

SECTOR OPERATIONS PLAN AND AGREEMENT

This NORTHEAST FISHERY SECTOR OPERATIONS PLAN AND AGREEMENT (this "Agreement") is entered into as of December 15, 2009 (the "Effective Date"), by and among Northeast Fishery Sector IV ("NEFS IV") and each of the Sector members identified on the attached **Exhibit A**.

Recitals

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

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

Agreement

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

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

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

“Board”). Any person wishing to become a Sector member must submit an application no later than sixty (60) days prior to the annual deadline by which Sector applications must be submitted to NMFS. Sector membership shall be effective upon admission of a member by the Board and acceptance by execution by such member of the Sector’s Membership Agreement. Subject to the automatic renewal provisions of Section 12 below, and the disciplinary expulsion provisions of Section 13 below, Sector membership shall expire at the conclusion of each fishing year, unless renewed by the Board in accordance with the Sector’s Bylaws and this Agreement. The Sector’s members (the “Members”), such Members’ “Limited Access Multispecies Permit” (LA MS) as identified by its “Moratorium Rights Identifier” (MRI), associated with the Sector’s allocations under Amendment 16 are identified on the attached **Exhibit A**, which may be amended from time to time in accordance with this Agreement and the Sector’s Bylaws. **Vessels are not listed in Exhibit A because this is a lease-only Sector, and there will not be any active vessels in FY2010.**

2.1 Rule of Three Requirement: Amendment 16 to the NE multispecies FMP defines a sector as a group of three or more persons, none of whom have an ownership interest in the other two persons in the sector. This criteria has been fulfilled with permit # 150802 under the distinct ownership of Gloucester Fishing Community Preservation Fund, permit # 310901 under the distinct ownership of S & M Fisheries Inc., and permit # 150217 under the distinct ownership of Heidi and Heather Fisheries LLC.

3. Member and Vessel Permits. The attached **Exhibit B** is provided in accordance with the requirements of Amendment 16 that all state and federal permits held by Members or assigned to Members’ vessels be disclosed in each sector’s annual operations plan. This sector will be a lease-only sector in 2010 which will cause all state and federal non-groundfish permits / endorsements associated with the sector vessels to be inactive in FY 2010.

4. Sector Allocation and Exemptions. Each Member shall take all actions and execute all documents necessary to obtain the Sector’s Amendment 16 annual catch entitlement (“ACE”). The Sector shall request all universal exemptions granted to sectors under Amendment 16, and

any special exemptions the Board deems appropriate. The special exemptions initially requested by the Sector are identified on the “Harvesting Rules” attached hereto as **Exhibit C**.

5. Distribution of Sector ACE. Each Member acknowledges that the Sector’s ACE is composed of allocations for each species of Northeast multispecies groundfish allocated by Amendment 16 (each such species being an “Allocated Species”). Subject to the terms and conditions of this Agreement, each Member shall be entitled to transfer an amount of the Sector’s ACE for each Allocated Species proportionate to the amount of ACE for such species that the Sector receives as a result of such Member’s membership in the Sector. The amount of Sector ACE a Member may transfer, as adjusted by transfers and Sector retainages made in accordance with this Agreement, is referred to hereafter as a Member’s “Harvest Share”. Each Member may transfer its Harvest Share only under the terms and conditions of this Agreement and in compliance with the restrictions imposed by the Manager (as defined below), the Enforcement Committee (as defined below) and the Board in accordance with this Agreement. Any other attempted transfer of a Member’s Harvest Share shall be a breach of this Agreement.

6. Sector Manager and Registered Agent. The Board shall from time to time appoint a person to act as the Sector’s authorized agent in all NMFS and New England Fishery Management Council matters (the “Manager”), and a person to serve as the registered agent for receiving service of process on behalf of the Sector (the “Registered Agent”). The procedures for appointing the Manager and the Registered Agent shall be as provided in the Sector’s Bylaws, as the same may be amended from time to time. The Manager and the Registered Agent may be the same person. The Manager shall be responsible for preparing and filing all reports required of the Sector under Amendment 16 and the related implementing regulations. Jackie Odell will serve as the registered agent for receiving service of process on behalf of the Sector, until another individual is named.

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

7.1 Reserve. No Reserve is required for FY 2010. Sector Members will not harvest sector ACE. The sector manager will utilize Inter and Intra sector transfers to move ace between members and to fully utilize the ACE allocated to the Sector.

7.2 Harvest Share Use. This Sector is comprised of non-active Members only, who shall not harvest Sector ACE, including without limitation, their own Harvest Share. Members may transfer (lease) harvest share between members and the sector manager will execute transfers of sector ACE through inter-sector leasing.

7.3 Harvest Share Transfer. Subject to the terms and conditions of this Agreement, each Member may transfer some or all of such Member's Harvest Share to one or more other Members on such terms and conditions as the transferor Member and the transferee Member(s) may agree. No transfer of a Member's Harvest Share shall become effective until the Manager has received actual notice of such transfer. Any such transfer shall be subject to such terms and conditions as the Board may adopt from time to time. Without limiting the foregoing, the Sector Board of Directors may condition, review, approve and restrict transfers of Harvest Shares to non-Members as it deems necessary.

7.4 Harvesting Rules and Fishing Plan. The Board may from time to time adopt such restrictions on harvest of the Sector's ACE as the Board deems necessary to ensure the Sector's compliance with Amendment 16 and related implementing regulations (such restrictions referred to hereafter as "Harvesting Rules"). The Harvesting Rules are set forth on **Exhibit C**. Each Member shall conduct their harvest of the Sector's ACE in strict compliance with the Harvesting Rules. Each Member shall exercise their best efforts to ensure such Member's Harvest Share is harvested in accordance with the Harvesting Rules. The Manager shall annually develop a Sector fishing plan that promotes harvest of the Sector's ACE in accordance with the Harvesting Rules (the "Fishing Plan"), and shall make the Fishing Plan available to Active Members prior to the commencement of the fishing season. However, at this time no active members comprise this sector.

7.5 Re-direction Of Effort. As of the Effective Date, the Members have not identified any anticipated redirection of fishing effort resulting from Sector formation and

operations. The Members anticipate that their level of participation in other federal and state fisheries for which they are licensed to fish will remain consistent with previous levels of participation. Pursuant to the requirements of Amendment 16, the Sector shall report all Member fishing activity known to it as part of its annual report.

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

NA

7.7 Consolidation and Redistribution of ACE: NA

In FY 2009, 6% of the permits which are enrolled in the NEFS IV Sector for FY 2010 are attached to vessels actively fishing for NE Multispecies. For FY 2010, the NEFS IV Sector has 48 permits currently enrolled. Of those 48 permits, 0% will actively fish for NE multispecies in FY 2010. While these numbers may change, the NEFS IV Sector expects that compared to FY 2009 there would be no change from the consolidation rate that previously occurred under the DAS Leasing Program or the consolidation rate that may take place in the common pool in FY 2010. The member permits that are not attached to active NE multispecies vessels in FY 2010 are the same permits that leased out their DAS allocations in FY 2009.

8. Release of Catch Data. Pursuant to Section 402(b)(1)(F) of the Magnuson-Stevens Fishery Conservation and Management Act, 16 U.S.C. 1881a(b)(1)(F), each Member hereby authorizes the release to the Sector of information regarding the catch of various species of fish associated with such Member's "LA MS" permit(s) submitted to NMFS in compliance with 50 C.F.R. 648.7 and 648.87 that such Member 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 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 shall not be released by the Sector to another entity. When information released to the Sector by NMFS is no longer needed for Sector management, it shall be destroyed or returned to the Member who authorized its release to the Sector, at such

Member's election. Upon a Member ceasing to be a Sector member, the foregoing data release authorization shall immediately be null and void.

9. Catch Monitoring and Reporting. AT this time no active members comprise this sector (see comment JGJ15).

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

10.1 Liquidated Damages Schedule and Schedule Amendments. NA

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

10.3 Liquidated Damages Base Value and Multiplier Adoption. NA

10.4 Liquidated Damages Calculation. NA

10.5 Notice to Vessel Masters; Assumption of Liability. NA At this time no active members comprise this sector.

10.6 Liquidated Damages Security. NA

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

10.8 Member Appeals. NA

10.9 Voluntary Compliance. In connection with breaches of this Agreement for which a Member is liable to the Sector or other Sector Members for liquidated damages, the

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

10.10 Liquidated Damages Collection and Related Expenses. NA

10.11 Consequential Damages for Gross Negligence or Willful Misconduct. NA

10.12 Distribution of Damages. NA

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

In consideration of the foregoing, each Member agrees to indemnify, defend and hold the Sector and all other Members harmless from and against all liabilities, claims, fines, penalties and forfeitures of any nature whatsoever arising out of or related to any breach of this

Agreement related to such Active Member's use of Sector ACE, and each Member agrees to indemnify, defend and hold the Sector and the other Members harmless from and against all liabilities, claims, fines, penalties and forfeitures of any nature whatsoever arising out of or related to such Member's breach of this Agreement. Each Member authorizes the Board to require that a Member's obligations under this Section 11 be secured by a surety.

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

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

If a Member is in breach of this Agreement or has outstanding Sector payment or performance obligations as of the Termination Date, unless the Board takes action to terminate such Member's membership, such Member's membership shall be deemed renewed for the

following year, notwithstanding any notice of withdrawal such Member may give, and the Sector shall have the authority to file an application for a Sector allocation including such Member as a Member of the Sector. Each Member hereby grants the Sector a power-of-attorney, coupled with an interest, for such purposes, and authorizes each of the Sector's officers to take any and all actions and execute any and all documents necessary or convenient to give effect to this provision.

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

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

14. Stop Fishing Order; Injunctive Relief. NA

15. Permit Transfer/Sale. No Member may transfer such Member's "LA MS" permit or "MRI" permit to a person who is not an Member unless such person assumes all of the transferring Member's obligations under this Agreement as of the effective date of such transfer. A person other than a Member who receives a Member's "LA MS" permit or "MRI" permit from a Member in accordance with this Section 15 (a "Transferee") shall only be eligible to participate in the Sector for the balance of the fishing year during which the transfer occurs, and thereafter may only remain a Sector Member if such Transferee applies for and is admitted to Sector membership in accordance with Section 2, above

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

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

18. Binding Arbitration. Each Member and the Sector agree to exercise their best good faith commercially reasonable efforts to resolve any disputes arising under this Agreement through direct negotiations. Breaches of this Agreement which are not resolved through direct

negotiation shall be submitted to binding arbitration upon the request of any party at interest. Any person nominated as an arbitrator hereunder by any person shall be a person of mature, sound and reasonable business judgment and experience and either have (a) held a federal fishing master license for at least ten (10) years, or (b) been an attorney at law practicing in the area of fisheries for at least ten (10) years.

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

The final decision of the Arbitrators shall not be subject to review or appeal by any other person, including any court, with the exception of NMFS in its oversight role for the purposes of statutory and regulatory compliance and consistency. Any right to any such appeal is hereby irrevocably waived and relinquished. Such final decision shall bind the parties and shall not require any further action of enforcement or collection once docketed with the records of the

Sector. In breach by any Member of performance thereof, the Manager may *sua sponte* and without any notice or hearing issue a Stop Fishing Order or an Order of Expulsion respecting such Member in breach.

The Sector shall, without limiting the foregoing rights and procedure, also have the right to enforce any decision against any Member in breach by an action for specific performance, declaratory relief, *lis pendens* or any other action in a court of law having jurisdiction of the parties, it being understood and agreed that the Federal court for the District of Massachusetts and the Massachusetts Superior Court for the County where the registered office of the Sector is located shall be deemed to have such jurisdiction

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

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EXHIBIT A

Sector Membership Fishing Year 2010 (May 1, 2010 to April 30, 2011)

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

Owner/Entity	Permit #	MRI #	Vessel Name
GFCPF	150722	125	DOLPHIN
GFCPF	150568	200	SAINT JUDE
GFCPF	150818	212	FRANCIS ELIZABETH
GFCPF	150592	246	ACME
GFCPF	150560	356	LADY OF THE ROSARY
GFCPF	150926	358	Joseph and Lucia
GFCPF	150590	432	SAINT FRANCIS
GFCPF	150513	444	HOLY FAMILY
GFCPF	150479	467	OVER THE HORIZON
GFCPF	150621	468	SAINT GEORGE
GFCPF	150582	476	SAINT STEPHEN
GFCPF	150792	500	VESSEL PLAYTIME II
GFCPF	150550	502	SANTA LUCIA
GFCPF	150781	505	CAPE MAY
GFCPF	320674	665	MISS JUDITH
GFCPF	150762	684	LADY IN BLUE
GFCPF	330316	794	CHARLOTTE G
GFCPF	150791	843	LITTLE FLOWER
GFCPF	150749	868	LEVIATHAN
GFCPF	150784	985	TEXAS
GFCPF	150802	1011	VINCIE N
GFCPF	150546	1263	SAINT BERNADETTE
GFCPF	150527	1279	SAINT VICTORIA
GFCPF	150659	1320	BONAVENTURE
GFCPF	150532	1332	SAINT MARY
GFCPF	150589	1365	BLUE WATERS
GFCPF	150827	1447	KATIE D
GFCPF	150600	1491	BLUE SURF
GFCPF	150539	1530	SAINT JOSEPH
GFCPF	150512	1650	SAINT NICHOLAS
GFCPF	150531	1709	HOLY CROSS
GFCPF	150553	1712	SANTA MARIA
GFCPF	150852	1802	UNICORN

Owner/Entity	Permit #	MRI #	Vessel Name
GFCPF	150666	1812	CURLEW
GFCPF	150669	1867	JEAN D ARC
GFCPF	150789	1880	CAPE COD
GFCPF	150803	1902	NELLIE M. STANLEY
GFCPF	150544	1967	SAINT ROSALIE
GFCPF	150514	2004	SAINT PETER
GFCPF	150523	2023	OUR LADY OF FATIMA
GFCPF	150850	2026	ESTER M
GFCPF	150564	2112	LADY OF GOOD VOYAGE
GFCPF	150551	2356	MOTHER & GRACE
GFCPF	150845	7378	GAMBLER
Heidi and Heather Fisheries, LLC	150217	1482	CHESTY MCBOOB
Joesphine Inc.	149838	421	SALVATORE
S & M Fisheries Inc.	310901	447	PATRIOT
Samue Inc.	136990	1999	JOSEPHINE

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

There will be no active vessels in this sector.

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EXHIBIT B

Sector Member and Vessel Permits Amendment 16 Disclosure Requirements Fishing Year 2010 (May 1, 2010 to April 30, 2011)

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

All permits eligible to be entered into a Sector by these Members have been, as of the date of this submission.

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

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EXHIBIT C

HARVESTING RULES

LEASE-ONLY SECTOR / NO Active Vessels

Fishing Year 2010 (May 1, 2010 to April 30, 2011)

The Members and the Participating Vessels of **Northeast Fishery Sector IV** agree to be legally bound to follow the Harvesting Rules for the Fishing Year 2010 as described herein, in accordance with all provisions of the Sectors Operations Plans and Agreement (herein "Agreement"), notwithstanding those rules and regulations applicable to the common pool Multispecies vessels. The Members and the Participating Vessels will not harvest Sector ACE or engage in other fishing activity for the fishing year 2010-2011. The Sector ACE will only be utilized through Inter-Sector ACE transfers primarily to NEFS II and NEFS III.

Members and Participating Vessels of NEFS VI will fish in all areas in the Northeast multispecies range within the U.S. EEZ. Primary fishing will occur within Georges Bank and Gulf of Maine, with additional fishing occasionally occurring in southern New England.

ANNUAL CATCH ENTITLEMENT: (as determined by NMFS)

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

1. ANNUAL CATCH ENTITLEMENT: The members agree that they will not collectively lease/transfer more than the Sector ACE, as adjusted by transfers, for any allocated groundfish stocks.

2. QUOTA MANAGEMENT: Sector members will use a PC based software for collecting data, reporting transfers, and logbook information.

3. DAYS AT SEA: Each participating permit and participating vessel will be allocated Days-At-Sea (DAS) by the Regional Administrator. Sector Member permits will not be subject to the DAS reduction proposed in Amendment 16 for common pool vessels. Members will be allowed to lease DAS to other sectors/members.

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

5. WEEKLY REPORTS: The Sector Manager will submit Weekly Sector Reports of all transfers of ACE by the sector. The sector will submit required reports using the format and procedure prescribed by NMFS. The Sector will continue to work with NMFS to improve the weekly reporting system and requirements.

5.1 REPORTING THRESHOLDS THAT TRIGGER DAILY REPORTING: Because no participating vessels will catch groundfish, no increased reporting frequency is required.

6. ANNUAL REPORT: Within sixty (60) days of the end of the fishing year the Sector Manager will submit an annual report to NMFS and the Council that summarizes: fishing (Leasing/Transferring) activities of Members, including harvest levels of all species by sector vessels (landings and discards by gear types); enforcement actions; and any other relevant information required to evaluate the performance of the Sector. The sector will submit required reports using the format and procedure prescribed by NMFS.

7. DATA RECONCILIATION: The Sector Manager will verify that ACE transfers are reconciled with the Sectors that have participated with the sector for consistency. The Sector will receive the data electronically to expedite and automate data reconciliation. If a discrepancy is detected, the Sector Manager will notify the other sector(s) and NMFS of the discrepancy and will note discrepancies on the weekly report until resolved.

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

9. DATA MANAGEMENT: All data necessary for sector ACE management, including all elements of VTR logbook and daily / weekly reporting requirements will be input electronically. Notwithstanding reporting requirements that cannot be altered by a sectors operations plan,

the **Sector's server** will be capable of collecting, storing, converting and relaying all data elements necessary to meet all reporting requirements in the formats required by the recipients

10. PROOF OF SECTOR MEMBERSHIP: For the fishing year 2010, no members / vessels of Northeast Fishery Sector IV will be authorized to harvest the Sector's ACE . Therefore, LOAs would not be a necessary component of this Sectors operations.

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

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

11.2 DATABASE MANAGEMENT: The Sector, acting through its Manager, will maintain the database(s) of vessel trip reports (VTR), dealer, At Sea (ASM) and Dockside (DSM) monitoring reports. In addition, the Sector will maintain any other database it determines necessary for its operations.

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

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

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

12.3 EASTERN U.S./CANADA AREA: Members/vessels acknowledge that they are granted permission to access the Eastern US/CA Area year round, regardless of projections that the hard TAC applicable to the common pool will be caught. Members further acknowledge that access to this area on a continual basis is conditioned on the vessels availability of ACE.

12.4 PAPER VTR: Members acknowledge that they are bound to all applicable reporting requirements. Sector vessels shall continue using paper VTRs for FY 2010, as required by regulations. However, should electronic vessel trip reporting (e-VTR) systems for transmission and submission of required VTR reports be authorized by the Regional Administrator in FY 2010, this Sector reserves the option to utilize this reporting method.

12.5 ADDITIONAL REQUESTS: It is the understanding of the Sector that they may be able to request additional exemptions in the event other NMFS approved measures are deemed applicable and available to Sectors for Fishing Year 2010; for example 6” mesh for gillnets in the Gulf of Maine.

Dockside Monitoring and At-Sea Monitoring: This Sector will operate as a Lease-Only Sector in fishing year 2010. No members of Northeast Fishery Sector IV will actively engage in fishing activities with the MRI permits or vessels listed as “Members” in exhibit A.

Administrative Provisions Addendum:

Notwithstanding regulatory authority granted in other regulations the following provisions represent those sections of **NEFS IV** Agreement and related Exhibits that are Administrative in nature and therefore not subject to enforcement by the National Marine Fisheries Service, as required to be specified by sector regulations 50 CFR 648.87(b)(2)(x). This Sector will operate as a LEASE-ONLY Sector in fishing year 2010. No member or member vessel/s will be authorized to harvest Sector ACE or to otherwise engage in fishing activities during the 2010 fishing year. Therefore, provisions of A16 and the Northeast multi-species FMP and this Operations Plan and Agreement that are applicable to fishing / harvesting activities are implicitly irrelevant to the FY 2010 operations of Northeast Fishery Sector IV. Note: Some provisions of this Operations Plan and Agreement are not applicable while the sector is a Lease-Only operation and are designated: "NA" (not applicable). Those provisions that are administrative are listed in this addendum and designated with "NA".

SECTOR OPERATIONS PLAN AND AGREEMENT

1. Sector Name.
2. Sector Eligibility and Membership.
4. Sector Allocation and Exemptions.
5. Distribution of Sector ACE.
6. Sector Manager and Registered Agent.
7. Consolidation Plan.
 - 7.1 Harvest Share Reserve
 - 7.2 Harvest Share Use.
 - 7.3 Harvest Share Transfer.
 - 7.4 Harvesting Rules and Fishing Plan. Section 7.4 is administrative except to the extent that it applies to Harvesting Rules Sections 1, 5, 6, 7, and 11 which are enforceable and therefore not considered administrative under this section.
 - 7.5 Re-direction Of Effort.
 - 7.6 Sector Vessel Interactions with Allocated Species in Non-Amendment 16 Fisheries.
 - 7.7 Consolidation and Redistribution of ACE:

8. Release of Catch Data.
9. Catch Monitoring and Reporting.
10. Breach and Remedies for Breach.
 - 10.1 Liquidated Damages Schedule and Schedule Amendments. NA
 - 10.2 Enforcement Committee.
 - 10.3 Liquidated Damages Base Value and Multiplier Adoption. NA
 - 10.4 Liquidated Damages Calculation. NA
 - 10.5 Notice to Vessel Masters; Assumption of Liability. NA
 - 10.6 Liquidated Damages Security. NA
 - 10.7 Manager Action in Response to Apparent Breach.
 - 10.8 Member Appeals. NA
 - 10.9 Voluntary Compliance.
 - 10.10 Liquidated Damages Collection and Related Expenses. NA
 - 10.11 Consequential Damages for Gross Negligence or Willful Misconduct. NA
 - 10.12 Distribution of Damages. NA
11. Joint Liability and Indemnification.
12. Membership Termination
14. Stop Fishing Order; Injunctive Relief. NA
15. Permit Transfer/Sale.
16. Release and Waiver of All Claims Against Sector Manager; Indemnification and Hold Harmless.
17. Sector Membership Fees.

18. Binding Arbitration.

19. Amendment and Incorporation by Reference.

EXHIBIT C

HARVESTING RULES

2. QUOTA MANAGEMENT:

7. DATA RECONCILIATION:

8. ADMINISTRATIVE EXEMPTION:

9. DATA MANAGEMENT: