

1 **PORT CLYDE COMMUNITY GROUND FISH SECTOR**
2 **Fishing Year 2011 (May 1, 2011 – April 30, 2012)**
3 **Operations Plan and Agreement**
4

5
6 This OPERATIONS PLAN AND AGREEMENT (this “Agreement”) is entered into as of
7 this 31st day of August, 2010 by and among the permit owners listed on the signature
8 pages hereto and any other permit owners that are admitted pursuant to the terms of this
9 Agreement (each, a “Member” and, collectively, the “Members”).

10
11 **RECITALS**

12 WHEREAS, under the Northeast Multispecies Fishery Management Plan (“Groundfish
13 FMP”), Amendment 16 to the Groundfish FMP (“Amendment 16”), and the regulations
14 implementing the FMP, a self-selecting co-operative, or “sector,” of fishermen is
15 authorized to submit to the New England Fishery Management Council (the “Council”) a
16 proposal for the allocation of catch of regulated groundfish species to such sector;

17
18 WHEREAS, the Members voluntarily formed a fishery sector through the Port Clyde
19 Community Groundfish Sector (the “PCS” or “Sector”), for the purposes of establishing a
20 legally responsible entity (i) to obtain an aggregate annual sector allocation (“Annual
21 Catch Entitlement” or “ACE”) of regulated large mesh multispecies (“Groundfish”) from
22 the National Marine Fisheries Service (“NMFS”), as authorized by Amendment 16, and
23 to sub-allocate such ACE among the Members and/or their permits and vessels, (ii) to
24 participate in Special Access Programs (“SAPs”) or other approved measures in order to
25 access closed areas to the extent that such SAPs or measures are available to the Sector
26 (iii) to take such actions as may be necessary to ensure that the Sector, its Members and
27 their vessels conduct groundfish harvesting activities in compliance with the Plan,
28 Amendment 16, the Magnuson-Stevens Fishery Conservation and Management Act (the
29 “MSA” or “Act”), the MSA’s implementing regulations, and other applicable laws and
30 regulations;

31
32 WHEREAS, Amendment 16 defines a sector as a group of 3 or more persons, none of
33 whom have an ownership interest in the other two persons in the Sector, and that
34 documentation demonstrating that the PCS has met this definition has been provided to
35 NMFS as Exhibit G hereto through Permit No. 220989 (MRI 87) under the distinct
36 ownership of Preston S. Carter, Jr., Permit No. 220363 (MRI 2237) under the distinct
37 ownership of Russell Daggett, and Permit No. 139950 (MRI 1823) under the distinct
38 ownership of Mitchell T. Nunan, and;

39
40 WHEREAS, in connection with the formation of the Sector, the Members desire to enter
41 into this Operations Plan and Agreement, dated August 31, 2010 (the “Agreement”) in
42 order begin operations for the 2011 fishing year.
43

1 NOW, THEREFORE, in consideration of the mutual agreements, covenants, rights and
2 obligations set forth in this Agreement, the benefits to be derived therefrom and other
3 good and valuable consideration, the receipt and sufficiency of which are hereby
4 acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:
5

6 **Article I. Representations and Warranties of the Members.** As of the date hereof,
7 each of the Members represents and warrants to the other Members and the Sector that:
8

9 Section 1.01. Eligibility. Each Member has been issued a valid limited access
10 multispecies permit with documented landings of Groundfish between May 1, 1996, and
11 April 30, 2007, which are the 1996 through 2006 fishing years (such period of time shall
12 hereinafter be referred to as the “Qualifying Period”). Each permit that the Member
13 intends to enroll in the Sector is listed below such Member’s name on the signature pages
14 attached hereto identified by the Moratorium Right Identifier (MRI)(each, a “Permit”).
15 Exhibit D includes a list of all Sector vessels, an indication of whether the vessel will
16 fish, and all of the state and federal permits held by members with an indication whether
17 or not those permits are enrolled in any Sector or the Common Pool. Notwithstanding the
18 list of participating vessels set forth in Exhibit D, for purposes of this Agreement,
19 “Participating Vessel” shall mean the vessel to which a Member’s Permit applies at any
20 given time.
21

22 Section 1.02. Organization and Authority. Each Member (i) to the extent that it is an
23 entity, is duly organized, validly existing and in good standing in its state of organization
24 and (ii) has all authority, corporate or otherwise, to enter into this Agreement on its own
25 behalf and on behalf of the Participating Vessels that it represents. This Agreement
26 constitutes a legally valid and binding obligation of each Member, enforceable against
27 such Member in accordance with its terms. Each of the Members represents that its
28 Participating Vessel(s) and Permit(s) have no sanctions or other restrictions against them
29 that would prevent such Participating Vessels and Permits from enrolling in the Sector
30 and/or complying with the terms of this Agreement.
31

32 **Article II. Membership**

33 Section 2.01. Voluntary Membership. Participation in the Sector is completely
34 voluntary among the Members, their Permits, and the related Participating Vessels.
35

36 Section 2.02. Scope of Membership Obligations. The obligations of the Members set
37 forth in this Agreement shall only apply to the Permits and Participating Vessels (and not
38 to any other permits or vessels owned by the Members that are not enrolled in the Sector
39 pursuant to the terms hereof) to the extent that such Permits or Participating Vessels are
40 fishing commercially with gear that is capable of harvesting Groundfish. Notwithstanding
41 the foregoing, the Members acknowledge and agree that the Sector and its Members may,
42 from time to time, be permitted to participate in certain Special Access Programs (each
43 an “SAP”) and that it may be necessary to expand the scope of the membership
44 obligations hereunder, in order to ensure that the Sector and its Members are in
45 compliance with the rules and regulations relating to each such SAP. Therefore, the
46 Members hereby agree to execute any amendments or supplements to this Agreement,

1 which may reasonably be requested by the Sector or the Sector Manager in order to
2 comply with the rules and regulations relating to any such SAP, including, without
3 limitation, any amendments or supplements that expand the scope of the membership
4 obligations hereunder to apply to vessels and/or permits that are not enrolled in the
5 Sector.

6
7 **Section 2.03. Length of Commitment.** Each Member hereby agrees to cause each of its
8 Permits and the related Participating Vessels enrolled in the Sector at the beginning of the
9 fishing year following the date on which such Member enrolled in the Sector to remain
10 enrolled in the Sector for that entire (one) fishing year (the “Commitment Period”);
11 provided, however, that if the Members seek to extend the terms of this Agreement
12 consistent with Article IX below and NMFS does not approve the Sector’s Operations
13 Plan and Agreement, as the same may be amended, for the subsequent fishing year, then
14 the obligation of such Member under this Section 2.03 shall terminate on the last day of
15 the existing Commitment Period. Each Member further agrees that if its Permit leaves
16 the Sector for any reason during the Commitment Period, or beginning for fishing years
17 2011 and beyond fails to notify the Manager of intent to leave Sector by the September 1
18 preceding the start of the next fishing year, (i) such Member shall be subject to the
19 penalty or penalties described on the Schedule of Penalties (as hereinafter defined), and
20 (ii) such Member, its Permit and the related Participating Vessel shall be ineligible to
21 participate in the Sector for a period of up to five [5] years following the date of such
22 departure from the Sector as determined by the Board. Each Member acknowledges and
23 agrees that 50 CFR Part 648.87 requires that each of its Permits and the related
24 Participating Vessels must remain in the Sector for the entire fishing year in which such
25 Permits and/or Participating Vessels are enrolled in the Sector, and that each Member’s
26 Participating Vessels may not fish outside the Sector under a multispecies DAS program
27 during any fishing year in which its Permits and/or Participating Vessels are enrolled in
28 the Sector.

29
30 **Section 2.04. New Members.** The owner of a permit that is eligible under the criteria set
31 forth in Section 1.01 hereto, but that is not enrolled as a Member (and/or whose permit is
32 not so enrolled) may apply to the Board (as hereinafter defined) for membership in the
33 Sector. For fishing year 2011 and thereafter, such application shall be made in writing no
34 later than 30 calendar days prior to the September 1 for the fishing year in which he
35 wishes to enroll and shall include evidence of eligibility. The Board shall, in its
36 reasonable discretion, determine whether the applicant shall be admitted as a Member of
37 the Sector and/or its permit included as a Permit. Notwithstanding the foregoing, no such
38 admission shall be effective until such new Member has agreed in writing to be bound by,
39 and to cause its Permit and Participating Vessel to comply with, the terms of this
40 Agreement, and until the provisions of this Agreement shall have been amended or
41 modified to reflect such additional Member, Permit and/or Participating Vessel.

42
43 **Section 2.05. Permit Transfers.** Each Member agrees that so long as it is a party to this
44 Agreement, such Member (i) shall not have the authority to sell, lease or transfer the
45 ownership of its Permit to a party that is not or does not agree in writing to be bound by
46 this Agreement for the remainder of the fishing year in which such sale, lease or transfer

1 is to occur, (ii) shall not transfer, lease or assign any days-at-sea allocated to its Permit by
2 NMFS to any permit not enrolled in a sector, and (iii) shall comply with the right of first
3 refusal provisions of Section 2.08 hereof prior to the consummation of any proposed sale,
4 lease or transfer permitted hereunder. To the extent that a Member sells, leases or
5 transfers its Permit to another individual or entity (a "Transferee") in compliance with the
6 foregoing, then (a) such Transferee shall only be permitted to participate in the Sector for
7 the remainder of the fishing year in which the transfer occurred (the "Transfer Year") and
8 (b) prior to the commencement of the fishing year immediately following the Transfer
9 Year, the Transferee must apply for admission to the Sector pursuant to the provisions of
10 Section 2.04 hereof in order to be admitted to the Sector as a Member. For the avoidance
11 of all doubt, for the purposes of calculating a Member's Commitment Period under
12 Section 2.03 hereof, no portion of a Transfer Year shall be included in such calculation.

13
14 **Section 2.06. Membership Dues.** The Sector may, to the extent necessary for the
15 payment of the costs and expenses associated with the administration and management of
16 the Sector (including the payment of the Manager's salary), require the payment by the
17 Members of annual membership dues and/or poundage fees. Such annual membership
18 dues and/or poundage fees shall be fixed by resolution of the Board on a fair and
19 equitable basis prior to the commencement of the applicable fishing year or at such other
20 time as the Board may deem necessary or appropriate.

21 **Section 2.07. Member Training.** Each new Member shall participate in training in the
22 Sector's operation plan, harvest plan, bylaws, and other rules prior to the start of the
23 fishing year for which he shall enroll for the first time. Such training shall be led by the
24 Sector Manager and may involve other qualified persons as determined by the Sector
25 Manager or Board.

26
27 **Section 2.08. Right of First Refusal for Permit Transfers.** In the event that any
28 Member (a "Transferring Member") at any time proposes to sell, transfer or lease (a
29 "Transfer") his Permit to any proposed Transferee who shall make a good faith, bona fide
30 written offer therefore (a "Bona Fide Offer"), then the Transferring Member shall first
31 deliver to the Sector for distribution to its Members a written notice ("First Refusal
32 Notice") that the Transferring Member proposes to make such Transfer, which First
33 Refusal Notice shall (i) state the identity of the prospective Transferee, (ii) state the
34 amount of consideration for the Permit and the material terms and conditions upon which
35 the proposed Transfer is to be made (the date on which the Sector receives the First
36 Refusal Notice being the "First Refusal Notice Date"), (iii) represent that the Bona Fide
37 Offer is an actual bona fide offer, and (iv) include a copy of any written proposal, letter
38 of intent or other agreement relating to the Bona Fide Offer. The Sector or any Member
39 shall have a period of 7 calendar days following the First Refusal Notice Date (the
40 "Election Period") in which to elect to purchase or lease the Permit at the price and
41 subject to the same material terms and conditions set forth in the First Refusal Notice.
42 The Sector or Member shall exercise the right to purchase or lease such Permit by
43 delivering a written notice ("Election Notice") to the Transferring Member within the
44 Election Period. In the event that the Sector or member desires to purchase the Permit,
45 then the parties shall schedule a closing for the payment for, and the delivery of, the
46 Permit, which shall be no later than 90 calendar days after the First Refusal Notice Date.

1 The Transferring Member agrees to enter into and deliver an agreement for the benefit of
2 the Sector or Member, containing standard and customary representations, warranties,
3 covenants and indemnities by the Transferring Member for the benefit of the Sector. If
4 the Sector or Member has not elected to purchase the Permit within the Election Period,
5 then the Transferring Member is free to Transfer the Permit to the Transferee; provided
6 that such Transfer is on the terms and conditions specified in the First Refusal Notice. If
7 the proposed Transfer is not consummated within 90 calendar days following the
8 termination of the Election Period, the Transferring Member may not Transfer the Permit
9 without complying again with all the provisions of Section 2.05 and this Section 2.08.

10
11 **Section 2.09. Right of First Refusal for ACE Transfers.** In the event that any Member
12 at any time proposes to sell, transfer or lease any portion of his ACE to any proposed
13 Transferee who shall make a good faith, bona fide written offer therefore, then the
14 Transferring Member shall first deliver to the Sector for distribution to its Members a
15 written notice that the Transferring Member proposes to make such Transfer, which First
16 Refusal Notice shall (i) state the identity of the prospective Transferee, (ii) state the
17 amount of consideration for the ACE and the material terms and conditions upon which
18 the proposed Transfer is to be made, (iii) represent that the Bona Fide Offer is an actual
19 bona fide offer, and (iv) include a copy of any written proposal, letter of intent or other
20 agreement relating to the Bona Fide Offer. The Sector or any Member shall have a
21 period of 7 calendar days following the First Refusal Notice Date in which to elect to
22 purchase or lease the ACE at the price and subject to the same material terms and
23 conditions set forth in the First Refusal Notice. The Sector or Member shall exercise the
24 right to purchase or lease such ACE by delivering a written notice to the Transferring
25 Member within the 7 day Election Period. In the event that the Sector or Member desires
26 to purchase or lease the ACE, then the parties shall establish any necessary additional
27 terms and conditions related to the transfer, including a schedule for payment, within a
28 reasonable amount of time. If the Sector or Member has not elected to purchase or lease
29 the ACE within the Election Period, then the Transferring Member is free to Transfer the
30 ACE to the Transferee; provided that such Transfer is on the terms and conditions
31 specified in the First Refusal Notice. If the proposed Transfer to the Sector or Member is
32 not consummated within a reasonable amount of time after the close of the Election
33 Period, then Transferring Member may Transfer the ACE upon complying again with all
34 the provisions of this Section 2.09. All ACE transfers must also comply with Section
35 4.09 below, including those requirements for Board and NMFS approval.

36
37 **Section 2.10. Release of Confidential Data.** Pursuant to section 402(b)(1)(F) of the
38 Magnuson-Stevens Fishery Conservation and Management Act, 16 U.S.C
39 §1881a(b)(1)(F), the undersigned hereby authorizes the release to the PCS of information
40 that is identified as confidential or privileged under the Magnuson-Stevens Act or other
41 federal law regarding the catch of various species of fish associated with the limited
42 access Northeast multispecies permit with the listed Moratorium Right Identifiers (MRIs)
43 submitted to the National Marine Fisheries Service in compliance with 50 C.F.R. § 648.7
44 and § 648.87 that the undersigned has authority to access. This information includes
45 data required to be submitted or collected by NMFS, including but not limited to days-at-
46 sea allocation and usage, vessel trip reports, dealer reports, Northeast Fishery Observer

1 Program data, catch and landings history data, Sector dockside and at-sea monitoring
2 data, enforcement data, and all other information associated with the vessel, MRI #,
3 and/or permit records. This information shall be used exclusively by the sector for
4 matters pertaining to sector management, including record retention requirements. Such
5 information may not be released by the sector to another entity unless authorized by the
6 undersigned. When information released to the sector by the National Marine Fisheries
7 Service is no longer needed for sector management, the undersigned may elect that it be
8 destroyed or returned to the undersigned. When the undersigned ceases to be a member
9 of the sector, this authorization shall be deemed null and void.

10
11 **Article III. ADMINISTRATION**

12 Section 3.01. **Sector Manager.** The Board of Directors (the “Board”) of the Sector
13 shall appoint a manager of the Sector (the “Manager”), which Manager shall have the
14 authority to manage the day-to-day business of the Sector and to act as its designated
15 agent for service of process. Cindy Smith, Brunswick, Maine, is the current agent for
16 service of process and will continue in that role if appointed Manager, as anticipated.

17
18 Section 3.02. **Manager Authority.** The Manager shall have the authority (i) to monitor
19 the activities of the Members and the Participating Vessels and to take other similar
20 actions as may be necessary to ensure compliance by the Members and their Permits and
21 Participating Vessels with this Agreement and other Sector requirements as may be
22 adopted under the terms of this Agreement or the Sector’s Bylaws, as well as applicable
23 laws, rules and regulations, and (ii) subject to the authority and direction of the Board or
24 a committee delegated thereby pursuant to this Agreement, the Sector’s Bylaws or any
25 other agreement relating to the Sector’s internal governance, to enforce this Agreement,
26 including specifically, without limitation, the authority to impose “stop fishing” orders
27 and penalties as set forth in the Schedule of Penalties (as hereinafter defined). The
28 Manager shall also act as the liaison between NMFS and the Sector.

29 Section 3.03. **Infractions Committee.** The Board shall appoint an infractions
30 committee (“Infractions Committee”) consisting of a minimum of 3 Members. Such
31 Infractions Committee shall include at least one Member from each of the primary gear
32 types in the Sector (currently trawl and gillnet), shall include at least one member whose
33 home port is north of Portland and one whose home port is south of Portland, and no
34 Infractions Committee member shall be on the Board. The Infractions Committee shall
35 ensure fair, consistent and appropriate enforcement of this Agreement, the Harvesting
36 Rules, the ACE (as hereinafter defined) requirements set forth on Exhibit B hereto, the
37 Plan, Amendment 16, and other Sector requirements as may be adopted under the terms
38 of this Agreement or the Sector’s Bylaws. The Infractions Committee is responsible for
39 reviewing the “Schedule of Penalties” attached as Exhibit A and shall either approve it
40 or, if it determines appropriate, it shall prepare and recommend changes to the Board for
41 its approval. The Schedule of Penalties shall address any unauthorized fishing activities
42 (whether under applicable laws, rules and regulations or otherwise) and violations of this
43 Agreement, the Harvesting Rules, the ACE requirements, the Plan, Amendment 16, and
44 other Sector requirements as may be adopted under the terms of this Agreement or the
45 Sector’s Bylaws. Such schedule of penalties may be based on reductions in ACE instead

1 of or as an alternative to dollars amounts. The Board shall review and approve any
2 Schedule of Penalties prepared and recommended by the Infractions Committee prior to
3 the commencement of the fishing year for which such Schedule of Penalties has been
4 prepared. In addition, the Infractions Committee shall have the authority to take any
5 number of enforcement measures against the Members for the non-payment of
6 membership dues and/or poundage fees. Such enforcement measures may include
7 requesting expulsion of the violating Member under Section 8.02 and issuing a stop
8 fishing order against such Member.

9 **Section 3.04. Procedures for Investigations.** In addition to the Manager’s authority
10 described in Section 3.02 hereof, the Manager may, on his own, and shall, at the request
11 of the Board or a Member, request that the Infractions Committee conduct an
12 investigation of possible infractions of the Agreement, the Harvesting Rules, the Plan,
13 Amendment 16, or other Sector requirements as may be adopted under the terms of this
14 Agreement or the Sector’s Bylaws, by calling a meeting of the Infractions Committee and
15 presenting it with the information that is the basis for the Manager’s or Member’s opinion
16 that an infraction occurred. The Infractions Committee shall operate as a “blind”
17 committee, such that the identity of the Member, Permit and/or Participating Vessel
18 under consideration shall only be known to the Manager. The Committee may assign a
19 number of its members, which constitutes no more than 50% of the Infractions
20 Committee, to investigate the matter further and to recommend action, if any, to the full
21 Infractions Committee. Such committee member assignments shall be rotated. If, upon
22 the conclusion of such investigation, the Infractions Committee determines by an
23 affirmative vote of a majority (51%) of its members that a violation of this Agreement,
24 the Harvesting Rules, the Plan, Amendment 16, or other Sector requirements (as may be
25 adopted under the terms of this Agreement or the Sector’s Bylaws) has occurred, it may,
26 and is hereby given the authority to impose penalties consistent with those prescribed in
27 the Schedule of Penalties, (ranging from letters of warning to fines or reductions in ACE,
28 to stop fishing orders) or to recommend expulsion of the Member. The Infractions
29 Committee shall exercise all reasonable efforts to ensure that penalties and settlements
30 are commensurate with the nature and extent of the violation, are designed to further the
31 purposes of the Sector, Plan, and Amendment 16, and are uniform with those reached in
32 similar circumstances. All appeals from such Infractions Committee action shall be taken
33 in accordance with Section 7.05 hereof. Each of the Members agrees to cooperate fully
34 with the Manager and the Infractions Committee in such investigations and procedures
35 (including cooperation with any requests for information or data that may be made by the
36 Manager or the Infractions Committee).

37 **Section 3.05. Sector Weekly and Daily Catch Reports** The sector will submit required
38 reports using the format and procedure prescribed by NMFS. The Manager will retain
39 and maintain all sector data, paper and electronic, and shall, on a weekly basis, transmit
40 to NMFS catch reports providing data required by NMFS that includes, but are not
41 limited to, (i) catch data by cumulative live weight landings and discards by stock,
42 statistical area, and status of ACE for each of the stocks allocated to the Sector; (ii)
43 administrative data including week ending date, number of trips, gear used, submission
44 date of report, and whether the record was new or updated; (iii) observer data including
45 data collected on an observed trip by a Northeast Fisheries Observer Program Observer,

1 and shall extrapolate that across the entire Sector (cumulative) in the manner prescribed
 2 by NMFS; (iv) monitoring data including catch data collected on monitored trips by
 3 independent, third-party catch monitors, with extrapolation across the entire Sector
 4 (cumulative) in the manner prescribed by NMFS; (v) issues regarding data discrepancies,
 5 such as outstanding catch records and any actions being taken to resolve such
 6 discrepancies, (vi) any enforcement or compliance issues, including issues that were
 7 resolved or issues under investigation (unless administrative only), and (vii). a list of
 8 vessels landing during the week, a summary of the dockside and at sea monitoring effort
 9 that includes the vessels monitored, the date and location of monitoring, and any
 10 discrepancies observed.

11
 12 This information will be organized and contained in the following weekly reports:

- 13
- 14 • Sector Manager ACE Status Report: The ACE Status Report provides the
 15 sector managers ACE status calculations. This will allow NMFS to cross-
 16 check totals, as stipulated in Amendment 16. Information includes the
 17 original ACE at the start of the fishing year, the current ACE, harvested
 18 ACE, and the percent harvested to date.
- 19 • Sector Manager Detail Report: The Sector Manager Detail Report
 20 includes information down to the sub-trip level about each sector trip for a
 21 given week, regardless of the completeness of the data. The information
 22 will include stock, gear, mesh categories, landing amounts, discards, and
 23 total catch.
- 24 • Sector Manager Trip Issue Report: The Sector Manager Trip Issue Report
 25 provides information about sector trips for a given week that have
 26 enforcement, data quality, or other issues. The sector manager will submit
 27 one Issue Report per reporting period. Weekly reports must include any
 28 enforcement or reporting compliance issues, including violations of sector
 29 operations plans (exclusive of defined administrative provisions),
 30 violations of regulations, or general problems with dockside monitoring or
 31 sector operations during the reporting period.
- 32

33 The Manager shall notify NMFS via electronic mail upon reaching 80 percent of the ACE
 34 for any allocated stock, or when, for two consecutive weekly reporting periods 20 percent
 35 or more of the remaining portion of any ACE is harvested, which ever occurs first. Upon
 36 reaching either such harvest threshold, the reporting due date for the sector manager's
 37 weekly report will be increased to daily. Thus, for the latter trigger point, if a sector in
 38 one-week harvests 25 percent of the remaining ACE for Gulf of Maine cod for that
 39 sector, and the following week harvests 22 percent of that ACE, the trigger will have
 40 been reached and sector reporting will be changed to daily. An alternative threshold for
 41 increasing reporting frequency may be implemented during FY 2010 if agreed upon by
 42 the Sector and NMFS. The Manager shall include in such notice whether it intends to
 43 distribute the ACE reserve, consistent with sections 4.03 and 4.04.

44
 45 **Section 3.06. Annual Report.** The Manager shall prepare and submit to the Council
 46 and NMFS an annual year-end report on the fishing activities of its Members, including

1 the harvest levels of all species by Sector vessels (landings and discards by gear type), the
2 number of sector vessels that fished for regulated groundfish, and the permit and MRI
3 numbers associated with those vessels (except when this would violate protection of
4 confidentiality), the number of vessels that fished for other species, the method used to
5 estimate discards, the landing ports used by Sector vessels while landing regulated
6 groundfish, any enforcement actions taken against the Members, and other relevant
7 information required by the Regional Administrator to evaluate the Sector's performance,
8 within 60 days of the end of the fishing year.

9
10 **Section 3.07. Sector Board.** For FY 2011, the PCS board of directors, officers, and
11 attorney are listed below. NMFS may contact any of the officers or the PCS attorney
12 regarding sector-related business if the Manager or President cannot be reached. NMFS
13 may receive official communications on the sector's behalf from these same individuals.

14
15 **PCS Board of Directors:**

- 16 • Vincent Balzano
- 17 • Bryan Bichrest
- 18 • Gerry Cushman
- 19 • Gary Libby
- 20 • Knoep Neiuwkerk
- 21 • Joe Nickerson
- 22 • Geoff Smith

23
24 **PCS Officers and Attorney**

25 Glen Libby, President
26 Vincent Balzano, Vice President
27 Jen Litteral, Clerk
28 Joe Nickerson, Treasurer
29 Cindy Smith, Sector Manager
30 Roger Fleming, Attorney

31
32 **Article IV. ALLOCATION AND HARVEST**

33 **Section 4.01. Sector Allocation.** The Sector will be allocated an Annual Catch
34 Entitlement ("ACE") of all allocated groundfish stocks consistent with Amendment 16
35 and as set forth in Exhibit B hereto. Sector ACE for each groundfish stock will be based
36 on the landings history of each permit during the time period FY1996-FY2006, except for
37 GB Cod, which is allocated to certain permit/MRIs based on FY1996-FY2001 (see
38 Amendment 16).

39
40 **Section 4.02. Annual Distribution, Consolidation, and Harvest.** Each Member hereby
41 acknowledges and agrees that the aggregate allocation of Groundfish authorized by
42 Amendment 16 and NMFS to the Sector ("Sector ACE") shall be harvested in accordance
43 with the Harvesting Rules, which are set forth as Exhibit C hereto, and the provisions for
44 allocation set forth in Exhibit B hereto. Consistent with Exhibit B, prior to the
45 commencement of the Fishing Year, the Board shall make an initial distribution of the

1 Sector's ACE to members based on the Members' fishing history ("Individual ACE").
2 After the initial allocation of ACE is made, and at any time during the fishing year,
3 Members are free to transfer, lease, or sell any Individual ACE to any other Member
4 consistent with Section 4.09. Members with or without ownership interests in multiple
5 Permits may consolidate ACE to harvest from a single or fewer vessels, provided that the
6 Manager is notified and consents to such transfer. See Section 5.10 for further discussion
7 regarding redistribution of ACE, and Exhibit B and Table B.3 for further discussion
8 regarding consolidation of ACE.

9
10 Each Member agrees to, and agrees to cause its Participating Vessels to, exercise all
11 commercially reasonable efforts to (i) assist in harvesting an amount of Groundfish equal
12 to, but not greater than, the Sector ACE, as further set forth on Exhibit C, and (ii) to
13 comply with all of the other Sector requirements set forth in Exhibit B and Exhibit C
14 hereto. If at any time during the fishing year the Board determines that the Sector ACE
15 may not be fully harvested, the Board shall, subject to the provisions of this Section 4.02,
16 seek to redistribute the Sector ACE, through Individual ACE, monthly Sector ACE
17 targets or otherwise, to ensure that the Sector ACE is fully harvested. In addition, to the
18 extent that the Sector ACE is adjusted upward or downward after the commencement of
19 any fishing year, whether by the authority of NMFS, by framework adjustment or by
20 other regulatory action, the Board shall have the authority to redistribute the adjusted
21 Sector ACE through adjustments to Individual ACE, monthly quotas, or otherwise, to
22 ensure that the adjusted Sector ACE is properly harvested by the Members.

23
24 **Section 4.03. Sector ACE Reserve.** Each Member agrees that the Board may, in its sole
25 discretion, establish a reserve of each Groundfish species in order to ensure that the
26 Sector remains in compliance with its Sector ACE limit; provided, however, that such
27 reserve shall not exceed 10 percent (10%) of the Sector ACE. The amount of the reserve
28 shall be deducted from the Sector ACE before such Sector ACE is distributed among the
29 Members, their Permits and their Participating Vessels through Individual ACE, monthly
30 quota targets, or otherwise.

31
32 **Section 4.04. Distribution of Sector ACE Reserve.** If the Board, subsequent to the
33 establishment of a reserve pursuant to Section 4.03 hereof, determines that the Sector
34 ACE, as adjusted pursuant to Section 4.03, will be harvested by the Participating Vessels,
35 the Board shall release and authorize the harvesting of the reserve by the Members. Such
36 release and authorization shall be conducted in a manner consistent with all other
37 requirements herein and any additional Board requirements approved as part of the
38 authorization in order to ensure the Sector ACE is not exceeded.

39
40 **Section 4.05. Research Reserve.** Each Member agrees that the Board may establish a
41 reserve of ACE for each Groundfish species for purposes related to research. The terms
42 and conditions for the distribution of ACE placed into the reserve shall be established
43 through an agreement between the Board and the Member(s) electing to place ACE in the
44 reserve. The amount of the reserve shall not exceed the ACE of such Member(s), their
45 Permits, and their participating Vessels, and shall be deducted from the Sector ACE
46 before such Sector ACE is distributed through Individual ACE, monthly quota targets, or

1 otherwise.

2
3 **Section 4.06. Distribution of Research Reserve.** The Board, subsequent to the
4 establishment of a Research Reserve pursuant to Section 4.05 hereof, shall release and
5 authorize the harvesting of the Research Reserve by the Members as specified in the
6 agreement(s) establishing such reserve. Such release and authorization shall be
7 conducted in a manner, consistent with this plan, that continues to ensure the Sector ACE
8 is not exceeded.

9
10 **Section 4.07. Fishing History in Sector.** The Members agree that any fishing history,
11 which is accumulated or established using the Individual ACE attributed to a Member's
12 Permit while it is participating in the Sector (the "Sector History"), shall be attributed to
13 such Member's Permit, and not to any other permits. The Members further agree that
14 any future allocations of Groundfish made within the Sector shall be based on the fishing
15 history of the Members' Permits that is accumulated during the relevant Qualifying
16 Period.

17
18 **Section 4.08. Non-Prejudicial.** It is the intent of the Members that the allocation of
19 ACE to any Member's Permit related to the Qualifying Period, derived from reports to
20 NMFS prior to joining the Sector, shall not be diminished or penalized as a result of
21 participation in the Sector in lieu of participation in the multispecies DAS program.

22
23 **Section 4.09. ACE Transfer/Carryover.** The Sector may carry up to 10 percent of its
24 unused ACE forward into the next fishing year. Participating Vessels and/or Permits may
25 transfer Individual ACE to other Participating Vessels and/or Permits, or otherwise pool
26 or redistribute Individual ACE, provided that the Manager is notified and consents to
27 such transfer.

28
29 There is no limit on the amount of ACE that can be transferred between Sectors. This
30 exchange can occur at any time during the fishing year and up to 2 weeks into the
31 following fishing year. Members must notify the Manager prior to requesting a transfer
32 of ACE to another Sector and such request must be approved by the Board prior to the
33 Sector transmitting the ACE transfer request to NMFS. The transfer does not become
34 effective until approved by NMFS and both Sectors are notified.

35
36 Since ACE transfers may take place after fishing has commenced and it will not be clear
37 whether sectors are able to balance overages by acquiring ACE until all transfers have
38 been processed, the Sector recognizes that NMFS will hold 20 percent of the Sector ACE
39 for each stock in reserve until 61 days after the beginning of the fishing year in order to
40 ensure that sectors will have sufficient ACE to balance overages from the previous year.

41
42 **Section 4.10. ACE Overages.** Any Sector ACE overage that is not accounted for
43 through a subsequent ACE transfer will be considered a violation of the Plan and
44 regulations. NMFS may hold Members and the Sector jointly and severally liable for
45 such overage as indicated in Article VII below. If the Sector or a Member exceeds its or
46 their allocation, the overage will be deducted the following year on a pound for pound

1 basis, after accounting for any transfers. A permanent reduction in Sector ACE will
2 follow any vessels that leave the Sector.

3
4 The Harvest Rules, Exhibit C, show how the Sector plans to avoid exceeding its ACE,
5 along with actions to be taken should the ACE be exceeded. Overage penalties are
6 identified in the schedule of penalties (Exhibit A). NMFS will withhold 20 percent of the
7 Sector ACE at the beginning of the fishing year for a period of 61 days to allow time to
8 process any end-of-year transfers of ACE and to determine whether any reductions in
9 ACE are necessary due to overage in the previous year.

10
11 If an overage occurs and a vessel(s) leaves the Sector but the remaining vessels have
12 enough ACE to cover the overage deduction, the impacts on departing Members will be
13 determined by the Infractions Committee and Board.

14
15 If an overage occurs and the Sector disbands completely each permit will receive a
16 percentage reduction in DAS equal to the maximum percentage overage of the Sector
17 (e.g. The Sector goes over by 5% on stock A and 10% on stock B, therefore each permit
18 receives a 10% DAS reduction).

19
20 If a vessel causes a Sector ACE overage, leaves the Sector, and there is insufficient ACE
21 in year 2 to cover the year 1 overage, consistent with Amendment 16 there will be a
22 pound-for-pound penalty applied to that permit in the new Sector or a percentage DAS
23 reduction if the Member joins the Common Pool.

24
25 **Section 4.11 Non-target Fisheries.** The PCS will undertake measures to avoid or
26 minimize catching groundfish in non-groundfish fisheries participated in by sector
27 vessels by adhering to all monitoring and reporting requirements, using gear that
28 minimizes groundfish bycatch such as nordmore grates and toplless trawls in the shrimp
29 fishery, and adjusting its fishing patterns (time and area restrictions) or its gear at the
30 request of the Sector Manager if groundfish catch approaches either an individual's or the
31 Sector's ACE. If at any point an individual or the Sector does not have ACE available
32 and groundfish catch cannot be avoided in a non-groundfish fishery for which there is not
33 a separate sub-ACL of groundfish, then its vessels shall not participate in such fisheries.

34
35 **Article V. ADDITIONAL MEMBERSHIP REQUIREMENTS, RESTRICTIONS,**
36 **AND EXEMPTIONS**

37 **Section 5.01. Letters of Authorization and Proof of Sector Membership.** Upon
38 approval, each sector vessel will be issued a Letter of Authorization (LOA) specifying
39 any exemptions from Federal regulations and laws. Vessels must comply with all
40 applicable Federal regulations and laws not specifically exempted in the LOA. Each
41 Member agrees that its Participating Vessel(s) shall maintain on-board at all times while
42 fishing for groundfish a LOA from NMFS verifying such Participating Vessels'
43 participation in the Sector, contact information for the Sector Manager, and a copy of the
44 Operations Plan and Agreement in effect for the current fishing year.

45
46 **Section 5.02. Gear Restrictions.** While the primary gears used by Participating Vessels will

1 be otter trawls and sink gillnets, there is some history of use of other gear including demersal
2 long lines and handlines. The PCS is authorized to use any gear allowed by regulations
3 including automated hook, jigs, handlines, Scottish seines, beam trawls, or pots.

4 **Section 5.03. Area Restrictions.** Each Member and Participating Vessel agrees that it
5 shall not fish commercially with gear that is capable of harvesting Groundfish outside the
6 Gulf of Maine Regulated Mesh Area (RMA or “Area”), as identified in the Harvesting
7 Rules set forth in Exhibit C hereto.

8 **Section 5.04. Operators.** Each Member agrees to ensure that any operators of its
9 Participating Vessels fully comply with the obligations and restrictions set forth in this
10 Agreement. Each Member further agrees to accept responsibility hereunder for the
11 actions of any such operators that result in a violation of this Agreement.

12 **Section 5.05. Designated Landing and Departure Ports.** To enable the Members and
13 the Manager to monitor, observe and verify catches, each Member agrees that each of its
14 Participating Vessels will only offload fish in, and depart to fish from, the designated
15 ports as follows (“Remote” locations are noted. See Section 6.07 below for additional
16 information regarding monitoring at remote ports.):

- 17
- 18 1. Portland Harbor, Portland, ME
- 19 2. Port Clyde Harbor, Port Clyde ME (Remote*)
- 20 3. Cape Porpoise Harbor, Kennebunkport, ME (Remote)
- 21 4. Kennebunkport Harbor, Kennebunkport, ME (Remote)
- 22 5. Sebasco Harbor, Phippsburg, ME (Remote)
- 23 6. Boothbay Harbor, Boothbay Harbor ME (Remote)
- 24 7. Cundys Harbor, Harpswell, ME (Remote)
- 25 8. Camp Ellis, Saco, ME (Remote)
- 26 9. Gloucester Harbor, Gloucester, MA
- 27

28 **Section 5.06. Landing Port Exceptions.** Landings in ports other than those listed in
29 Section 5.05 are permitted on a temporary, case-by-case basis, subject to prior approval
30 of the Manager; provided, that the Manager determines that the excepted landing will not
31 impair effective enforcement and monitoring of the Sector and this Agreement. Such
32 exceptions may be granted in the sole discretion of the Manager. The Manager shall
33 notify the Dockside Monitoring Vendor (“DMV”) of landing port exceptions in a manner
34 and timeframe agreed upon by the DMV and Manager, and such agreement shall ensure
35 compliance with the Sector’s Dockside Monitoring requirements. The Manager shall
36 report to NMFS via electronic mail any landing port exceptions that are of a significant or
37 prolonged nature. For the purposes of this paragraph, landing port exceptions that are of a
38 significant or prolonged nature, would include, but not be limited to, more than two
39 exceptions per month for a vessel, or if the timeframe for any such exception is greater
40 than two days.

41

42 **Section 5.07. Observed Offloading.** Each Member agrees that, in order to enhance the
43 monitoring and enforcement of the provisions in this Agreement, the Manager may
44 timely request that an observer be present during offloading operations. If such a request

1 is made, each Member agrees not to permit its Participating Vessels to offload fish until
2 the Manager or his designee is present.

3
4 **Section 5.08. Advanced Notice of Offloading.** Consistent with the requirements of
5 Section 6.01, vessels shall notify the Sector Manager and/or DMV through the vessel's
6 Vessel Monitoring System (VMS) or other means a minimum of 6 hours prior to landing,
7 or within a shorter period of time so long as it is agreed by the Member, Manager, DMV
8 and NMFS that notice is adequate. Vessels shall provide location and approximate time
9 of landing, and estimation of pounds to be landed. As indicated in Section 6.01 below, for
10 trips less than 6 hours or occurring less than 6 hours of port, the trip start hail will also
11 provide estimated date and time of arrival to port and estimated date and time of offload.
12 The trip end hail will be sent upon completion of the last tow with required updated
13 information.

14
15 **Section 5.09 Exemptions.** The PCS is exempt from certain regulations otherwise
16 applicable to participants in the Groundfish FMP. Upon approval, each sector vessel will
17 be issued a Letter of Authorization (LOA) specifying the exemptions granted. Vessels
18 must comply with all applicable Federal regulations and laws not specifically exempted
19 in the LOA.

20
21 *Universal Exemptions*

22 Such exemptions include all of the "universal exemptions" approved as part of the
23 Groundfish FMP and Amendment 16. These universal exemptions applicable to the PCS
24 include the following:

- 25
26 1. Trip limits on allocated stocks (described more fully in Exhibit C)
27 2. Groundfish days-at-sea (DAS) restrictions (note that DAS regulations will still
28 exist for certain non-groundfish fisheries including monkfish)
29 3. Portions of the Gulf of Maine Rolling Closure Areas (described more fully in
30 Exhibit C)

31
32 *Exemptions Previously Approved for FY 2010*

33 The final rule approving sectors for FY 2010 (75 Fed. Reg. 18113 (April 9, 2010))
34 approved several additional exemptions for certain sectors. A rule currently being
35 drafted by NMFS proposes to grant all of these exemptions for FY 2010 to all sectors that
36 request them. As directed by NMFS, although these exemptions were approved for FY
37 2010, sectors wanting these exemptions for FY 2011 must again include these exemption
38 requests in their FY 2011 operations plans, but do not need to provide a supporting
39 justification for these exemptions as NMFS will use the same information from 2010.
40 The FY 2010 exemptions requested by the PCS for FY 2011 are as follows:

- 41 • 120-day block requirement out of the fishery for day gillnet vessels
42 • 20-day spawning block
43 • Limitation on the number of gillnets for day gillnet vessels
44 • Prohibition on a vessel hauling another vessel's gillnet gear
45 • Limitation on the number of hooks that may be fished

- 1 • Length and horsepower restrictions of the DAS Leasing Program
- 2 • Gulf of Maine Sink Gillnet Program

3
4 *New Exemption Requests for FY 2011*

- 5 1. For FY 2011, PCS vessels also request exemption from the following Gulf of
6 Maine (GOM) rolling closures:
 - 7 1. May: 30-minute block 138
 - 8 2. May: 30-minute block 139
 - 9 3. June: 30-minute block 139
 - 10 4. June: 30-minute block 145
 - 11 5. June: 30-minute block 146

12
13 If approved by NMFS, the PCS vessels will be exempt from complying with these
14 additional GOM rolling closures. Participating Vessels would continue to comply with
15 the remaining GOM rolling closures which include the following:

- 16 • April: 30-minute blocks 124, 125, 132, 133
- 17 • May: 30-minute blocks 132, 133, 140
- 18 • June: 30-minute blocks 140, 147, 152

19
20 As described in greater detail in the Environmental Assessment related to this Operations
21 Plan and Agreement, the GOM rolling closures severely limit PCS vessel access to fish and
22 their ability to provide a supply of fresh fish to Maine's markets during certain parts of
23 the year. This exemption is intended to allow the PCS to supply a consistent supply of
24 fish to its markets in Maine for a longer period of time.

25
26 Sectors provide conservation benefits equivalent to the overall effort reduction and
27 mortality control rationale for originally implementing the rolling closures. In addition,
28 the remaining GOM rolling closures, the State of Maine's well designed and effective
29 spawning closures, and other measures applicable to this fishery will continue to provide
30 protection for spawning fish. The Northeast Fisheries Science Center's (NEFSC) spring
31 survey data for 2006–2008 indicate that very high concentrations of cod (highest quartile
32 of tows by weight) continue to be present in the April GOM Rolling Closure Area,
33 especially west of 69°30' W. longitude, while moderate concentrations of cod are found
34 in block 138 in May. This exemption would not affect the April rolling closures.

35
36 In order to provide additional protections for spawning fish and harbor porpoise and other
37 marine mammals, and to minimize the PCS's catch of spawning fish in the requested
38 blocks during the requested exemption period:

- 39
40 1. Under this exemption the PCS will take no more than 25 percent of its
41 total allocation of any species from the exempted blocks.
- 42 2. If, based on observer data, NMFS determines that a significant amount of
43 fish taken from an exempted block in any week are spawning fish, then all

1 sector vessels will be excluded from such block for the remainder of the
2 rolling closure period.

3 3. In order to help PCS vessels stay below the thresholds described above,
4 the PCS will also institute a “move-along” program. Sector vessels will
5 be required to move either to a deeper water location as necessary to avoid
6 spawning fish or mammals, or to an area outside of the block closure, for a
7 minimum of 48 hours whenever spawning fish or harbor porpoise or other
8 marine mammals are detected. Vessels must immediately notify the
9 Sector Manager when fish in any haul from an exempted block are
10 spawning fish, or if harbor porpoise or other marine mammals are detected
11 in the area. The Sector Manager will in turn stop other vessels from
12 fishing in that block closure or direct them to fish at a greater depth as
13 necessary to avoid spawning fish or mammals.

14 4. This PCS will collect data on the move-along program and report on its
15 implementation as a pilot study for future use by the PCS and other
16 sectors.

17 5. Sector gillnet vessels would continue to be subject to requirements to
18 protect Harbor Porpoise, including closures and pinger requirements.

19
20 2. Requirement to power a VMS when at the dock. Under certain circumstances, the
21 regulations at 50 C.F.R. § 648.10(c)(2) allow NMFS to issue a LOA allowing vessels to
22 sign out of the VMS program for a minimum of 30 consecutive days. VMS was
23 originally implemented to track DAS and proximity to closed areas. The ability to
24 power-down a VMS unit was justified in Amendment 13 to reduce vessel costs when
25 reduced DAS allocation limited fishing opportunities to a small portion of the year. This
26 would exempt PCS vessels from the requirement to power a VMS while at the dock.
27 PCS vessels would be required to operate their VMS unit when the vessel is away from
28 the dock. Further, reporting requirements (trip start and trip end hauls, VMS declarations,
29 etc.) received by the sector manager and NMFS can be used to monitor vessels granted
30 this exemption.

31
32 **Section 5.10. Potential Redirection of Effort.** The PCS continues to not anticipate
33 significant geographic redirection of effort as a result of the formation of the Sector as
34 surveys and Member interviews have indicated that Members intend to continue to fish in
35 approximately the same areas as the most recent prior years. The most likely anticipated
36 changes indicated by Sector Members related to the change in rolling closures approved
37 as part of Amendment 16, which are most likely over time to redirect some effort during
38 May to statistical blocks 130-131 and 136-137, and June to 143-144. Based on the
39 information available to date, however, there did not appear to be any significant changes
40 in effort.

41
42 If the additional GOM rolling closure exemptions are approved, it is anticipated that
43 some vessels will fish around the inside of the edges of the exempted blocks in May and

1 June in order to gain access to a more steady supply of fish. Members intend to continue
2 to fish primarily in approximately the same areas as the most recent prior years and most
3 of the sector ACE will continue to be taken from the same areas.

4
5 The 120 days out exemption, 20-day spawning block exemption, and other gillnet
6 exemptions are likely to have different effects for different PCS gillnet vessels.
7 Approximately eight fish from Boothbay and Cundy's harbors in statistical areas 138,
8 139, 146, and 147. It is anticipated that under these exemptions they will continue to fish
9 the same areas but be able to increase their efficiency and stretch out their effort in
10 statistical areas 146 and 147 earlier into April and May, when they currently take time out
11 of the fishery.

12
13 For the approximately six vessels that fish from Kennebunkport and Cape Porpoise,
14 which fish primarily in areas 139 and 140 year-round, the 120-day block exemption will
15 allow them to fish in these areas during the fall "flanking season," after September when
16 they currently take time out of the fishery.

17
18 As indicated in Exhibit B, the PCS does not anticipate that any currently active vessels
19 will not participate in the multispecies fishery in FY 2011, therefore it is unlikely there
20 will be any shift in effort to other fisheries by PCS vessels.

21
22 The PCS has conducted considerable mapping of historic effort by Members and the
23 Sector Manager will monitor trends and report to NMFS in writing should a significant
24 and adverse shift in effort occur. The Sector Manager may establish additional area or
25 gear restrictions designed to mitigate the adverse impacts of such shift, including bycatch
26 issues (marine mammal or otherwise) should they occur do to spatial shifts in effort or
27 increases in soak times. In addition to the other monitoring requirements contained in
28 this Operations Plan, the Manager will also monitor any redirection of effort and will
29 include that information in the Manager's reports to NMFS. Members that violate related
30 provisions will be subject to penalties in accordance with Exhibit A of the Operations
31 Plan. Further, any increase in "equity" issues would be addressed by the Board, which
32 will be comprised of both gillnet and trawl fishermen.

33
34 Further, the Members acknowledge that limited redirection of fishing effort onto stocks
35 not managed under the Plan could occur as a result of insufficient ACE for a directed
36 fishery on regulated groundfish species. If any redirection occurs they will not redirect
37 effort onto stocks which are overfished or for which overfishing is occurring. Any
38 redirection of effort into other fisheries where non-specified gear is used will be closely
39 monitored throughout the year and reported in the Annual Report. Through the reporting
40 requirements contained in this Agreement, the Manager will monitor any redirection of
41 effort and include that information in the Manager's reports to NMFS. Members that
42 violate this provision will be subject to penalties in accordance with Exhibit A.

43
44 **Article VI. CATCH MONITORING AND VERIFICATION**

45 Section 6.01. Sector Hails/Reporting. Consistent with Exhibit E, each Participating
46 Vessel operator will provide a trip start hail prior to departing port at the beginning of a

1 commercial fishing trip when commercial fishing with gear capable of harvesting
2 regulated groundfish. This will be sent as an email via VMS to NOAA Fisheries Office
3 for Law Enforcement (OLE) who will relay the message to the dockside monitoring
4 vender upon receiving the transmission, and the dockside monitoring vendor will relay
5 the message to the sector manager. The transmission will contain the vessel permit
6 number, trip ID# (VTR number for the first VTR page) and an estimate of the date and
7 time of arrival to port.

8
9 For trips less than 6 hours or occurring less than 6 hours of port, the hail trip start will
10 also provide estimated date and time of arrival to port and estimated date and time of
11 offload. The trip end hail will be sent upon completion of the last tow with required
12 updated information including the estimated time of arrival, time of offload, estimated
13 total amount of regulated species (in pounds, landed weight), and estimated total weight
14 of each species on board (in pounds, landed weight). An alternative timing for the trip
15 end hail may be implemented during the 2010 fishing year if agreed upon by the sector,
16 sector monitoring provider, and NMFS. The dockside monitoring vender will
17 immediately send a confirmation to the vessel that the trip start hail was received; if the
18 vessel does not receive the confirmation within 10 minutes, the captain must contact the
19 vender to confirm the trip start hail via a back up system, e.g., a phone call.

20
21 A trip end hail will be provided by the vessel operator 6 hours before landing for trips
22 that are at least 6 hours in duration and more than 6 hours from port. This will also be
23 sent as an email through VMS to the dockside monitor provider the message will contain:
24 the vessel permit #, trip ID # (VTR number on the first VTR page), intended offloading
25 location(s) including the dock or dealer, port or harbor and the state. This message will
26 also contain estimated date and time of arrival, estimated date and time of offload,
27 estimated total amount of regulated species, and estimated total weight of each species on
28 board. The Dockside Monitoring Provider will relay all information provided in the trip
29 end hail to the sector manager and to OLE as well as provide confirmation back to the
30 vessel operator. If the vessel does not receive confirmation within 10 minutes, the
31 captain must contact the vender to confirm the hail trip end via a back up system, e.g., a
32 phone call. Alternative standards for trips that are at least 6 hours may be implemented
33 during the 2010 fishing year if agreed upon by the sector, the monitoring provider, and
34 NMFS.

35
36 In accordance with and defined by Amendment 16, all Sector vessels will also be
37 required to make a declaration to NMFS via VMS prior to departing port identifying
38 whether they intend to fish in one broad reporting area or multiple reporting areas.
39 Vessels that fish in multiple areas will be required to provide additional daily reports to
40 NMFS as required by Amendment 16.

41
42 The sector will submit required reports using the format and procedure prescribed by
43 NMFS.

44
45 **Section 6.02. Participating Vessel Catch Reports.** To enable each Member and the
46 Sector to monitor the Members' compliance with this Agreement, each Member agrees to

1 report each of its Participating Vessels' entire catch by species on a landing-by-landing
 2 basis, by providing the Manager with a copy of the official Vessel Trip Report, Electronic
 3 Vessel Trip Report (EVTR), or other reporting document authorized by NMFS within 24
 4 hours of offloading retained catch or prior to departing on a subsequent trip, whichever
 5 occurs first, in the form and manner prescribed by the Manager. If electronic VTR
 6 reporting has been approved for use in the 2011 fishing year, vessels will either submit an
 7 electronic VTR or a paper VTR. If electronic reporting has not been approved for use in
 8 2011 fishing year the vessel will submit a paper VTR and, if required by the sector
 9 manager, an electronic VTR to the sector manager. As provided in Section 3.05, the
 10 sector manager will retain and maintain all sector data, including records of all paper and
 11 electronic VTRs.

12
 13 The Members agree that these records shall be maintained by the Manager. The Manager
 14 shall provide such Member with the Sector's catch information that is generated from
 15 such records as described in Exhibit C, or upon the request of any Member. As described
 16 in Section 3.05 the Manager shall, on a weekly basis, transmit to NMFS the Sector ACE
 17 Reports generated from such information along with Vessel Trip Reports or other
 18 documents required by NMFS.

19
 20 **Section 6.03. Dealer Reporting.** Each Member agrees to (i) sell the landings of its
 21 Participating Vessels only to a dealer licensed under the Plan by NMFS and (ii) cause any
 22 such dealer to provide the Manager with a copy of the official dealer weigh out slip or
 23 other official reporting document required by NMFS on a weekly basis, or if pursuant to
 24 Section 3.05 daily reporting is required by NMFS, within 24 hours. Each Member
 25 further acknowledges and agrees that (a) it is responsible for ensuring timely dealer
 26 reporting in accordance with the provisions of this Section 6.03 and (b) failure of the
 27 dealer to timely deliver the reports for a Member's Participating Vessel in accordance
 28 with this Section 6.03 shall be deemed a breach of this Agreement by such Member. It is
 29 the responsibility of the Member to ensure that a dealer is licensed and Member shall
 30 provide evidence of such licensure to Manager upon request.

31
 32 **Section 6.04. Catch Verification.** The Manager shall, and each Member shall ensure
 33 that the Manager does compare, verify and validate each Participating Vessel's landings
 34 records with the dealer reports for such Participating Vessel on a continuing and frequent
 35 basis. If the Manager identifies a discrepancy, he shall immediately notify the affected
 36 Member and seek to resolve the discrepancy. If the Manager is unable to satisfactorily
 37 reconcile the catch records, he shall notify the Committee of the discrepancy for its
 38 consideration and resolution. Each Member further agrees to cooperate fully with any
 39 requests for information or data that are made by the Manager or the Committee in an
 40 effort to resolve such discrepancy.

41
 42 **Section 6.05. Monitoring Program Vendors.** The PCS is considering the following
 43 independent, third-party monitoring providers (Monitoring Vendors), which were
 44 approved in FY 2010, for its dockside and at-sea monitoring programs. While NMFS has
 45 not yet approved any providers for FY 2011, the sector will contract a NMFS-approved
 46 provider to provide dockside [and/or] at-sea monitoring services before May 1, 2011 and

1 will notify NMFS of its selection via electronic mail:

2 Atlantic Catch Data Ltd.
3 99 Wyse Road, Suite 815
4 Dartmouth, Nova Scotia
5 CANADA B3A 4S5

6 A.I.S., Inc.
7 89 North Water Street
8 New Bedford, MA 02747

9 MRAG Americas
10 65 Eastern Ave.
11 Unit B2C
12 Essex, MA 01929

13
14 Saltwater Inc.
15 733 N. Street
16 Anchorage, AK 99501

17
18 **Section 6.06. Dockside Monitoring (DSM) Program**

19 Dockside monitoring (DSM) will be deployed by the sector in accordance to the DSM
20 operational standards found at 50 CFR 648.87(b)(5). The sector will work with the DSM
21 provider to achieve the coverage level specified in the regulations at 50 CFR
22 648.87(b)(1)(v)(B)(3)(i) using a methodology approved by NMFS and implemented by
23 the monitoring vendor and the Sector Manager..

24
25 NMFS shall notify the Manager which of the selected Monitoring Vendors have been
26 approved. Approved Vendors will submit bids to the Sector for implementing their
27 proposed DSM programs, and the Board will select which Monitoring Vendor will
28 provide the Sector's DSM. If a Monitoring Vendor loses its approved status in the course
29 of the fishing year, NMFS will immediately alert the Manager and the Sector will
30 establish a contract with another approved Vendor from the list and notify NMFS.
31 Requirements related to Monitoring Vendors can be found in Exhibit G.

32 **Section 6.07 Offloading Catch.** The designated ports for offloading fish are identified in
33 section 5.05. The ports of Portland, Gloucester, and Port Clyde have a dealer, but some
34 fish offloaded in Port Clyde is trucked to Portland, as is fish offloaded in the "remote
35 ports" of Cape Porpoise, Sebasco Harbor, Camp Ellis, Boothbay Harbor, Cundys Harbor
36 and Kennebunkport. Remote ports (ports where there is no licensed dealer, regardless of
37 whether there is a scale for weighing fish), may require two monitored events; the vessel
38 offload and the dealer (truck) offload. Section 5.06 discusses exceptions to offloading at
39 designated ports.

40 **Section 6.08. At-Sea Monitoring (ASM) Program.** The PCS will participate in the
41 Northeast Fisheries Observer Program (NEFOP) and the NMFS-funded at-sea monitoring
42 programs. Any additional at-sea monitoring coverage beyond the NMFS-funded level

1 (currently 30 percent, *see* NMFS, Letter to Sector managers and Representatives (August
2 20, 2009)) will be provided pursuant to an independent contract between the PCS and a
3 NMFS approved provider. This additional at-sea monitoring coverage will have vessel
4 and trip selection coordinated through NMFS, will be conducted in the same manner with
5 the same protocols as the NMFS-funded ASM program, and will use approved at-sea
6 monitors. Also, this additional coverage will not be allowed to replace or interfere with
7 either the coverage of NEFOP or the NMFS-funded at-sea monitoring program. The
8 Manager will maintain a database of all catch data, including but not limited to VTR,
9 dealer, monitor, and observer data. NMFS will provide the PCS with data from NEFOP
10 and the ASM program.

11 **Section 6.09 Observer Safety.** The Sector Manager will work with the at sea monitoring
12 Vendors and Participating Vessels to ensure they meet the minimum safety standards.

13
14 **Section 6.10 Pre-trip Notification.** The designated ports for departure are identified in
15 section 5.05. For the pre-trip at sea monitoring notification, the Sector Vessels will
16 notify NEFOP a minimum of 48 hours prior to deployment and shall occur via a
17 telephone call. Day boats may call in their notification for all trips up to 10 days in
18 advance. The Vendor is required to be capable of taking telephone calls 24hrs per day, 7
19 days per week. Once the Vendor receives notice of a trip, they shall notify the Sector
20 Manager, NEFOP and OLE via electronic mail or telephone. Exhibit H provides further
21 details of related protocols.

22 **Section 6.11 Electronic Data Transfers.** Data from observed trips shall be provided
23 electronically to the Vendor, the Sector Manager, the NEFSC and NMFS, in a format
24 approved by NFMS, as it becomes available.

25
26 **Section 6.12 Discard Rates.** The Sector manager (or his designated representative) will
27 derive stock specific discards for each trip. If the trip is observed by either an ASM or a
28 NEFOP observer, discards will be derived based on data collected during that trip and
29 will account for all hauls (observed and unobserved) on that trip. If the trip is not
30 observed, discards will be derived using the NMFS-provided discard rate resulting from
31 the NMFS (peer-reviewed and approved) method to estimate 'in-season' discard rates.

32
33 **Section 6.13 ASM Program Adjustments.** The Sector Manager will work with the
34 Vendor and NEFSC on an ongoing basis to improve all aspects of its ASM Program,
35 including making any necessary adjustments to achieve desired levels of coverage while
36 meeting other Program requirements.

37

38 **Article VII. ENFORCEMENT**

39 **Section 7.01. Agreement Enforcement.** Each Member agrees that the Sector, by or
40 through its representatives, and/or any other Member may enforce this Agreement on
41 behalf of the Sector and/or its Members. Each Member agrees to take all actions and to
42 execute all documents necessary or convenient to give effect to the enforcement
43 procedures contemplated by this Agreement, the Harvesting Rules, and any Schedule of

1 Penalties.

2
 3 **Section 7.02. Liability.** The Members acknowledge and agree that the Sector itself is a
 4 legal entity, and therefore may be held liable for violations of the law, applicable
 5 regulations, and this Agreement committed by its members. Each Member participating
 6 in the Sector must comply with all applicable requirements and conditions of this
 7 Agreement and their Letter(s) of Authorization. It shall be unlawful and subject to
 8 enforcement by NMFS for the Sector or any Members to violate any such conditions and
 9 requirements unless they are identified as exclusive to the administration of the Sector.
 10 Those conditions and requirements that are considered to be exclusive to the
 11 administration of the Sector which are contained in the following sections:

- 12
- 13 • **Section 1.02. Organization and Authority**
- 14 • **Section 2.01. Voluntary Membership**
- 15 • **Section 2.02. Scope of Membership Obligations**
- 16 • **Section 2.03. Length of Commitment**
- 17 • **Section 2.04. New Members**
- 18 • **Section 2.05. Permit Transfers**
- 19 • **Section 2.06. Membership Dues**
- 20 • **Section 2.08. Right of First Refusal for Permit Transfers**
- 21 • **Section 2.09. Right of First Refusal for ACE Transfers**
- 22 • **Section 2.10. Release of Confidential Data**
- 23 • **Section 3.01. Sector Manager**
- 24 • **Section 3.02. Manager Authority**
- 25 • **Section 3.04. Procedures for Investigations**
- 26 • **Section 3.07. Sector Board and Officers**
- 27 • **Section 4.01. Sector Allocation**
- 28 • **Section 4.02. Annual Distribution, Consolidation, and Harvest**
- 29 • **Section 4.03. Sector ACE Reserve**
- 30 • **Section 4.04. Distribution of Sector ACE Reserve**
- 31 • **Section 4.05. Research Reserve**
- 32 • **Section 4.06. Distribution of Research Reserve**
- 33 • **Section 5.04. Operators**
- 34 • **Section 5.10. Potential Redirection of Effort**
- 35 • **Section 6.04. Catch Verification**
- 36 • **Article VII. ENFORCEMENT (Except Section 7.03.)**
- 37 • **Article VIII. EXPULSION OF MEMBERS**
- 38 • **Article IX. TERM/TERMINATION**
- 39 • **Article X. MISCELLANEOUS**
- 40

41 **Section 7.03. Joint and Several Liability and Restrictions on Fishing Activity.** The
 42 Members also acknowledge and agree that a violation of this Agreement or applicable
 43 federal fishery regulations by one or more Members (or the Members' Permits,
 44 Participating Vessels or Participating Vessels' operators, if any) that causes the Sector to
 45 exceed its ACE for any species, or a hard total allowable catch or "hard-TAC", or results

1 in the discarding of legal sized fish or the misreporting of catch (landings or discards),
2 could subject the Sector and its Members to joint and several liability for civil penalties
3 and permit sanctions pursuant to 15 C.F.R. Part 904.

4
5 The Members further acknowledge and agree that monetary penalties could be
6 inadequate recourse under such circumstances and that consistent with Amendment 16 if
7 an ACE or hard-TAC is exceeded in more than one fishing year, the Sector's share may
8 be permanently reduced or the Sector's authorization to operate may be withdrawn.
9 Therefore, the Members acknowledge and agree that each of them will (and will cause
10 their Permits, Participating Vessels and Participating Vessels' operators, if any, to)
11 comply with a "stop fishing" order from the Sector, which shall be issued by the Board,
12 the Manager or the Committee, and each of the Members further agrees that if any
13 Member (or its Permits, its Participating Vessels or the Participating Vessels' operators)
14 fails to comply with such order, the Sector shall have the authority to obtain an
15 injunction, restraining order or other equivalent form of equitable relief to give effect to
16 such "stop fishing" order.

17
18 **Section 7.04. Penalties for Violations.** Any penalties that are imposed upon a Member
19 by the Sector pursuant to the terms of this Agreement shall be in addition to, and not in
20 lieu of, any other potential state or federal penalty that may be imposed upon such
21 Member.

22
23 **Section 7.05. Appeal from Infractions Committee Decision.** If the Infractions
24 Committee (i) has determined, pursuant to the procedures set forth in Section 3.04 hereof,
25 that a Member has violated this Agreement or (ii) makes any other determination with
26 respect to a Member under this Agreement (including, specifically, without limitation
27 Section 5.03 hereof), such violating Member shall have five business days following the
28 date of notice of the Infractions Committee's determination to request reconsideration of
29 the enforcement or other action and/or propose an alternative form of penalty. Such
30 request shall be made in writing and shall be addressed to the Board. The Board may, in
31 its sole discretion, grant or deny any request for reconsideration and may, in its sole
32 discretion, approve or disapprove any alternative form of penalty; provided, that the
33 Board shall exercise all reasonable efforts to ensure that penalties and settlements are
34 commensurate with the nature and extent of the violation, are designed to further the
35 purposes of the Sector, Plan, and Amendment 16, and are consistent with those reached
36 in similar circumstances.

37
38 **Section 7.06. Penalties and Attorneys' Fees.** Penalties for any violations of this
39 Agreement shall, to the extent addressed in the Schedule of Penalties, be limited to the
40 amounts set forth on the Schedule of Penalties plus all costs, fees and expenses, including
41 attorneys fees, incurred by the Sector or, in a case in which the Sector does not take
42 enforcement action, by the Members bringing such action, in enforcing the provisions of
43 this Agreement. To the extent the Schedule of Penalties addresses such matter, the
44 Members and the Sector hereby waive any claims to actual, direct, or indirect damages,
45 and instead agree that payment of the amounts set forth on the Schedule of Penalties and
46 costs of enforcement shall be their sole remedy for breaches of this Agreement. In

1 connection with any legal proceeding related to this Agreement, the non-prevailing party
2 shall pay the prevailing party's reasonable costs and attorney's fees associated with the
3 proceeding.

4
5 **Section 7.07. Application of Penalties, Fines and Damages.** All penalties, fines and/or
6 other damages paid to the Sector shall, first, be applied to the cost of enforcement of such
7 violations and, second, any remaining amounts shall be applied to the costs and expenses
8 of the administration, management and preservation of the Sector. Any funds remaining
9 after the application of the foregoing sentence shall be used to further research into
10 efficient management of groundfish stocks for the benefit of the resource and those that
11 harvest the resource; provided that any such use of funds shall comply with all applicable
12 laws, including the provisions of the Internal Revenue Code, as amended, that may apply
13 to the Sector from time to time.

14
15 **Section 7.08. Dispute Procedures.** Notwithstanding the provisions of Section 7.01
16 hereof, prior to instituting any litigation or other dispute resolution, the parties shall
17 follow any applicable procedures set forth in this Agreement, including specifically
18 Sections 3.04, 6.04, and 7.03, for the resolution of such dispute. Any litigation taken
19 with respect to any dispute that arises in connection with this Agreement shall be taken in
20 the federal district court in Maine or, if said court does not have jurisdiction, in such
21 courts in the State of Maine that do have jurisdiction.

22 **Section 7.09. Specific Performance.** In furtherance and not limitation of Section 7.03
23 hereof, each of the Members and the Sector shall have the right to have any provision of
24 this Agreement specifically enforced, through injunction, restraining order or other form
25 of equitable relief.

26 **Section 7.10. Indemnification.** Each party that violates this Agreement (the
27 "Indemnitor") hereby severally agrees to indemnify, defend and hold harmless the other
28 parties hereto (each, an "Indemnitee") in respect of their respective Losses; provided, that
29 such Losses result or arise from a third party claim or governmental proceeding brought
30 against or involving the Indemnitee, which is based on or relates to such Indemnitor's (or
31 its Permits', its Participating Vessels' or such Participating Vessels operators', if different
32 from such Indemnitor) (i) violation of applicable laws, rules or federal fishery regulations
33 or (ii) breach of any covenant, agreement or obligation contained in this Agreement, the
34 Harvesting Rules or other Sector requirements as may be adopted under the terms of this
35 Agreement or the Sector's Bylaws. The indemnification obligations of the parties hereto
36 shall be several and not joint and several. For the purposes of this Section 6.09, "Losses"
37 shall mean any and all claims, liabilities, obligations, judgments, liens, injunctions,
38 charges, orders, decrees, rulings, damages, dues, assessments, taxes, losses, fines,
39 penalties, expenses, fees, costs, amounts paid in settlement (including reasonable
40 attorneys' and witness fees and disbursements in connection with investigating,
41 defending or settling any action or threatened action) arising out of any claim, complaint,
42 demand, cause of action, action, suit or other proceeding asserted or initiated or otherwise
43 existing. The obligations under this Section 7.10 shall survive the termination of this
44 Agreement and the expulsion of any Member pursuant to Article VIII.

1

2 **Article VIII. EXPULSION OF MEMBERS**

3 Section 8.01. Cause. The Members agree that any Member, its Permits and/or its
4 Participating Vessels may be expelled from the Sector if (i) the actions of such Member
5 and/or its Participating Vessels (or the Participating Vessels' operators) seriously
6 undermine and threaten the existence of the Sector, (ii) the actions of such Member
7 and/or its Participating Vessels (or the Participating Vessels' operators) have exposed
8 other Members of the Sector to monetary penalties and/or legal actions, (iii) such
9 Member has been convicted of a serious crime, or (iv) such Member has not paid its
10 membership dues and/or poundage fees as required by Section 2.06.

11

12 Section 8.02. Procedure. Any Member, the Infractions Committee or the Manager may
13 submit to the Board a request to have a Member, its Permits and/or its Participating
14 Vessels expelled from the Sector (the "Expulsion Request"). Such Expulsion Request
15 shall be in writing and shall include an explanation of the basis for expulsion. The Board
16 shall vote on such Expulsion Request within fourteen (14) days of receipt of such
17 Expulsion Request. The affirmative vote of three-fourths (75%) of the members of the
18 Board shall be required in order to expel a Member, its Permits and/or its Participating
19 Vessels. Expulsion shall be effective immediately upon the receipt of the requisite vote
20 by the Board. As required by 50 CFR Part 648.87 and Amendment 16, a Member, its
21 Permits and/or its Participating Vessels expelled during any fishing year may not fish
22 outside of the Sector under a multispecies DAS program, participate in another
23 groundfish sector, or lease or transfer any DAS or ACE assigned to that Member's
24 Permits or Participating Vessels during the remainder of such fishing year. Upon
25 expulsion of any Member, its Permits and/or its Participating Vessels, the Manager shall
26 immediately notify NMFS via certified mail that the Member's Permits and/or
27 Participating Vessels are no longer included in the Sector.

28

29 **Article IX. TERM/TERMINATION**

30 This Agreement takes effect upon the approval hereof by the Regional
31 Administrator in accordance with 50 CFR Part 648.87 and terminates on the last day of
32 the 2011 fishing year (which occurs in April 2012) (the "Term"). The Term of this
33 Agreement may be extended by the written consent of the Members. Such written
34 consent to extend the Term of this Agreement shall be given 20 calendar days in advance
35 of the date by which the Sector's Operations Plan and Agreement for the upcoming
36 fishing year must be submitted to NMFS. Notwithstanding the foregoing, if NMFS shall
37 not approve the Sector's Operations Plan and Agreement, as the same may be amended,
38 for any fishing year during the Term or any extension thereof, then this Agreement shall
39 terminate on the last day of the last fishing year for which the Sector's Operations Plan
40 and Agreement shall have received approval from NMFS.

41

42 **Article X. MISCELLANEOUS**

43 Section 10.01. Entire Agreement. This Agreement, including the Exhibits hereto, the
44 Schedule of Penalties and any other documents incorporated by reference herein,

1 constitutes the entire agreement among the parties and supersedes any prior
2 understandings, agreements, or representations by or among the parties, written or oral, to
3 the extent they related in any way to the subject matter hereof.

4 **Section 10.02. Succession and Assignment.** This Agreement and all of the provisions
5 hereof shall be binding upon and inure to the benefit of the parties and their respective
6 successors and permitted assigns, but neither this Agreement nor any of the rights,
7 interests or obligations hereunder shall be assigned by any party, including by operation
8 of law, without the prior written consent of the Manager, such consent not to be
9 unreasonably withheld or delayed, nor is this Agreement intended to confer upon any
10 person except the parties hereto any rights, interests, benefits, obligations or remedies
11 hereunder. Any assignment in contravention of this Agreement shall be null and void.

12 **Section 10.03. Counterparts.** This Agreement may be executed in one or more
13 counterparts, each of which shall be deemed an original but all of which together shall
14 constitute one and the same instrument.

15 **Section 10.04. Notices.** All notices, requests, demands, consents, claims and other
16 communications hereunder shall be deemed duly given (i) one business day following the
17 date sent when sent by overnight delivery, (ii) five business days following the date
18 mailed when mailed by registered or certified mail return receipt requested and postage
19 prepaid, and (iii) upon delivery confirmation when sent by facsimile, at the contact
20 information provided by each such Member to, and maintained by, the Manager.

21 **Section 10.05. Governing Law.** This Agreement shall be governed by and construed in
22 accordance with federal fisheries laws and, to the extent that federal fisheries laws do not
23 apply, with the domestic laws of the State of Maine without giving effect to any choice of
24 law provision or rules (whether of Maine or any other jurisdiction) that would cause the
25 application of the laws of any jurisdiction other than the State of Maine.

26 **Section 10.06. Change in Law.** If and to the extent that any laws or regulations that
27 govern any aspect of this Agreement shall change, so as to make any aspect to this
28 Agreement unenforceable, then the parties agree to make such modifications to this
29 Agreement as may be reasonably necessary for this Agreement to accommodate any such
30 legal or regulatory changes, without materially changing the overall benefits or
31 consideration expected hereunder by the parties.

32 **Section 10.07. Consent to Jurisdiction and Venue.** Subject to and without limiting the
33 dispute resolution procedures set forth in Article VI, each of the Members consent to the
34 exclusive jurisdiction and venue of the federal district court in Maine or, if said court
35 does not have jurisdiction, in such courts in the State of Maine that do have jurisdiction,
36 for adjudication of any suit, claim, action or other proceeding at law or in equity relating
37 to this Agreement. Each of the Members accepts, generally and unconditionally, the
38 exclusive jurisdiction and venue of the aforesaid courts and waives any objection as to
39 venue, and any defense of *forum non conveniens*.

40 **Section 10.08. Amendments and Waivers.** No amendment of any provision of this

1 Agreement shall be valid unless the same shall be in writing and signed by each of the
2 Members.

3 Section 10.09. Severability. Any term or provision of this Agreement that is held
4 invalid or unenforceable in any situation shall not affect the validity or enforceability of
5 the remaining terms and provisions hereof or the validity or enforceability of the
6 offending term or provision in any other situation.

7 Section 10.10. Expenses. Except as otherwise provided herein, each of the members
8 shall bear its own costs and expenses (including legal and accounting fees and expenses)
9 incurred in connection with this Agreement.

10 Section 10.11. Incorporation of Exhibits and Other Documents. The Exhibits
11 identified in this Agreement are incorporated herein by reference and made a part hereof.

12

1 IN WITNESS WHEREOF, the undersigned parties have executed the Port Clyde
2 Community Groundfish Sector Operations Plan and Agreement for Fishing Year 2011, as
3 of the date first written above.

4
5 **[THE ELECTRONIC COPY OF THE SIGNATURES IS ATTACHED AS A**
6 **SEPARATE FILE]**

7
8 /s/ _____ /s/ _____

9 Name/Co: _____ Name/Co: _____

10 MRI #: _____ MRI #: _____

11
12
13 /s/ _____ /s/ _____

14 Name/Co: _____ Name/Co: _____

15 MRI #: _____ MRI #: _____

16
17
18 /s/ _____ /s/ _____

19 Name/Co: _____ Name/Co: _____

20 MRI #: _____ MRI #: _____

21
22
23 /s/ _____ /s/ _____

24 Name/Co: _____ Name/Co: _____

25 MRI #: _____ MRI #: _____

26
27
28 /s/ _____ /s/ _____

29 Name/Co: _____ Name/Co: _____

30 MRI #: _____ MRI #: _____

31
32
33 /s/ _____ /s/ _____

34 Name/Co: _____ Name/Co: _____

35 MRI #: _____ MRI #: _____

EXHIBIT A

Port Clyde Community Groundfish Sector Penalty Schedule			
VIOLATION	FIRST*	SECOND*	THIRD*
VIOLATIONS REGARDING PERMITS, REPORTING, DOCUMENTATION, EXEMPTION PERMIT REQUIREMENTS			
Violations including but not limited to: providing false statements or supporting documentation on applications or reports to the Sector; late or non-reporting; failure to comply with a permit condition/ restriction/ letter of authorization or exemption issued by the Sector; failure to notify Manager of intent to leave Sector by the September 1 preceding the start of the next fishing year; providing false statements; failure to participate in the Sector Catch Monitoring Program; interfering with onboard data collectors; or failing to comply with VMS/DAS requirements. NOTE: While technical and minor violations may result in a letter of warning, due to the critical importance of timely and accurate reporting it is likely that even first time reporting violations will result in a penalty.	Up to \$5,000 (and/or stop fishing order)	\$5,000-\$15,000 (and/or stop fishing order)	\$20,000- (and/or stop fishing order)
VIOLATIONS REGARDING TIME AND AREA RESTRICTIONS			
Violations including, but not limited to: exemption areas, closed fisheries, closed seasons, restricted gear/management areas and ACE violations.	Up to \$50,000 (stop fishing order for 30 days)	\$50,000-\$100,000 (unable to fish for the remainder of the fishing year)	Expulsion

VIOLATIONS THAT PLACE THE SECTOR AGREEMENT AT RISK			
Violations including but not limited to a violation of a stop order, fishing in a closed area, transfer of fish from a non-sector vessel to a sector vessel, transferring fish to a non-Sector vessel (including a non-Sector vessel owned or operated by a Permit holder), subverting the reporting requirements (misappropriating landings) or any other action which could cause the authorized PCS allocation to be in violation of its agreement.	Up to \$50,000 (loss of fishing rights for 365 days)	Expulsion	
VIOLATIONS REGARDING MEMBERSHIP COMMITMENT			
Violation of 50 CFR Part 48 or failing to remain in the Sector for the Commitment Period (i.e., breach of Section 2.03 of the Agreement).	\$10,000	N/A	N/A

* Penalties may be based on reductions in ACE instead of, or as an alternative to, dollar amounts.

EXHIBIT B

SECTOR AND INDIVIDUAL ACE ALLOCATION
Fishing Year 2011
Port Clyde Community Groundfish Sector (“PCS” or “Sector”)

As determined in Groundfish Amendment 16, “Sector ACE” will be based on the landings history of each permit brought into the Sector for the time period FY1996-FY2006 (the “Potential Sector Contribution” or “PSC”). The Sector ACE, therefore, is the sum of all of the individual permit ACE’s brought into the Sector. As determined by PCS Members, the initial individual allocation of the Sector ACE to its Members will be equal to each Member’s individual Potential Sector Contribution, and is referred to as an “Individual ACE”.

Table B.1 shows the preliminary Sector ACE as a percentage of the overall total allowable catch and total pounds basis for each allocated species. This estimate is based on the final roster as of December 1, 2010 and may be subject to final adjustment by NMFS. Individual ACE allocations will be received and maintained by each individual Member and the Sector Manager.

Table B.1– Sector ACE
As a Percentage of the Total Allowable Catch for 2011
[TO BE DETERMINED UPON FINAL ROSTER APPROVAL]

StockName	Cumulative PSC (%)	Total Pounds (Live Weight)
GB Cod East		
GB Cod West		
GOM Cod		
GB Haddock East		
GB Haddock West		
GOM Haddock		
American Plaice		
Witch Flounder		
GB Winter Flounder		
GOM Winter Flounder		
Redfish		
White Hake		
Pollock		
GB Yellowtail Flounder		
SNE / MA Yellowtail Flounder		
CC/GOM Yellowtail Flounder		
Windowpane Flounder (Northern)	n/a	n/a
Windowpane Flounder Southern)	n/a	n/a
Ocean Pout	n/a	n/a
Atlantic Wolffish	n/a	n/a
Atlantic Halibut	(1 per trip)	(1 per trip)

Notes: Sector vessels are prohibited from landing ocean pout, Atlantic wolffish, northern and southern windowpane flounder, and SNE/MA winter flounder. Atlantic halibut is limited to 1 per trip. An allocation of SNE winter

flounder is not currently made, but one may be in the future through the biennial specifications/ framework process.

As indicated in section 4.09 and Exhibit C, ACE may be pooled or transferred within the Sector. In addition, transfers of ACE between Sectors must also be authorized by NMFS. The Members of the PCS are all smaller-scale fishermen from coastal Maine, an area that has already experienced substantial consolidation. Nonetheless, there may be some redistribution of ACE within the Sector. As indicated in Table B.2, there are 40 enrolled permits and 30 potentially active vessels.

Table B.2 – PCS Participants

Permits	40
Potential Active Vessels	30
Active Fishing Vessels	24
Primarily Gillnet Only	13
Primarily Trawl Only	10
Primarily Handlines	0
Trawl and Gillnet	1
Target Groundfish	24

Through December of FY 2010, 16 out of the 40 permits (40 percent) enrolled in the PCS for FY 2011 are attached to vessels actively fishing for NE Multispecies, though it is anticipated that up to 8 additional vessels may become active before the end of FY 2010. For FY 2011, it is estimated that 24 out of the 40 enrolled permits (60 percent) will actively fish for NE multispecies. It is expected that while some vessels may opt to lease their portion of the Sector’s allocation in FY 2010, such vessels will actively fish in FY 2011.

While these numbers may change, the Port Clyde Sector expects that there will be less consolidation than 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 continue to do so, resulting in no additional consolidation.

It is not clear that the amount of consolidation that has occurred in the PCS is greater, equal to, or less than the consolidation that would have taken place if the 40 permits remained in the common pool. This is because the consolidation occurring in the fishery under the DAS system was significant in recent years and interviews with PCS fishermen indicate that several were considering getting out of the fishery through leasing or retiring if they did not have the opportunity to join the sector. While it may be anticipated that fewer active fishing vessels will result in job losses for fishing crews (each of the previously active vessels employed 1 crew part time for this fishery) and the associated negative impacts may spread to the fishing communities and industries reliant on commercial fishing, fishermen who remain in the fishery may be better off. Further, the permit holders who do not intend to fish in this fishery intend to continue to fish and employ crew in other fisheries. The PCS is also contributing to the success of the Midcoast Fishermen’s Cooperative (MFC), which has grown in FY 2010. The MFC has hired workers into fisheries related jobs and if the MFC remains viable and continues to grow it will likely provide additional jobs and benefits to the communities affected by the PCS.

March 22, 2011

EXHIBIT C

HARVESTING RULES

Fishing Year 2011

Port Clyde Community Groundfish Sector (“PCS” or “Sector”)

The Members and the Participating Vessels of the Sector agree to be legally bound to follow the Harvesting Rules for the fishing year 2011 as described herein notwithstanding those rules and regulations applicable to Common Pool multispecies vessels.

QUOTA MANAGEMENT

1. Sector ACE Allocation: The National Marine Fisheries Service (“NMFS”) will determine the PCS’s Large Mesh Multispecies (“Groundfish”) Annual Catch Entitlement (“Sector ACE”) for each species¹ (Exhibit B).

2. Individual ACE Allocation: Each participating Permit and Participating Vessel will receive its “Individual ACE” allocation as set forth in Exhibit B to the Agreement. This allocation will be maintained by each individual Member and the Sector Manager.

3. ACE Limit: The Members agree that they will not harvest more Groundfish than their Individual ACE and that they will not collectively harvest more Groundfish than the Sector ACE for allocated species. Once a Member’s Individual ACE allocation is reached for any species, or if the Sector ACE for any species is reached, such Member or Members shall not fish commercially in that stock area with any fishing gear capable of catching Groundfish unless additional ACE for that species is acquired. Consistent with Amendment 16 and Section 4.09, ACE transfers are allowed within the PCS and between the PCS and other sectors, and carryover of up to 10 percent of the Sector ACE is permitted.

4. Monthly Quota Targets: A percentage of the Sector ACE for each species will be allocated to each month of the fishing year for each Individual and for the Sector as a whole and the cumulative total catch will be monitored on a monthly basis (see Table below) in order to help monitor and control the rate at which ACE is harvested. The initial monthly quota targets are based on Members’ recent catch history, and may be adjusted in future years as catch data under the Sector is accumulated and analyzed. ACE that is not landed during a month will be rolled over into the next month. If landings exceed the monthly quota, the excess will be deducted from subsequent monthly quotas to help ensure the Sector and its individual Members do not exceed the Sector ACE. The following table, based on the historic catch data for Sector Members, shows the monthly and cumulative monthly quota target percentages.

¹ Note that NMFS will not assign ACE for Atlantic halibut, ocean pout, northern windowpane flounder, southern windowpane flounder, Atlantic wolfish, and southern New England winter flounder (*see* Exhibit B above).

Target Monthly Quotas

Allocated Groundfish		May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April
Monthly	%	8	22	21	16	8	5	3	3	2	2	5	5
Cumulative	%	8	30	51	67	75	80	83	86	88	90	95	100

5. Weekly quota targets: In addition to the monthly quota targets, the Manager may impose weekly or trip target quotas to help slow down harvest rates. If such target quotas are, imposed, Sector members agree to adjust their fishing operations to avoid exceeding these quotas.

6. Additional Measures to Prevent Ace Overages: The Sector Manager will provide Sector Members with a monthly report detailing their remaining Individual ACE for each stock and the remaining Sector ACE for each stock for the Sector. In addition, when an individual Member's remaining Individual ACE reaches less than 50 percent for any stock, or when the Sector's remaining Sector ACE for a stock reaches less than 50 percent, the Sector Manager will provide Members with a report detailing their remaining Individual ACE and the Sector's remaining Sector ACE at the conclusion of each trip.

In addition, Sector members will be notified when the Sector ACE reaches 80 percent of the ACE for any stock, or when, for two consecutive weekly reporting periods 20 percent or more of the remaining portion of the Sector ACE is harvested, which ever occurs first. When either trigger point is reached, sector reporting to NMFS will be changed to daily. An alternative threshold for increasing reporting frequency may be implemented during FY 2011 if agreed upon by the Sector and NMFS. Sector Members agree to adjust their fishing operations to avoid exceeding their Individual ACE and the Sector ACE.

Members shall stop fishing prior to exceeding their allocation (unless they acquire additional Individual ACE). If the Sector ACE for a stock is exceeded, the sector must cease operations in that stock area until it can acquire additional ACE through a transfer with another Sector to balance the catch, and the sector also must comply with other overage penalties that may be applicable.

7. Sector Hails: consistent with the operations Plan, each Participating Vessel must hail in and out to the Manager or his designated representative, and NMFS Office of Law Enforcement prior to departing from or returning to port when using fishing gear capable of catching Groundfish.

8. ACE Transfers and Pooling: Participating Vessels and/or Permits may transfer ACE to other Participating Vessels and/or Permits, or otherwise redistribute or pool ACE to other Participating Vessels and/or Permits, provided that the Manager is notified and provides his consent to such redistribution or pooling. A Participating Vessel and/or Permit may only transfer or lease ACE to vessels or permits participating in other sectors after meeting the right of first refusal requirements contained in Section 2.09 of the Operations Plan and Agreement and receiving approval from the PCS Board. All transfers to or from vessels or permits participating in other sectors must be approved by the Regional Administrator, as required by Amendment 16 and its implementing regulations.

9. Length and Horsepower Leasing Exemption: If approved by NMFS, Participating Vessels are not required to adhere to the length and horsepower restrictions contained in the DAS Leasing Program.

10. Full Retention of Legal-Size Groundfish: All legal size Groundfish harvested during any fishing operation must be retained and counted against the Sector and Individual ACE, unless otherwise accounted for through a sub-ACL, except that ocean pout, northern windowpane flounder, southern windowpane flounder, Atlantic wolffish and southern New England winter flounder shall not be retained, and there will be a 1 fish per trip limit on Atlantic halibut, as required by Amendment 16 and its implementing regulations.

11. Species Trip Limits: Participating vessels are exempt from trip limits on stocks for which the Sector receives an allocation. Participating vessels are subject to any trip limits required by NMFS for non-allocated species.

GEAR RESTRICTIONS

12. Gear Restrictions: While it is anticipated that Sector members will fish primarily with otter trawls and sink gillnets, Participating Vessel may fish for Groundfish with any legal gear including hook and line gear (demersal longlines, automated hook, jigs, and handlines), Scottish seines, beam trawls and pots. All Participating Vessels are subject to the same gear restrictions, such as marking, tagging, mesh size, and number of gillnets, applicable to common pool vessels using the same type of gear.

13. Gillnet Block Requirement Exemption: If approved by NMFS, Participating Vessels are not required to adhere to those provisions of 50 CFR 648.82(j)(1)(ii) requiring that during each fishing year, day gillnet vessels must declare, and take, a total of 120 days out of the non-exempt gillnet fishery. Participating Vessels must continue to comply with all other applicable Spawning Season Restrictions and other gillnet requirements not specifically noted as exempted herein, in accordance with the groundfish FMP and NMFS regulations.

14. Spawning Block Exemption: If approved by NMFS, Participating Vessels are not required to comply with the 20-day spawning block (March–May) requirement. Participating Vessels must continue to comply with all other applicable spawning season restrictions not specifically noted as exempted herein, in accordance with the groundfish FMP and NMFS regulations.

15. Day Gillnet Limit Exemption: If approved by NMFS, Participating Vessels are not required to adhere to the regulatory limitation on the number of gillnets for day gillnet vessels.

16. Gear Hauling Exemption: If approved by NMFS, Participating Vessels are not required to adhere to the regulatory prohibition on hauling another vessel's gillnet gear.

17. Hook Limitation Exemption: If approved by NMFS, Participating Vessels are not required to adhere to the regulatory limitation on the number of hooks that may be fished.

18. Gulf of Maine Sink Gillnet Program Exemption: If approved by NMFS, Participating Vessels would be allowed to use 6-inch (15.24-cm) mesh stand-up gillnets in the GOM RMA from January 1, 2011 to April 30, 2011, when fishing for haddock. Vessels utilizing this exemption would be prohibited from using tie-down gillnets during this period and would be subject to net restrictions as specified by NMFS in its Letter of Authorization.

19. Closed Areas: Consistent with the universal exemptions included in Amendment 16 (50 CFR § 648.87(b)(2)(xv)), Participating Vessels are exempt from portions of the GOM rolling closures. Specifically, under the universal exemptions Participating Vessels are exempt from all Gulf of Maine GOM rolling closures with the exception of the following:

- April: 30-minute blocks 124, 125, 132, 133
- May: 30-minute blocks 132, 133, 138, 139, 140
- June: 30-minute blocks 139, 140, 145, 146, 147, 152

If approved by NMFS, for FY 2011 Participating Vessels would also be exempt from the following GOM rolling closures:

- May: 30-minute block 138
- May: 30-minute block 139
- June: 30-minute block 139
- June: 30-minute block 145
- June: 30-minute block 146

Thus, if approved by NMFS, for FY 2011 Participating Vessels shall continue to comply with only the following GOM rolling closures:

- April: 30-minute blocks 124, 125, 132, 133
- May: 30-minute blocks 132, 133, 140
- June: 30-minute blocks 140, 147, 152

Participating Vessels also remain subject to all other closed area restrictions, unless additional authorizations are provided by NMFS.

20. Operating Area: Participating vessels are restricted to fishing in the Gulf of Maine Regulated Mesh Area when using fishing gear capable of catching any regulated species managed under the Groundfish Plan. The geographic boundaries of the management area are, shown in the chart below.

Gulf of Maine Regulated Mesh Area

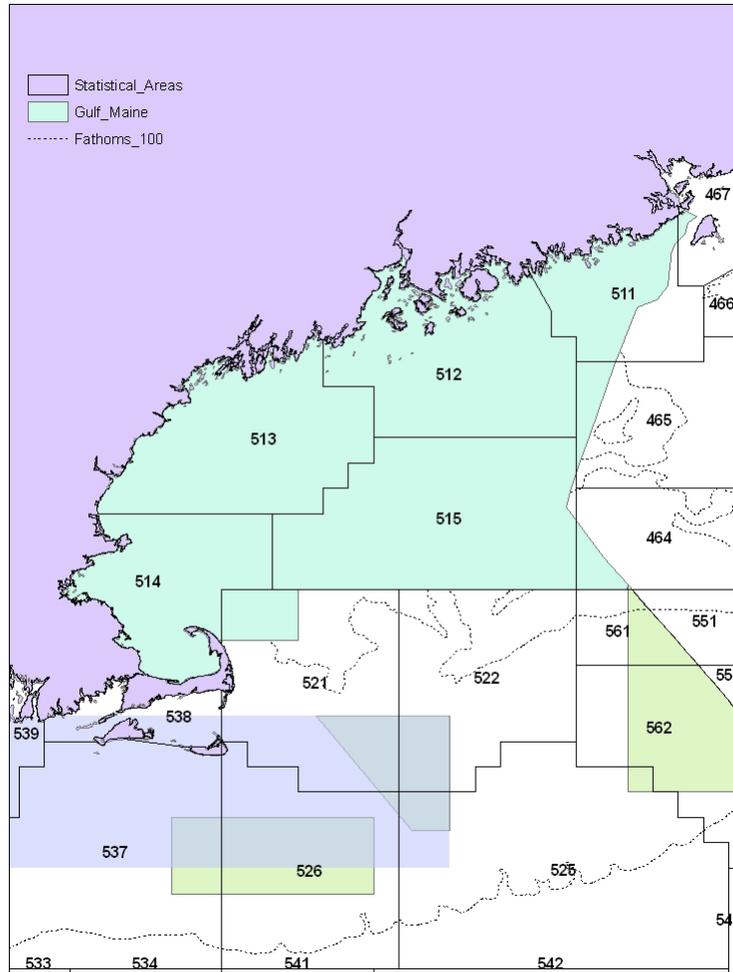


EXHIBIT D

PORT CLYDE SECTOR MEMBERS' PERMITS AND VESSELS

The following table includes all Federal and state permits held by persons participating in the sector, and indicates whether each permit is enrolled and will actively fish in a sector, or will be subject to the provisions of the common pool.

[ATTACHED AS A SEPARATE FILE]

EXHIBIT E

**DOCKSIDE MONITORING PROGRAM
STANDARDS AND REQUIREMENTS**

for Fishing Year 2011

August 24, 2009

PURPOSE STATEMENT: *NOAA's National Marine Fisheries Service's (NMFS) has developed these standards for dockside monitoring (DSM) programs (a modified version of what was originally developed collaboratively by the Sector Monitoring Working Group). In June 2009 the New England Fishery Management Council approved 50 percent random DSM in 2010, and 20 percent random DSM in following years, for sectors as a requirement in Amendment 16 to the Northeast (NE) Multispecies Fishery Management Plan. It will be the responsibility of individual sectors to adopt a DSM program that is consistent with these standards. NMFS revised this document in August 2009 to reflect regulatory expectations and requirements, as well as lessons learned from the Dockside Monitoring Pilot Study Final Report 2009 authored by AIS, Inc., and funded by Environmental Defense.*

1) HAIL

- i) Transmission of all vessel hails must be either as an email via Vessel Monitoring System (VMS) or some other electronic method, as determined by the sector. In all instances hail notification must be provided by either the sector manager (SM) or DSM vendor to NOAA Fisheries Office for Law Enforcement (OLE); the mechanism for hail notification must be detailed in the sector's operations plan.
- ii) Prior to leaving port on a sector trip for which catch will count against sector annual catch entitlements (ACE), each sector vessel must hail trip start, meaning notify the SM and DSM vendor that the vessel is departing on a sector trip. The trip start hail must include vessel permit number, the trip ID# (which is the VTR number on the first VTR page used for that trip), and estimated trip duration. The DSM vendor must immediately send a confirmation to the vessel that the trip start hail was received; if the vessel does not receive confirmation within 10 minutes, the captain must contact the vendor to confirm the trip start hail via an independent backup system (*e.g.*, a phone number) that must be set up by the DSM vendor.
- iii) At the appropriate time before landing (detailed below), the sector vessel must hail trip end to the DSM vendor. For all trips greater than 6 hours in length, and occurring more than 6 hours from port, vessels must hail trip end at least 6 hours in advance of landing. For trips less than 6 hours in length, or occurring within 6 hours of port, trip end hail notification time must be defined in the sector's operations plan, after being agreed upon by the sector, the monitoring provider, and OLE.

The trip end hail must include the following:

- A) Permit number;

- B) Trip ID#;
 - C) Specific offloading location(s): Dock/dealer, port/harbor, and state (for all dealers or facilities where the vessel intends to offload);
 - D) Estimated landing time;
 - E) Estimated offloading time; and
 - F) Estimated weight of each species of fish being landed.
- iv) The DSM vendor must immediately send a confirmation to the vessel that the trip end hail was received. If the vessel does not receive confirmation prior to landing, the captain must use the backup system to contact the DSM vendor prior to landing. The DSM vendor must inform the vessel in the trip end hail confirmation (and no earlier) that:
- A) The vessel will have a dockside monitor (DM) or roving monitor (RM) present; **or**
 - B) The vessel is issued a DSM waiver for the trip (meaning no DM or RM will be present to witness the offload).
- v) If the DM has an emergency and cannot meet the vessel as scheduled, the DSM vendor must notify the vessel, the sector manager, and OLE as soon as possible to resolve the pending DSM event.
- vi) If the vessel retains a portion of the landings from a trip to be offloaded during a future landing event, the VTR for the trip on which the landings were caught must include those landings with the code for fish retained for future sale. The VTR for the subsequent trip, after which the retained landings are finally sold, must include the previously retained landings in addition to the current landings from trip. The previously retained landings must be identified by a unique code on the VTR. Landings will only count against ACE once.

2) Monitoring of Offload at Dealer

i) If the vessel will get a DSM Waiver:

The DSM vendor, when confirming that it has received the trip end hail, must notify the vessel that the vessel is receiving a waiver from DSM for the trip. The vessel operator must provide copies of all VTRs and dealer receipts for the trip to the SM, or SM-designated third party, within 24 hours of offloading.

ii) If the vessel has been selected for DSM:

A) The vessel may land, but no offloading may commence until the DM is present.

- B) Vessels offloading at more than one dealer or facility must have a DM present during offload at each location.
- C) Upon meeting the vessel at the offloading site, the DM must:
 - (1) Take copies of all VTRs filled out for the trip, with all information available (no blocked cells).
 - (2) Record whether or not the scales are certified by the dealer's state.
 - (3) Observe and record whether ice and box weights are tared by the dealer before the catch is added. If the dealer does not tare the box and ice, the DM must obtain the estimated weight of the ice and box from the dealer and record that weight in his/her report.
 - (4) Ask the captain whether all fish have been offloaded, and whether any are being retained for personal use. The DM must record the captain's estimate of weight of each species being retained for home use or retained on the vessel and record the reason(s).
 - (5) Either the DM or dealer must record the weight of offloaded fish, by species (and market class, if culled), in a report. This report must be signed by the DM, and the DM must keep a copy of the signed report.
 - (6) Provide accurate and complete data to the SM, and/or any SM-designated third party, within 24 hours of the completion of the DSM event.
 - (7) Send copies of the VTR(s), the dealer receipt(s) if separate from the DM's report, and the DM's report to the SM or any SM-designated third party.
 - (8) Keep a copy of his/her report, which must be electronically stored by the DSM vendor.

3) Monitoring Offload to a Truck

- i) Each sector must specify in its operations plan the remote unloading facilities where sector members will be allowed to offload catch to trucks.
- ii) Offloading of landings to trucks and subsequent weigh out of landings at all dealer facilities are considered separate (in terms of individual monitors) but conjoined (in terms of fishing trip) events. If a trip is selected for DSM and will offload to a truck, the trip must have a RM present to witness all offload activities, as well as a DM present at each dealer that receives the fish to certify weigh-out of all landings. The RM and DM may be the same or different individuals.
- iii) If the landings are weighed by a representative of the receiving dealer in front of the RM before being loaded into the truck, the event must follow the protocol for offload at a dealer (Section 2 of this document).
- iv) If the landings are not weighed by a representative of the receiving dealer in front of the RM before being loaded into the truck, all requirements of DSM when offloading to a dealer will apply (except weight and dealer-receipt records), and the additional requirements of this section will also apply.
- v) Additional requirements:
 - A) All fish must be weighed in the presence of a DM at the receiving dealer(s) when the truck offloads.
 - B) Upon meeting the vessel at the offloading site the RM must:
 - (1) Take copies of all VTRs filled out for the trip with all information available (no blocked cells).

- (2) If there are no scales at the offload site, record the number of totes of each species and the captain's estimate of the weight of each species in each tote.
- (3) Ask the captain whether all fish have been offloaded, and whether any are being retained for home use. The RM will record the captain's estimate of weight of any species being retained for home use or retained on the vessel and record the reason(s).
- (4) Record all offloaded fish, by species (and market class, if culled), in a report, unless the driver creates such a report that the RM may use. This report shall be signed by the RM, and the RM shall keep a copy of the signed report.
- (5) Ensure that each tote is tagged with appropriate identifying information, including but not limited to: Serial number of first VTR page filled out for that trip, RM name, tote number, and species.
- (6) Send copies of the VTR(s), driver manifest(s) if separate from the RM's report, and the RM report to the sector manager or SM-designated third party.
- (7) Keep a copy of his/her report, which must be electronically stored by the DSM vendor.

4) Responsibilities of the DSM Vendor

- i) The DSM vendor must ensure that all individual monitors are trained as required in Amendment 16 (Section 4.3.3.5.5). The DSM vendor also must ensure that background checks and any authorizations (such as Transportation Worker Identification Credential cards) needed for individuals to access fishery facilities and vessels at ports serviced by the DSM vendor are obtained.
- ii) The DSM vendor must have a back-up communications method (*e.g.*, phone), capable of circumventing problems with the electronic hail system.
- iii) The DSM vendor must be able to receive hails 24 hours per day, 7 days per week, and must be able to send a confirmation of the hail back to the vessel within 10 minutes of receiving the hail.
- iv) The DSM vendor must keep a running list of all open trips.
- v) The DSM vendor is responsible for developing a randomized methodology that assigns DSM to 50 percent of sector trips and issues a DSM waiver to the other 50 percent. The method must assign DSM without regard to any preference of the sector or its members, the assignment of DSM must be representative of fishing activities within the sector, and the method must be approved by NMFS in the sector operations plan. The DSM vendor must determine whether or not a trip is assigned a DM or RM after the DSM vendor provides a confirmation that the trip start hail was received.
- vi) Upon receiving a trip end hail, the DSM vendor must respond by sending the vessel a confirmation that the hail was received. The confirmation must inform the vessel whether or not the trip is assigned a DM or RM. The DSM vendor must either provide a time certain for the DM or RM to meet the vessel, or stipulate that the DM or RM will communicate with the vessel to coordinate a time for offloading to commence. This may be any time agreeable to the unloading facility, the vessel, and the DM or RM, but not less than the required time notice between the trip end hail and landing.

- vii) The DSM vendor must immediately notify and provide the SM and OLE with all information contained in the trip end hail (including a breakdown of species to be landed and estimated weight of each species on board) and whether or not the vessel is assigned a DM or RM for the trip.
- viii) The DSM vendor must ensure a DM or RM, when assigned, is present at the offload site by the vessel's specified offloading time.
- ix) In cases where reproducible dealer-receipt forms, driver-manifest forms, and tote tags are not provided or utilized by fishing industry personnel, the DSM vendor must develop such materials or capabilities and provide them to each DM or RM that may encounter these cases.
- x) The DSM vendor must keep an electronic record of information collected from each offload and must make electronic and other records available to NMFS upon request.
- xi) The DSM vendor must work with the SM and OLE to establish an acceptable process for safe harbor situations when a sector vessel is unable to follow normal DSM protocols due to an emergency situation.

5) DEFINITIONS

Dockside Monitoring (DSM) – Monitoring of all landings from sector trips taken by sector vessels in order to verify landings of the vessel at the time they are weighed by a dealer and to certify the landed weights are accurate as reported on the dealer report.

DSM Event – The observation of landings either offloaded to a truck or being weighed by a dealer.

Dockside Monitor (DM) – A certified dockside monitor tasked with observing either the weighing of fish by a dealer at the time of landing or the weighing of fish by a dealer at the time of offload from a truck.

Roving Monitor (RM) – A certified dockside monitor tasked with observing the offload of fish to a truck at the time of landing without first being weighed.

DSM Vendor – A sector monitoring service provider approved by NMFS to conduct dockside monitoring (DSM).

Landing Time – The time when a vessel arrives in port.

Port – Defined by the local port agent.

Offloading Time – The time when a vessel begins offloading fish.

Trip Duration – The time range from when the vessel departs port until its return to port (landing time).

Trip ID# – The VTR number on the first VTR page used for that trip.

EXHIBIT F

MONITORING PLAN REQUIREMENTS FOR SECTOR OPERATIONS PLANS

(NMFS Guidance on Monitoring Program Detail
Necessary for Sectors 8-24-09)

Assuming Amendment 16 is approved, in its yearly operations plan, each sector must demonstrate that its sector monitoring program adheres to the sector monitoring and reporting requirements outlined in Amendment 16 to the Northeast Multispecies Fishery Management Plan, including the use of an approved service provider for dockside and at-sea monitoring services, and standards issued by NOAA's National Marine Fisheries Service (NMFS) before the operations plan can be approved by NMFS.

Dockside

Sectors are required to develop and implement an independent third-party dockside monitoring system, beginning in fishing year (FY) 2010, for monitoring and validation of landings as an input to monitoring the utilization of annual catch entitlements (ACE). The details of the dockside monitoring system must be provided in the sector's operations plan and be satisfactory to NMFS. Standards for dockside monitoring programs are attached.

The dockside monitoring plan information in the operations plan must include:

1. A list of specific ports where members will land fish; specific exceptions should be noted (e.g., safety, weather) and allowed, provided there is reasonable notification of a deviation from the listed ports.
2. Who (either the dockside monitoring provider or sector manager) will maintain the database of vessel trip reports (VTR), dealer, observer, and monitoring reports.
3. How the sector plans to implement the dockside monitoring standards (attached) issued by NMFS. Specifically, the operations plan must specify:
 - a. Method of transmission of hails;
 - b. Timing of trip end hails for trips less than 6 hours in length, or occurring within 6 hours of port;; and
 - c. A plan to select an approved provider.

Monitoring Provider Approval

NMFS will approve service providers for the at-sea and dockside programs as eligible to provide sector monitoring services based upon criteria specified in Amendment 16 and standards issued by NMFS, and can revoke any approval of service providers and/or individual monitors if such criteria are no longer being met.

NMFS shall approve or disapprove a service provider detailed in sector operations plans based upon the completeness of the application and a determination of the applicant's ability to perform the duties and responsibilities of a sector monitoring service provider, as further defined in Amendment 16.

As part of that application, potential service providers must provide the following information to any interested sector to include in its sector operations plan:

1. Identification of corporate structure, including the names and duties of controlling interests in the company such as owners, board members, authorized agents, and staff; and articles of incorporation, or a partnership agreement, as appropriate.
2. Contact information for official correspondence and communications.
3. A statement, signed under penalty of perjury, from each owner, board member, and officer that they are free from a conflict of interest with fishing-related parties including, but not limited to, vessels, dealers, shipping companies, sectors, sector managers, advocacy groups, or research institutions and will not accept, directly or indirectly, any gratuity, gift, favor, entertainment, loan, or anything of monetary value from such parties.
4. A statement, signed under penalty of perjury, from each owner, board member, and officer describing any criminal convictions, Federal contracts they have had, and the performance rating they received on the contract, and any previous decertification actions while working as an observer or observer service provider, or dockside monitor.
5. A description of any prior experience the applicant may have in placing individuals in remote field and/or marine work environments. This includes, but is not limited to, recruiting, hiring, deployment, and personnel administration.
6. A description of the applicant's ability to carry out the responsibilities and duties of a sector monitoring/reporting service provider and the arrangements to be used, including whether the service provider is able to offer dockside or at-sea monitoring services, or both.
7. The geographic area in which the provider is able to provide its services.
8. Evidence of adequate insurance to cover injury, liability, and accidental death for dockside, roving, and at-sea monitors (including during training). Workers' Compensation and Maritime Employer's Liability insurance must be provided to cover the dockside, roving, and at-sea monitors; vessel owner; and service provider. Service providers shall provide copies of the insurance policies to dockside, roving, and at-sea monitors to display to the vessel owner, operator, or vessel manager, when requested.
9. Details of the benefits and personnel services in accordance with the terms of each monitor's contract or employment status.

10. Proof that the service provider's dockside, roving, and at-sea monitors have passed an adequate training course that is consistent with the curriculum used in the current Northeast Fisheries Observer Program (NEFOP) training course, unless otherwise specified by NMFS.
11. An Emergency Action Plan (EAP) describing the provider's response to an emergency with a dockside, roving, and at-sea monitors, including, but not limited to, personal injury, death, harassment, or intimidation.
12. Evidence that the company is in good financial standing.

Monitoring service providers must be able to document compliance with the following criteria and requirements, but do not need to provide such documentation to any sector to include in its operations plan:

1. A service provider must have a comprehensive plan to deploy NMFS-approved dockside, roving, and/or at-sea monitors, or other at-sea monitoring mechanism, such as electronic monitoring equipment that is approved by NMFS, according to a prescribed coverage level (or level of precision for catch estimation), as specified by NMFS, including all of the necessary vessel reporting/notice requirements to facilitate such deployment, including the following requirements:
 - a. Be available to industry 24 hours per day, 7 days per week, with a sufficient telephone system monitored to ensure rapid response to industry requests.
 - b. Be able to deploy dockside, roving, and/or at-sea monitors, or other approved at-sea monitoring mechanism to all ports in which service is required by this section, or a subset of ports as part of a contract with a particular sector.
 - c. Report dockside, roving, and at-sea monitors and other approved at-sea monitoring mechanism deployments to NMFS and the sector manager in a timely manner to determine whether the predetermined coverage levels are being achieved for the appropriate sector.
 - d. Assign dockside, roving, and at-sea monitors and other approved at-sea monitoring mechanisms without regard to any preference by the sector manager or representatives of vessels other than when the service is needed and the availability of approved monitors and other at-sea monitoring mechanisms.
 - e. Assignments for dockside, roving, and at-sea monitor must be representative of fishing activities within each sector and must be able to monitor fishing activity throughout the fishing year utilizing information provided by the sector managers.
 - f. For service providers offering catch estimation or at-sea monitoring services, a service provider must be able to determine an estimate of discards for each trip, compare the estimated discard weights to discard weights reported on VTRs to utilize the most accurate source of discard data, and provide such information to the sector manager and NMFS, as appropriate and required.

2. The service provider must ensure that dockside, roving, and at-sea monitors remain available to NMFS, including NMFS Office for Law Enforcement, for debriefing for at least 2 weeks following any monitored trip/offload.
3. The service provider must report possible dockside, roving, and at-sea monitor harassment; discrimination; concerns about vessel safety or marine casualty; injury; and any information, allegations, or reports regarding dockside, roving, or at-sea monitor conflict of interest or breach of the standards of behavior to NMFS and/or the sector manager, as specified by NMFS.
4. Service providers must submit to NMFS, if requested, a copy of each signed and valid contract (including all attachments, appendices, addendums, and exhibits incorporated into the contract) between the service provider and those entities requiring services (i.e., sectors and participating vessels) and between the service provider and specific dockside, roving, or at-sea monitors.
5. Service providers must submit to NMFS, if requested, copies of any information developed and used by the service providers distributed to vessels, such as informational pamphlets, payment notification, description of duties, etc.
6. A service provider may refuse to deploy a dockside, roving, or at-sea monitor or other approved at-sea monitoring mechanism on or to a requesting fishing vessel for any reason including, but not limited to, the following:
 - a. If the service provider does not have an available dockside/roving monitor prior to a vessel's intended date/time of landing, or if the service provider does not have an available at-sea monitor or other at-sea monitoring mechanism approved by NMFS within the advanced notice requirements.
 - b. If the service provider is not given adequate notice of vessel departure or landing from the sector manager or participating vessels, as specified by the service provider.
 - c. If the service provider has determined that the requesting vessel is inadequate or unsafe pursuant to the reasons described at 50 CFR 600.746.
 - d. For any other reason, including failure to pay for previous deployments of dockside, roving, or at-sea monitors other approved at-sea monitoring mechanism.
7. A service provider must not have a direct or indirect interest in a fishery managed under Federal regulations, including, but not limited to, fishing vessels, dealers, shipping companies, sectors, sector managers, advocacy groups, or research institutions and may not solicit or accept, directly or indirectly, any gratuity, gift, favor, entertainment, loan, or anything of monetary value from anyone who conducts fishing or fishing-related activities that are regulated by NMFS, or who has interests that may be substantially affected by the performance or nonperformance of the official duties of service providers. This does not apply to corporations providing reporting, dockside, and/or at-sea monitoring services to participants of another fishery managed under Federal regulations.

8. A system to record, retain, and distribute the following information for a period specified by NMFS:
 - a. Dockside, roving, and/or at-sea monitor and other approved monitoring equipment deployment levels, including the number of refusals and reasons for such refusals.
 - b. Incident/non-compliance reports (e.g., failure to offload catch).
 - c. Hail reports, landings records, and other associated communications with vessels.
9. A means to protect the confidentiality and privacy of data submitted by vessels, as required by the Magnuson-Stevens Act.
10. A service provider must be able to supply dockside and at-sea monitors with sufficient safety and data-gathering equipment, as specified by NMFS.

EXHIBIT G

**OWNERSHIP INTERESTS
OF AT LEAST THREE VESSELS**

[ATTACHED AS A SEPARATE FILE]

2011 Port Clyde Community Groundfish Sector Exhibit D

OWNER/ENTITY	MRI #	Permit #	Enrolled in PCS	Vessel Name	Gear	Active/Not Active	Federal Permits	State Permits
BRIAN DURANT	130	212165	Yes	FREEBIRD	GILLNET	Active	Bluefish, Spiny Dogfish, Herring, Lobster Trap, Monkfish, Red Crab, Atlantic Mackerel and Tilefish	ME: Lobster and Shrimp
BRYAN BICHREST	2341	242844	Yes	SAFE HAVEN	GILLNET	Active	Spiny Dogfish, Herring, Lobster Trap, Monkfish, Quahog, Surf Clam, Squid, Butterfish and Mackerel	ME: Lobster, Herring and Commercial Fishing
DALE MARTEL /FATHERS & SONS FISHERIES	1864	114793	Yes	ENDEAVOR	GILLNET	Active	Scallop, Monkfish, Surf Clam, Mackerel, Squid, Butterfish, Spiny Dogfish, Bluefish, Tilefish, Shark Incidental, Herring, Lobster Trap, Red Crab and Skate	ME: Lobster
MITCHELL T NUNAN	1823	139950	Yes	PRETENDER	GILLNET	Active	Bluefish, Spiny Dogfish, Herring, Scallop, Lobster Trap, Monkfish, Quahog, Surf Clam, Skate, Squid, Butterfish, Mackerel and Tilefish	ME: Lobster
REINIER W NIEUWKERK	290	147517	Yes	HANNAH JO	GILLNET	Active	Spiny Dogfish, Herring, Lobster Non Trap, Lobster Trap, Monkfish, Quahog, Scup, Surf Clam, Loligo, Squid, Butterfish and Mackerel State Permit(s)	ME: Lobster, Shrimp
ROBERT BICHREST	2260	150163	Yes	BEVERLY JOYCE	GILLNET	Active	Spiny Dogfish, Herring, Lobster Trap, Monkfish, Squid, Butterfish and Mackerel	ME: Lobster
RUSSELL DAGGETT	2273	220363	Yes	SARAH GALE	GILLNET	Active	Bluefish, Spiny Dogfish, Lobster Trap, Monkfish, Squid, Butterfish and Mackerel	ME: Lobster and Quahog
TROY BICHREST/ MICHAELA ALICE INC	1815	242777	Yes	PAMELA GRACE	GILLNET	Active	Spiny Dogfish, Herring, Lobster Trap, Monkfish, Ocean Quahog and Surf Clam	ME: Lobster, Shrimp
THOMAS CASAMASSA	1835	140344	Yes	THERESA IRENE III	GILLNET	Active	Bluefish, Spiny Dogfish, Herring, Scallop, American Lobster Trap, Monkfish, Red Crab, Surf Clam, Skate, Squid, Butterfish, Mackerel and Tilefish	ME: Lobster, Shrimp, Scallop and Commercial Fishing
ROBERT ODLIN/DIVING ADVENTURES INC.	2358	250527	Yes	MARIA AND DOROTHY	GILLNET	Active	Bluefish, Spiny Dogfish, Herring, Scallop, American Lobster Non Trap, Lobster Trap, Monkfish, Multispecies, Ocean Quahog, Red Crab, Skate, Squid, Butterfish, Mackerel, Tilefish	ME: Shrimp
ARNOLD (JOE) NICKERSON /HAYLEY MARITIME INC	97	221740	Yes	HAYLEY ANN	GILLNET and TRAWL	Active	Bluefish, Spiny Dogfish, Herring, Scallop, American Lobster Trap, Monkfish, Red Crab, Skate, Squid, Butterfish, Mackerel and Tilefish.	ME: Lobster, Shrimp, Scallop, and Commercial Fishing
BRIAN PEARCE / DANNY BOY FISHERIES	78	220685	Yes	GRETCHEN MARIE	GILLNET and TRAWL	Active	Bluefish, Spiny Dogfish, Herring, Lobster, Monkfish, Red Crab, Scup, Skate, Squid/Butterfish, Mackerel, Tilefish	ME: Shrimp, Commercial Fishing
DONALD J PAULSEN	235	240143	Yes	MISTY MAE	TRAWL	Active	Spiny Dogfish, Summer Flounder, Monkfish, Scup, Skate, Loligo, Butterfish and Mackerel	ME: Shrimp and Scallop
GARY & ROGER LIBBY/ R & B FISHERIES INC	1474	250558	Yes	LESLIE & JESSICA	TRAWL	Active	Bluefish, Spiny Dogfish, Herring, Lobster Non- Trap, Monkfish, Red Crab, Skate and Tilefish	ME: Shrimp
KELO S PINKHAM	163	230524	Yes	JEANNE C	TRAWL	Active	Bluefish, Spiny Dogfish, Summer Flounder, Herring, Lobster Trap, Monkfish, Quahog, Red Crab, Surf Clam, Squid, Butterfish, Skate and Mackerel	ME: Lobster and Shrimp
PRESTON S CARTER	87	220989	Yes	HANNAH RUTH	TRAWL	Active	Scallop, Monkfish, Tilefish, Lobster Trap and Skate	ME: Lobster, Scallop and Shrimp
RANDY V CUSHMAN /MELONY CUSHMAN	383	250387	Yes	ELLA CHRISTINE	TRAWL	Active	Spiny Dogfish, Herring, Monkfish, Quahog, Red Crab, Surf Clam, Skate, Mackerel and Tilefish	ME: Scallop, Shrimp and Quahog
STEVEN C BENNER /LORRAINE BENNER	286	240636	Yes	HIGH ROLLER	TRAWL	Active	Herring, Scallop, Monkfish and Skate	ME: Shrimp
VINCENT BALZANO /BALZANO LLC	222	240081	Yes	NORTH STAR	TRAWL	Active	Spiny Dogfish, Herring, Scallop, Lobster Non Trap, Lobster Trap, Monkfish, Skate, Squid, Butterfish, Mackerel and Tilefish	ME: Lobster, Scallop, Shrimp, Commercial Fishing
TAD MILLER /JOHN V MILLER INC	1642	231459	Yes	JULIE ANN	TRAWL	Active	Bluefish, Spiny Dogfish, Herring, Lobster Non Trap, Lobster Trap, Monkfish, Quahog, Red Crab, Surf Clam, Skate, Squid, Butterfish, Mackerel and Tilefish	MA: Squid, Fluke, Lobster Non Trap ME: Shrimp and Commercial Fishing
ROGER & GLEN LIBBY /HILDA & HELEN INC	112	242567	Yes	CAPT'N LEE	TRAWL	Active	Bluefish, Spiny Dogfish, Herring, Scallop, Monkfish, Red Crab, Skate and Tilefish	ME: Shrimp, Scallop and Commercial Fishing

OWNER/ENTITY	MRI #	Permit #	Enrolled in PCS	Vessel Name	Gear	Active/Not Active	Federal Permits	State Permits
WILLIS SPEAR /EASY DOES IT INC.	164	223592	Yes	PROVIDENCE	GILLNET	Not Active	Bluefish, Spiny Dogfish, Herring, Lobster, Monkfish, Squid/Butterfish and Mackerel	ME: Lobster, Shrimp and Commercial Fishing
BRYAN BICHREST	5	148076	Yes	SAFE HAVEN	GILLNET	Not Active	Spiny Dogfish and Lobster Trap	ME: Lobster
TROY BICHREST / MICHAELA ALICE INC	196	150946	Yes	JETHRO	NA	Not Active	Bluefish, Spiny Dogfish, Herring, Monkfish, Ocean Quahog, Red Crab, Surf Clam, Skate, Squid, Butterfish, Mackerel and Tilefish	ME: Lobster and Shrimp
GARY HATCH /GALLEY HATCH FISHERIES	1446	250907	Yes	CAROL ANN	NA	Not Active	Bluefish, Spiny Dogfish, Herring, Monkfish, Red Crab, Skate, Squid, Butterfish, Mackerel and Tilefish	ME: Lobster and Shrimp
GERALD CUSHMAN / WINDSONG CORP	419	250582	Yes	WINDSONG	NA	Not Active	Bluefish, Spiny Dogfish, Monkfish, Skate, Squid, Butterfish and Mackerel	ME: Lobster and Shrimp
HAROLD TODD / LAUREN WATTS	276	240423	Yes	MEGALTAY	NA	Not Active	Bluefish, Spiny Dogfish, Summer Flounder, Herring, Monkfish, Red Crab, Skate, Squid, Butterfish, Mackerel, Lobster Trap and Tilefish	(ME) Shrimp, Scallop
PRESTON S CARTER	1445	221941	Yes	SHANNON DAWN	NA	Not Active	Monkfish, Lobster Trap and Skate	ME: Lobster, Scallop and Shrimp
REINIER NIEUWKERK / FV HANNAH JO LLC	2404	214857	Yes	CAMMIE KENDRICK	NA	Not Active	Bluefish, Spiny Dogfish, Herring, Lobster Non Trap, Lobster Trap, Monkfish, Skate, Squid, Butterfish and Mackerel	ME: Lobster, Commercial Fishing, and Shrimp
REINIER/LUCINDA NIEUWKERK	2237	149493	Yes	CUTTER	NA	Not Active	Spiny Dogfish, Herring, Monkfish, Squid, Butterfish and Mackerel	No State Licenses for 2010
RUSSELL DAGGETT	49	220149	Yes	ANNE MARIE	NA	Not Active	Spiny Dogfish, Lobster Trap, Monkfish, Skate, Squid, Butterfish and Mackerel	ME: Lobster, Quahog
THE NATURE CONSERVENCY AND THE ISLAND INSTITUTE	1801	250573	Yes	Delilah Jones	NA	Not Active	Monkfish, Spiny Dogfish, Bluefish, Tilefish, Herring, Red Crab, Skate, Lobster Trap, and Lobster Non-Trap	ME: Shrimp
TROY BICHREST	461	150572	Yes	THREES ENOUGH	NA	Not Active	Spiny Dogfish, Summer Flounder, Lobster Trap, Monkfish and Red Crab	ME: Lobster
GARY HAWKS	2052	242609	Yes	AMANDA ELIZABETH	NA	Not Active	Lobster Trap, Monkfish, Quahog, Red Crab, Skate, Squid, Butterfish and Mackerel	ME: Lobster, Bait Gillnet, Shrimp and Halibut
ROGER ALLARD	1441	149079	Yes	WADE'S WAY	NA	Not Active	Bluefish, Spiny Dogfish, Herring, Lobster, Monkfish, Red Crab, Skate and Tilefish	ME: Lobster and Commercial Fishing
ALEXANDER TODD	1809	242848	Yes	JACOB AND JOSHUA	NA	Not Active	Bluefish, Herring, Scallop, American Lobster Trap, Monkfish, Multishpies, Ocean Quahog, Surf Clam, Squid, Butterfish, Mackerel	ME: Shrimp
RUSSELL DAGGETT	1256	150173	Yes	JUNKER	NA	Not Active	Bluefish, Spiny Dogfish, American Lobster, Monkfish, Mackerel	No State Licenses for 2010
TIM EDDY /T & M FISHERIES INC	156	230390	Yes	PERSISTENCE	TRAWL	Not Active	Bluefish, Spiny Dogfish, Scallop, American Lobster, Monkfish, Red Crab, Scup, Ckate, Squid, Butterfish and Mackerel	ME: Lobster, Shrimp and Commercial Fishing
CLAUDIA P COFFIN	402	250485	Yes	BAD PENNY	TRAWL	NOT ACTIVE	Spiny Dogfish, American Lobster, Monkfish (D), Skate, Squid/Mackerel/Butterfish	No State Licenses for 2010
CORY HAWKES	17	222478	Yes	ASHLEY NICOLE	GILLNET	ACTIVE	American Lobster, Monkfish (E), Squid/Mackerel/Butterfish	ME: Lobster, Elver, Commercial Fishing, Shrimp

ARTICLE V - Concluding Contract Language

In Witness whereof, by signing this page, the undersigned has enrolled the listed permits in the Port Clyde Sector and executed the Agreement known as the Port Clyde Sector Operations Plan for the 2011 fishing year, as of the date written below.

The undersigned reserves the right to withdraw from this agreement by written notice to the Board of the Port Clyde Sector, provided such notice is postmarked no later than March 1, 2011.

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 Sector Manager of the Port Clyde Sector of information regarding the catch of various species of fish associated with the limited access Northeast multispecies permit with the Moratorium Right Identifiers (MRD) listed below 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, but is not limited to, vessel trip reports (VTR), dealer reports, and information collected by the Northeast Fishery Observer Program (NEFOP), the Sector dockside monitoring program, and (if applicable) the Sector at-sea monitoring program.

This information shall be used exclusively by the sector for matters pertaining to sector management, including record retention requirements. Such information may not be released by the sector to another entity. When information released to the sector by the National Marine Fisheries Service is no longer needed for sector management, it shall be destroyed or returned by the sector manager to the undersigned at his or her election. When the undersigned ceases to be a member of the sector, this authorization shall be deemed null and void.

Signed: 

Name or Company Name: Claudia P. Coffin

MRH#: 402 Permit#: 250485

ARTICLE V - Concluding Contract Language

In Witness whereof, by signing this page, the undersigned has enrolled the listed permits in the Port Clyde Sector and executed the Agreement known as the Port Clyde Sector Operations Plan for the 2011 fishing year, as of the date written below.

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This information shall be used exclusively by the sector for matters pertaining to sector management, including record retention requirements. Such information may not be released by the sector to another entity. When information released to the sector by the National Marine Fisheries Service is no longer needed for sector management, it shall be destroyed or returned by the sector manager to the undersigned at his or her election. When the undersigned ceases to be a member of the sector, this authorization shall be deemed null and void.

Signed: Cory E Hawkes

Name or Company Name: Cory Hawkes, Vessel Ashley Nicole

MRI#: 17 Permit#: 222 478

August 1, 2010

IN WITNESS WHEREOF, the undersigned parties have executed the Port Clyde Community Groundfish Sector Operations Plan and Agreement for Fishing Year 2011-2012, as of the date first written above.

[THE ELECTRONIC COPY OF THE SIGNATURES IS ATTACHED AS A SEPARATE FILE]

/s/ Bryan Bichrest
Name/Co: Bryan Bichrest
MRI #: 234

/s/ Russell Daggett
Name/Co: Russell Daggett
MRI #: 2273

/s/ Bryan Bichrest
Name/Co: Bryan Bichrest
MRI #: 2204

/s/ Russell Daggett
Name/Co: Russell Daggett
MRI #: MRI 1256 VP 150173
24

/s/ Reinier Nieuwkerk
Name/Co: Reinier Nieuwkerk
MRI #: 2404

/s/ Mitchell J Numan
Name/Co: Mitchell Numan
MRI #: 1823

/s/ Hannah Jo LC, Reinier Nieuwkerk
Name/Co: Hannah Jo LC, Reinier Nieuwkerk
MRI #: 290

/s/ Dave Martel
Name/Co: DAVE MARTEL
MRI #: 1864

/s/ Reinier Nieuwkerk
Name/Co: Reinier Nieuwkerk
MRI #: 2237

/s/ Brian Pearce
Name/Co: Brian Pearce
MRI #: 78

/s/ Russell Daggett
Name/Co: Russell Daggett
MRI #: 49

Timothy G Eddy
/s/ Timothy G Eddy
Name/Co: T&M Fisheries Inc
MRI #: 153

August 1, 2010

IN WITNESS WHEREOF, the undersigned parties have executed the Port Clyde Community Groundfish Sector Operations Plan and Agreement for Fishing Year 2011-2012, as of the date first written above.

[THE ELECTRONIC COPY OF THE SIGNATURES IS ATTACHED AS A SEPARATE FILE]

/s/ Lauren Dorothy
Name/Co: F/V Lauren Dorothy inc.
MRI #: 508

/s/ Arnold Mickerson
Name/Co: Holyox Marine
MRI #: 97

/s/ Lauren Dorothy
Name/Co: F/V Lauren Dorothy inc.
MRI #: 434

/s/ Vincent Brown
Name/Co: Bahano LLC
MRI #: 222

/s/ Garry Cushman
Name/Co: F/V WINEPONG INC
MRI #: 419

/s/ Uy Sunh
Name/Co: Nature Conservancy + FI LLC
MRI #: 1801

/s/ Garry Cushman
Name/Co: F/V GENERATION INC
MRI #: 268

/s/ John S. Puskas
Name/Co: John S. Puskas
MRI #: 163

/s/ Ray Doherty
Name/Co: RFB Fisheries (FV Leahie + Jessica)
MRI #: 1474

/s/ Shirley
Name/Co: Hilda + Helen Inc
MRI #: 112

/s/ Thomas W. Casarosa
Name/Co: Thomas W. Casarosa
MRI #: 1835

/s/ Bryan Bichrost
Name/Co: Bryan Bichrost
MRI #: 5

F/V Theresa Irene III

August 1, 2010

IN WITNESS WHEREOF, the undersigned parties have executed the Port Clyde Community Groundfish Sector Operations Plan and Agreement for Fishing Year 2011-2012, as of the date first written above.

[THE ELECTRONIC COPY OF THE SIGNATURES IS ATTACHED AS A SEPARATE FILE]

/s/ William Murphy Jr
Name/Co: Easy Does It Inc.
MRI #: 164

/s/ Gary E Hawkes
Name/Co: Gary Hawkes
MRI #: 2052

/s/ Brian Durant
Name/Co: Brian Durant
MRI #: 130

/s/ Roger Allard
Name/Co: Roger Allard
MRI #: 1441

/s/ TROY Bichard
Name/Co: Pomela Co
MRI #: 1815

/s/ Alan Bennett
Name/Co: Vessel High Roller
MRI #: 286

/s/ Troy Bichard
Name/Co: Jedro - Troy Bichard
MRI #: 196 Michael Hise Inc

/s/ Matthew Thomason
Name/Co: [Signature]
MRI #: 154

/s/ Troy Bichard
Name/Co: Tree's Etc
MRI #: 461

/s/ Matthew Thomason
Name/Co: [Signature]
MRI #: 1808

/s/ Robert Bichard
Name/Co: Robert Bichard
MRI #: 2262

/s/ Matthew Thomason
Name/Co: [Signature]
MRI #: [Signature]

August 1, 2010

IN WITNESS WHEREOF, the undersigned parties have executed the Port Clyde Community Groundfish Sector Operations Plan and Agreement for Fishing Year 2011-2012, as of the date first written above.

[THE ELECTRONIC COPY OF THE SIGNATURES IS ATTACHED AS A SEPARATE FILE]

/s/ Matthew Thompson
Name/Co: D. V. D.
MRI #: _____

/s/ Preston S. Carter Sr.
Name/Co: Preston Carter (vessel Shannon Dawn)
MRI #: 1445

/s/ Randy Carlson
Name/Co: vessel Ella Christine
MRI #: 383

/s/ Scott Carter Jr.
Name/Co: Scott Carter (vessel Hannah Ruth)
MRI #: 87

/s/ H. Todd Watts
Name/Co: vessel Megalton
MRI #: 276

/s/ Dana O. Todd
Name/Co: F. Jacobs & Joshua
MRI #: 1809 - VA # 242848

/s/ Tom M. Miller
Name/Co: Tad Miller
MRI #: 1642

/s/ Robert M. Odell
Name/Co: Diving Adventures Inc.
MRI #: 2358

/s/ Donald Ruben
Name/Co: Donald Ruben
MRI #: 235

/s/ _____
Name/Co: _____
MRI #: _____

/s/ Ray G. White
Name/Co: Galley Hatch Fisheries
MRI #: 1446

/s/ _____
Name/Co: _____
MRI #: _____

EXHIBIT G

**OWNERSHIP INTERESTS
OF AT LEAST THREE VESSELS**

[See Attached]

Northeast Federal Fishing Permit

Issued pursuant to: 16 U.S.C. 1801 et seq and 5101



United States Department of Commerce
 National Oceanic and Atmospheric Administration
 National Marine Fisheries Service
 Northeast Region
 55 Great Republic Drive
 Gloucester, MA 01930
 Telephone: (978) 281-9370
 JL

NOAA form 88-156A

2009 Fishing Year Permit

PRESTON S CARTER JR
 PO BOX 231
 FRIENDSHIP, ME 04547

F/V HANNAH RUTH
 Northeast Federal Permit Number: **220989**
 Documentation/Registration Number: 646743
 Principal Port/State: FRIENDSHIP, ME

Fisheries Permitted	Date issued: 03/18/09	Effective Date	Expiration Date
SCALLOP - LAGC-IFQ - 2009		03/19/2009	02/28/2010
NE MULTS - INDIVIDUAL DAS - 2009		05/01/2009	04/30/2010
MONKFISH - INCIDENTAL CAT E. - 2009		05/01/2009	04/30/2010
TILEFISH - INCIDENTAL - 2009		05/01/2009	04/30/2010
AMERICAN LOBSTER-TRAP-AREA1 - 2009		05/01/2009	04/30/2010
SKATE - 2009		05/01/2009	04/30/2010

Maximum Trap Allocation (if applicable): 800

(see reverse side for trap allocation information)

This permit is not valid unless signed. Knowingly and willfully falsifying material facts on this form may result in criminal liability (18 U.S.C § 1001)

Authorized Signature

See reverse side for permit conditions and information

OMB# 0648-0202 Expires: November 30, 2009

Northeast Federal Fishing Permit



United States Department of Commerce
 National Oceanic and Atmospheric Administration
 National Marine Fisheries Service
 Northeast Region
 55 Great Republic Drive
 Gloucester, MA 01930
 Telephone: (978) 281-9370
 VS

Issued pursuant to: 16 U.S.C. 1801 et seq and 5101

NOAA form 88-156A

2009 Fishing Year Permit

RUSSELL DAGGETT
 110 SINNETT ROAD
 ARUNDEL, ME 04046

F/V SARAH GALE
 Northeast Federal Permit Number: **220363**
 Documentation/Registration Number: 546716
 Principal Port/State: CAPE PORPOISE, ME

Fisheries Permitted	<i>Date issued: 05/12/09</i>	Effective Date	Expiration Date
NE MULTS - INDIVIDUAL DAS - 2009		05/13/2009	04/30/2010
MONKFISH - INCIDENTAL CAT E - 2009		05/13/2009	04/30/2010
SQUID/BUTTERFSH-INCIDENTAL - 2009		05/13/2009	04/30/2010
ATLANTIC MACKEREL - 2009		05/13/2009	04/30/2010
SPINY DOGFISH - 2009		05/13/2009	04/30/2010
BLUEFISH - COMMERCIAL - 2009		05/13/2009	04/30/2010
AMERICAN LOBSTER-TRAP-AREA1 - 2009		05/13/2009	04/30/2010

Maximum Trap Allocation (if applicable): 800 (see reverse side for trap allocation information)

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Authorized Signature

Northeast Federal Fishing Permit

Issued pursuant to: 16 U.S.C. 1801 et seq and 5101



United States Department of Commerce
National Oceanic and Atmospheric Administration
National Marine Fisheries Service
Northeast Region
55 Great Republic Drive
Gloucester, MA 01930
Telephone: (978) 281-9370
DP

NOAA form 88-156A

2009 Fishing Year Permit

MITCHELL T NUNAN
41 HEATH ROAD
KENNEBUNK, ME 04043

F/V PRETENDER
Northeast Federal Permit Number: **139950**
Documentation/Registration Number: ME6577Y
Principal Port/State: CAPE PORPOISE, ME

Fisheries Permitted	Date issued: 03/03/09	Effective Date	Expiration Date
SCALLOP - LAGC-NGOM - 2009		03/04/2009	02/28/2010
NE MULTS - INDIVIDUAL DAS - 2009		05/01/2009	04/30/2010
MONKFISH - INCIDENTAL CAT E - 2009		05/01/2009	04/30/2010
SURF CLAM - 2009		05/01/2009	04/30/2010
OCEAN QUAHOG - 2009		05/01/2009	04/30/2010
SQUID/BUTTERFSH-INCIDENTAL - 2009		05/01/2009	04/30/2010
ATLANTIC MACKEREL - 2009		05/01/2009	04/30/2010
SPINY DOGFISH - 2009		05/01/2009	04/30/2010
BLUEFISH - COMMERCIAL - 2009		05/01/2009	04/30/2010
TILEFISH - INCIDENTAL - 2009		05/01/2009	04/30/2010
HERRING-OPEN ACCESS POSSESSION LIMIT - 2009		05/01/2009	04/30/2010
AMERICAN LOBSTER-TRAP-AREA1 - 2009		05/01/2009	04/30/2010
SKATE - 2009		05/01/2009	04/30/2010

Maximum Trap Allocation (if applicable): 800

(see reverse side for trap allocation information)

This permit is not valid unless signed. Knowingly and willfully falsifying material facts on this form may result in criminal liability (18 U.S.C § 1001)

Authorized Signature

STATE OF MAINE
Department of the Secretary of State
Bureau of Corporations, Elections and Commissions
101 State House Station
Augusta, Maine 04333-0101

March 10, 2010

ROGER FLEMING, ATTORNEY

1042 PEABODY ROAD
APPLETON ME 04862

ATTESTED COPIES
WR DCN: 2100681800023

Enclosed please find copies of documents recently placed on file with our office. Each copy has been attested as a true copy of the original and serves as your evidence of filing. We recommend that you retain these permanently with your records.

Charter#: 20100328ND Legal Name: PORT CLYDE COMMUNITY GROUND FISH SECTO

ARTICLES OF INCORPORATION

DCN: 2100681800024 Page(s) 15

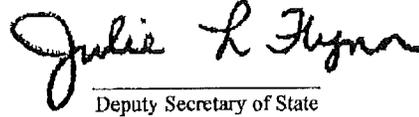
Total Pages 15

DOMESTIC
NONPROFIT CORPORATION

STATE OF MAINE

ARTICLES OF INCORPORATION

File No 20100328ND Pages 15
Fee Paid \$ 40
DCN 2100681800024 ARTI
-----FILED-----
03/02/2010


Deputy Secretary of State

A True Copy When Attested By Signature


Deputy Secretary of State

Pursuant to 13-B MRSA §403, the undersigned incorporator(s) execute(s) and deliver(s) the following Articles of Incorporation:

FIRST: The name of the corporation is Port Clyde community Groundfish Sector

SECOND: ("X" one box only. Attach additional page(s) if necessary)

The corporation is organized as a public benefit corporation for the following purpose or purposes.
See attached Exhibit A.

The corporation is organized as a mutual benefit corporation for all purposes permitted under Title 13-B or, if not for all such purposes, then for the following purpose or purposes.

THIRD: The Registered Agent is a. (select either a Commercial or Noncommercial Registered Agent)

Commercial Registered Agent CRA Public Number _____

(name of commercial registered agent)

Noncommercial Registered Agent
Roger Fleming, Attorney
(name of noncommercial registered agent)

1042 Peabody Road, Appleton ME 04862
(physical location, not P.O. Box – street, city, state and zip code)

(mailing address if different from above)

FOURTH: Pursuant to 5 MRSA §108.3, the registered agent as listed above has consented to serve as the registered agent for this nonprofit corporation

FIFTH: The number of directors (not less than 3) constituting the initial board of directors of the corporation, if the number has been designated or if the initial directors have been chosen, is 5

The minimum number of directors (not less than 3) shall be 3 and the maximum number of directors shall be 9

SIXTH: Members: ("X" one box only.)

- There shall be no members.
 There shall be one or more classes of members and the information required by 13-B MRSA §402 is attached

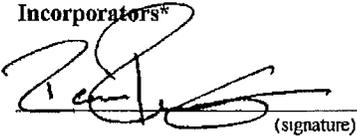
SEVENTH: (Optional) (Check if this article is to apply.)

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office

EIGHTH: (Optional) (Check if this article is to apply.)

Other provisions of these articles including provisions for the regulation of the internal affairs of the corporation, distribution of assets on dissolution or final liquidation and the requirements of the Internal Revenue Code section 501(c) are set out in Exhibit A attached hereto and made a part hereof.

Incorporators*


(signature)

Roger Fleming, Attorney

(type or print name)

(signature)

(type or print name)

(signature)

(type or print name)

Dated March 2, 2010

Street 1042 Peabody Road

(residence address)

Appleton, ME 04862

(city, state and zip code)

Street _____

(residence address)

(city, state and zip code)

Street _____

(residence address)

(city, state and zip code)

For Corporate Incorporators*

Name of Corporate Incorporator _____

By _____
(signature of officer)

Street _____
(principal business location)

(type or print name and capacity)

(city, state and zip code)

Name of Corporate Incorporator _____

By _____
(signature of officer)

Street _____
(principal business location)

(type or print name and capacity)

(city, state and zip code)

***Articles are to be executed as follows:**

If a corporation is an incorporator (13-B MRSA §401), the name of the corporation should be typed or printed and signed on its behalf by an officer of the corporation. The articles of incorporation must be accompanied by a certificate of an appropriate officer of the corporation, not the person signing the articles, certifying that the person executing the articles on behalf of the corporation was duly authorized to do so.

Please remit your payment made payable to the Maine Secretary of State

Submit completed form to

**Secretary of State
Division of Corporations, UCC and Commissions
101 State House Station
Augusta, ME 04333-0101
Telephone Inquiries (207) 624-7752**

Email Inquiries: CEC.Corporations@Maine.gov

Port Clyde Community Groundfish Sector
Articles of Incorporation

EXHIBIT A

Articles SECOND, FIFTH, SIXTH, AND EIGHTH of the Articles of Incorporation are hereby amended as follows:

SECOND: The corporation is organized for the following purposes, consistent with Title 13-B, M.S.R.A. and 501(c)(5) of the internal Revenue Code:

- A. The primary purposes of the Port Clyde Community Groundfish Sector are
1. The betterment of the conditions of those engaged in fishing,
 2. Increasing the efficiency of fishing operations,
 3. Improving the sustainability of fisheries and the quality of harvests,
 4. Promoting conservation of the groundfish resource and marine ecosystem that fishing communities depend on for their livelihood, and
 5. Fostering novel and highly adaptive means of local decision-making, self-monitoring, and sector management that can serve as a model for the future of sustainable fisheries in New England.

B. Further, as a legally responsible entity the Port Clyde Community Groundfish Sector will be able to (i) obtain an aggregate annual sector allocation ("Annual Catch Entitlement" or "ACE") of regulated large mesh multispecies ("Groundfish") from the National Marine Fisheries Service, and to sub-allocate such ACE among the Members and/or their permits and vessels, (ii) participate in Special Access Programs ("SAPs") or other approved measures in order to access areas otherwise closed to fishing to the extent that such SAPs or measures are available to the Sector, and (iii) take such actions as may be necessary to ensure that the Sector, its Members and their vessels conduct groundfish harvesting activities in compliance with the federal Groundfish Fishery Management Plan, the Magnuson-Stevens Fishery Conservation and Management Act, its implementing regulations, and other applicable laws and regulations.

C. The Port Clyde Community Groundfish Sector may also conduct such other activities in furtherance of the forgoing purposes as may be carried out by an organization under title 13-B, M.S.R.A. and described in Section 501(c)(5) of the Internal Revenue Code.

D. All powers of this corporation shall be exercised only in such manner as will assure the operation of this corporation exclusively for said purposes, it being the intention that this corporation shall be exempt from federal income tax pursuant to Section 501(c)(5) of the internal revenue code, and all purposes and powers herein shall be interpreted and exercised consistently with this intention.

FIFTH: The initial directors and officers of the corporation are as follows:

	Name	Residential Address
President	Glen Libby	450 Glenmere Road, Port Clyde, ME 04855
Vice President	Knoep Neiuwkerk	177 Maguire Road, Kennebunk, ME 04043
Treasurer and Clerk	Gerry Cushman	House 641 Port Clyde Road, Port Clyde, ME 04855

Port Clyde Community Groundfish Sector
Articles of Incorporation

Directors:	Knoep Neiwkerk	177 Maguire Road, Kennebunk, ME 04043
	Gerry Cushman	House 641 Port Clyde Road, Port Clyde ME 04855
	Bryan Bichrest	3 Winthrop Farm Road, Harpswell, ME 04079
	Gary Hatch	6 Town Clerks Road, Owl's Head, ME 04854
	Geoff Smith	18 Maryland Street, Portland, ME 04103

SIXTH: There shall be one class of members. Membership is open to anyone interested in the betterment of the conditions of those engaged in fishing and advancing the other purposes of the Port Clyde Community Groundfish Sector as set forth in Article SECOND of these Articles of Incorporation. Initial members shall be as set forth in the Operations Plan and Agreement at the time of incorporation. Thereafter, members shall be admitted by the Board of Directors, subject to the eligibility and other requirement set forth in the Operations Plan and Agreement, and will be required to pay an annual fee as established by the Board of Directors. Individuals or entities admitted to the corporation as members shall remain members until such members have withdrawn or been removed or expelled in accordance with the Operations Plan and Agreement. Each member shall be entitled to one vote on each matter submitted to a vote of the members.

EIGHTH: A. In paragraph one of Article eighth, insert the number (5) after 501(c).

B. The Board of Directors may alter, amend or repeal the bylaws or adopt new bylaws unless otherwise provided in these articles of incorporation or the bylaws. The bylaws may contain any provisions for the regulation and management of the activities of a corporation not inconsistent with law or the articles of incorporation.

C. The bylaws for the Port Clyde Community Groundfish Sector, having been duly adopted by the Board of Directors, are attached hereto and made a part hereof.

D. No part of the net earnings of the corporation will 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 compensation for services actually rendered and to make payments and distributions in furtherance of the corporation's purposes set forth in Article SECOND of these Articles of Incorporation.

E. Upon dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of 501(c)(5) of the Internal Revenue Code, or corresponding section of any future tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not disposed of shall be disposed of by the Court of Common Pleas of the county in which the principle office of the organization is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

Port Clyde Community Groundfish Sector
18 Lobster Pound Road
Port Clyde, ME 04855
File No. _____
Article EIGHTH, C.

BY-LAWS
OF
PORT CLYDE COMMUNITY GROUND FISH SECTOR
(A Maine Nonprofit Corporation)

ARTICLE I

OFFICES

Section 1. The principal office of the corporation in the State of Maine shall be located in the Town of Port Clyde, County of Knox. The corporation may have such other offices, either within or without the State of Maine, as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

Section 2. The corporation shall have and continuously maintain in the State of Maine a registered office, and a registered agent whose office is identical with such registered office, as required by the Maine Not-for-Profit Corporation Law. The registered office may be, but need not be, identical with the principal office of the State of Maine, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II

MEMBERS

Section 1. Classes of Members. The corporation shall have one class of members. The qualifications and rights of the members of such class shall be as set forth in that certain Operations Plan and Agreement of the members, as the same may from time to time be amended and approved by the National Marine Fisheries Service (the "Operations Agreement").

Section 2. Election of Members. The initial members shall be as set forth in the Operations Agreement. Thereafter, members shall be admitted by the Board of Directors, subject to the eligibility and other requirements set forth in the Operations Agreement. Individuals or entities admitted to the corporation as members shall remain members until such members have withdrawn or been removed or expelled in accordance with the Operations Agreement.

Section 3. Voting Rights. Each member shall be entitled to one vote on each matter submitted to a vote of the members.

Section 4. Termination of Membership. The Board of Directors may suspend or expel a member for cause, and may terminate the membership of any member who becomes ineligible for membership, or suspend or expel any member who shall be in default in the payment of dues for the period fixed in Article XI of these by-laws; provided that such termination, suspension or expulsion shall be in accordance with the Operations Agreement.

Section 5. Resignation. A member may only resign in accordance with the provisions set forth in the Operations Agreement.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meeting. The first annual meeting of the members shall be held on or before 90 calendar days after the approval of the Operations Agreement by the National Marine Fisheries Service ("NMFS"). Thereafter, the annual meeting of the members shall be held at the date and time fixed by the Board of Directors, which shall be no later than the earlier of (i) the date by which the members' operations plan for each fishing year is required to be submitted to NMFS for approval or (ii) 180 calendar days after the close of the corporation's previous fiscal year, for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the election of Directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be.

Section 2. Special Meetings. Special meetings of the members may be called by the President, the Manager, or the Board of Directors, and shall be called by the Clerk (or by any other officer, in the case of his or her death, absence or incapacity) upon written application of members having not less than 10% of the smallest quorum of members required for a vote upon any matter at the annual meeting of members.

Section 3. Place of Meeting. The Board of Directors may designate any place, either within or without the State of Maine, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of the corporation in the State of Maine; but if all of the members shall meet at any time and place, either within or without the State of Maine, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

Section 4. Notice of Meetings. Written notice stating the place, day and hour of any meeting of members shall be delivered, either personally or by mail, to each member entitled to vote at such meeting, not less than seven days before the date of such meeting, by or at the direction of the President, the Manager or the Clerk, or the officers or persons calling the

meeting. In case of a special meeting or when required by statute or by these by-laws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the corporation, with postage thereon prepaid. A written waiver of notice executed before or after the meeting by a member and filed with the records of the meeting shall be equivalent to notice of such meeting.

Section 5. Informal Action by Members. Any action required by law to be taken at a meeting of the members, or any action which may be taken at a meeting of members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

Section 6. Quorum. The members holding a majority of the votes which may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.

Section 7. Proxies. At any meeting of members, a member entitled to vote may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after six months from the date of its execution or after the final adjournment, if any, of the meeting for which it is given. Notwithstanding the foregoing, a proxy coupled with an interest sufficient in law to support an irrevocable power may be made irrevocable if it so provides, which proxy need not specify the meeting to which it relates and shall be valid and enforceable until the interest terminates (or for such shorter period as may be specified in the proxy).

Section 8. Manner of Acting. The rules contained in the current edition of *Robert's Rules of Order Newly Revised* shall govern the meetings of members in all cases to which they are applicable and in which they are not inconsistent with these bylaws and any special rules of order the members may adopt. A majority of the votes entitled to be cast on a matter to be voted upon by the members present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption thereof unless a greater proportion is required by law, by these by-laws, or by the Operations Agreement.

Section 9. Voting by Mail. Where Directors or officers are to be elected by members, such election may be conducted by mail in such manner as the Board of Directors shall determine.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. General Powers. The affairs of the corporation shall be managed by its Board of Directors. The Directors may exercise all of the powers of the corporation, except such as by law, the articles of organization or these by-laws are conferred upon or reserved to the members. Directors shall be members or directors, officers, employees or agents of such members, but

need not be residents of the State of Maine.

Section 2. Number, Tenure and Qualifications. The number of Directors shall be no less than three nor more than nine. The number of Directors that shall constitute the entire Board of Directors shall be fixed by resolution of the Board of Directors. Each director shall hold office until the next annual meeting of members and until his successor shall have been elected and qualified.

Section 3. Election. The initial Directors shall be those persons named as Directors in the articles of organization, who shall serve until the first annual meeting of the members. Thereafter, the Directors shall be elected at the annual meeting of the members.

Section 4. Regular Meetings. The annual meeting of the Board of Directors may be called by or at the request of the President, the Manager or any two Directors. The person or persons authorized to call the annual meetings may fix any place, either within or without the State of Maine, as the place for holding such annual meeting. The Board of Directors may provide by resolution the time and place, either within or without the State of Maine, for the holding of additional regular meetings of the Board without other notice than such resolution.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President, the Manager or any two Directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the State of Maine, as the place for holding any special meeting of the Board called by them.

Section 6. Notice. Notice of any special meeting of the Board of Directors shall be given at least two days previously thereto by written notice delivered personally or sent by mail, electronic mail or facsimile to each Director at his address as shown by the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by electronic mail, such notice shall be deemed to be delivered when sent, provided that a delivery failure confirmation shall not have been received by sender. If notice be given by facsimile, such notice shall be deemed to be delivered when the delivery confirmation of the facsimile transmission is received. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these by-laws.

Section 7. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 8. Manner of Acting. The rules contained in the current edition of *Robert's*

Rules of Order Newly Revised shall govern the meetings of the Board of Directors in all cases to which they are applicable and in which they are not inconsistent with these bylaws and any special rules of order the Board may adopt. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law, the articles of organization, the Operations Agreement or by these by-laws.

Section 9. Vacancies. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of directors may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 10. Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; but nothing herein contained shall be construed to preclude any Director from serving the corporation in any other capacity and receiving compensation therefor.

Section 11. Informal Action by Directors. Any action required by law to be taken at a meeting of directors, or any action which may be taken at a meeting of directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

ARTICLE V

OFFICERS

Section 1. Officers. The officers of the corporation shall be a President, a Vice President, a Treasurer, a Clerk, a Manager and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Treasurer. No officer need be a member.

Section 2. Election and Term of Office. The initial President, Vice President, Treasurer and Clerk shall be as set forth in the articles of organization, who shall serve until the first annual meeting of the Board of Directors. Thereafter, the officers of the corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

Section 3. Removal. Any officer elected or appointed by the Board of Directors may be

removed by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. President. The President shall be the principal executive officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation. He shall preside at all meetings of the members and of the Board of Directors. He may sign, with the Clerk or any other proper officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these by-laws or by statute to some other officer or agent of the corporation; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. The President need not be a Director of the corporation.

Section 6. Vice President. The Vice President shall succeed the President for the unexpired portion of his term and assume the President's duties should the President vacate the office due to death, resignation, removal, disqualification or other reason.

Section 7. Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions in Article VII of these by-laws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 8. Clerk. The Clerk shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these by-laws; keep a register of the post-office address of each member which shall be furnished to the Clerk by such member; and in general perform all duties incident to the office of Clerk and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 9. Manager. Except as otherwise determined by the Board of Directors, the Manager shall have general charge of such day-to-day operations of the business as shall be assigned to him by the Board of Directors and/or the members through the provisions of the

Operations Agreement. The Manager shall, in the absence of the President or in the event of his disability, perform the duties and exercise the powers of the President.

ARTICLE VI

COMMITTEES

Section 1. Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees, each of which shall consist of two or more Directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the corporation, except that no such committee shall have the authority of the Board of Directors in reference to amending, altering or repealing the by-laws; electing, appointing or removing any member of any such committee or any Director or changing any office of the corporation; changing the number of Directors on the Board of Directors and filling vacancies in the Board of Directors; removing Directors or officers from office; amending the articles of incorporation, restating articles of incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the corporation; authorizing the voluntary dissolution of the corporation or revoking proceedings therefor; adopting a plan for the distribution of the assets of the corporation; amending, altering or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repealed by such committee; or taking any other actions which are conferred upon or reserved to the members by law. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or him by law.

Section 2. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the corporation may be appointed in such manner as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be members of the corporation, and the President or Manager of the corporation shall appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the corporation shall be served by such removal.

Section 3. Term of Office. Each member of a committee shall continue as such until the next annual meeting of the members of the corporation and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

Section 4. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 5. Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum

and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 6. Rules. Each committee may adopt rules for its own government not inconsistent with these by-laws or with rules adopted by the Board of Directors.

ARTICLE VII

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these by-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or Manager of the corporation.

Section 3. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Section 4. Gifts. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the corporation.

ARTICLE VIII

CERTIFICATES OF MEMBERSHIP

Section 1. Certificates of Membership. The Board of Directors may provide for the issuance of certificates evidencing membership in the corporation, which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President or any vice president and by the Treasurer or any assistant treasurer and shall be sealed with the seal of the corporation. The name and address of each member and the date of issuance of the certificate shall be entered on the records of the corporation. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefor upon such terms and conditions as the Board of Directors may determine.

Section 2. Issuance of Certificates. When a member has been elected to membership and has paid any initiation fee and dues that may then be required, a certificate of membership shall be issued in his name and delivered to him by the Clerk, if the Board of Directors shall have

provided for the issuance of certificates of membership under the provisions of Section 1 of this Article VIII.

ARTICLE IX

BOOKS AND RECORDS

The corporation shall keep at its registered or principal office in Maine correct and complete books and records of account and shall also keep at its registered or principal office in Maine minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at its registered or principal office in Maine a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member, or his agent or attorney, for any proper purpose at any reasonable time.

ARTICLE X

FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of January and end on the last day of December in each year.

ARTICLE XI

DUES

Section 1. Annual Dues. The Board of Directors may determine from time to time the amount of initiation fee, if any, and annual dues payable to the corporation by members of each class.

Section 2. Payment of Dues. Dues shall be payable, as and when specified by the Board of Directors, in advance of the commencement of each fishing year.

Section 3. Default and Termination of Membership. When any member of any class shall be in default in the payment of dues for a period of one month from the date on which, or the beginning of the period in which, such dues are payable, his membership may thereupon be terminated by the Board of Directors in the manner provided in the Operations Agreement and Article III of these by-laws.

ARTICLE XII

SEAL

The Board of Directors shall provide a corporate seal, which shall be in the form of a circle and shall inscribed thereon the name of the corporation and the words "Corporation Seal Port Clyde Community Groundfish Sector."

ARTICLE XIII

WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the Maine Corporation Law or under the provisions of the articles of incorporation or the by-laws of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIV

INDEMNIFICATION

The Corporation shall indemnify its directors, officers, employees or other agents and persons who serve at its request as directors, officers, employees or agents of another organization to the fullest extent as permitted by law.

ARTICLE XV

AMENDMENTS TO BY-LAWS

These by-laws may be altered, amended or repealed and new by-laws may be adopted by action of the members. These by-laws may also be altered, amended or repealed and new by-laws may be adopted by a majority of the Directors present at any regular meeting or at any special meeting, except with respect to any provision which by law, the articles of organization or these by-laws requires action by the members. If the Board of Directors alters, repeals or amends these by-laws, notice thereof, stating the substance of such change shall be given to all members entitled to vote thereon not later than the time of giving notice of the meeting of the members next following the alteration, amendment or repeal.

ARTICLE XVI

RIGHTS OF MEMBERS

The members of the corporation shall have no right, title, or interest whatsoever in the corporation's income, property or assets, nor shall any portion of such income, property or assets be distributed to any member upon the dissolution or winding up of the corporation.

**AMENDMENT 1 TO THE PORT CLYDE COMMUNITY GROUND FISH SECTOR
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 Port Clyde Community Groundfish Sector:

1. 120-Day Block Requirement Out of the Fishery for Day Gillnet Vessels
2. Prohibition on a Vessel Hauling Another Vessel's Gillnet Gear
3. Limitation on the Number of Gillnets for Day Gillnet Vessels
4. 20-Day Spawning Block
5. Limitation on the Number of Hooks that May be Fished
6. Length and Horsepower Restrictions of the Days-at-Sea Leasing Program
7. Gulf of Maine Sink Gillnet Mesh Exemption
8. Vessel Monitoring System Requirements when a Vessel is at the Dock

**AMENDMENT 2 TO THE PORT CLYDE COMMUNITY GROUND FISH
SECTOR OPERATIONS PLAN**

APPROVED BY THE NATIONAL MARINE FISHERIES SERVICE APRIL 27, 2011

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

This amendment officially recognizes MRAG Americas as the authorized dockside monitoring service provider for the Port Clyde Community Groundfish Sector for fishing year 2011. Specific contact information, also found in Amendment 2, is:

Joseph B. Wodjenski
ME & NH Port Coordinator
MRAG Americas
65 Eastern Ave.
Essex, MA 01929
774-501-7419
joseph.wodjenski@mragamericas.com

Section 3.01. Sector Manager. The Board of Directors (the “Board”) of the Sector shall appoint a manager of the Sector (the “Manager”), who shall have the authority to manage the day-to-day business of the Sector and to act as its designated agent for service of process. Ben Martens, of Topsham, Maine, has been hired as the agent for service of process and the role of Manager.

**AMENDMENT 3 TO THE PORT CLYDE COMMUNITY
GROUND FISH SECTOR 2011 SECTOR OPERATIONS PLAN**

APPROVED BY THE NATIONAL MARINE FISHERIES 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 Port Clyde Community Groundfish Sector membership based on the final sector roster, submitted on May 1, 2011. The final roster is summarized below:

MRI	Permit	Vessel Name
5	148076	SAFE HAVEN
17	222478	ASHLEY NICOLE
49	220149	ANNE MARIE
78	220685	GRETCHEN MARIE
87	220989	HANNAH RUTH
97	221740	HAYLEY ANN
112	242567	CAPT'N LEE
130	212165	FREEBIRD
163	230524	JEANNE C
164	223592	PROVIDENCE
196	150946	JETHRO
222	240081	NORTH STAR
235	240143	MISTY MAE
276	240423	MEGALTAY
286	240636	HIGH ROLLER
290	147517	HANNAH JO
383	250387	ELLA CHRISTINE
402	250485	BAD PENNY
419	250582	WINDSONG
461	150572	THREES ENOUGH
1256	150173	JUNKER
1441	149079	WADE'S WAY
1445	221941	SHANNON DAWN
1446	250907	CAROL ANN
1474	250558	LESLIE & JESSICA
1642	231459	JULIE ANN
1801	150886	DELILAH JONES
1809	242848	JACOB AND JOSHUA
1815	242777	PAMELA GRACE
1823	139950	PRETENDER
1835	140344	THERESA IRENE III
1864	114793	ENDEAVOR

2052	242609	AMANDA ELIZABETH
2237	149493	CUTTER
2260	150163	BEVERLY JOYCE
2273	220363	SARAH GALE
2341	242844	SAFE HAVEN
2358	250527	MARIA AND DOROTHY
2404	214857	CAMMIE KENDRICK