), and the vessels that will harvest the Sector's Amendment 16 allocations are identified on the attached **Exhibit A** , which may be amended from time to time in accordance with this Agreement and the Sector's Bylaws.

2.1 Rule of Three Requirement: Amendment 16 to the NE multispecies FMP defines a sector as a group of three or more persons, none of whom have an ownership interest in the other two persons in the sector. This criterion has been fulfilled with permit # 240738 under the distinct ownership of David Goethel, permit # 240880 under the distinct ownership of Peter Kendall, and permit # 310609 under the distinct ownership of Fanel Dobre.

3. Member and Vessel Permits. The attached **Exhibit B** is provided in accordance with the requirements of Amendment 16 that all state and federal permits held by Members or assigned to Members' vessels be disclosed in each sector's annual operations plan.

4. Sector Allocation and Exemptions. Each Member shall take all actions and execute all documents necessary to obtain the Sector's Amendment 16 annual catch entitlement ("ACE"). The Sector shall request all universal exemptions granted to sectors under Amendment 16 and relating multispecies implementing regulations; and any special exemptions the Board deems appropriate. The special exemptions initially requested by the Sector are identified on the "Harvesting Rules" attached hereto as **Exhibit C.**

5. Distribution of Sector ACE. Each Member acknowledges that the Sector's ACE is composed of allocations for each species of Northeast multispecies groundfish allocated by Amendment 16 (each such species being an "Allocated Species"). Subject to the terms and

conditions of this Agreement, each Member shall be entitled to harvest or transfer an amount of the Sector's ACE for each Allocated Species proportionate to the amount of ACE for such species that the Sector receives as a result of such Member's membership in the Sector. The amount of Sector ACE a Member may harvest or transfer, as adjusted by transfers and Sector retainages including but not limited to the Reserve, made in accordance with this Agreement, is referred to hereafter as a Member's "Harvest Share". Each Member may harvest or transfer its Harvest Share only under the terms and conditions of this Agreement and in compliance with the restrictions imposed by the Manager (as defined below), the Enforcement Committee (as defined below) and the Board in accordance with this Agreement. Any other attempted harvest or transfer of a Member's Harvest Share shall be a breach of this Agreement.

6. Sector Manager and Registered Agent. The Board shall from time to time appoint a person to act as the Sector's authorized agent in all NMFS and New England Fishery Management Council matters (the "Manager"), and a person to serve as the registered agent for receiving service of process on behalf of the Sector (the "Registered Agent"). The procedures for appointing the Manager and the Registered Agent shall be as provided in the Sector's Bylaws, as the same may be amended from time to time. The Manager and the Registered Agent may be the same person. The Manager shall be responsible for preparing and filing all reports required of the Sector under Amendment 16 and the related implementing regulations. Joshua Wiersma will serve as the registered agent for receiving service of process on behalf of the Sector and as the NEFS XII Sector Manager.

6.1 Communication with Sector. The Manager is the primary point of contact for all communications on behalf of the Sector and all communications regarding NEFS XII should be directed accordingly. However, in limited situations, where NMFS has reason to communicate with the Board of Directors of NEFS XII, rather than its Manager, or in addition to the Manager, the communication should be in writing and sent in hard copy to all Board members. After the Board has had an opportunity to discuss the issue as needed, a written reply, electronic or by post, will be provided from the President, of NEFS XII; with the entire Board being carbon copied on such communication. In the event communication with the

Board of NEFS XII is necessary, the following link should be utilized to ensure that the communication is directed to the current Board.

http://corp.sec.state.ma.us/corp/corpsearch/corpsearchinput.asp

7. Consolidation Plan. The Sector's ACE shall be harvested in accordance with the terms and conditions of this Section 7.

7.1 Harvest Share Reserve. Each Member acknowledges that under NMFS regulations, the Members' aggregate harvest of the Sector's ACE may not exceed the Sector's ACE allocation, as adjusted by transfers of ACE between the Sector and other sectors. Each Member further acknowledges that under NMFS regulations, each Member may be held jointly liable for fines, penalties and forfeitures related to the Sector's ACE being overharvested. Each Member therefore authorizes the Manager to annually establish a reserve of each Allocated Species in the amount the Manager deems necessary to insure the Sector's ACE is not over-harvested (the "Reserve"). The Reserve for each Allocated Species shall be established by assessing the Members' Harvest Shares for such Allocated Species on a pro rata basis, according to their Harvest Share percentages for each such species. The amount of each Member's Harvest Share available for harvest or transfer shall be net of the amount assessed for the Reserve. The Reserve shall be managed under a "Deemed Value System" ("DVS") by the Manager in accordance with the terms and conditions adopted by the Board from time to time. If the Board requires that Members pay for distributions from the Reserve, the DVS payments received by the Sector shall be distributed to the Members after the close of fishing for the year on a pro rata basis, such that each Member receives a share of the total amount paid for distributions of each Allocated Species from the Reserve proportionate to the amount of such Allocated Species each Member contributed to the Reserve.

7.2 Harvest Share Use. Only Members that notify the Manager in writing on or before March 15, 2011 (the "Notification Date"), and on or before succeeding Notification Dates established by the Board for FY 2011 and thereafter of their intention to harvest Sector ACE ("Active Members") may harvest Sector ACE. Each Member's notice that such Member intends to harvest Sector ACE shall identify the vessels which will be used for such harvest.

Non-active Members shall not harvest Sector ACE, including without limitation, their own Harvest Share. No Active Member shall harvest an amount of Sector ACE in excess of their Harvest Share. Harvest of each Member's Harvest Share shall be subject to all NMFS and other management regulations generally applicable to the Sector's ACE (including but not limited to seasonal apportionments and area harvest restrictions) on a discreet, individual basis; i.e., no greater percentage of each Member's Harvest Share may be harvested in any season or area than the percentage of the related Sector ACE allocation permitted to be harvested in such season or area. The Manager may impose and enforce additional restrictions on each Active Member's harvest of Sector ACE authorized by this Agreement or adopted by the Board.

7.2.1 Non-Active Members. The Members acknowledge that Active Members are assuming certain costs and risks associated with harvesting the Sector's ACE on behalf of the non-Active Members, and that the Active Members are making certain financial contributions to the Sector that are not made by non-Active Members. Obligations assumed by Active Members that are not imposed on non-Active Members include, but are not limited to payments of the initial Membership Fee, and paying Network and Sector fees in connection with landings of catch harvested under the Sector's ACE. In consideration for the Active Members assuming these costs, risks and fee obligations, each non-Active Member shall:

(a) Not fishing in ACE-accountable fisheries;

(b) Participate only as a transferor with regards to transfer of such member's Harvest Share within the sector. However, a Non-Active member may act as a transferee through an Inter-Sector transfer of ACE provided the transaction results in a net increase of this Sector's ACE.

(c) Not have access to information on Fishtrax, or other Sector specific tools, other than the information necessary to track the balance of such Member's Harvest Share, and specifically, shall not have access to Harvest Share Offers or Permit Offers posted on behalf of Members;

(d) Not have the rights of first offer on Sector Harvest Share and the related Sector ACE extended to Active Members, which may be adopted or amended from time to time by the Board under Section 7.3, and shall not have a right of first refusal on Permits extended to Active Members, which may be adopted or amended from time to time by the Board under Section 15;

(e) Pay Sector Operating Fees on the net amount of Sector ACE transferred out of the Sector by such Member, and pay the Network Fee on the net amount of Sector ACE transferred out of the NEFS Sectors by such Member.

7.3 Harvest Share Transfer. Subject to the terms and conditions of this Agreement, each Member may transfer some or all of such Member's Harvest Share to one or more other Members on such terms and conditions as the transferor Member and the transferee Member(s) may agree. No transfer of a Member's Harvest Share shall become effective until the Manager has received actual notice of such transfer. No Member may transfer any portion of such Member's Harvest Share to any person other than another Sector Member unless the Board first authorizes such transfer in writing. Any such transfer shall be subject to such terms and conditions as the Board may adopt from time to time, including by not limited to establishment of procedures to implement Right of First Offer (the "ROFO"). Right of First Offer, that is extended in accordance with the terms and conditions established by the Board shall be in favor of first, the Active Members of NEFS XII, second, the Active Members of the other Northeast Fishery Sectors, and third other interested parties. Without limiting the foregoing, the Sector Board of Directors may condition, review, approve and restrict transfers of Harvest Shares to non-Members as it deems necessary to promote the harvest of the Sector's entire ACE allocation and ensure that the Sector's management and administrative costs can be recouped through reasonable Sector membership fees established by the Board.

7.4 Harvesting Rules and Fishing Plan. The Board may from time to time adopt such restrictions on harvest of the Sector's ACE as the Board deems necessary to ensure the Sector's compliance with Amendment 16 and related implementing regulations (such

restrictions referred to hereafter as "Harvesting Rules"). The Harvesting Rules are set forth on **Exhibit C**. Each Active Member shall conduct their harvest of the Sector's ACE in strict compliance with the Harvesting Rules. Each Member shall exercise their best efforts to ensure such Member's Harvest Share is harvested in accordance with the Harvesting Rules. The Manager shall annually develop a Sector fishing plan (the "Fishing Plan"), that promotes harvest of the Sector's ACE **in accordance with the Harvesting Rules** and shall make the Fishing Plan available to Active Members prior to the commencement of the fishing season.

7.5 Re-direction Of Effort. The Members anticipate their level of participation in other state and federal fisheries for which they are licensed shall remain consistent with previous levels of participation, though preliminary communication with current Sector Members indicates a possibility exists that a limited number of vessels may switch fishing effort into the fisheries listed below. Pursuant to the requirements of Amendment 16, the Sector shall report all Members fishing activity known to it as part of the annual report.

- Fishery: Monkfish Gear: Gillnet
- Fishery: Dogfish Gear: Gillnet
- Fishery: Skates Gear: Gillnet
- Fishery: Herring Gear: otter trawl
- Fishery: Whiting Gear: otter trawl
- Fishery: Silver Hake Gear: otter trawl
- Fishery: Butterfish Gear: otter trawl
- Fishery: Cusk Gear: otter trawl
- Fishery Squid Gear: otter trawl

7.6 Sector Vessel Interactions with Allocated Species in Non-Amendment 16 Fisheries. NMFS will account for Member harvests of Allocated Species as harvests of the Sector's ACE, regardless of whether such harvests are made during directed groundfish fishing trips or during other fishing trips, unless the Allocated Species harvest is managed under another management plan or as a sub-component annual catch limit ("ACL") of Amendment 16 Allocated Species. Each Active Member shall report every fishing trip by such Member to the Manager prior to sailing, for determination whether the related Allocated Species harvest must be accounted for to NMFS as harvest of the Sector's ACE.

7.7 Consolidation and Redistribution of ACE: Scientific recommendations and new Magnuson requirements will influence the level of consolidation that will take place in the groundfish fishery. The Sector members intend to utilize sector management to mitigate excessive consolidation that may occur in the effort controlled system where overall management measures are based upon the weakest stocks.

In FY 2010, 55 % of the permits enrolled in the NEFS XII for FY 2011 are attached to vessels actively fishing for NE multispecies. For FY 2011, the NEFS XII sector has 11 permits currently enrolled. Of those 11 permits, 55% are anticipated to actively fish for NE multispecies in FY 2011. While these numbers may change, the NEFS XII sector expects that, compared to FY 2010, there would be no change from the consolidation that previously occurred within the sector during FY 2010. The member permits that are not attached to active NE multispecies vessels in FY 2011 are the same permits that leased out their PSC in FY 2010. In most cases, a member who owns multiple permits fished the ACE of all those permits on a single hull and will now continue to fish the ACE contributed by all those permits on the same single hull, resulting in no additional consolidation.

8. Release of Catch Data. Pursuant to section 402(b)(1)(F) of the Magnuson-Stevens Fishery Conservation and Management Act, 16 U.S.C §1881a(b)(1)(F), the undersigned hereby authorizes the release to the XII, Northeast Fishery Sector Inc., of information that is considered to be confidential or privileged by the Magnuson-Stevens Act or other federal law regarding the catch of various species of fish associated with the limited access Northeast multispecies permit with the Moratorium Right Identifiers (MRIs) listed above submitted to the National Marine Fisheries Service in compliance with 50 CFR 648.7 and §648.87 that the undersigned has authority to access. This information includes data required to be submitted or collected by NMFS, including but not limited to days-at-sea allocation and usage, vessel trip reports, dealer reports, Northeast Fishery Observer Program data, catch and landings history data, Sector dockside and at-sea monitoring data, enforcement data, and all other information associated with the vessel, MRI #, and/or permit records.

9. Catch Monitoring and Reporting. Each Active Member shall comply with all catch monitoring and reporting requirements established by the Manager, which may include but are not limited to maintaining and filing copies of accurate catch logs, carrying fishery observers, installing and operating electronic vessel and catch monitoring equipment, delivering fish only at pre-approved dockside landing stations at pre-approved times, and completing and filing accurate delivery reports on a timely basis. Without limiting the foregoing, each Active Member shall submit on a timely basis all catch information as required by and necessary for the Manager to complete and file the Sector's weekly reports. Each Active Member's harvest of Sector ACE shall be calculated and tabulated in accordance with the catch accounting measures established by NMFS with respect to the Sector's ACE. Absent manifest error, the catch and delivery information produced by the Manager shall be presumed accurate, and absent manifest error, each Member's obligations under this Agreement and all related documents may be enforced to their fullest extent on the basis of such information.

10. Breach and Remedies for Breach. The benefits associated with Sector membership will only accrue to the Members if each of them strictly complies with this Agreement. Each Member will make significant operational and financial commitments based on this Agreement, and any Member's failure to fulfill any of its obligations under this Agreement could have significant adverse consequences for some or all other Members. Any failure by a Member to fulfill any of its obligations under this Agreement shall constitute a breach of this Agreement. Each Member shall be bound by the procedures set forth in this Section for determining whether a Member has breached this Agreement. The Sector shall be entitled to the remedies set forth in this Section if a Member is determined by the Sector to have breached this Agreement. Each Member shall take all actions and execute all documents the Manager deems necessary or convenient to give effect to the provisions of this Section.

10.1 Liquidated Damages Schedule and Schedule Amendments. The loss, costs and damages which may be suffered or incurred by Members as the result of any Member harvesting Sector ACE in excess of the amount such Member is authorized to harvest under this Agreement, or otherwise breaching this Agreement, will be difficult to calculate. The loss, costs

and damages the Members and the Sector could suffer as the result of a Member harvesting more Sector ACE than its Harvest Share, or otherwise breaching this Agreement, are likely to substantially exceed the market value of the excess harvest. Consequently, the Sector may impose and assess upon any breaching Member the liquidated damages amounts as established under Section 10.3, below.

10.2 Enforcement Committee. Not less than one hundred twenty (120) days prior to each annual Northeast multispecies groundfish season opening date (the "Season Opening Date"), the Manager shall call a meeting of the Board to appoint the Enforcement Committee for the upcoming year, and to address any other matters of Sector business properly before the Board. The Board shall meet for those purposes not less than ninety (90) days prior to the Season Opening Date, and at such meeting shall appoint an Enforcement Committee composed of five (5) persons. If the Board fails to do so, the Manager shall appoint the Enforcement Committee. The Enforcement Committee shall assist the Manager in setting and updating the liquidated damages amounts for breaches of this Agreement and shall hear and decide Members' appeals of the Manager's contract breach determinations and liquidated damages assessments.

10.3 Liquidated Damages Base Value and Multiplier Adoption. Not less than sixty (60) days prior to each annual Season Opening Date, the Manager shall establish the market value of an unprocessed pound of each Allocated Species (each such value being a "Base Value"), and transmit such Base Values to the Enforcement Committee. In establishing such Base Values, the Manager may take into account both the direct costs and the opportunity costs associated with an over-harvest of the relevant species. Not less than thirty (30) days prior to each annual Season Opening Date, the Enforcement Committee, in consultation with the Manager, shall adopt Base Values and Base Value multipliers, and the liquidated damages amounts for breaches of this Agreement other than over-harvest of a Member's Harvest Share, which shall be based on the Enforcement Committee's estimate of the losses that the Sector and its Members could be expected to suffer as a result of such breaches. Because the damages suffered by one or more other Sector Members as the result of a Member harvesting

an amount of Sector ACE in excess of its Harvest Share are likely to substantially exceed the market value of the excess harvest, the Base Value multipliers shall not be less than three (3). Upon the Enforcement Committee's adoption of Base Values and Base Value multipliers, such Base Values and Base Value multipliers will be the basis for calculation of damages for unreconciled Harvest Share overages.

10.4 Liquidated Damages Calculation. The liquidated damages amount for each pound by which a Member's harvest of an Allocated Species exceeds such Member's Harvest Share for such species shall be the relevant Base Value, multiplied by the relevant liquidated damages multiplier. The liquidated damages amounts for breaches of this Agreement, other than over-harvest of a Member's Harvest Share shall be as provided on **Exhibit D**.

10.5 Notice to Vessel Masters; Assumption of Liability. Each vessel harvesting a Member's Harvest Share, or participating in a fishery that may require utilization of a Member's Harvest Share (i.e., non-exempt monkfish), will be under the day-to-day command of the vessel's master who will to a significant degree have control over whether the vessel is operated in compliance with this Agreement. Each Member shall ensure that the master(s) of the vessel(s) harvesting such Member's Harvest Share are aware of the terms and conditions of this Agreement governing the harvest of such Member's Harvest Share, including without limitation the Harvesting Rules, and shall have confirmed their agreement to abide by such terms in writing. Each Member assumes all liability under this Agreement arising out of or related to the actions of the master(s) operating such Member's vessel(s).

10.6 Liquidated Damages Security. The Board may require that a Member that has two (2) or more NMFS fishing regulation violations, or which has breached this Agreement or another sector's operations plan on two (2) or more occasions, post a bond or obtain a letter of credit securing such Member's payment and performance obligations under this Agreement in such amounts as the Board deems appropriate, or may require such Member to personally guaranty, and/or have other Members or third parties personally guaranty, such Member's payment and performance obligations under this Agreement.

10.7 Manager Action in Response to Apparent Breach. The Manager shall monitor the Members' compliance with the terms and conditions of this Agreement. If the Manager becomes aware of an apparent breach of this Agreement by a Member, the Manager shall investigate the matter, and if the Manager concludes that a Member has breached this Agreement, the Manager shall notify such Member of the apparent breach and (if such breach is reasonably susceptible of cure) provide such Member with an opportunity to cure the breach. If such Member fails to demonstrate to the Manager, in the Manager's sole and absolute discretion, that no breach occurred, or to cure the breach within the time period directed by the Manager, taking into account the magnitude of the breach and the potential consequences of the breach for the Sector and the other Members, the Manager shall notify the Member in writing that the Manager is referring the alleged breach to the Enforcement Committee, and shall notify the Enforcement Committee in writing of the alleged breach and the proposed liquidated damages. Pursuant to Section 14, below, if during the investigation, notice and cure period described above, the Manager concludes it is necessary for the protection of the interests of the Sector and its Members, the Manager may issue a "Stop Fishing Order" to the Member in apparent breach, and if such Member fails to cause the vessels harvesting its Harvest Share to immediately stop fishing , the sector manager may take any action he/she deems necessary including without limitation, self help or court action which may include the seeking of injunctive relief.

10.8 Member Appeals. A Member receiving notice of an alleged breach and proposed liquidated damages shall have five (5) days from the date that the Member receives the notice to request an appeal hearing before the Enforcement Committee. If a Member fails to request a hearing within such 5-day appeal period, the Member's right of appeal shall expire, the Member shall be deemed to have breached this Agreement in accordance with the Manager's determination, and the Member shall be obligated to pay the related liquidated damages. If a Member timely requests an appeal hearing, the Manager shall consult with the Enforcement Committee and schedule an Enforcement Committee meeting for that purpose. The Enforcement Committee shall make reasonable efforts to schedule the meeting at a time and place such that the Member requesting the appeal is able to attend, and shall provide the

Member with at least thirty (30) days advance written notice of the time and place of the meeting. At such meeting, the Enforcement Committee shall provide the Manager with an opportunity to present evidence of the apparent breach, and shall provide the Member in apparent breach with a reasonable opportunity to rebut such evidence. Per Section 9, above, the catch and delivery data produced by the Manager shall be presumed accurate, and, absent manifest error, each Member's obligations under this Agreement and all related documents may be enforced to their fullest extent on the basis of such data. If the Enforcement Committee determines that a Member breached this Agreement, the Sector shall have the right to collect from such Member the liquidated damages amount provided for such breach under this Agreement.

10.9 Voluntary Compliance. In connection with breaches of this Agreement for which a Member is liable to the Sector or other Sector Members for liquidated damages, the Sector shall provide the breaching Member fifteen (15) days prior notice of its intent to exercise its rights of collection, during which period the Member may propose an alternative method of compensating the Sector and other Sector Members for the damages suffered as the result of such Member's breach. The Enforcement Committee may approve or disapprove any alternative form of compensation in its sole discretion, provided that if the breach at issue is an overharvest of a Member's Harvest Share, there shall be no liquidated damages imposed if the Member in breach obtains sufficient Harvest Share from other Members to offset the overharvest, and tenders conclusive evidence to that effect to the Enforcement Committee. Such Member shall nevertheless remain liable for the costs and fees incurred by the Sector in connection with the alleged breach, and the Sector shall be entitled to collect such costs and fees if such Member fails to pay the same within ten (10) days of receiving the Sector's demand for payment.

10.10 Liquidated Damages Collection and Related Expenses. If a Member fails to resolve a breach of this Agreement through voluntary compliance measures approved by the Enforcement Committee and performed by such Member on a timely basis, the Member in breach shall pay the liquidated damages amount assessed by the Sector within ten (10) days of

the end of the voluntary compliance period described in Section 10.9, above. Liquidated damages amounts not paid when due shall accrue interest at a rate of interest equal to the prime rate of interest announced by Bank of America, or such other bank as the Board may select from time to time, as of the last day of the voluntary compliance period plus twelve percent (12%). If a Member fails to pay the liquidated damages amount assessed by the Enforcement Committee with interest within thirty (30) days of the end of the voluntary compliance period described in Section 10.9, above, the Sector may pursue legal action to collect the liquidated damages. In addition, in connection with Member breaches resulting from an over-harvest of a Member's Harvest Share, the Sector (acting through the Enforcement Committee) may take possession of an amount of the Member in breach's Harvest Share for the overharvested species for the year in which the contract breach occurred and, if necessary, in subsequent years, in a total amount equal to three (3) times the amount of such over-harvest, provided that the amount of a Member's liability to the Sector for over-harvest shall be reduced proportionately to the extent that the Sector does so. In addition to liquidated damages, the Sector shall be entitled to all fees, costs and expenses, including attorney's fees, actually incurred by the Sector in connection with any action to collect liquidated damages from a Member in breach of this Agreement, whether or not the Sector prevails in such action.

10.11 Consequential Damages for Gross Negligence or Willful Misconduct. In addition to the liquidated damages imposed under this Section 10, each Member shall be liable for consequential damages in connection with a breach of this Agreement resulting from the Member's gross negligence or willful misconduct. Each Active Member shall be liable for the consequential damages arising out of or related to the gross negligence or willful misconduct of the captain operating such Active Member's vessel(s).

10.12 Distribution of Damages. Where a Member's breach causes one or more other Members to harvest less than their Harvest Share, damages awarded to the Sector under this provision shall first be distributed *pro rata* among the Members whose harvest was reduced, with each Member receiving a fraction of such funds, the numerator of which is the amount by which such Member's catch was less than such Member's allocation or

apportionment, and the denominator of which is the sum of the aggregate amount of by which all Members' allocations or apportionments were reduced as a result of the breach, up to the amount of loss suffered by each such Member as the result of the breach. Any damages awarded to the Sector in excess of those distributed to other Members under this Section, and any damages awarded in connection with a breach which does not cause any other Member's allocation or apportionment to be reduced, shall be retained by the Sector and applied to the costs of Sector operations.

11. Joint Liability and Indemnification. Each Member acknowledges that the Sector's Members may be held jointly liable for ACE overages, discarding of legal-sized fish and misreporting of catch landings or discards. Further, each Member acknowledges that should a hard total allowable catch ("TAC") allocated to the Sector be exceeded in a given fishing year, the Sector's allocation will be reduced by the overage in the following fishing year, and the Sector, each vessel participating in the Sector and each vessel operator and/or vessel owner participating in the Sector may be charged, as a result of said overages, jointly and severally for civil penalties and permit sanctions pursuant to 15 C.F.R. Part 904, and that if the Sector exceeds its TAC in more than one (1) fishing year, the Sector's ACE may be permanently reduced or the Sector's authorization to operate may be withdrawn.

In consideration of the foregoing, each Active Member agrees to indemnify, defend and hold the Sector and all other Members harmless from and against all liabilities, claims, fines, penalties and forfeitures of any nature whatsoever arising out of or related to any breach of this Agreement related to such Active Member's harvest of Sector ACE, and each Member agrees to indemnify, defend and hold the Sector and the other Members harmless from and against all liabilities, claims, fines, penalties and forfeitures of any nature whatsoever arising out of or related to such Member's breach of this Agreement. Each Member's indemnification obligation under this Section 11 is separate from and in addition to each Member's liquidated damages and consequential damages obligations under Section 10, above. Each Member authorizes the Board to require that a Member's obligations under this Section 11 be secured by a surety.

12. Membership Termination. No Member may terminate its membership in the Sector other than in accordance with this Section 12. A Member that has agreed to join the Sector prior to the Effective Date may withdraw from Sector membership prior to the Effective Date without penalty or prejudice. Thereafter, only a Member that is not in breach of this Agreement and that has no outstanding Sector performance or payment obligations may terminate its membership in the Sector, and may do so only in compliance with the terms and conditions of this Section 12. Notwithstanding the foregoing, the Board may terminate the membership of a Member in breach of its payment or performance obligations under this Agreement, as the Board deems appropriate in its sole discretion.

Subject to the provisions of this Section 12 regarding withdrawal prior to the Effective Date, above, a Member that is eligible to terminate such Member's Sector membership may do so only by providing written notice to that effect to all other Members on or before July 1, or such date as the Board may from time to time establish for that purpose (the "Termination Date") each year. A Member that fails to provide such notice by the Termination Date shall be deemed to have automatically renewed its Sector membership for the following year, and all other Members shall be entitled to act in reliance on such renewal accordingly. If any Member provides a membership termination notice by the Termination Date, each of the other Members shall have ten (10) days from the date they receive such notice to terminate their membership as well, notwithstanding the Termination Date notice deadline. Termination of membership in the Sector shall be effective as of the final day of the current fishing year.

If a Member is in breach of this Agreement or has outstanding Sector payment or performance obligations as of the Termination Date, unless the Board takes action to terminate such Member's membership, such Member's membership shall be deemed renewed for the following year, notwithstanding any notice of withdrawal such Member may give, and the Sector shall have the authority to file an application for a Sector allocation including such Member as a Member of the Sector. Each Member hereby grants the Sector a power-of-attorney, coupled with an interest, for such purposes, and authorizes each of the Sector's

officers to take any and all actions and execute any and all documents necessary or convenient to give effect to this provision.

Termination of membership shall not relieve a person or entity of any obligations under this Agreement related to the period during which such person or entity was a Member, including but not limited to liquidated damages obligations for breach of this Agreement, consequential damages obligations for breaches resulting from acts of gross negligence or willful misconduct, or indemnification obligations related to such person or entity's actions as a Member.

13. Expulsion. A Member may be expelled from the Sector at any time for: (i) a knowing, willful breach of this Agreement; (ii) any alleged breach of this Agreement that is either not appealed pursuant to Section 10.8, or is upheld by the Enforcement Committee after being appealed, and which such Member fails to cure through voluntary compliance approved by the Enforcement Committee pursuant to Section 10.9, or by paying liquidated damages in accordance with Section 10.10; (iii) perpetrating a fishery regulation violation that exposes Sector Members to joint liability for such violation. A Member shall be immediately and automatically expelled from the Sector if such Member ceases to be eligible to participate in the Sector or if such Member engages in conduct that exposes the Sector or other Sector Members to antitrust or unfair trade practice liability. As of the date of expulsion, the expelled Member shall lose all rights to harvest any portion of the Sector's ACE unless the expelled Member is re-admitted. Expulsion shall not relieve a Member of the obligation to pay fees that were levied prior to the date of expulsion, or to pay liquidated damages and costs and fees related to an action or omission by the expelled Member that preceded the date of expulsion. The Sector shall notify NMFS immediately upon a Sector Member's expulsion; by electronic email, followed by posted mail.

14. Stop Fishing Order; Injunctive Relief. Sector members may be held jointly and severally liable if (a) a Sector exceeds its ACE, (b) a Sector member discards legal-sized fish, or (c) a Sector member misreports landings or discards. If a Sector exceeds its ACE in a given fishing year, the Sector's allocation may be reduced by the overage in the following fishing year, and the Sector, each vessel, and vessel operator and/or vessel owner participating in the Sector

may be jointly and severally liable for civil penalties and permit sanctions pursuant to 15 C.F.R. Part 904 in connection with such overage. In addition, if a Sector exceeds its ACE in more than one (1) fishing year, NMFS may permanently reduce the Sector's ACE or withdraw the Sector's authorization to operate.

The Sector will exceed its ACE only if one or more members overharvest their Harvest Share, as (subject to the provisions of Section 7.1, above) the Sector's ACE, less the Reserve, is fully distributed to the Members as their Harvest Shares. A Member's overharvest of its Harvest Share would be a breach of this Agreement for which a Member would be liable for damages. Because each incident of ACE overharvest would constitute a separate violation of the Amendment 16 regulations, and because each such incident would be treated as a prior violation by NMFS for purposes of determining appropriate fines, penalties and forfeitures in connection with a subsequent violation, the damages suffered by the Sector as a result of an overharvest by one or more Members that resulted in the Sector overharvesting its ACE would be consequential and irreparable.

In consideration of these circumstances, and in consideration for the Sector waiving its right to require each Member to obtain a security bond or pledge collateral to secure its obligation to the Sector to limit its harvest of Sector ACE to such Member's Harvest Share, which consideration each Member agrees it has received and is sufficient, the Members hereby agree as follows.

14.1 The Sector, acting through the Manager, has the authority to issue to any Member that the Manager determines is in breach a Stop Fishing Order, and upon such issuance, such Member shall immediately cause all vessels harvesting its Harvest Share to cease doing so, and such Member shall not permit the vessels harvesting its Harvest Share to resume doing so unless and until the Manager rescinds the Stop Fishing Order. Each Member hereby releases the Sector, all other Members and the Manager from any and all liability of any nature whatsoever, including but not limited to both contractual and tort liability, for any direct or indirect, incidental or consequential losses or damages that a Member may suffer as a result of complying with a Stop Fishing Order.

14.2 If any vessel(s) harvesting a Members' Harvest Share does not immediately comply with a Stop Fishing Order in accordance with its terms, the Sector may exercise remedies of self help and take any and all other action as the Sector determines necessary to enforce the Stop Fishing Order and this Agreement, including injunctive relief. In seeking injunctive relief , the Sector Manager's burden of proof (if any) shall be satisfied by A.) production of a copy of the Stop Fishing Order and B.) evidence that the vessel continued to fish thereafter.

The Member shall be liable to the Sector for all losses, costs, damages, fees and expenses incurred by the Sector in connection with enforcement, including but not limited to, the costs of obtaining any bond the Sector may be required to post, whether or not the Sector prevails.

15. Permit Transfer/Sale. A Member may transfer a Permit to a party other than a Member, subject to a Right of First Refusal (the "ROFR"), which may be adopted or amended from time to time by the Board. Right of First Refusal, that is extended in accordance with the terms and conditions established by the Board shall be in favor of first, the Active Members, second, the Active Members of the other Northeast Fishery Sectors, and third other interested parties. No Member may transfer such Member's "LA MS" permit or "MRI" permit to a person who is not an Member unless such person assumes all of the transferring Member's obligations under this Agreement as of the effective date of such transfer. A person other than a Member who receives a Member's "LA MS" permit or "MRI" permit from a Member in accordance with this Section 15 (a "Transferee") shall only be eligible to participate in the Sector for the balance of the fishing year during which the transfer occurs, and thereafter may only remain a Sector Member if such Transferee applies for and is admitted to Sector membership in accordance with Section 2, above.

15.1 The Transferee shall be deemed a Non-Active Member of the Sector, with no rights to harvest any Sector ACE, including but not limited to the ACE allocated to the Sector in connection with the assets acquired under the Permit Offer. A Transferee wishing to acquire Active Member status during the fishing year in which the permit transfer occurred,

must submit a written request to the Board for consideration. The Board will have the authority to approve, conditionally approve or deny such request.

16. Release and Waiver of All Claims Against Sector Manager; Indemnification and Hold Harmless. Each Member acknowledges that the effectiveness of this Agreement depends on the Manager exercising reasonable independent business judgment in good faith in reviewing and approving or disapproving Members' fishing plans, monitoring harvest of the Sector's ACE, and enforcing the terms and conditions of this Agreement. Each Member hereby waives and releases any and all claims against the Manager arising out of or relating to Manager's performance under this Agreement, other than those arising solely from the gross negligence or willful misconduct by the Manager, as conclusively determined by a court of final and competent jurisdiction. The Sector and the Members agree to jointly and severally indemnify, defend and hold the Manager harmless from and against any third party claims, damages, fines, penalties and liabilities of any kind whatsoever asserted against the Manager in connection with the Manager's performance under this Agreement, other than those arising out of gross negligence or willful misconduct by the Manager.

17. Sector Membership Fees. At least thirty (30) days prior to the Effective Date, and at least thirty (30) days prior to each annual Termination Date thereafter, the Board shall notify the Members in writing of the amount of Sector membership fees that the Board has adopted for the upcoming year of Sector operations.

18. Binding Arbitration. Each Member and the Sector agree to exercise their best good faith commercially reasonable efforts to resolve any disputes arising under this Agreement through direct negotiations. Breaches of this Agreement which are not resolved through direct negotiation shall be submitted to binding arbitration upon the request of any party at interest. Any person nominated as an arbitrator hereunder by any person shall be a person of mature, sound and reasonable business judgment and experience and either have (a) held a federal fishing master license for at least ten (10) years, or (b) been an attorney at law practicing in the area of fisheries for at least ten (10) years.

The party's written request for arbitration shall include the name of the arbitrator selected by the party requesting arbitration. The respondent party shall have ten (10) days to provide written notice of the name of the arbitrator it has selected, if any. If the other party timely selects a second arbitrator, the two arbitrators will jointly select a third arbitrator within ten (10) days. If the other party does not timely select the second arbitrator, there shall be only the one arbitrator. The single arbitrator or the three (3) arbitrators so selected will schedule the arbitration hearing as soon as possible thereafter. Any arbitrator must have no material ties to the Sector or any Member. The decision of the arbitrator (or in the case of a three (3) arbitrator panel, the decision of the majority) will be final and binding. The arbitration will be conducted under the rules of (but not by) the American Arbitration Association. The parties will be entitled to limited discovery as determined by the arbitrator(s) in his, her or their sole discretion. All costs of arbitration shall be borne by the party requesting the same. Each party shall bear its own costs of preparation and presentation, unless, in the case of the Sector, the Board determines to assess such costs to the applicable Member, which costs shall be immediately due and payable. In no event will arbitration be available pursuant to this paragraph after the date when commencement of such legal or equitable proceedings based on such claim, dispute, or other matter in question would be barred by an applicable statute of limitations.

The final decision of the Arbitrators shall not be subject to review or appeal by any other person, including any court, with the exception of NMFS in its oversight role for the purposes of statutory and regulatory compliance and consistency. Any right to any such appeal is hereby irrevocably waived and relinquished. Such final decision shall bind the parties and shall not require any further action of enforcement or collection once docketed with the records of the Sector. In breach by any Member of performance thereof, the Manager may *sua* sponte and without any notice or hearing issue a Stop Fishing Order or an Order of Expulsion respecting such Member in breach.

The Sector shall, without limiting the foregoing rights and procedure, also have the right to enforce any decision against any Member in breach by an action for specific performance,

declaratory relief, *lis pendens* or any other action in a court of law having jurisdiction of the parties, it being understood and agreed that the Federal court for the District of Massachusetts and the Massachusetts Superior Court for the County where the registered office of the Sector is located shall be deemed to have such jurisdiction

19. No Collective Marketing. The Members acknowledge that the Sector has not been formed or qualified as a collective marketing association. The Members therefore agree that nothing in this Agreement shall be construed as permitting or obligating Members to collaborate regarding the processing, marketing or sales of the product produced from catch harvested under their Harvest Shares. Each Member shall conduct all sales of such catch in competition with the other Members, and shall hold ex-vessel price information as confidential from other Members until such information becomes public or until such price information is six months old, unless and until the Sector is properly qualified under State and Federal law as a collective marketing association

20. Amendment and Incorporation by Reference. The Exhibits hereto and the collateral documents referred to herein are and shall all be as the same may be amended from time to time. Any amendments thereto or hereto which are approved by the Board shall, as a condition of further membership of any Member in the Sector be deemed without any requirement of acceptance, consent or execution by any such Member to have been adopted, ratified and confirmed by such Member.

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EXHIBIT A

Sector Membership Fishing Year 2011 (May 1, 2011 to April 30, 2012)

SECTOR MEMBERS: The following table identifies The NEFS XII Members:

Owner/Entity	Permit #	MRI #	Vessel Name
King Marine LLC	150567	389	Ocean Pride III
Yvonne Dobre	310609	541	Ann Marie
Yvonne Dobre	122647	253	Jennifer K
Craig Mavrikis	150021	1582	Marion-Mae
David T. Goethel	240738	291	Ellen Diane
Peter Kendall	240880	209	Elizabeth Ann
Yvonne Dobre	150290	1887	Walrus
David T. Goethel	150718	2241	Unnamed
Cape Neddick Fisheries Inc	146928	1419	Judy Marie
Peter Kendall	128235	1747	Kelly Rose
David T. Goethel	150341	1572	Gipper

ACTIVE MEMBERS: The following table identifies the Vessels that are authorized to harvest Sector ACE:

Owner/Entity	Vessel Name	Doc/Reg #
King Marine LLC	Ocean Pride III	NH 7851 BN
Yvonne Dobre	Ann Marie	938382
Yvonne Dobre	Jennifer K	NH8620BN
Craig Mavrikis	Marion-Mae	NH0287BM
David T. Goethel	Ellen Diane	654949
Peter Kendall	Elizabeth Ann	576586

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EXHIBIT B

Sector Member and Vessel Permits Amendment 16 Disclosure Requirements Fishing Year 2011 (May 1, 2011 to April 30, 2012)

The following table represents those Limited Access Multispecies Permits held by Sector Members that were not signed into a Sector:

Additional Information on federal and state permits associated with Sector Vessels and Sector Members can be located at TAB 7.

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EXHIBIT C

HARVESTING RULES

Fishing Year 2011 (May 1, 2011 to April 30, 2012)

The Members and the Participating Vessels of **XII**, **Northeast Fishery Sector Inc,** *agree to be legally bound to follow the Harvesting Rules for the Fishing Year 2011 as described herein, in accordance with all provisions of the Sectors Operations Plans and Agreement (herein "Agreement"), notwithstanding those rules and regulations applicable to the common pool Multispecies vessels. Members and the Participating Vessels of NEFS XII will fish in Gulf of Maine,Georges Bank, and Southern New England.*

ANNUAL CATCH ENTITLEMENT: (as determined by NMFS)

GOM Cod	GB Cod	GOM Haddock	GB Haddock	CC/GOM Yellowtail Flounder	GB Yellowtail Flounder:	SNE/MA Yellowtail Flounder
	Eastern:		Eastern:			
	Western:		Western:			
Pollock	Redfish	White Hake	American Plaice	GOM Winter Flounder	GB Winter Flounder	Witch Flounder

1. ANNUAL CATCH ENTITLEMENT: The members agree that they will not collectively harvest more than the Sector ACE, as adjusted by transfers, for any allocated groundfish stocks. Furthermore, the members agree that once an annual ACE is reached no member will fish commercially with any fishing gear capable of catching any of the allocated groundfish stocks or other species managed under plan within the applicable area(s); except in those situations where a member is participating in an exempted fishery The Sector members may resume fishing activities if additional ACE is secured through inter-sector ACE transfer.

2. QUOTA MANAGEMENT: Sector vessels, the dealers to which they are delivering fish and dockside monitors will use a PC based software for collecting data, reporting catch, landings and discards, and reporting catch area information for logbook and stock attribution purposes. The Sector will utilize a quota release program that sets forth overall sector quota (ACE) release targets by species and individual member Harvest Share targets as they relate to the Sector

targets. Interim and annual targets will be considered in the development of the Sector's Fishing Plan. The Sector Manager will monitor the trajectories to interim and annual targets for the Sectors ACE's as well as for the individual members Harvest Shares. The Sector expects to utilize ACE Transfers to balance the Sector's ACE during the fishing year to prevent exceeding Sector ACE and to assist Members Harvest Share management.

3. <u>RESERVE</u>: For each stock held by the Sector, the quota release program will utilize an initial target trajectory that is not to exceed 90% of the current quota held by the Sector as adjusted by ACE transfers. The remaining 10% is the minimum aggregate total of the RESERVE buffer system. The Sector, through their Board, may alter the RESERVE holdback percentages for any or all stocks held by the Sector to prevent under harvest of the Sector's ACE.

4. <u>SLOWING CATCH:</u> The quota release program will incorporate a list of thresholds for both Sector ACE and member Harvest Shares, for the purposes of alerting the Sector Manager and members. Thresholds to "Slow Catch", "Initiate Trading" and "Cease Fishing" will be incorporated into the Sector quota monitoring system. Members Harvest Shares are net from the Reserve. Therefore, Harvest Shares trajectories will be set to the Harvest Share. Once 90% of any Sector ACE is attained, slowing mechanisms such as tiered landing limits that apply differential counting of quota or service fees to each tier in excess of agreed landing limits may be utilized. When such slowing mechanisms are triggered or at any time during the fishing year, the Board may direct the Sector Manager to seek additional ACE through an ACE transfer with other sectors.

5. <u>FULL RETENTION OF LEGAL SIZED FISH</u>: All legal sized fish of allocated stocks harvested during the fishing operations must be retained and counted against the Sector's ACE allocation.

6. <u>DAYS AT SEA</u>: Each participating permit and participating vessel will be allocated Days-At-Sea (DAS) by the Regional Administrator. Sector Member permits will not be subject to the DAS reduction proposed in Amendment 16 for common pool vessels. Members will be required to use an "A" DAS when conducting fishing operations that are not exempted from DAS usage, for example, when fishing under a monkfish DAS.

7. <u>STOCK AREA DECLARATION</u>: Prior to leaving port, sector vessels will declare one or more than one of the four stock delineation areas as identified in Amendment 16 and relating implementing regulations.

8. <u>START TRIP NOTICE</u>: Sector vessels will copy the Sector Manager on all trip start messages required through the Dockside Monitoring Program.

9. <u>VESSELS FISHING MULITPLE STOCK AREAS</u>: If a vessel declares into multiple stock areas the vessel will complete a catch report each time the vessel changes areas.

10. <u>FISHING IN US/CA AREAS</u>: When fishing in the US/CA area, a sector vessel that fishes in more than one US/CA area or more than one of the four stock areas will complete a catch report each time the vessel changes areas. Sector vessels will track their Eastern US/CA sub-ACE for Cod and Haddock separately while fishing in the Eastern Area. Sector vessels may fish in all US/CA areas as well as Open areas in the same trip. In addition to VMS declaration requirements, the vessel will declare the stock areas (of the Four A16 reporting areas) intended to be fished prior to starting a trip.

11. <u>CLOSED AREAS</u>: Participating vessels may fish in closed areas to the extent authorized by NMFS.

12. <u>CATCH REPORTS</u>: All Active Member vessels fishing groundfish will be required to submit complete catch records to the Sector Manager electronically via VMS email or other electronic means prior to entering port to End a Trip. Catch reports will include, at a minimum, all data elements of fully compliant VTR logbook record/s and the Dockside Monitoring Program. The Sector Manager may modify, at his/her discretion, the frequency of reporting transmissions to meet programmatic (SAP) or internal quota management requirements. In the event a Member vessel is unable to submit his catch records electronically, the Member, will have no more than twenty-four (24) hours to provide such reports to the Sector Manager, upon completion of vessel offload.

13. <u>VESSEL LOGBOOKS (VTRs/e-VTR)</u>: All sector members will comply with applicable reporting requirements including submission of Vessel Trip Reports (VTRs). If Electronic Vessel Trip Reports (e-VTRs) are approved by the Regional Administrator, Sector Members will submit e-VTRs in the format required by the FSO and NERO. Sector Members will execute all documents necessary to meet legal requirements for the purpose of facilitating e-VTR service.

14. <u>WEEKLY REPORTS</u>: The Sector Manager will submit Weekly Sector Reports of all landings and discards by sector vessels, to NMFS, as required. The Sector will submit required reports , , using the format and procedures prescribed by NMFS. Weekly Reports must include any violations and/or investigative referrals. The reports required by NMFS are the *Sector Manager ACE Status Report, Sector Manager Detailed Report, and Sector Manager Trip Issue* Report as codified in §648.87(b)(1)(vi)(B).

14.1 **REPORTING THRESHOLDS THAT TRIGGER DAILY REPORTING**: The reporting due date for the sector manager's weekly report will be increased to daily

when either 80% of any of the sector's ACEs is reached, or when, for two consecutive weekly reporting periods 20% or more of the remaining portion any ACE is harvested, whichever occurs first. Thus, for the latter trigger point, if a sector in one week harvests 25% of the remaining ACE for Gulf of Maine cod for that sector, and the following week harvests 22% of that ACE, the trigger will have been reached and sector reporting will be changed to daily. The Sector Manager, or a designated representative, will notify NMFS immediately via email if this, or an agreed upon alternative threshold has been meet that triggers daily reporting.

An alternative threshold for increasing reporting frequency may be implemented during FY 2011 if agreed upon by the sector and NMFS.

15. <u>ANNUAL REPORT</u>: Within sixty (60) days of the end of the fishing year the Sector Manager will submit an annual report to NMFS and the Council that summarizes: fishing activities of Members, including harvest levels of all species by sector vessels (landings and discards by gear types); enforcement actions; and any other relevant information required to evaluate the performance of the Sector. In addition, the Annual Report will report the number of sector vessels that fished for regulated groundfish and their permit numbers (when such disclosure does not violate protection of confidentiality); number of vessels that fished for other species; method used to estimate discards; landing port used by sector vessels while landing groundfish; and any other additional information requested by the Regional Administrator for inclusion in the Annual Report. The Sector will submit required reports using the format and procedures prescribed by NMFS.

16. <u>DATA RECONCILIATION</u>: The Sector Manager will verify that Dealer and Dockside Monitor (if the trip is monitored) are consistent. The Sector will receive the data electronically to expedite and automate data reconciliation. If a discrepancy is detected, the Sector Manager will notify the DM vendor and the Dealer of the discrepancy and will note discrepancies on the weekly report until resolved. For the purpose of monitoring Sector ACE and preventing ACE overages, the Sector Manager will consider the higher value(s) of landings from each report (Dealer Weigh Out Slip and DSM) until the discrepancy is reconciled. The Sector Manager will work with the DSM and Dealer and keep a reconciliation record and/or document signed by the dealer and the DSM vendor once reconciled.

17. <u>STOCK ATTRIBUTION</u>: The Sector Manager will utilize landings information from each trip and apply logbook area information to calculate stock attribution ratios for all applicable species.

18. <u>DISCARD RATES AND IN-SEASON DISCARD ESTIMATES</u>: The Sector manager (or his designated representative) will derive stock specific discards for each trip. If the trip is observed by either an ASM or a NEFOP observer, discards will be derived based on data collected during that trip and will account for all hauls (observed and unobserved) on that trip. If the trip is not observed, discards will be derived using the NMFS-provided discard rate resulting from the NMFS (peer-reviewed and approved) method to estimate 'in-season' discard rates.

19. <u>ADMINISTRATIVE EXEMPTION</u>: In order to facilitate electronic data transmission from the sector's vessels to a data collection and distribution web portal, an administrative exemption may or may not be required to allow the server to relay catch reports and logbook data on behalf of sector member vessels.

20. <u>DATA MANAGEMENT</u>: The sector vessels will be transmitting catch data electronically via the email messaging component of their VMS units. All data necessary for sector ACE management, including all elements of VTR logbook and daily / weekly reporting requirements will be sent in compressed formats to minimize characters and maximize message capacity. Notwithstanding reporting requirements that cannot be altered by a sectors operations plan, the **<u>Sector's server</u>** will be capable of collecting, storing, converting and relay all data elements necessary to meet all reporting requirements in the formats required by the recipients

21. <u>PROOF OF SECTOR MEMBERSHIP</u>: Upon approval of the Sector, each sector vessel will be issued a Letter of Authorization ("LOA"). Each Member agrees that its sector vessels shall maintain the LOA on-board at all times while fishing for groundfish, as well as a copy of the Sector Agreement and Harvesting Rules. Furthermore, Members acknowledge that the Vessels must comply with all applicable Federal regulations not specifically exempted in the LOA.

22. <u>SECTOR SPECIFIC EXEMPTIONS</u>: In addition to the Universal Exemptions granted to all Sectors, as referenced in §4.0 of the Agreement, Members agree to abide by the following obligations, as Authorized in their LOA, in order to utilize these Sector Specific Exemptions:

22.1 <u>120 DAY BLOCK REQUIREMENT OUT OF THE FISHERY FOR GILLNET VESSELS</u>: Sector vessels utilizing gillnets will be exempted from the 120 Block requirement articulated in 50 CFR § 648.82(j)(1)(ii).

22.2 <u>20 DAY SPAWNING BLOCK</u>: Sector vessels will be exempted from taking the 20 day spawning block out of the fishery that is required of all vessels.

22.3 <u>LIMITATION ON THE NUMBER OF GILLNETS FOR DAY GILLNET VESSELS</u>: Sector vessels' utilizing gillnets will be exempted from the number of gillnet restriction imposed on day category gillnet vessels, members utilizing this exemption agree not to exceed 150 nets per permit.

22.4 <u>COMMUNITY FIXED GEAR</u>: Sector vessels opting to implement this provision will be required to place NMFS issued gillnet tags, of each member, on the gear being utilized under this technique. Community Fixed Gear groups will notify the Sector Manager of their intention and composition of sector vessels prior to utilization of this technique.

Sector members that have identified themselves as a group to the Sector Manager may be held accountable if their physical gear (including the area in it is set in) is not in compliance with applicable regulations. For Example, if the gear is not properly configured with weak links, sinking line, or other applicable requirements, or if the gear is set in a closed area or season, then this group may be held jointly liable for the infraction. However, if an individual in this group violates a requirement of this Agreement, possession limits, or misreports catch, then the liability would be limited to this individual only; except in those situations where the Sectors joint liability provisions applies.

22.5 <u>LIMITATION ON THE NUMBER OF GILLNETS THAT MAY BE HAULED ON GEORGES BANK WHEN FISHING UNDER A GROUNDFISH/MONKFISH DAS</u>: Sector Vessels are exempted from the requirement that limits the number of gillnets (fifty) that may be hauled to while fishing on a groundfish and monkfish DAS on Georges Bank.

22.6 <u>LIMITATION ON THE NUMBER OF HOOKS THAT MAY BE FISHED</u>: Sector vessels are exempted from the number of hooks that may be fished.

22.7 <u>LENGTH AND HORSEPOWER RESTRICTIONS OF THE DAS LEASING PROGRAM</u>: Members will be exempted from the length and horsepower restrictions imposed on DAS leasing for NEFS XII participating members and those members of other sectors that are granted this exemption.

22.8 <u>ACCESS TO THE GULF OF MAINE HADDOCK SINK GILLNET AREA</u>: Sector vessels will be authorized to access the Gulf of Maine regulated mesh area, January 1-April 30 (subject to any rolling or seasonal closure in effect), utilizing 6 inch gillnets. Members acknowledge that a day gillnet vessel participating in this program cannot fish with, possess, haul or deploy more than thirty nets. There are no limits on the number of

nets for trip gillnets vessels. All nets must be stand-up nets; tie-down nets cannot be used during this period:

22.9 <u>EXEMPTION FROM DOCKSIDE MONITORING COVERAGE LEVEL:</u> Sector Vessels will be exempt from dockside monitoring coverage. .

22.10 <u>EXEMPTION FROM DISCARD RATES AND K-ALL CALCULATION FOR STOCKS THAT HAVE BEEN SUBDIVIDED BETWEEN THE COMMERCIAL AND RECREATIONAL FISHERIES</u>: The Sector will be exempt from calculating discard rates and including k-all for those stocks that have been sub-divided between the commercial and recreational fisheries.

22.11 <u>EXEMPTION FROM DOCKSIDE MONITORING IN THE MONTHS OF MAY AND JUNE ON NON-DIRECTED GROUNDFISH TRIPS THAT OCCUR IN SPECIFIC STATISTICAL AREAS</u>: In the event the Sector is not exempt from all dockside monitoring requirements, Sector vessels will be exempt for those non-directed groundfish trips taken during the months of May in June in any of the following statistical areas: 614, 615, 616, 621, 622, 623, 625, 626, 627, 631, 632, 633, 635, 637, and 638.

22.12 <u>EXEMPTION FROM THE MINIMUM SIZE RESTRICTIONS I.E. 100% RETENTION:</u> Sector vessels acknowledge, that they are exempt from the minimum size restriction imposed on allocated stocks. Sector vessels utilizing this exemption will be authorized to land all allocated stocks which will be deducted from the Sectors ACE.

22.13 <u>EXEMPTION FROM THE PROHIBITION OF DISCARDING LEGAL SIZE FISH AT SEA:</u> In the event that a Sector Vessel encounters unmarketable fish, as determined by the captain, the vessel will be exempted from the prohibition of discarding legal size fish at sea. The Sector acknowledges that if this exemption is approved and thereby implemented by their Sector, the discards of legal size unmarketable fish will be contributed to the discard methodology adopted by NMFS and applied to all un-observed trips. The Sector will notify NMFS prior to publication of the final rule, whether the sector wishes to utilize this exemption or remove it from their Harvesting Rules.

22.14 <u>ADMINISTRATIVE EXEMPTION</u>: In order to facilitate electronic data transmission from the Sector's vessels to a data collection and distribution web portal, an administrative exemption may or may not be required to allow the server to relay catch reports and logbook data on behalf of sector member vessels.

22.15 DSM REQUIREMENT FOR VESSELS FISHING WEST OF 72°30' W. long that historical data indicate that little ground fish incidental catch has been observed in this area, and monitoring of such trips is therefore not a beneficial use of financial resources.

23. <u>DOCKSIDE MONITORING PROGRAM</u>: The Sector plans on working collaboratively with certified Dockside Monitoring Provider(s) ("Provider") to ensure that implementation of the dockside monitoring program adheres to applicable NMFS Dockside Monitoring Standards as codified in 50 CFR 648.87(b)(l)(v)(B); as well as any internal needs that the Sector deems necessary. The following providers were approved by NMFS for FY 2010:

A.I.S., Inc
Atlantic Catch Data Limited
East West Technical Services LLC
MRAG Americas, Inc.
Saltwater Inc.

While NMFS has not yet approved any providers for FY 2011, the sector will contract a NMFS-approved provider for dockside [and/or] at-sea monitoring services before May 1, 2011, and notify NMFS of its selection via email.

If a vendor in which the Sector has contractual arrangements with is decertified during the fishing year, the Sector will negotiate new contractual arrangements with another certified vendor(s) and notify NMFS of these new agreements.

23.1 <u>RANDOMIZED DSM COVERAGE LEVELS</u>: Dockside monitoring (DSM) will be deployed by the sector in accordance to the DSM operational standards found at 50 CFR 648.87(b)(5). The sector will work with the DSM provider to achieve the coverage level specified in the regulations at 50 CFR 648.87(b)(1)(v)(B)(*3*)(*i*) using a methodology approved by NMFS and implemented by the monitoring vendor and the Sector Manager. For trips less than 6 hours in length or occurring within 6 hours of port, the estimated time of arrival to port will be provided in the trip start hail. The trip end hail will be sent upon completion of the last tow with required updated information. An alternative timing for the trip end hail may be implemented during FY 2010 if agreed upon by the sector, the monitoring provider, and NMFS.

23.2 <u>DATABASE MANAGEMENT</u>: The Sector, acting through its Manager, will maintain database(s) of vessel trip reports (VTR), dealer, At Sea (ASM), NEFOP Observer, and

Dockside (DSM) monitoring reports. In addition, the Sector will maintain any other database it determines necessary for its operations.

23.3 METHOD OF TRANSMISSION OF HAILS: The sector vessels will be transmitting HAILS (Trip Start and Trip End) electronically via the email messaging component of their VMS units. All data necessary to meet DSM requirements will be sent in compressed formats to minimize characters and maximize message capacity directly to the **Sector's Server** which will collect, store, convert and relay all data elements necessary to meet DSM, FSO and OLE requirements. The Sector will relay required HAILS (Trip State and Trip End) to NMFS, immediately upon receipt. In the event that the primary system is unavailable, Sector Vessels will utilize a backup system, including but not limited to, direct cell phone or radio transmission between the vessel and DSM vendor OR a relay through the Sector
Manager.

23.4 USE OF DOCKSIDE MONITORING SERVICES. The Members acknowledge that for the Sector to function efficiently, it is essential that the Active Members conduct their fishing operations such that dockside monitoring service costs are kept as low as commercially practical amount. The Active Members therefore agree to provide accurate landing time projections, to make landings expeditiously, and to choose landing locations based in part on the efficiency and responsiveness of the buyer receiving catch harvested under the Sector's ACE. Active Members who fail to comply with the provisions of this Section may be assessed the excess cost of dockside monitoring resulting from their failure to do so.

23.5 SAFE HARBOR PROTOCOL: To promote safety at sea, the Sector sets forth the following protocol for variance from the landing ports listed. If for reasons beyond a vessel operators control such as severe weather, mechanical failures, compromised hull integrity, instances of pump failures and danger of sinking, crew injury or life threatening illness and any other emergency situations that may arise, a sector vessel

may enter a port other than those listed as "Landing Ports" to ensure the safety of the vessel and its crew. If the vessel has been selected for dockside monitoring, the vessel will not offload fish, until a dockside monitor is present, or a waiver has been granted. The vessel operator must contact the Dockside Monitoring vendor to obtain a waiver from dockside monitoring for the trip. The vessel operator may request and be granted a waiver from dockside monitoring due to the situations described here in Section 23.7. In addition, the vessel operator may request and be granted a waiver from dockside monitoring if either the Coast Guard ("CG"), Environmental Police ("EP"), or NOAA's Office of Law Enforcement ("OLE") are on scene and determine it is necessary for offloading to occur in order to improve a safety or vessel integrity concern.

23.6 OFFLOADING PORTS: The following list represents those ports where sector vessels are authorized to offload. Additionally, sector vessels are authorized to land fish to trucks within these same locations.

Primary Port(s) of Landing	Secondary Port(s) of Landing
New Hampshire: Portsmouth, Seabrook, Rye, Hampton; Maine: Portland Massachusetts: Newburyport, Gloucester	Maine: York ; Massachusetts: New Bedford Virginia: Chincoteague; Greenbackville New Jersey: Point Pleasant

24. AT-SEA MONITORING PROGRAM: The Sector will be participating in the NMFS funded at-sea-monitoring program for FY2011. In the event, the Sector chooses to increase at-sea coverage beyond that which is funded and managed by NMFS, the sector will secure a service arrangement with one or more of the certified ASM vendors and assume all costs and responsibilities associated with this private contractual arrangement. Any additional at-sea monitoring coverage beyond the NMFS-funded level (currently 30 percent, see NMFS, Letter to Sector managers and Representatives (August 20, 2009)) will be provided pursuant to an independent contract between the Sector and a NMFS approved provider. This additional at-sea monitoring coverage will have vessel and trip selection coordinated through NMFS, will be conducted in the same manner with the same protocols as the NMFS-funded ASM program,

and will use approved at-sea monitors. Also, this additional coverage will not be allowed to replace or interfere with either the coverage of NEFOP or the NMFS-funded at-sea monitoring program.

25. <u>SECTOR UNDERSTANDING AND ACKNOWLEDGMENTS</u>: Sector Members understand and acknowledge that the following provisions have been interpreted by NMFS as applicable to all operating sectors. Sector Members acknowledge this applicability and where appropriate utilize these universal interpretations within their sector management and operations:

25.1 <u>INTRA-SECTOR DAYS AT SEA (DAS) LEASING</u>: Days at Sea may be leased intra-sector (between members) within the guidelines and procedures contained in the FMP and as amended by Amendment 16. The Sector would accept any future relief in the length and horsepower constraints of the program that may be authorized by the RA in the future.

25.2 <u>INTER-SECTOR DAYS AT SEA (DAS) LEASING</u>: Members who wish to lease Days-at-Sea (DAS) outside of the Sector are authorized under this provision to do so, only with Members of other Sectors whom are similarly exempt. Members acknowledge that such DAS leasing would not be exempted from existing length and horsepower constraints as currently contained in applicable regulations.

25.3 <u>PAPER VTR</u>: Members acknowledge that they are bound to all applicable reporting requirements. Sector vessels shall continue using paper VTRs for FY 2011, as required by regulations. However, should electronic vessel trip reporting (e-VTR) systems for transmission and submission of required VTR reports be authorized by the Regional Administrator in FY 2011, this Sector reserves the option to utilize this reporting method.

25.4 <u>ADDITIONAL EXEMPTIONS</u>: Members note that NMFS is generating one Environmental Assessment for all sectors seeking authorization for Fishing Year 2011, and that NMFS communication has stated that if an exemption is approved for one Sector, all other authorized Sectors can be similarly approved for that specific exemption based on the terms and conditions of the originally requesting sector. In light of this understanding, NEFS XII will request authorization for such exemptions it deems beneficial for its operations, prior to the publication of the final authorizing rule.

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EXHIBIT D

NEFS XII Penalty Schedule			
VIOLATION REGARDING REPORTING, DOCUMENTATION REQUIREMENTS:			
VIOLATION	**FIRST OFFENSE**	**SECOND OFFENSE**	**THIRD OFFENSE**
All violations including but not limited to: providing false statements or supporting documentation on applications or reports to the Sector; late reporting or non-reporting; unreasonable interference with onboard and dockside data collectors; failing to participate in Sector Catch Monitoring Programs; (technical and minor violations may result in a letter of warning).	Written Warning **or** up to $5000.00	Written Warning **and** up to $7,500.00.	Written Warning **and** up to $10,000.00 **and/or** stop fishing order.
VIOLATION REGARDING EXEMPTION PERMIT REQUIREMENTS			
All violations including but not limited to: failure to comply with a permit condition/restriction/letter of authorization issued to Sector Vessels by the Regional Administrator; or failure to comply with VMS/DAS requirements. (technical and minor violations may result in a letter of warning).	Written Warning **or** up to $10,000.00	Written Warning **and** $10,000.00-$50,000.00.	Written Warning **and** up to $100,000.00 **and/or** stop fishing order.
VIOLATION REGARDING TIME/AREA/GEAR RESTRICTIONS			
All violations including but not limited to: exemption areas, closed fisheries, closed season, restricted gear/management areas. (technical and minor violations may result in a letter of warning).	Written Warning **or** up to $20,000.00	Written Warning **and** $20,000.00-$50,000.00.	Written Warning **and** up to $100,000.00 **and/or** expulsion.
VIOLATIONS THAT PLACE THE SECTOR AGREEMENT AT RISK			
All violations including but not limited to a violation of a stop fishing order, fishing in a closed area, transfer of fish from non-sector vessel to a sector vessel, transfer of fish from sector vessel to a non-sector vessel; subverting the reporting requirements or any other action so egregious that it would severely jeopardize the Sectors existing and future authorization(s).	Written Warning **and** up to $50,000.00 **or** stop fishing order.	Stop fishing order **or** Expulsion.	Expulsion.

Administrative Provisions Addendum:

Notwithstanding regulatory authority granted in other regulations the following provisions represent those sections of **NEFS XII** Agreement and related Exhibits that are Administrative in nature and therefore not subject to enforcement by the National Marine Fisheries Service, as required to be specified by sector regulations 50 CFR 648.87(b)(2)(x).

SECTOR OPERATIONS PLAN AND AGREEMENT

1. Sector Name.

2. Sector Eligibility and Membership.

4. Sector Allocation and Exemptions.

5. Distribution of Sector ACE.

6. Sector Manager and Registered Agent.

6.1 Communication with Sector.

7. Consolidation Plan.

7.1 Harvest Share Reserve

7.2 Harvest Share Use. Section 7.2 is administrative except to the extent that it applies to the Sector managers ability to impose and utilize legal means to recover Liquated damages as authorized in section §10.10 of this agreement, in which case NMFS enforcement procedures may apply.

7.2.1 Non-Active Members. Section 7.2.1 is administrative except to the extent that it applies to the Sector managers' ability to impose and utilize legal means to recover damages as authorized in section §10.10 of this agreement, in which case NMFS enforcement procedures may apply.

7.3 Harvest Share Transfer.

7.4 Harvesting Rules and Fishing Plan. Section 7.4 is administrative except to the extent that it applies to Harvesting Rules Sections 1, 5, 6, 7, 11, 17, and 18, which are enforceable and therefore not considered administrative under this section.

7.5 Re-direction Of Effort.

7.6 Sector Vessel Interactions with Allocated Species in Non-Amendment 16 Fisheries.

7.7 Consolidation and Redistribution of ACE:

8. Release of Catch Data.

9. Catch Monitoring and Reporting. Section 9 is administrative except to the extent that it applies to Harvesting Rules Sections 13, 14, and 15, which are enforceable and therefore not considered administrative under this section.

10. Breach and Remedies for Breach.

10.1 Liquidated Damages Schedule and Schedule Amendments.

10.2 Enforcement Committee.

10.3 Liquidated Damages Base Value and Multiplier Adoption.

10.4 Liquidated Damages Calculation.

10.5 Notice to Vessel Masters; Assumption of Liability.

10.6 Liquidated Damages Security.

10.7 Manager Action in Response to Apparent Breach.

10.8 Member Appeals.

10.9 Voluntary Compliance.

10.11 Consequential Damages for Gross Negligence or Willful Misconduct.

10.12 Distribution of Damages.

11. Joint Liability and Indemnification.

12. Membership Termination

15. Permit Transfer/Sale.

16. Release and Waiver of All Claims Against Sector Manager; Indemnification and Hold Harmless.

17. Sector Membership Fees.

18. Binding Arbitration.

19. No Collective Marketing.

20. Amendment and Incorporation by Reference.

EXHIBIT C

HARVESTING RULES

2. QUOTA MANAGEMENT:

3. RESERVE:

4. SLOWING CATCH:

8. START TRIP NOTICE:

12. CATCH REPORTS:

16. DATA RECONCILIATION:

19. ADMINISTRATIVE EXEMPTION:

20. DATA MANAGEMENT:

22. SECTOR SPECIFIC EXEMPTIONS:

- 22.2 Administrative Exemption

23. DOCKSIDE MONITORING PROGRAM: Section 23 is enforceable except for the sub-sections, 23.2, 23.3, 23.4, which are administrative.

24. AT-SEA MONITORING PROGRAM: In the event that the Sector chooses to increase at-sea monitoring coverage, above that which is funded and managed by NMFS, the additional sector funded monitoring will be administrative, except in those specific situations where NMFS enforcement would apply.

Exhibit D is administrative.

Explanatory Addendum:

Per request by NMFS this **explanatory text** is being provided to identify in one location Right of First Offer ("ROFO") and Right of First Refusal ("ROFR"). ROFO and ROFR are two separate and distinct provisions that deal with harvest share transfers and permit sales, respectively; it is inaccurate to construe them as meaning the same thing. Nothing within this explanatory addendum should be considered as part of the Sector governing documents which the Members have agreed to follow, all questions regarding these provisions should be directed to their respective sections in the governing documents :

§ 7.3 Harvest Share Transfers: Right of First Offer i.e. ROFO will be used for intra and inter sector harvest share transfers.

§ 15 Permit Transfer/Sale: Right of First Refusal i.e. ROFR will be used for permit sales or transfers.

Owner/Entity	Permit #	MRI #	Vessel Name
King Marine LLC	150567	389	Ocean Pride III
Yvonne Dobre	310609	541	Ann Marie
Yvonne Dobre	122647	253	Jennifer K
Craig Mavrikis	150021	1582	Marion-Mae
David T. Goethel	240738	291	Ellen Diane
Peter Kendall	240880	209	Elizabeth Ann
Yvonne Dobre	150290	1887	Walrus
David T. Goethel	150718	2241	Unnamed
Cape Neddick Fisheries Inc	146928	1419	Judy Marie
Peter Kendall	128235	1747	Kelly Rose
David T. Goethel	150341	1572	Gipper

Sector Member	Vessel	State/Federal	Type	Permit #	MRI #	Enrolled In Sector NEFS XII	Federal Endorsements	MAX LOBSTER TRAP ALLOCATION	BLUEFISH	BLACK SEA BASS	SPINY DOGFISH	SUMMER FLOUNDER	HERRING	GENERAL CATEGORY SCALLOP	AMERICAN LOBSTER	MONKFISH	NORTHEAST MULTI-SPECIES	OCEAN QUAHOG	ATLANTIC DEEP SEA RED CRAB	SCALLOP LIMITED ACCESS	SCUP	SURF CLAM	SKATE	SQUID/MACKEREL/BUTTERFISH	TILEFISH	Sector Member	State Endorsements	Shellfish	Dogfish	Sea Scallop Shucking	Squid	Sea Bass	Scup	Mobile Gear	Coastal Access Permit	Offshore Lobster Non-trap	Sea Herring	Whiting	Fluke	Shrimp	Stripe Bass
Yvonne Dobre	Walrus	Federal	Multi-species	150290	1887	Yes		0	1	1	1	1	D		1	E	A	A			1		1	3,4	1																
Yvonne Dobre	Anne Marie	Federal	Multi-species	310609	541	Yes		0	1		1		D		1	D	A	A					1	3,4	1																
Yvonne Dobre	Jennifer K	Federal	Multi-species	122647	253	Yes		800	1		1		D		1,A1	D	A	A					1	3,4	1																
Yvonne Dobre	Jennifer K	State	NH Comm. Saltwater	28		N/A																				Yvonne Dobre	N/A															
Yvonne Dobre	Jennifer K	State	NH Lob and Crab	210		N/A																				Yvonne Dobre		X														
Yvonne Dobre	Jennifer K	State	MA Commercial-Offshore Lobster/non-trap	152468																						Yvonne Dobre										X						
Yvonne Dobre	Anne Marie	State	ME Commercial	1737		N/A																				Yvonne Dobre	N/A															
Yvonne Dobre	Anne Marie	State	MA Commercial-Offshore Lobster/non-trap	152468		N/A																				Yvonne Dobre										X						
King Marine LLC	Ocean Pride III	Federal	Multi-species	150567	389	Yes		0	1		1	1	D			1	D	A	6	A			1	1	3	1	King Marine LLC															
King Marine LLC	Ocean Pride III	State	NH Comm. Saltwater	NC80091		N/A																				King Marine LLC	N/A															
King Marine LLC	Ocean Pride III	State	NH Wholesale Marine	WM80070		N/A																				King Marine LLC	N/A															
King Marine LLC	Ocean Pride III	State	MA Commercial (Coastal Harvest)	350		N/A																				King Marine LLC	0-59ft Fed Reporting															
David Goethel	Ellen Diane	Federal	Multi-species	240738	291	Yes		0	1		1		C	C		1	D	A		A			1	1	3,4	1																
David Goethel	Gipper	Federal	Multi-species	150341	1572	Yes		0	1		1	1	D			1	E	A						1																		
David Goethel	Unamed	Federal	Multi-species	150718	2241	Yes		800	1		1		D		A1,A2			A		A				1		1																
David Goethel	Ellen Diane	Federal	Tuna	10009025		N/A	Tuna																																		
David Goethel	Ellen Diane	State	NH Sea Herring	6		N/A																				David Goethel											X				
David Goethel	Ellen Diane	State	NH Comm. Saltwater	CS90004		N/A																				David Goethel	N/A															
Peter Kendall	Elizabeth Ann	Federal	Multi-species	240880	209	Yes		0	1		1		D			1	E	A						1	3,4																	
Peter Kendall	Kelly Rose	Federal	Multi-species	128235	1747	Yes		0	1		1		D	C	A1		E	A						1	3,4																	
Craig Mavrikis	Marion-Mae	Federal	Multi-species	150021	1582	Yes		800	1		1	1	D		1,A1		D	A	6	A			1	1	3,4	1																
Cape Neddick Fisheries Inc.	Judy Marie	Federal	Multi-species	146928	1419	Yes		800	1		1		D	B	A1		D	A	6				1	1	4																	
Cape Neddick Fisheries Inc.	Judy Marie	State	ME Commercial	1615Y		N/A																				Cape Neddick Fisheries Inc.	N/A															

NORTHEAST FISHERY SECTOR XII.
SECTOR OPERATIONS PLAN AND AGREEMENT
ADHERENCE AGREEMENT

THIS ADHERENCE AGREEMENT is entered into as of this 23 day of August, 2010, by the undersigned "Member", who for good and valuable consideration, the receipt and sufficiency of which are acknowledged, hereby agrees as follows:

1. Member has carefully reviewed the NEFS XII Sector Operations Plan and Agreement dated effective as of September 1, 2010 (as the same may be amended or restated from time to time, the "Operations Plan"), and by executing this Adherence Agreement agrees to be bound by all provisions of the Operations Plan and Agreement. Execution of this Adherence Agreement shall have the same effect as execution of the Operations Plan by Member and all other Members of NEFS XII (the "Sector").

2. Upon execution of this Agreement by Member and the satisfaction of all other conditions precedent to Member's membership in the Sector, Member shall be deemed admitted as a Member of the Sector and such admittance shall be reflected on the Sector's records.

3. Member acknowledges that; NEFS XII has adopted [3/15/11] as the final date in which a NEFS XII Member may withdraw from NEFS XII prior to the start of the 2011 fishing year. A Member who wishes to withdraw from NEFS XII must do so in the manner specified in the Operations Plan.

4. With full knowledge of the rights and responsibilities of membership Member is signing this agreement as a (check one):

☒ Active Member: (LIST ACTIVE VESSELS)

Fishing Vessel Name MARIAN-MAE Doc/Reg # NH 0287 BM
Fishing Vessel Name _____ Doc/Reg # _____
Fishing Vessel Name _____ Doc/Reg # _____

Note: Member acknowledges that membership is categorized as "active" **if any** MRI permits listed below and owned by the member will be used to harvest the sector's ACE, or in a fishery in which Sector ACE must be used to account for by-catch of Sector Allocated stocks for example: monkfish, skate, dogfish.

☐ Non-Active Member

5. Upon execution of this Agreement by Member and the satisfaction of all other conditions precedent to Member's membership in the Sector, Member shall be deemed admitted as a Member of the Sector and such admittance shall be reflected on the Sector's records.

EXECUTED as of the day and year first set forth above.

Signature of Authorized Representative:

x. Craig K. Mavrikis

Owner/Entity Name:

CRAIG MAVRIKIS

Name of Authorized Representative (print):

Craig Mavrikas

Title: OWNER

List all permits including those listed in 2.0

Permit Number: 150021 MRI 1582

Permit Number: _____ MRI _____

Permit Number: _____ MRI _____

Permit Number: _____ MRI _____

Permit Number: _____ MRI _____

Permit Number: _____ MRI _____

Notary Public: Lana LaRochelle

LANA MARIE LAROCHELLE
COMMISSIONER OF DEEDS
State of New Hampshire
My Commission Expires

NORTHEAST FISHERY SECTOR XII.
SECTOR OPERATIONS PLAN AND AGREEMENT
ADHERENCE AGREEMENT

THIS ADHERENCE AGREEMENT is entered into as of this ____ day of _____, 2010, by the undersigned "Member", who for good and valuable consideration, the receipt and sufficiency of which are acknowledged, hereby agrees as follows:

1. Member has carefully reviewed the NEFS XII Sector Operations Plan and Agreement dated effective as of September 1, 2010 (as the same may be amended or restated from time to time, the "Operations Plan"), and by executing this Adherence Agreement agrees to be bound by all provisions of the Operations Plan and Agreement. Execution of this Adherence Agreement shall have the same effect as execution of the Operations Plan by Member and all other Members of NEFS XII (the "Sector").

2. Upon execution of this Agreement by Member and the satisfaction of all other conditions precedent to Member's membership in the Sector, Member shall be deemed admitted as a Member of the Sector and such admittance shall be reflected on the Sector's records.

3. Member acknowledges that; NEFS XII has adopted [ ] as the final date in which a NEFS XII Member may withdraw from NEFS XII prior to the start of the 2011 fishing year. A Member who wishes to withdraw from NEFS XII must do so in the manner specified in the Operations Plan.

4. With full knowledge of the rights and responsibilities of membership Member is signing this agreement as a (check one):

☐ Active Member: (LIST ACTIVE VESSELS)

Fishing Vessel Name _____ Doc/Reg #_____
Fishing Vessel Name _____ Doc/Reg #_____
Fishing Vessel Name _____ Doc/Reg #_____

Note: Member acknowledges that membership is categorized as "active" **if any** MRI permits listed below and owned by the member will be used to harvest the sector's ACE, or in a fishery in which Sector ACE must be used to account for by-catch of Sector Allocated stocks for example: monkfish, skate, dogfish.

☒ Non-Active Member

5. Upon execution of this Agreement by Member and the satisfaction of all other conditions precedent to Member's membership in the Sector, Member shall be deemed admitted as a Member of the Sector and such admittance shall be reflected on the Sector's records.

EXECUTED as of the day and year first set forth above.

Signature of Authorized Representative:

x. Kenneth Young Jr.

Owner/Entity Name:

CAPE NEDDICK FISHERIES INC.

Name of Authorized Representative (print):

KENNY YOUNG

Title: PRESIDENT

List all permits including those listed in 2.0

Permit Number: 146928 MRI 1419

Permit Number: _____ MRI _____

Permit Number: _____ MRI _____

Permit Number: _____ MRI _____

Permit Number: _____ MRI _____

Permit Number: _____ MRI _____

Notary Public:

STATE OF NEW HAMPSHIRE, ROCKINGHAM SS

THE ABOVE NAMED KENNETH YOUNG APPEARED BEFORE THE UNDERSIGNED AND AFFIRMED THIS INSTRUMENT TO BE A TRUE AND LEGAL AGREEMENT

Leo Axtin

LEO AXTIN, NOTARY PUBLIC

MY COMM EXP 30 JAN 2013

NORTHEAST FISHERY SECTOR XII.
SECTOR OPERATIONS PLAN AND AGREEMENT
ADHERENCE AGREEMENT

THIS ADHERENCE AGREEMENT is entered into as of this 12 day of August, 2010, by the undersigned "Member", who for good and valuable consideration, the receipt and sufficiency of which are acknowledged, hereby agrees as follows:

1. Member has carefully reviewed the NEFS XII Sector Operations Plan and Agreement dated effective as of September 1, 2010 (as the same may be amended or restated from time to time, the "Operations Plan"), and by executing this Adherence Agreement agrees to be bound by all provisions of the Operations Plan and Agreement. Execution of this Adherence Agreement shall have the same effect as execution of the Operations Plan by Member and all other Members of NEFS XII (the "Sector").

2. Upon execution of this Agreement by Member and the satisfaction of all other conditions precedent to Member's membership in the Sector, Member shall be deemed admitted as a Member of the Sector and such admittance shall be reflected on the Sector's records.

3. Member acknowledges that; NEFS XII has adopted [~~January~~ MARCH **15, 2011]** as the final date in which a NEFS XII Member may withdraw from NEFS XII prior to the start of the 2011 fishing year. A Member who wishes to withdraw from NEFS XII must do so in the manner specified in the Operations Plan.

4. With full knowledge of the rights and responsibilities of membership Member is signing this agreement as a (check one):

☒ Active Member: (LIST ACTIVE VESSELS)

Fishing Vessel Name ANNE MARIE Doc/Reg # 938382
Fishing Vessel Name JENNEFER K Doc/Reg # NH8620BN
Fishing Vessel Name _____ Doc/Reg # _____

Note: Member acknowledges that membership is categorized as "active" **if any** MRI permits listed below and owned by the member will be used to harvest the sector's ACE, or in a fishery in which Sector ACE must be used to account for by-catch of Sector Allocated stocks for example: monkfish, skate, dogfish.

☐ Non-Active Member

5. Upon execution of this Agreement by Member and the satisfaction of all other conditions precedent to Member's membership in the Sector, Member shall be deemed admitted as a Member of the Sector and such admittance shall be reflected on the Sector's records.

EXECUTED as of the day and year first set forth above.

Signature of Authorized Representative:

x. Yvonne Dobre

Owner/Entity Name:

YVONNE DOBRE

Name of Authorized Representative (print):

YVONNE DOBRE

Title: OWNER

List all permits including those listed in 2.0

X Permit Number: 310609 MRI 541

X Permit Number: 122647 MRI 253

X Permit Number: 150290 MRI 1887

Permit Number: _____ MRI _____

Permit Number: _____ MRI _____

Permit Number: _____ MRI _____

Notary Public:

Carolyn R Cragin
State: NH
County: Merrimack

CAROLYN R. CRAGIN
STATE OF NEW HAMPSHIRE
MY COMMISSION EXPIRES DECEMBER 11, 2012
NOTARY PUBLIC

NORTHEAST FISHERY SECTOR XII.
SECTOR OPERATIONS PLAN AND AGREEMENT
ADHERENCE AGREEMENT

THIS ADHERENCE AGREEMENT is entered into as of this 1st day of Sept. 2010, by the undersigned "Member", who for good and valuable consideration, the receipt and sufficiency of which are acknowledged, hereby agrees as follows:

1. Member has carefully reviewed the NEFS XII Sector Operations Plan and Agreement dated effective as of September 1, 2010 (as the same may be amended or restated from time to time, the "Operations Plan"), and by executing this Adherence Agreement agrees to be bound by all provisions of the Operations Plan and Agreement. Execution of this Adherence Agreement shall have the same effect as execution of the Operations Plan by Member and all other Members of NEFS XII (the "Sector").

2. Upon execution of this Agreement by Member and the satisfaction of all other conditions precedent to Member's membership in the Sector, Member shall be deemed admitted as a Member of the Sector and such admittance shall be reflected on the Sector's records.

3. Member acknowledges that; NEFS XII has adopted [3/15/11] as the final date in which a NEFS XII Member may withdraw from NEFS XII prior to the start of the 2011 fishing year. A Member who wishes to withdraw from NEFS XII must do so in the manner specified in the Operations Plan.

4. With full knowledge of the rights and responsibilities of membership Member is signing this agreement as a (check one):

☒ Active Member: (LIST ACTIVE VESSELS)

Fishing Vessel Name OCEAN PRIDE III Doc/Reg # NH 7851 BN
Fishing Vessel Name _____ Doc/Reg # _____
Fishing Vessel Name _____ Doc/Reg # _____

Note: Member acknowledges that membership is categorized as "active" **if any** MRI permits listed below and owned by the member will be used to harvest the sector's ACE, or in a fishery in which Sector ACE must be used to account for by-catch of Sector Allocated stocks for example: monkfish, skate, dogfish.

☐ Non-Active Member

5. Upon execution of this Agreement by Member and the satisfaction of all other conditions precedent to Member's membership in the Sector, Member shall be deemed admitted as a Member of the Sector and such admittance shall be reflected on the Sector's records.

EXECUTED as of the day and year first set forth above.

Signature of Authorized Representative:

x. _____

Owner/Entity Name:

KING MARINE LLC

Name of Authorized Representative (print):

GEORDIE KING

Title: OWNER

List all permits including those listed in 2.0

Permit Number: 150567 MRI 389

Permit Number: _____ MRI _____

Permit Number: _____ MRI _____

Permit Number: _____ MRI _____

Permit Number: _____ MRI _____

Permit Number: _____ MRI _____

Notary Public:

Sworn to before me and subscribed in my presece
this 2nd day of September 2010.

_____
Notary Public

SHEILA M. HATCH
Notary Public, Maine
My Commission Expires March 19, 2016

NORTHEAST FISHERY SECTOR XII.
SECTOR OPERATIONS PLAN AND AGREEMENT
ADHERENCE AGREEMENT

THIS ADHERENCE AGREEMENT is entered into as of this ____ day of _____, 2010, by the undersigned "Member", who for good and valuable consideration, the receipt and sufficiency of which are acknowledged, hereby agrees as follows:

1. Member has carefully reviewed the NEFS XII Sector Operations Plan and Agreement dated effective as of September 1, 2010 (as the same may be amended or restated from time to time, the "Operations Plan"), and by executing this Adherence Agreement agrees to be bound by all provisions of the Operations Plan and Agreement. Execution of this Adherence Agreement shall have the same effect as execution of the Operations Plan by Member and all other Members of NEFS XII (the "Sector").

2. Upon execution of this Agreement by Member and the satisfaction of all other conditions precedent to Member's membership in the Sector, Member shall be deemed admitted as a Member of the Sector and such admittance shall be reflected on the Sector's records.

3. Member acknowledges that; NEFS XII has adopted [3/15/11] as the final date in which a NEFS XII Member may withdraw from NEFS XII prior to the start of the 2011 fishing year. A Member who wishes to withdraw from NEFS XII must do so in the manner specified in the Operations Plan.

4. With full knowledge of the rights and responsibilities of membership Member is signing this agreement as a (check one):

☒ Active Member: (LIST ACTIVE VESSELS)

Fishing Vessel Name ELLEN DIANE Doc/Reg # 654949
Fishing Vessel Name _____ Doc/Reg # _____
Fishing Vessel Name _____ Doc/Reg # _____

Note: Member acknowledges that membership is categorized as "active" **if any** MRI permits listed below and owned by the member will be used to harvest the sector's ACE, or in a fishery in which Sector ACE must be used to account for by-catch of Sector Allocated stocks for example: monkfish, skate, dogfish.

☐ Non-Active Member

5. Upon execution of this Agreement by Member and the satisfaction of all other conditions precedent to Member's membership in the Sector, Member shall be deemed admitted as a Member of the Sector and such admittance shall be reflected on the Sector's records.

EXECUTED as of the day and year first set forth above.

Signature of Authorized Representative:

x. _____

Owner/Entity Name:

DAVID GOETHEL

Name of Authorized Representative (print):

David T. Goethel

Title: OWNER

List all permits including those listed in 2.0

Permit Number: 240738 MRI 291

Permit Number: 150718 MRI 2241

Permit Number: 150341 MRI 1572

Permit Number: _____ MRI _____

Permit Number: _____ MRI _____

Permit Number: _____ MRI _____

Notary Public: _____

NICOLE LAFOND, Notary Public
My Commission Expires September 3, 2013

NORTHEAST FISHERY SECTOR XII
SECTOR OPERATIONS PLAN AND AGREEMENT
ADHERENCE AGREEMENT

THIS ADHERENCE AGREEMENT is entered into as of this ____ day of _____, 2010, by the undersigned "Member", who for good and valuable consideration, the receipt and sufficiency of which are acknowledged, hereby agrees as follows:

1. Member has carefully reviewed the NEFS XII Sector Operations Plan and Agreement dated effective as of September 1, 2010 (as the same may be amended or restated from time to time, the "Operations Plan"), and by executing this Adherence Agreement agrees to be bound by all provisions of the Operations Plan and Agreement. Execution of this Adherence Agreement shall have the same effect as execution of the Operations Plan by Member and all other Members of NEFS XII (the "Sector").

2. Upon execution of this Agreement by Member and the satisfaction of all other conditions precedent to Member's membership in the Sector, Member shall be deemed admitted as a Member of the Sector and such admittance shall be reflected on the Sector's records.

3. Member acknowledges that; NEFS XII has adopted [ ] as the final date in which a NEFS XII Member may withdraw from NEFS XII prior to the start of the 2011 fishing year. A Member who wishes to withdraw from NEFS XII must do so in the manner specified in the Operations Plan.

4. With full knowledge of the rights and responsibilities of membership Member is signing this agreement as a (check one):

☒ Active Member: (LIST ACTIVE VESSELS)
Fishing Vessel Name ELIZABETH ANN Doc/Reg # 576586
Fishing Vessel Name _____ Doc/Reg # _____
Fishing Vessel Name _____ Doc/Reg # _____

Note: Member acknowledges that membership is categorized as "active" **if any** MRI permits listed below and owned by the member will be used to harvest the sector's ACE, or in a fishery in which Sector ACE must be used to account for by-catch of Sector Allocated stocks for example: monkfish, skate, dogfish.

☐ Non-Active Member

5. Upon execution of this Agreement by Member and the satisfaction of all other conditions precedent to Member's membership in the Sector, Member shall be deemed admitted as a Member of the Sector and such admittance shall be reflected on the Sector's records.

EXECUTED as of the day and year first set forth above.

Signature of Authorized Representative:

x. _____

Owner/Entity Name:

PETER KENDALL

Name of Authorized Representative (print):

_____

Title: OWNER

List all permits including those listed in 2.0

Permit Number: 240880 MRI 209

Permit Number: 128235 MRI 1747

Permit Number: _____ MRI _____

Permit Number: _____ MRI _____

Permit Number: _____ MRI _____

Permit Number: _____ MRI _____

Notary Public: _____

BRIAN LEADER, Notary Public
My Commission Expires December 18, 2013

Vessel: ELLEN DIANE
Northeast Federal Fishery Permit: 240738
US Coast Guard Doc #/State Registration # : 654949
Primary Owner|Corporation Name: DAVID T GOETHEL
Address:
23 RIDGEVIEW TERRACE
HAMPTON, NH 03842-2071
Phone: (603) 926-2165

Hailing Port: HAMPTON, NH.
Principal Port: HAMPTON, NH.
Max Trap Allocation: N/A

Most Recent Northeast Federal Fishery Permit Data

Permit Year	Plan	Category	Description	Start Date	End Date
2010	BLU	1	BLUEFISH - COMMERCIAL - 2010	01-MAY-10	30-APR-11
2010	DOG	1	SPINY DOGFISH - COMMERCIAL - 2010	01-MAY-10	30-APR-11
2010	HRG	C	HERRING - LIMITED ACCESS - INCIDENTAL - 2010	01-MAY-10	30-APR-11
2010	LGC	C	SCALLOP - LAGC - INCIDENTAL - 2010	01-MAR-10	28-FEB-11
2010	LO	1	AMERICAN LOBSTER - NON -TRAP - 2010	01-MAY-10	30-APR-11
2010	MNK	D	MONKFISH - CATEGORY D - 2010	01-MAY-10	30-APR-11
2010	MUL	A	NE MULTISPECIES - INDIVIDUAL DAS - 2010	01-MAY-10	30-APR-11

2010	RCB	A	RED CRAB - OPEN ACCESS - INCIDENTAL BYCATCH - 2010	01-MAR-10	28-FEB-11
2010	SCP	1	SCUP - COMMERCIAL MORATORIUM - 2010	01-MAY-10	30-APR-11
2010	SKT	1	SKATE - 2010	01-MAY-10	30-APR-11
2010	SMB	3	SQUID/BUTTERFISH - INCIDENTAL - 2010	01-MAY-10	30-APR-11
2010	SMB	4	ATLANTIC MACKEREL - 2010	01-MAY-10	30-APR-11
2010	TLF	1	TILEFISH - COMMERCIAL/INCIDENTAL - 2010	01-MAY-10	30-APR-11

Vessel: ELIZABETH ANN
Northeast Federal Fishery Permit: 240880
US Coast Guard Doc #/State Registration # : 576586
Primary Owner|Corporation Name: PETER T KENDALL
Address:
159 WEST ROAD
RYE, NH 03870
Phone: (603) 964-7824

Hailing Port: PORTSMOUTH, NH.
Principal Port: PORTSMOUTH, NH.
Max Trap Allocation: N/A

Most Recent Northeast Federal Fishery Permit Data

Permit Year	Plan	Category	Description	Start Date	End Date
2010	BLU	1	BLUEFISH - COMMERCIAL - 2010	01-MAY-10	30-APR-11
2010	DOG	1	SPINY DOGFISH - COMMERCIAL - 2010	01-MAY-10	30-APR-11
2010	HRG	D	HERRING - OPEN ACCESS - POSSESSION LIMIT - 2010	01-MAY-10	30-APR-11
2010	LO	1	AMERICAN LOBSTER - NON -TRAP - 2010	01-MAY-10	30-APR-11
2010	MNK	E	MONKFISH - INCIDENTAL CATEGORY E - 2010	01-MAY-10	30-APR-11
2010	MUL	A	NE MULTISPECIES - INDIVIDUAL DAS - 2010	01-MAY-10	30-APR-11
2010	SKT	1	SKATE - 2010	01-MAY-10	30-APR-11

2010	SMB	3	SQUID/BUTTERFISH - INCIDENTAL - 2010	01-MAY-10	30-APR-11
2010	SMB	4	ATLANTIC MACKEREL - 2010	01-MAY-10	30-APR-11

Vessel: ANN MARIE
Northeast Federal Fishery Permit: 310609
US Coast Guard Doc #/State Registration # : 938382
Primary Owner|Corporation Name: YVONNE DOBRE
Address:
18 CATAMOUNT ROAD
NORTHWOOD, NH 03261
Phone: (603) 942-6072

Hailing Port: PORTSMOUTH, NH.
Principal Port: PORTSMOUTH, NH.
Max Trap Allocation: N/A

Most Recent Northeast Federal Fishery Permit Data

Permit Year	Plan	Category	Description	Start Date	End Date
2010	BLU	1	BLUEFISH - COMMERCIAL - 2010	01-MAY-10	30-APR-11
2010	DOG	1	SPINY DOGFISH - COMMERCIAL - 2010	01-MAY-10	30-APR-11
2010	HRG	D	HERRING - OPEN ACCESS - POSSESSION LIMIT - 2010	01-MAY-10	30-APR-11
2010	LO	1	AMERICAN LOBSTER - NON -TRAP - 2010	01-MAY-10	30-APR-11
2010	MNK	D	MONKFISH - CATEGORY D - 2010	01-MAY-10	30-APR-11
2010	MUL	A	NE MULTISPECIES - INDIVIDUAL DAS - 2010	01-MAY-10	30-APR-11
2010	RCB	A	RED CRAB - OPEN ACCESS - INCIDENTAL BYCATCH - 2010	17-APR-10	28-FEB-11

2010	SKT	1	SKATE - 2010	01-MAY-10	30-APR-11
2010	SMB	3	SQUID/BUTTERFISH - INCIDENTAL - 2010	01-MAY-10	30-APR-11
2010	SMB	4	ATLANTIC MACKEREL - 2010	01-MAY-10	30-APR-11
2010	TLF	1	TILEFISH - COMMERCIAL/INCIDENTAL - 2010	01-MAY-10	30-APR-11

MA SOC Filing Number: 200967972820 Date: 05/26/2009 5:51 PM

The Commonwealth of Massachusetts
William Francis Galvin

Secretary of the Commonwealth
One Ashburton Place, Boston, Massachusetts 02108-1512
Telephone: (617) 727-9640

Special Instructions

Articles of Organization
(General Laws, Chapter 180)

Federal Identification Number: 001003747

ARTICLE I

The name of the corporation is:

XII NORTHEAST FISHERY SECTOR, INC.

ARTICLE II

The purpose of the corporation is to engage in the following business activities:

THE PURPOSES OF THE CORPORATION INCLUDE BUT ARE NOT LIMITED TO CIVIC, EDUCATIONAL, SCIENTIFIC AND AGRICULTURAL (REGARDING THE HARVESTING OF AQUATIC RESOURCES). THE CORPORATION IS INTENDED TO QUALIFY AS AN “AGRICULTURAL ORGANIZATION” WITHIN THE MEANING AND CONTEXT OF INTERNAL REVENUE CODE (“IRC”), SECTION 501(C)(5).

THE CORPORATION MAY OR WILL ENGAGE IN ONE OR MORE OF THE FOLLOWING ACTIVITIES:

FORMING A SECTOR OF FISHERMEN (“MEMBERS”) TO RECEIVE OR ACCEPT AN AGGREGATE ALLOCATION OF FISHING PRIVILEGES TO BE HARVESTED BY THE MEMBERS.

MANAGING THE HARVEST OF THE AGGREGATE ALLOCATION OF FISHING PRIVILEGES AMONG THE MEMBERS, TO ENHANCE THE CONDITIONS OF THE MEMBERS AND THE RELEVANT FISHERIES AND TO IMPROVE THE EFFICIENCY OF HARVEST OF THE RELEVANT FISHERY RESOURCES.

ENCOURAGING RESPONSIBLE FISHING METHODS AND PRACTICES TO CONSERVE FISHERY AND OTHER ENVIRONMENTAL RESOURCES, ADVANCING AND ENSURING SURVIVAL OF SUSTAINABLE FISHERIES, AND PROVIDING OPPORTUNITIES FOR ECONOMICALLY PRACTICAL AND VIABLE ENTRY TO AND EXIT FROM THE RELEVANT FISHERIES.

CONDUCTING SUCH OTHER ACTIVITIES IN FURTHERANCE OF THE FOREGOING PURPOSES AND SUCH OTHER LAWFUL AND PROPER ACTIVITIES AS MAY BE CONDUCTED BY A CORPORATION ORGANIZED UNDER THE GENERAL LAWS OF MASSACHUSETTS, CHAPTER 180, AND AS DESCRIBED IN IRC SECTION 501(C)(5).

ARTICLE III

A corporation may have one or more classes of members. If it does, the designation of such classes, the manner of election or appointments, the duration of membership and the qualifications and rights, including voting rights, of the members of each class, may be set forth in the by-laws of the corporation or may be set forth below:

NOT PRESENTLY APPLICABLE.

ARTICLE IV

Other lawful provisions, if any, for the conduct and regulation of the business and affairs of the corporation, for its voluntary dissolution, or for limiting, defining, or regulating the powers of the corporation, or of its directors or members, or of any class of members, are as follows: (*If there are no provisions state "NONE"*)

1. IN ADDITION TO THE POWERS OF THE CORPORATION UNDER THE GENERAL LAWS OF MASSACHUSETTS, CHAPTER 180, THE CORPORATION SHALL HAVE AND MAY EXERCISE IN FURTHERANCE OF ITS CORPORATE PURPOSES EACH OF THE POWERS SPECIFIED IN SECTIONS 9A AND 9B OF THE MASSACHUSETTS GENERALS LAWS, CHAPTER 156B.

2. THE DIRECTORS MAY MAKE, AMEND OR REPEAL THE BY-LAWS IN WHOLE OR IN PART, EXCEPTING ONLY WITH RESPECT TO ANY PROVISIONS THEREOF WHICH BY LAW OR THE SAID BY-LAWS REQUIRES ACTION OR CONSENT BY THE MEMBERS.

3. THE LIABILITY OF THE CORPORATION'S OFFICERS AND DIRECTORS TO THE CORPORATION, ITS MEMBERS, AND GENERALLY SHALL BE LIMITED TO THE FULLEST EXTENT PERMITTED BY, AND IN ACCORDANCE WITH, MASSACHUSETTS GENERAL LAWS CHAPTER 180, SECTION 3, SUBJECT TO THE EXCEPTIONS AND PROVISOS THEREIN, AND ANY OTHER SIMILAR OR SUCCESSOR APPLICABLE STATUTE.

4. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN PROVIDED, THE CORPORATION IS ORGANIZED AND SHALL BE OPERATED EXCLUSIVELY FOR THE BETTERMENT OF THE CONDITIONS OF ITS MEMBERS, AS THEY ARE FROM TIME TO TIME CONSTITUTED, AND THE DEVELOPMENT OF A GREATER DEGREE OF EFFICIENCY IN THE HARVESTING OF FISHERY RESOURCES, PURSUANT TO IRC SECTION 501(C)(5). THE POWERS OF THE CORPORATION SHALL BE EXERCISED ONLY IN SUCH MANNER AS WILL ASSURE THE OPERATION OF THE CORPORATION EXCLUSIVELY FOR SAID PURPOSES, IT BEING INTENDED THAT THE CORPORATION SHALL BE EXEMPT FROM FEDERAL INCOME TAXATION PURSUANT TO SAID IRC SECTION 501(C)(5), AND ALL PURPOSES AND POWERS HEREIN SHALL BE INTERPRETED AND EXERCISED CONSISTENTLY WITH THIS INTENT.

5. NO PART OF THE NET EARNINGS OF THE CORPORATION WILL OR SHALL INURE TO THE BENEFIT OF, OR BE DISTRIBUTED TO, ITS MEMBERS, DIRECTORS, OFFICERS, OR INDIVIDUALS, EXCEPT THAT THE CORPORATION SHALL BE AUTHORIZED AND EMPOWERED TO PAY REASONABLE AND CUSTOMARY COMPENSATION FOR SERVICES ACTUALLY RENDERED, AND TO MAKE PAYMENTS AND DISTRIBUTIONS IN FURTHERANCE OF THE CORPORATION'S PURPOSES AS SET FORTH IN ARTICLE II OF THESE ARTICLES.

6. EXCEPT AS MAY BE OTHERWISE PROVIDED BY LAW, THE CORPORATION MAY AT ANY TIME AUTHORIZE A PETITION FOR ITS DISSOLUTION TO BE FILED WITH THE SUPREME JUDICIAL COURT OF THE COMMONWEALTH OF MASSACHUSETTS BY THE AFFIRMATIVE VOTE OF A MAJORITY OF ITS MEMBERS; PROVIDED, HOWEVER, THAT UPON ANY LIQUIDATION, DISSOLUTION, TERMINATION, OR WINDING DOWN OF THE CORPORATION (WHETHER VOLUNTARY, INVOLUNTARY, OR BY OPERATION OF LAW), THE PROPERTY OR ASSETS OF THE CORPORATION REMAINING AFTER PROVIDING FOR THE PAYMENT OF ITS DEBTS AND OBLIGATIONS SHALL BE CONVEYED, TRANSFERRED, DISTRIBUTED, AND SET OVER OUTRIGHT TO ONE OR MORE ORGANIZATIONS CREATED AND ORGANIZED FOR CHARITABLE OR NONPROFIT PURPOSES SIMILAR TO THOSE OF THE CORPORATION, QUALIFYING AS EXEMPT FROM FEDERAL INCOME TAXATION UNDER IRC SECTION 501(C)(5) (OR OTHER PERMITTED SIMILAR QUALIFYING EXEMPTION), AS A MAJORITY OF THE CORPORATION'S MEMBERS MAY DESIGNATE BY VOTE, IN SUCH PROPORTIONS AND IN SUCH MANNER AS DETERMINED IN SUCH VOTE.

Note: The preceding four (4) articles are considered to be permanent and may ONLY be changed by filing appropriate Articles of Amendment.

ARTICLE V

The by-laws of the corporation have been duly adopted and the initial directors, president, treasurer and clerk or other presiding, financial or recording officers, whose names are set out on the following page, have been duly elected.

ARTICLE VI

The effective date of organization of the corporation shall be the date approved and filed by the Secretary of the Commonwealth. If a *later* effective date is desired, specify such date which shall not be more than *thirty days* after the date of filing.

Later Effective Date:

ARTICLE VII

The information contained in Article VII is not a permanent part of the Articles of Organization

a. The street address (*post office boxes are not acceptable*) of the principal office of the corporation *in Massachusetts* is:

No. and Street: 4 PARKER STREET

City or Town: GLOUCESTER **State:** MA **Zip:** 01930 **Country:** USA

b. The name, residential address and post office address of each director and officer is as follows:
(A president, treasurer, clerk, and at least one director are required.)

Title: DIRECTOR **Expiration of Term:** Until successor is elected and qualified

First Name: RUSSEL **Middle Name:** A. **Last Name:** SHERMAN

Residential Address: 95 CONCORD STREET

City: GLOUCESTER **State:** MA **Zip:** 01930

Country: USA

Post Office Address: 95 CONCORD STREET

City: GLOUCESTER **State:** MA **Zip:** 01930

Country: USA

Title: PRESIDENT **Expiration of Term:** Until successor is elected and qualified

First Name: RUSSEL **Middle Name:** A. **Last Name:** SHERMAN

Residential Address: 95 CONCORD STREET

City: GLOUCESTER **State:** MA **Zip:** 01930

Country: USA

Post Office Address: 95 CONCORD STREET

City: GLOUCESTER **State:** MA **Zip:** 01930

Country: USA

Title: TREASURER **Expiration of Term:** Until successor is elected and qualified

First Name: RUSSEL **Middle Name:** A. **Last Name:** SHERMAN

Residential Address: 95 CONCORD STREET

City: GLOUCESTER **State:** MA **Zip:** 01930

Country: USA

Post Office Address: 95 CONCORD STREET

City: GLOUCESTER **State:** MA **Zip:** 01930

Country: USA

Title: CLERK **Expiration of Term:** Until successor is elected and qualified

First Name: RUSSEL **Middle Name:** A. **Last Name:** SHERMAN

Residential Address: 95 CONCORD STREET

City: GLOUCESTER **State:** MA **Zip:** 01930

Country: USA

Post Office Address: 95 CONCORD STREET

City: GLOUCESTER **State:** MA **Zip:** 01930

Country: USA

c. The fiscal year (i.e., tax year) of the corporation shall end on the last day of the month of: December

d. The name and business address of the resident agent, if any, of the corporation is:

Name: VITO GIACALONE

No. and Street: 10 WITHAM STREET

City or Town: GLOUCESTER **State:** MA **Zip:** 01930 **Country:** USA

I/We, the below signed incorporator(s), do hereby certify under the pains and penalties of perjury that I/we have not been convicted of any crimes relating to alcohol or gaming within the past ten years. I/We do hereby further certify that to the best of my/our knowledge the above-named officers have not been similarly convicted. If so convicted, explain:

IN WITNESS WHEREOF AND UNDER THE PAINS AND PENALTIES OF PERJURY, I/we, whose signature(s) appear below as incorporator(s) and whose name(s) and business or residental address(es) are beneath each signature do hereby associate with the intention of forming this corporation under the provisions of General Law, Chapter 180 and do hereby sign these Articles of Organization as incorporator(s) this 26 Day of May, 2009
(If an existing corporation is acting as incorporator, type in the exact name of the corporation, the state of other jurisdiction where it was incorporated, the name of the person signing on behalf of said corporation and the title he/she holds or other authority by which such action is taken.)

RUSSEL A. SHERMAN

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THE COMMONWEALTH OF MASSACHUSETTS

I hereby certify that, upon examination of this document, duly submitted to me, it appears that the provisions of the General Laws relative to corporations have been complied with, and I hereby approve said articles; and the filing fee having been paid, said articles are deemed to have been filed with me on:

May 26, 2009 5:51 PM

WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth

0-3615-0

The Commonwealth of Massachusetts
William Francis Galvin

Secretary of the Commonwealth, Corporations Division
One Ashburton Place, 17th floor
Boston, MA 02108-1512
Telephone: (617) 727-9640

XII NORTHEAST FISHERY SECTOR, INC. Summary Screen

Help with this form

Request a Certificate

The exact name of the Nonprofit Corporation: XII NORTHEAST FISHERY SECTOR, INC.

Entity Type: Nonprofit Corporation

Identification Number: 001003747

Date of Organization in Massachusetts: 05/26/2009

Current Fiscal Month / Day: / **Previous Fiscal Month / Day:** 12 / 31

The location of its principal office in Massachusetts:
No. and Street: 4 PARKER STREET
City or Town: GLOUCESTER State: MA Zip: 01930 Country: USA

If the business entity is organized wholly to do business outside Massachusetts, the location of that office:
No. and Street:
City or Town: State: Zip: Country:

The name and address of the Resident Agent:
Name: VITO GIACALONE
No. and Street: 10 WITHAM STREET
City or Town: GLOUCESTER State: MA Zip: 01930 Country: USA

The officers and all of the directors of the corporation:

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code	Expiration of Term
PRESIDENT	JAYSON DRISCOLL	138 POWDER MILL ROAD EXETER, NH 03833 USA	Until successor is elected and qualified
TREASURER	JAMES HAYWARD	416 BEECH ROAD ELIOT, ME 03903 USA	Until successor is elected and qualified
CLERK	CAROLYN EASTMAN	24 GARRISON LANE MADBURY, NH 03823 USA	Until successor is elected and qualified
DIRECTOR	PETER KENDALL	158 WEST ROAD RYE, NH 03870 USA	Until successor is elected and qualified
DIRECTOR	ELLEN GOETHEL	23 RIDGEVIEW TERRACE HAMPTON, NH 03842 USA	Until successor is elected and qualified
DIRECTOR	JAYSON DRISCOLL	138 POWDER MILL ROAD EXETER, NH 03833 USA	Until successor is elected and qualified

DIRECTOR	CAROLYN EASTMAN	24 GARRISON LANE MADBURY, NH 03823 USA	Until successor is elected and qualified
DIRECTOR	JAMES HAYWARD	416 BEECH ROAD ELIOT, ME 03903 USA	Until successor is elected and qualified
DIRECTOR	ERIK VAVRA	3 TREMONT ST EXETER, NH 03833 USA	Until successor is elected and qualified
DIRECTOR	PATRICIA ANDERSON	77 SPUR ROAD DOVER, NH 03820 USA	Until successor is elected and qualified
DIRECTOR	THOMAS LYONS	653 EXETER RD HAMPTON, NH 03842 USA	Until successor is elected and qualified

__ Consent __ Manufacturer __ Confidential Data __ Does Not Require Annual Report

__ Partnership __ Resident Agent __ For Profit __ Merger Allowed

Select a type of filing from below to view this business entity filings:

ALL FILINGS
Annual Report
Application For Revival
Articles of Amendment
Articles of Consolidation - Foreign and Domestic

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Help

AMENDMENT 1 TO THE NORTHEAST FISHERY SECTOR XII OPERATIONS PLAN

APPROVED BY THE NATIONAL MARINE FISHERIES SERVICE APRIL 26, 2011

EFFECTIVE MAY 1, 2011, THROUGH APRIL 30, 2012 - THE 2011 FISHING YEAR

This amendment officially recognizes the FY 2011 exemptions approved for the Northeast Fishery Sector XII:

1. 120-Day Block Requirement Out of the Fishery for Day Gillnet Vessels
2. Limitation on the Number of Gillnets that May be Hauled on Georges Bank when Fishing Under a Groundfish/Monkfish Days-at-Sea (DAS)
3. Limitation on the Number of Gillnets for Day Gillnet Vessels
4. 20-Day Spawning Block
5. Length and Horsepower Restrictions of the DAS Leasing Program
6. Discarding Exemption
7. Dockside Monitoring (DSM) requirements for Vessels Fishing West of 72°30’ W. long.
8. DSM Requirements for Vessels Fishing on Both a Monkfish and Multispecies DAS in the Southern Fishery Management Area (SFMA) using 10-inch or Greater Mesh

AMENDMENT 2 TO THE NORTHEAST FISHERY SECTOR XII OPERATIONS PLAN

APPROVED BY THE NATIONAL MARINE FISHERIES SERVICE MAY 19, 2011

EFFECTIVE MAY 1, 2011, THROUGH APRIL 30, 2012 - THE 2011 FISHING YEAR

This amendment officially recognizes Atlantic Catch Data Ltd. as the authorized dockside monitoring service provider for the Northeast Fishery Sector XII for fishing year 2011. Specific contact information, also found in Amendment 2, is:

Atlantic Catch Data Ltd.
99 Wyse Road, Suite 815
Dartmouth, Nova Scotia
CANADA, B3A 4S5
Phone 1+(902) 422-4745
Fax 1+(902) 422-9780

AMENDMENT 3 TO THE NORTHEAST FISHERY SECTOR XII
2011 SECTOR OPERATIONS PLAN

APPROVED BY THE NATIONAL MARINE FISEHRIES SERVICE JUNE 9, 2011

EFFECTIVE MAY 1, 2011, THROUGH APRIL 30, 2012 - THE 2011 FISHING YEAR

This amendment officially recognizes the final fishing year (FY) 2011 Northeast Fishery Sector XII membership based on the final sector roster, submitted on May 1, 2011. The final roster is summarized below:

MRI	Permit	Vessel Name
209	240880	ELIZABETH ANN
253	150290	WALRUS
291	240738	ELLEN DIANE
389	150567	OCEAN PRIDE III
541	310609	ANN MARIE
1419	146928	JUDY MARIE
1572	150341	GIPPER
1582	150021	MARION MAE
1747	128235	KELLY ROSE
1887	122647	JENNIFER K
2241	150718	UNNAMED